

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to land use and zoning; adding a new Section 23.49.167 to the Seattle Municipal Code to provide alternative development standards for small lots located in Downtown Mixed Residential zones.

Summary and background of the Legislation:

The legislation addresses issues relating to construction on small lots in DMR zones located in Belltown. Currently, lot coverage and setback requirements in these zones require complex building forms with floor plates that gradually decrease in size at various heights. While construction is already challenging on small lots, these standards are particularly challenging because they result in complicated construction, challenging floor layouts, and small upper-story floor plates. Advancements in modular and panelized construction are making small lot development more feasible; however, these types of construction require more consistent floor plates to be feasible. The goal of this legislation is to implement zoning standards that are more appropriate for small lots in order to increase the supply of market-rate and rent-restricted housing.

MINIMUM REQUIREMENTS

Projects meeting the following standards would be allowed to meet a different set of development standards:

- The site is located in a DMR/C 145/75, DMR/R 145/65, DMR/C 280/125, or DMR/R 280/65 zone.
- The site is less than 14,500 square feet in size.
- At least 75% of gross floor area in residential use.

ALTERNATIVE STANDARDS

Projects meeting the minimum standards would be allowed to use the following alternative standards in order to provide more appropriate massing for smaller lots.

Coverage Limits

Currently, on lots less than 19,000 square feet in DMR zones, the first 65 feet in height have no coverage limit, floors between 65 feet and 85 feet have a maximum coverage limit of 75%, and floors above 85 feet and have a coverage limit of 65%. We are proposing to allow the following alternative:

- For lots 8,000 square feet or less, development would have to meet one of the following:

- the first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 80%; or
- the first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 85%, but the development could not exceed 135 feet, excluding rooftop features and any additional height granted by the Living Building Pilot program.
- For lots 14,500 square feet or less but greater than 8,000 square feet, the first 45 feet would have no coverage limit and all floors above 45 feet would have a maximum coverage limit of 75%.

Building Width and Depth

Currently, lots less than 19,000 square feet in DMR zones have a maximum width and depth limit of 90 feet on avenues and 120 feet on east/west streets for portions of a structure above 65 feet in height. We are proposing to allow a maximum width and depth limit of 100 feet on avenues and 120 feet on east/west streets for portions of a structure above 45 feet in height.

Green Street Setbacks

Development on green streets in DMR zones is required to be setback 10 feet from the green street property line between 65 and 85 feet in height, plus an additional foot of setback for each 5 feet above 85 feet. However, buildings frequently get departures from the stepped setback through design review as it results in a strange shape. Variable upper-level setbacks are challenging on small lots because they result in many floor plate changes. This type of development standard is particularly challenging for modular or panelized construction where standard unit sizes would result in the removal of full units on upper stories. The proposed alternative is to require no setback for the first 25 feet and a setback of 10 feet for the remainder of the building. This alternative would only be allowed on the north side of a green street without view corridor requirements to ensure it does not significantly reduce the amount of light accessing the street.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes ___ X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes ___ X No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

This legislation could encourage additional housing development projects which could increase the number of Master Use and Building Permits that are submitted to the City for review. Additionally, this legislation could result in very minor increases in the time it takes to review projects in DMR zones in Belltown. The cost of additional review time would be paid for by additional permit fees. The legislation is not likely to produce more than one new Master Use Permit a year.

Is there financial cost or other impacts of *not* implementing the legislation?

Not implementing this legislation could reduce the amount of housing development that occurs in Seattle.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

The legislation would affect the Seattle Department of Construction and Inspections (SDCI) due to potential small increases in the volume of permits submitted.

b. Is a public hearing required for this legislation?

Yes. A public hearing is expected to be held in 2021.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Publication is required in the Daily Journal of Commerce.

d. Does this legislation affect a piece of property?

The legislation will apply to residential development on small lots in the DMR zones of Belltown.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

This legislation would encourage more market-rate housing production. New housing production is required to contribute to affordable housing through Mandatory Housing Affordability and will help slow or prevent increasing housing prices by increasing the supply of housing. Displacement of existing housing is unlikely as an analysis of the City's Development Capacity model found that the affected area does not contain any existing residential buildings that are likely to redevelop.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

This legislation is likely to decrease carbon emissions over the long term. The intent of this legislation is to make it easier to develop housing in Belltown, an area of the city where residents tend to travel less by car and thus generate lower carbon emissions. Additionally, it will facilitate modular and panelized construction which tends to use less materials.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

This legislation will not have a significant impact on Seattle's resiliency. Overall, it will tend to encourage housing in an area where it will have minimum impact on increasing

impervious surface and decreasing canopy cover. This area is also not expected to be affected by increased flooding or rising sea levels. This area may however be subject to higher temperatures than Seattle as a whole due to higher levels of impervious surface and lower tree canopy.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

No new initiative or major programmatic expansion is proposed.