

## **SEATTLE CITY COUNCIL**

### **Land Use Committee**

## **Agenda**

Wednesday, March 9, 2022 2:00 PM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Dan Strauss, Chair Tammy J. Morales, Vice-Chair Teresa Mosqueda, Member Sara Nelson, Member Alex Pedersen, Member

Chair Info: 206-684-8806; <a href="mailto:Dan.Strauss@seattle.gov">Dan.Strauss@seattle.gov</a>

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### **SEATTLE CITY COUNCIL**

# Land Use Committee Agenda March 9, 2022 - 2:00 PM

### **Meeting Location:**

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

#### **Committee Website:**

https://www.seattle.gov/council/committees/land-use

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Pursuant to Washington State Governor's Proclamation No. 20-28.15 and Senate Concurrent Resolution 8402, this public meeting will be held remotely. Meeting participation is limited to access by the telephone number provided on the meeting agenda, and the meeting is accessible via telephone and Seattle Channel online.

Register online to speak during the Public Comment period at the 2:00 p.m. Land Use Committee meeting at http://www.seattle.gov/council/committees/public-comment.

Online registration to speak at the Land Use Committee meeting will begin two hours before the 2:00 p.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Strauss at Dan.Strauss@seattle.gov

Sign-up to provide Public Comment at the meeting at

http://www.seattle.gov/council/committees/public-comment

Watch live streaming video of the meeting at

http://www.seattle.gov/council/watch-council-live

Listen to the meeting by calling the Council Chamber Listen Line at

253-215-8782 Meeting ID: 586 416 9164

One Tap Mobile No. US: +12532158782,,5864169164#

Please Note: Times listed are estimated

- A. Call To Order
- B. Approval of the Agenda
- C. Public Comment

(10 minutes)

- D. Items of Business
- 1. <u>CB 120266</u> AN ORDINANCE relating to land use and zoning; amending

Sections 23.47A.012 and 23.47A.013 of the Seattle Municipal Code to allow for transfer of development potential or transfer of development rights in the NC3-200 and the NC3P-200 zones.

**Supporting** 

**Documents:** Summary and Fiscal Note

<u>Director's Report</u>
<u>Central Staff Memo</u>
Presentation (2/23/22)

**Discussion and Possible Vote** (20 minutes)

Presenter: Lish Whitson, Council Central Staff

**2.** CB 120265

AN ORDINANCE relating to land use regulation of home occupations; extending for six months interim development controls established by Ordinance 126293 to allow home-based businesses to operate with fewer limitations during the COVID-19 civil emergency; and ratifying and confirming certain prior acts.

**Supporting** 

<u>Documents:</u> <u>Summary and Fiscal Note</u>

Presentation on C.B. 120001 (2/24/21)

Central Staff Memo on C.B. 120001 (3/10/21)

**Briefing and Discussion** (30 minutes)

Presenter: Councilmember Dan Strauss

3. Seattle Department of Construction and Inspections (SDCI) and Office of Sustainability and Environment (OSE) Quarterly Tree Report

Supporting

Documents: Report

Presentation

**Briefing and Discussion** (30 minutes)

**Presenters:** Chanda Emery, Seattle Department of Construction and Inspections; Patricia Bakker, Office of Sustainability and Environment

#### E. Adjournment



### SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

### **Legislation Text**

File #: CB 120266, Version: 1

#### CITY OF SEATTLE

ORDINANCE	
COUNCIL BILL	

- AN ORDINANCE relating to land use and zoning; amending Sections 23.47A.012 and 23.47A.013 of the Seattle Municipal Code to allow for transfer of development potential or transfer of development rights in the NC3-200 and the NC3P-200 zones.
- WHEREAS, Seattle provides incentives for preservation of designated Landmarks by allowing transfer of development rights or transfer of development potential from designated Landmarks Downtown, in Uptown, in the University District and various zones throughout the City; and
- WHEREAS, transfer of development rights and transfer of development potential is an important tool to provide financing to ensure ongoing rehabilitation and maintenance of designated Landmarks; and
- WHEREAS, the Seattle Municipal Code does not afford designated Landmarks, such as the Sorrento Hotel, in the NC3-200 and NC3P-200 zones the ability to transfer development rights or development potential; NOW, THEREFORE,

#### BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 23.47A.012 of the Seattle Municipal Code, last amended by Ordinance 126157, is amended as follows:

#### 23.47A.012 Structure height

\* \* \*

F. Additional height in NC3-200 and NC3P-200 zoned areas in the First Hill/Capitol Hill Urban Center32

In the NC3-200 and NC3P-200 zones in the First Hill/Capitol Hill Urban Center, additional height above the

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otherwise applicable height limit of 200 feet may be permitted to accommodate floor area achieved through the provisions of subsection 23.47A.013.F and Section 23.58A.042 if the development meets the following requirements:

- 1. The development does not exceed 350 feet in height, except that rooftop features may exceed 350 feet in height if they comply with subsection 23.47A.012.C.
- 2. Only extra floor area achieved through subsection 23.47A.013.F may be located above 200 feet.
- Section 2. Section 23.47A.013 of the Seattle Municipal Code, last amended by Ordinance 126287, is amended as follows:

#### 23.47A.013 Floor area ratio

\* \* \*

F. Extra floor area in NC3-200 and NC3P-200 zoned areas in the First Hill/Capitol Hill Urban Center

In the NC3-200 and NC3P-200 zones in the First Hill/Capitol Hill Urban Center, extra floor area above the

otherwise applicable FAR limit of 8.25 for nonresidential structures or 12 for structures with at least 4 FAR in

residential use may be achieved pursuant to the provisions of this subsection 23.47A.013.F and Section

23.58A.042 if the development meets the following conditions:

- 1. Extra floor area must be gained through the transfer of TDP/TDR pursuant to the provisions of Section 23.58A.042. For purposes of calculating the amount of TDP/TDR that may be transferred, the otherwise applicable FAR limits in subsection 23.47.013.A shall be the base FAR.
- 2. The sending site must be located in a NC3-200 or NC3P-200 zoned area in the First

  Hill/Capitol Hill Urban Center and the lot receiving the transfer of floor area must be on the same block as the sending site.
- 3. The amount of extra floor gained from this subsection 23.47A.013.F by any one development may not exceed 110,526 square feet.

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4. For purposes of this subsection 23.47A.013	.F, the transfer of development rights to gain extra
non-residential floor area is TDR and the transfer of develop	oment potential to gain extra residential floor area is
TDP.	
5. The only types of TDP and TDR that may be	be transferred pursuant to this subsection
23.47A.013.F are Landmark TDP and TDR.	
Section 3. This ordinance shall take effect and be in	
not approved and returned by the Mayor within ten days after	er presentation, it shall take effect as provided by
Seattle Municipal Code Section 1.04.020.	
Passed by the City Council the day of	, 2022, and signed by
me in open session in authentication of its passage this	_ day of, 2022.
President Approved / returned unsigned / vetoed this da	
Filed by me this day of	, 2022.

File	#:	CB	120266	Version:	1

Monica Martinez Simmons, City Clerk

(Seal)

#### **SUMMARY and FISCAL NOTE\***

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Office of Planning and	Jim Holmes/206-684-8372	Christie Parker/206-684-5211
Community Development		

#### 1. BILL SUMMARY

**Legislation Title:** AN ORDINANCE relating to land use and zoning; amending Sections 23.47A.012 and 23.47A.013 of the Seattle Municipal Code to allow for transfer of development potential or transfer of development rights in the NC3-200 and the NC3P-200 zones.

**Summary and background of the Legislation:** This proposed legislation would allow for the use of existing landmark preservation incentives to preserve and maintain landmarks in the NC3-200 and NC3P-200 zones. Specifically:

- This legislation would allow for the transfer of landmark development rights or development potential within the NC3-200 and/or NC3P-200 zones.
- All NC3-200 and NC3P-200 zones are located in the First Hill/Capitol Hill Urban Center
- Currently there is one designated landmark in this area, the Sorrento Hotel, and several potential landmarks.
- The ordinance would allow some buildings to reach a height of 350 feet through use of this incentive. Height limits for adjacent properties, with other zoning classifications, is 440 and 240 feet.
- Adjacent property with High Rise (HR) zoning is currently allowed to use this incentive.

2. CAPITAL IMPROVEMENT PROGRAM
Does this legislation create, fund, or amend a CIP Project? Yesx No
3. SUMMARY OF FINANCIAL IMPLICATIONS
Does this legislation amend the Adopted Budget? Yesx 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? No.
Is there financial cost or other impacts of $not$ implementing the legislation? No.

<sup>\*</sup> 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.

#### 4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department? No.
- b. Is a public hearing required for this legislation?

Yes. The City Council will hold a public hearing before adoption of the ordinance and is required to give a 30-day public notice for the public hearing.

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

The City Council will publish notice of the public hearing in the Daily Journal of Commerce.

d. Does this legislation affect a piece of property?

No.

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 does not impact vulnerable or historically disadvantaged communities.

- f. Climate Change Implications
  - 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

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.

No.

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).

Not applicable.



#### **First Hill Landmarks Preservation**

Seattle Office of Planning and Community Development (OPCD) Director's Report and Recommendation September 2021

#### Overview

This proposed legislation would allow for the use of existing landmark preservation incentives to preserve and maintain Landmarks in the NC3-200 and NC3P-200 zones. Specifically:

- This legislation would allow for the transfer of landmark development rights or development potential within the NC3-200 and/or NC3P-200 zones.
- All NC3-200 and NC3P-200 zones are located in the First Hill/Capitol Hill Urban Center
- Currently there is one designated Landmark in this area, the Sorrento Hotel, and several potential landmarks.
- The ordinance would allow some buildings to reach a height of 350 feet through use of this
  incentive. Height limits for adjacent properties, with other zoning classifications, is 400 and 200
  feet.
- Adjacent property with High Rise (HR) zoning is currently allowed to use this incentive.

#### **Historic Preservation Incentives**

A number federal, state, and local incentives exist to preserve and maintain designated Landmarks. Local incentives include zoning code relief that allows flexibility in permitted uses within landmarked structures, exemptions from floor area limits for portions of Landmarks included in new development projects, potential tax valuation incentives, and the ability to sell and transfer unused development potential to other properties.

Known as Transfer of Development Potential (TDP) for commercial structures and Transfer of Development Rights (TDR) for residential structures, this incentive allows a sending site (the site of the Landmark) to sell the increment of extra floor area allowed by zoning regulations but that cannot be developed without redeveloping the Landmark. This extra floor area can be sold and transferred to eligible receiving sites in Seattle with the requirement that proceeds from the sale be used for rehabilitation and maintenance of the Landmark. This incentive is currently available Downtown, in the Uptown and University District Urban Centers, and in High Rise (HR) zones which are located in various urban villages and urban centers throughout the City, including on First Hill.

The legislation extends the provisions of SMC 23.58A, which establishes procedures for TDR and TDP, to the NC3-200 and NC3P-200 zones, which are currently only located in First Hill. It would allow

landmarked properties in those zones to send/sell their TDR and TDP and allows receiving sites in those zones to exceed otherwise applicable Height and FAR limits to accommodate transferred floor area. Through TDR or TDP receiving sites may achieve a height of up to 350 feet.

#### **Geography and Current Zoning**

All property in the NC3 200 and NC3P 200 zones is located on approximately 9 blocks in the Capitol Hill/First Hill Urban Center. This zoning runs on along Madison Street between Interstate 5 and Broadway Avenue East to a depth of between one-half and 2 blocks north and south of Madison Street. Property adjacent to this strip of NC3P-200 and NC3-200 zoning is zoned either High Rise (HR) or in a Major Institution Overlay (MIO) with height limits of 440 and 240 respectively. As noted above, TDR and TDP are already currently allowed in the High-Rise residential (HR) zone, meaning that many of the properties directly adjacent to the affected areas (see Figure 1, below) could already utilize Landmark TDR/TDP to build up to 350 ft. Other landmarked structures in First Hill with HR zoning that have benefited from selling their development potential include Town Hall and The Frye art museum.

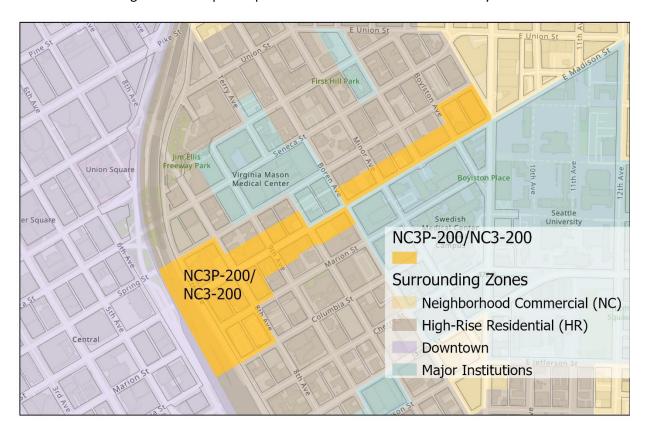


Figure 1: Area subject to proposed legislation

#### The Sorrento Hotel

Presently, the Sorrento Hotel is the only designated City of Seattle Landmark in this zone that could benefit from the transfer of development potential, however there are several other structures that could be eligible for Landmark status, if nominated then designated by the City's Landmark Preservation Board. The Sorrento Hotel, at the intersection of E. Madison Street and E. Terry Avenue, was built in 1909 and has operated continuously as a hotel since its opening. On the same block as the hotel,

immediately to the west, is a parking structure that is currently owned by the Sorrento Hotel. The Sorrento Hotel is currently under contract to sell the parking garage which will be redeveloped at some point in the future. Adoption of this legislation will allow the Sorrento Hotel and the new owners of the parking garage to use the TDP provisions of 23.58.A for long-term preservation and maintenance of the Sorrento Hotel and future redevelopment of the parking garage. Other properties with NC3 200 and NC3P 200 zoning could, in the future, also participate as a sending site once designed as a City Landmark.

#### Recommendation

OPCD recommends adoption of this amendment. Allowing the City's TDR/TDP provisions to apply along Madison Avenue in First Hill is a natural extension of land use code incentives that already apply elsewhere Downtown and in other areas of First Hill and is consistent with the City's goals of protecting historic structures and allowing flexibility for development in areas where appropriate. Allowing TDR from the Sorrento Hotel will provide for long-term rehabilitation and maintenance of this City Landmark. Additionally, allowing the transfer of floor area to the adjacent half block would facilitate redevelopment of the parking garage consistent with the goals of the pedestrian overlay district.



February 14, 2022

#### **MEMORANDUM**

To: Land Use Committee From: Lish Whitson, Analyst

**Subject:** Council Bill 120266: First Hill Landmark Bill

On February 23, 2022, the Land Use Committee (Committee) will hold a public hearing on Council Bill (CB) 120266, which would amend the Land Use Code (Seattle Municipal Code (SMC) Chapter 23.47A) to provide opportunities for transfers of development rights (TDR) and transfers of development potential (TDP) from City landmarks in the Neighborhood Commercial 3-200 (NC3-200 and NC3P-200¹) zones. The bill would allow development in this zone to exceed the maximum height and floor area ratio limits if the developer acquires TDR or TDP from a landmark site on the same block.

This memorandum provides background on TDR and TDP programs in Seattle, the NC3-200 zone, and landmarks within the NC3-200 zone. It also provides a brief description on the provisions in CB 120266.

#### **Background**

#### Transfer of Development Rights (TDR) and Transfer of Development Potential (TDP)

The City uses two related zoning tools to support the preservation of important public resources in dense neighborhoods, in particular landmarks in the City's Urban Centers where the economic pressure to redevelop a site with a relatively small building may be strong. TDR and TDP allow property owners to voluntarily agree not to add floor area to their property and to maintain their property. In exchange, the owner receives the ability to sell the floor area that they could have used to a different development site.

The property selling the TDR or TDP is called a "sending site" and the property acquiring the TDR or TDP is called a "receiving site." The owner of the "receiving site" is then able to build a larger building than zoning would otherwise allow. TDP is used for the transfer of residential floor area and TDR is used for the transfer of non-residential floor area. Standards for TDR and TDP are included in <a href="SMC 23.58A.042">SMC 23.58A.042</a>. In Commercial zones, TDR or TDP are currently only allowed for sending sites in the University Community Urban Center. TDR and TDP are more widely used in Downtown and Seattle Mixed zones.

<sup>&</sup>lt;sup>1</sup> Sections of Madison Street, starting on the southeast corner of 9th Avenue and Madison Street and running east to Broadway are zoned Neighborhood Commercial 3-200 with a Pedestrian designation (NC3P-200). Neighborhood Commercial 3 zones to the west of 9th Avenue do not have a Pedestrian designation. There is no difference between the FAR or height limits in the NC3-200 and NC3P-200 zones, and consequently, the effect of CB 120266 is the same throughout the NC3-200 zones.

TDR and TDP are each calculated by taking the floor area ratio (FAR) permitted on a sending site (without applying bonuses or other requirements that would allow extra density on the lot) and subtracting the floor area existing on the lot. If any TDR or TDP has already been transferred from a sending site, that is added to the floor area existing on the sending site, reducing the amount of floor area available to transfer. The receiving site is then able to increase its floor area by the amount of TDR or TDP it has acquired up to maximums laid out in the Land Use Code. The effect is to maintain the planned density of an area while preserving a landmark or other important structure or open space.

A landmark sending site that transfers development rights or development potential must be rehabilitated and maintained. Participation in the Mandatory Housing Affordability program is not required for floor area transferred through TDR and TDP programs.

#### Neighborhood Commercial 3-200 Zone

Zoning on First Hill allows some of the tallest buildings in the City outside of Downtown. The zoning supports the development of a mix of predominantly residential towers, hospitals, and medical office buildings. The commercial area along Madison Avenue is the only area in the City mapped with the NC3-200 zone (see Figure 1). This Neighborhood Commercial zoning allows for a retail spine through the middle of the neighborhood along with a mix of non-residential and residential uses. Among the non-residential uses in the NC3-200 zone are medical office buildings, churches, restaurants, and the Sorrento Hotel, a City landmark.

The NC3-200 zone allows development up to 200 feet in height, or approximately 20 stories. The maximum Floor Area Ratio (FAR) is 8.25 for nonresidential structures and 12 for structures with at least 4 FAR in residential use. This combination of height limit and FAR limit would allow a 20-story office building that covers 41 percent of its lot on average or a 20-story residential building that covers 60 percent of its lot on average.

Areas to the north and south and south of the NC3-200 zone are zoned Highrise, a multi-family zone that allows residential towers up to 440 feet, approximately 44 stories. East of Boren Avenue, the Swedish First Hill Campus Major Institution Overlay (MIO)<sup>2</sup> includes a 70 foot height limit along Madison Street, with higher heights allowed off Madison. The Virginia Mason Hospital MIO, west of Boren Avenue, includes a 240 foot height limit along Madison Street. To the west, across I-5, the zoning is Downtown Office Core 1 Unlimited/450-Unlimited, which has no height limit for some development.

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<sup>&</sup>lt;sup>2</sup> Major Institution Overlays control the development of hospitals and universities pursuant to a master plan that is developed by the institution and approved by the City Council.

First Hill Park Jim Ellis Union Square Virginia Mason Medical Center Swedish er Squak Sorrento Hotel NC3P-200/NC3-200 NC3P-200/ Surrounding Zones NC3-200 Neighborhood Commercial (NC) High-Rise Residential (HR) Central Downtown Major Institutions

Figure 1: First Hill NC3P-200/NC3-200 Zones

#### Landmarks in the NC3-200 Zone

The Sorrento Hotel is the only City landmark in the NC3-200 district. The seven-story hotel is located at the northwest corner of 10th Avenue and Madison Street. Built in 1909, it was designated a landmark in 2008. The Council approved controls and incentives for the landmark through Ordinance 123293 in 2010. The controls require a Certificate of Approval from the Landmarks Preservation Board prior to changes to the exterior of the building, the entry lobby, the reception desk, the elevator lobby, the Fireside Room, or the parcel. The incentives provide for flexibility for use of the landmark, waivers of some code requirements, and special tax valuation for historic preservation. The Sorrento owns a two-story parking garage on the same block to the west.

#### Council Bill 120266

CB 120266 would amend <u>Chapter 23.47A</u> of the Seattle Municipal Code to allow for TDR and TDP within the NC3-200 and NC3P-200 zones from sending sites that include a City landmark to receiving sites meeting the following conditions:

- The receiving site must be on the same block as the sending site;
- Development on the receiving site has a 350 foot height limit;
- Only TDR or TDP floor area may be used on floors above 200 feet; and
- The total amount of floor area gained by a receiving site may be no more than 110,526 square feet.

Currently, the only sites that could use the provisions of CB 120266 are the Sorrento Hotel and its adjacent parking garage. However, there are other structures within the NC3-200 district that could potentially be eligible for designation as a City landmark. If any of those structures were designated as a landmark, those structures could also transfer TDR or TDP to another site zoned NC3-200 on their block.

#### **Next Steps**

The Committee will hold a public hearing on CB 120266 during its meeting on Wednesday, February 23, 2022, at 2:00 p.m. It may consider and vote on the bill as early as its March 9 meeting.

cc: Esther Handy, Director
Aly Pennucci, Deputy Director
Yolanda Ho, Lead Legislative Analyst

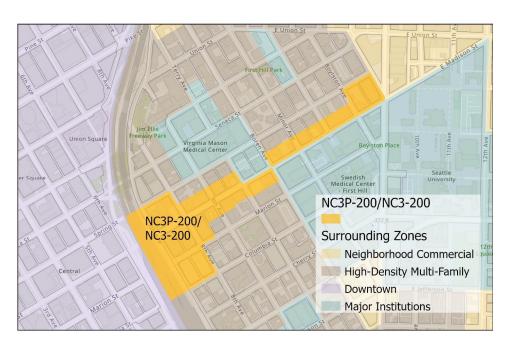


# First Hill Landmark TDR Legislation

- Provides for the transfer of development rights (TDR) or transfer of development potential (TDP)within the NC3-200 and/or NC3P-200 zones.
- All NC3-200 and NC3P-200 zones are located in the First Hill/Capitol Hill Urban Center
- Currently there is one designated landmark in this area, the Sorrento Hotel, and several potential landmarks.
- The ordinance would allow buildings to reach a height of 350 feet through use of this incentive. Height limits for adjacent land in other zones is 440 and 200 feet.
- This incentive is currently available downtown, in Uptown, South Lake Union, the University District, and Highrise zones.



# Neighborhood Commercial 3-200



- Allows structures up to 200 feet in height.
- Adjacent zoning is in an MIO or HR zone allowing building heights of 240 feet and 440 feet.
- Landmark TDR (area shaded in brown) is permitted in the HR zone.



# Landmark TDR Provisions of SMC 23.58A

- Establishes procedures for Landmark TDR/TDP throughout the city.
- Requires a base height and a maximum height to establish how much floor area a receiving site can transfer from a sending site.
- Establishes procedures for calculating the amount of floor area that may be transferred from a sending site.
- Landmark structures on sending lots must be rehabilitated and maintained as required by the Landmarks Preservation Board.



# First Hill Landmarks Preservation Ordinance

- Establishes base height of 200 feet in the NC3-200 zone.
- Establishes the base FAR as the current FAR maximum (ranging from 8.25 for non-residential structures to 12 for residential) permitted in the zone.
- Limits the total amount of floor area that may be transferred to 110,000 square feet.
- Sets the maximum height a receiving site may achieve at 350 feet.
- Limits transfers to sending and receiving sites on the same block.





### SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

### **Legislation Text**

File #: CB 120265, Versio	n: 1	
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#### CITY OF SEATTLE

ORDINANCE	
COUNCIL BILL	

AN ORDINANCE relating to land use regulation of home occupations; extending for six months interim development controls established by Ordinance 126293 to allow home-based businesses to operate with fewer limitations during the COVID-19 civil emergency; and ratifying and confirming certain prior acts.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council makes the following legislative findings of fact and declarations:

A. The Council incorporates by reference the findings of fact contained in Ordinance 126293, with the exception of Section 1(H) of that ordinance.

B. In March 2021, the City Council passed Ordinance 126293, establishing interim development controls relaxing certain restrictions on the operation of home occupations during the ongoing COVID-19 civil emergency and adopting a work program for the Seattle Department of Construction and Inspections, in consultation with the Office of Economic Development, to develop and propose permanent modification of land use regulations for home occupations.

C. Although the City has worked to develop permanent regulations, the work has not been completed and the City Council is unlikely to act upon any proposed permanent regulations, or for those regulations to be effective, until after the expiration of the interim development controls on April 21, 2022.

D. If the City Council does not adopt permanent regulations that are effective before the expiration of the interim development controls, the Seattle Department of Construction and Inspections would be limited to enforcing restrictions on home occupations that existed prior to the pandemic. If this were to occur, home-based small businesses, which have relocated from storefronts or commercially leased locations due to the decline in

#### File #: CB 120265, Version: 1

commercial activity during the pandemic, may no longer be able to operate out of their current home locations.

This is contrary to the public interest as described in the findings of fact contained in Ordinance 126293.

E. Revised Code of Washington (RCW) 36.70A.390 authorizes the City to extend the duration of interim development regulations by ordinance for one or more six-month periods.

Section 2. Section 2 of Ordinance 126293 shall be extended and in effect for a period of six months from the effective date of this ordinance.

Section 3. Any act relating to the application or enforcement of regulations for home occupations consistent with the authority of this ordinance, taken after its passage and prior to its effective date, is ratified and confirmed.

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by	the City Council the	day of		, 2022, and signed by
me in open session	n in authentication of its	passage this	day of	, 2022.
Approved /	returned unsigned /			

Filed by me this day of , 2022.

File #: CB 120265, Versio	n: 1	
	Monica Martinez Simmons, City Clerk	
(Seal)		

#### **SUMMARY and FISCAL NOTE\***

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Ketil Freeman / 48178	n/a

#### 1. BILL SUMMARY

#### **Legislation Title:**

AN ORDINANCE relating to land use regulation of home occupations; extending for six months interim development controls established by Ordinance 126293 to allow home-based businesses to operate with fewer limitations during the COVID-19 civil emergency; and ratifying and confirming certain prior acts.

#### **Summary and background of the Legislation:**

This legislation would extend for six months interim development controls initially established by Ordinance 126293. Those interim controls relax certain land use restrictions on home-based businesses that may have relocated from leased commercial locations due to economic conditions caused by the COVID-19 pandemic. Generally, the interim controls remove the following requirements that currently apply to home occupations:

- Customer visits are by appointment only;
- There shall be no evidence of the home occupation visible from the exterior of the structure;
- No more than two persons who are not residents of a dwelling unit on the lot may work in a home occupation, regardless of whether the persons work full or part-time or are compensated; and
- The home occupation shall not cause a substantial increase in on-street parking congestion or a substantial increase in traffic within the immediate vicinity

In addition, the interim controls (1) allow a home business to operate in a required parking space provided that no changes are made that would prevent the space from being used for parking in the future and (2) allow home businesses to install a nonilluminated sign up to 720 square inches bearing the name of the home occupation.

2. CAPITAL IMPROVEMENT PROGRAM	
Does this legislation create, fund, or amend a CIP Project?	Yes <u>X</u> No
3. SUMMARY OF FINANCIAL IMPLICATIONS	
Does this legislation amend the Adopted Budget?	Yes <u>X</u> No

<sup>\*</sup> 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.

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? No

Is there financial cost or other impacts of *not* implementing the legislation? No

#### 4. OTHER IMPLICATIONS

- **a.** Does this legislation affect any departments besides the originating department? Yes, the Seattle Department of Construction and Inspections and the Office of Economic Development.
- **b.** Is a public hearing required for this legislation? A public hearing is required.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes, hearing notice is required in the Daily Journal of Commerce.

d. Does this legislation affect a piece of property?

This legislation affects home occupations on properties in many areas of the city.

- 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 will allow home occupation businesses to operate with fewer limitations during the COVID-19 civil emergency. Limitations on business and economic activity disproportionately impact small businesses, which are less likely to have financial reserves to withstand extended periods of closure or limited operations and likely disproportionately impacts small business owned by black, indigenous, and people of color. As an example, Seattle has over 4,000 active business licenses for restaurants, caterers, and other businesses in the food industry; the 2016 Annual Survey of Entrepreneurs estimates that nearly 48 percent of the firms in the accommodation and food services industry in the Seattle metropolitan area are owned by black, indigenous, and people of color.
- f. Climate Change Implications
  - Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way? No.

- 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.

  No.
- 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)?

  Not applicable.

List attachments/exhibits below:



Council Bill 120001 –
Home Occupations:
Interim Land Use
Regulations for the
COVID Civil Emergency

KETIL FREEMAN, LEGISLATIVE ANALYST

LAND USE AND NEIGHBORHOODS COMMITTEE FEBRUARY 24, 2021

# **Purpose**

Provide temporary regulatory flexibility for home-based businesses to...

- Allow home-based businesses, including those that may have once operated out of a storefront, to operate with fewer restrictions during the COVID civil emergency.
- Allow small businesses to remain operating to speed the economic recovery after civil emergency restrictions are lifted.

# How does the Land Use Code regulate home occupations? (See Home Business Rules - SDCI | seattle.gov)

Home occupations are currently allowed as an accessory use to a residential use in all zones, subject to restrictions on the operation of the home occupation, which include:

- Limitations on the number of commercial vehicle deliveries and pick-ups;
- Appointment-only customer visits;
- The residential appearance must be maintained;
- No more than two non-residents of the dwelling may work at the home occupation;
- The home occupation cannot substantially increase traffic and on-street parking in the vicinity;
- Signs identifying the business cannot exceed 64 square inches in size;
- Outdoor storage cannot be associated with the home occupations; and
- Limitations on noise, odor, dust, light, glare and other impacts.

# What would change?

On an interim basis (one year), home occupations would not be subject to limitations on:

- The number of employees;
- The type of customer visits; and
- Increased traffic and parking demand.

Additionally, home occupations would be allowed to:

- Have a larger (720 square inches) non-illuminated sign and
- Use space for required parking for the home-occupation.

# **Next Steps**

- If approved, the Land Use and Neighborhoods Committee would hold a hearing on the bill within 60 days after Full Council action.
- The bill would approve a work plan for the Seattle Department of Construction and Inspections to propose permanent changes to regulations for home occupations in the fourth quarter of 2021.

# Questions?



March 5, 2021

#### MEMORANDUM

To: Land Use and Neighborhood Committee

From: Ketil Freeman, Analyst

**Subject:** Council Bill 120001 – Interim Development Regulations for Home Occupations

On March 10, 2021, the Land Use and Neighborhoods Committee (Committee) will discuss and may vote on <u>Council Bill (CB) 120001</u>, which would relax regulations for home occupations on an interim basis – up to one year. The bill is intended to allow home-based businesses to operate with fewer restrictions during the COVID civil emergency. This may allow more small businesses to remain operating during the pandemic and speed the economic recovery once pandemic restrictions are lifted.

This memo: (1) provides some background information on how home occupations are regulated, (2) describes what CB 120001 would do, and (3) details procedural next steps.

#### **Background**

According to the Census Bureau, since the 1990s more people have been working from home. Local governments have modified regulations for home-based businesses to reflect that change. Nationwide, regulations for home occupations range from prohibiting home occupations - to requiring permits for most home occupations - to mitigating the impacts of home occupations through performance standards. Seattle most recently approved major updates to home occupation regulations in 2006. Seattle's regulations are generally more permissive than those of peers jurisdictions.

#### **How Does Seattle Regulate Home Occupations?**

City regulations currently allow home occupations as an accessory use to a residential use in all zones. Home occupations do not require a land use permit, although the use may require construction permits and permissions from governments with regulatory authority over the type of business, such as Seattle/King County Public Health. Home occupations are regulated primarily by operating standards that are intended to minimize the impact of the homeoccupation on neighbors. These include:

- Limitations on the number of commercial vehicle deliveries and pick-ups;
- Limitations on the size of vehicles associated with the home occupation, not including vehicles that make deliveries to the business;

<sup>&</sup>lt;sup>1</sup> Home-Based Workers in the United States: 2010 (census.gov)

<sup>&</sup>lt;sup>2</sup> For a description of the range of zoning controls applicable to home occupations see Beale, Henry. (2004). <u>Home-Based Business and Government Regulation</u>. Pages 71-88. United States Small Business Administration.

<sup>&</sup>lt;sup>3</sup> Ordinance 122311.

- Appointment-only customer visits;
- The residential appearance must be maintained;
- No more than two non-residents of the dwelling may work at the home occupation;
- The home occupation cannot substantially increase traffic and on-street parking in the vicinity;
- Signs identifying the business cannot exceed 64 square inches in size;
- Outdoor storage cannot be associated with the home occupation; and
- Limitations on noise, odor, dust, light, glare and other impacts.<sup>4</sup>

#### How Do Other Jurisdictions Regulate Home Occupations?

Portland, Oregon distinguishes two types of home occupations and requires a permit, with notice to neighbors, for home occupations that have a non-resident employee or have up to eight customer visits per day. Austin, Texas prohibits certain uses as home occupations and specifies performance standards for home occupations, such as limiting commercial vehicle trips and parking associated with home occupations. San Diego, California primarily utilizes performance standards to regulate home occupations but allows for home occupations to deviate from those standards through a permit process with notice to neighbors. Staff has not identified any other jurisdictions that have modified home occupation regulations due the pandemic.

#### What CB 120001 Would Do

CB 120001 would relax certain performance standards for home occupations for up to one year. Those standards are limitations on:

- The number of employees;
- The type of customer visits;
- Increased traffic and parking demand; and
- The non-commercial appearance of home occupations.

Additionally, the bill would allow home occupations to have a larger sign, up to 720 square inches, and utilize any required off-street parking for the home occupation.

<sup>&</sup>lt;sup>4</sup> See <u>Seattle Municipal Code Section 23.42.050</u>. For a plain language description see also, <u>Home Business Rules - SDCI</u> <u>seattle.gov</u>.

<sup>&</sup>lt;sup>1</sup> Home Occupation Permits - Running a Business Out of Your Home | Portland.gov

<sup>&</sup>lt;sup>2</sup> What are the regulations and limitations for a Home Occupation? | AustinTexas.gov

<sup>&</sup>lt;sup>3</sup> City of San Diego Development Services. <u>How to Obtain a Neighborhood Use Permit for a Home Occupation, Information</u> Bulletin 540.

Because CB 120001 would be adopted pursuant to <a href="RCW 36.70A.390">RCW 36.70A.390</a>, which allows jurisdictions to approve interim development controls, the bill includes a work program for the Seattle Department of Construction and Inspections to analyze and propose more permanent changes to home occupation regulations. The bill does not prescribe what those recommendation would be but they could include making permanent the changes in the current bill, specifying additional performance standards, or implementing a permitting requirement to allow modifications to performance standards under specified circumstances.

#### **Next Steps**

The Committee will discuss and may vote on CB 120001 on March 10<sup>th</sup>. If a Councilmember wants to consider any amendments, such as modifications to or the addition of interim performance standards, please contact me by close of business on Monday. Because the bill would be enacted pursuant to RCW 36.70A.390, the public hearing required for changes to land use regulations may occur within 60-days after passage of the bill.

cc: Dan Eder, Interim Central Staff Director Aly Pennucci, Policy and Budget Manager



### SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

### Legislation Text

File #: Inf 2011, Version: 1

Seattle Department of Construction and Inspections (SDCI) and Office of Sustainability and Environment (OSE) Quarterly Tree Report

### Memo

**Date:** March 9, 2022

**To:** Councilmember Dan Strauss, Chair, Land Use Committee

From: Nathan Torgelson, SDCI Director

**Subject:** Tree Protections Update – 1Q 2022 Report

The City Council adopted <u>Resolution 31902</u> on September 16, 2019. The resolution directed SDCI in consultation with OSE to explore strategies to protect existing trees, increase Seattle's tree canopy cover, and balance City goals to support future growth and density as provided in the City's Comprehensive Plan.

The resolution also directs staff to provide quarterly reports to the Chair of the Land Use (LUC) Committee on progress made. Three quarterly reports were delivered on February 12, July 22, November 25 in 2020 and four quarterly reports on March 23, July 14, September 24 and December 8 in 2021 which summarized work accomplished over each quarter, including work underway and anticipated next steps.

On February 17, 2022, SDCI released <u>SEPA (environmental) draft legislation</u> and a Director's Report for new tree regulations. SDCI extended the public comment period to allow for additional time to review and provide feedback on the SEPA draft legislation to April 4, 2022. The previous comment deadline was March 3, 2022.

#### **Urban Forest Management Plan (UFMP) Update**

The 2020 Urban Forest Management Plan (UFMP) provides a framework for policy and action that guides city government decision-making to help Seattle maintain, preserve, enhance, and restore its urban forest. At the core of the plan is a set of outcomes, strategies, actions, and indicators that will support a healthy and sustainable urban forest across Seattle's publicly and privately owned land.

The Urban Forestry Core Team prepared an action agenda as part of the UFMP Update. The action agenda outlines the steps that the City and community partners will take to implement the plan, and through which the City aims to ensure the urban forest is effectively managed. The UFMP includes nineteen actions which are organized within the plan's overarching strategies. This quarter, staff have identified specific actions that have been prioritized due to their importance in managing the urban forest and in supporting and responding to community concerns.

#### Highlights are as follows:

- Job training programs there is work to be done to identify gaps in department work that are
  needed to accomplish the larger action called out in the UFMP work on definition of workforce
  development for urban forestry, what success looks like, then what are the gaps and opportunities.
  While that work gets underway, there are currently some programs in departments that are making
  progress in this area. SPR Green Seattle Partnership (GSP) job training programs with youth; SPU
  Rain City program
- Strategy 1, Action 2 focus tree planting in environmental equity priority communities SPR and SDOT currently do have metrics/goals around prioritizing planting in these areas; SPU's Trees for Neighborhoods (T4N) team focuses tree distribution in these areas.
- Strategy 3, Action 8 canopy cover assessment; this work is underway now

#### **Environmental Review (SEPA) Draft Legislation Summary**

Informed by a robust public outreach process prior to drafting legislation, SDCI released the <u>environmental</u> <u>review (SEPA) draft legislation</u> for publication on February 17, 2022. The draft legislation would amend SMC <u>Title 23</u> (Land Use Code) and SMC <u>Title 25</u> (Tree Protection Code). It is also compatible with CB 120207.

#### Summary Description of the Draft Legislation

The draft legislation expands the types and sizes of trees that are regulated to include the following zones: Lowrise, Midrise, Commercial and Neighborhood Residential as outlined in the table below.

•	Expands definition of exceptional tree by lowering the threshold for certain species from 30" to 24" DSH and adding groves and heritage trees to the definition of exceptional trees (with certain existing exceptional tree species with smaller thresholds than 24" continuing to be defined as exceptional). This is accompanied by a Draft Director's Rule DR		Allows for voluntary payment in-lieu when replacement is required (subject to further refinement to better account for City costs). This is accompanied by a Draft Director's Rule that defines a method for calculating in-lieu payments, and draft payment amounts for exceptional trees, and significant trees 12 inches and greater
•	Defines "significant" tree as any tree that has a diameter at standard height (DSH) of six inches or greater and is not defined as an exceptional tree and require mitigation for removal of significant trees that are 12 inches or greater. Limit removal of significant trees outside of development to trees smaller than 12 inches		Adds new definitions of terms, including but not limited to: canopy cover, diameter at standard height (DSH), emergency action, excessive pruning, invasive tree, responsible party, and tree grove
•	Allows flexibility for off-site planting for replacement trees	•	Allows adjustments to development standards, to accommodate tree retention; Simplifies processes and supports tree tracking
•	Adds two new sections (to clarify existing provisions) addressing emergency actions and hazardous tree removals	•	Updates enforcement provisions for tree regulations, including increasing penalties for violations

#### **Urban Forestry Commission Briefings**

SDCI has engaged and briefed the Urban Forestry Commission about tree protection needs during the first quarter of 2022. Two recent briefings were held, one on <u>February 9</u> when SDCI briefed on the strategies explored per <u>Resolution 31902</u> and again on <u>March 2</u> when SDCI reviewed and summarized highlights of the <u>environmental review (SEPA) draft legislation</u> including the accompanying <u>Draft Director's Rules</u>.

#### Schedule

The schedule outlined below includes the goal of development of final recommendations for the Mayor and City Council after the environmental review (SEPA) process is completed.

Task		Milestone
_	Complete environmental review including resolving any	Issued: February 17
	appeals to the Hearing Examiner of SDCI's determination	Appeal Period Ends: March 10
_	Work with stakeholders, including UFC, on any potential	Q2/Q3 2022
	revisions to the SEPA Draft legislation;	
_	Identify resources needed for implementation enforcement;	
	and	
_	Develop final recommendations for the Mayor and City	
	Council	

Copy: Aly Pennucci and Yolanda Ho, City Council Central Staff



# Tree Protections Update



Photo by John Skelton





# TODAY'S PRESENTATION

- UFMP Update
- Resolution 31902
- SEPA (Environmental) Draft Legislation Applicability
- SEPA Draft Legislation Highlights
- Next Steps



# URBAN FOREST MANAGEMENT PLAN

- The 2020 Urban Forest Management Plan (UFMP) provides a framework for policy and action that guides city government decision-making to help Seattle maintain, preserve, enhance, and restore its urban forest.
- The core of the plan is a set of outcomes, strategies, actions, and indicators that will support a healthy and sustainable urban forest across Seattle's publicly and privately owned land.





# URBAN FOREST MANAGEMENT PLAN

- Finalized in 2021
- Next step: implementation
  - Some work ongoing
  - Some new plans for 2022
  - Some longer-term
- Incorporating into 2022 planning and tracking full Action Agenda





# URBAN FOREST MANAGEMENT PLAN

### Implementation highlights

- Strategy 1, Action 1: Job training programs
- Strategy 1, Action 2: Tree planting in environmental equity priority communities
- Strategy 3, Action 8: Canopy cover assessment



Figure 6. Tree Canopy derived from high-resolution imagery and LiDAR.

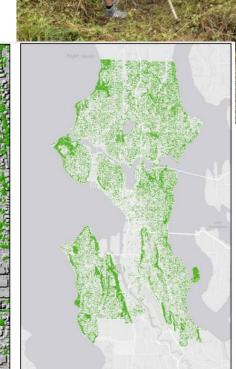


Figure 7. Tree Canopy at the city-scale derived from high-resolution images and LiDAR

### **REMINDER:**

## RESOLUTION 31902

### Council requested SDCI and OSE to explore the following strategies:

- Expand exceptional tree definition and retain protections
- Create significant tree removal permit
- Require replacement for significant tree removal
- Simplify tree planting and replacement requirements
- Maintain tree removal limits in single-family zones
- Explore in-lieu fee option for tree replacement
- Provide adequate funding to administer/enforce

# SEPA (ENVIROMENTAL) DRAFT LEGISLATION

## Three types of trees regulated:



1 - "Exceptional" trees



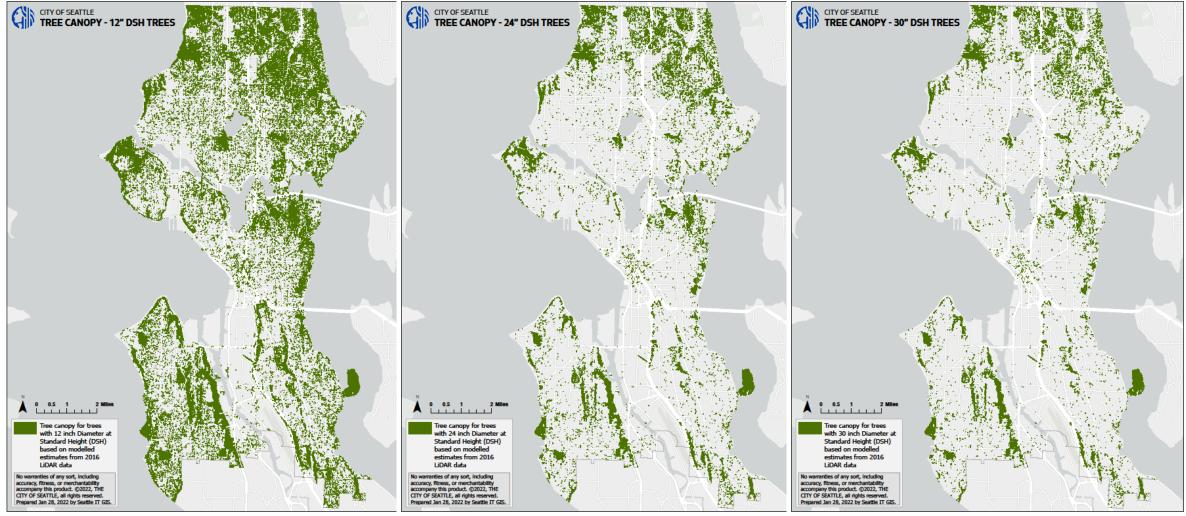
2 - "Significant" trees



3 - "Heritage" trees

"Other" trees under 6" diameter are not regulated

# TREE CANOPY COMPARISONS: 12", 24", 30" DSH



# APPLICABLE ZONING

- Neighborhood Residential, RSL
- Lowrise, Midrise
- Neighborhood Commercial
- Seattle Mixed\*

Not all zones are shown here\*















# SEPA (ENVIRONMENTAL) DRAFT LEGISLATION

### **HIGHLIGHTS**

- Expands definition of "Exceptional" tree
- ⚠ Defines "Significant" tree and requires replacement 12" and greater
- Provides home builder flexibility to development standards to accommodate tree retention
- Allows for payment in-lieu option in several circumstances (subject to further refinement to better account for City costs)
- ▲ Addresses hazardous tree removal actions and emergency situations
- Simplifies processes and supports tree tracking (SEPA Draft is compatible with CB 120207 Tree Service Provider Registration)
- Updates enforcement provisions



- Expands the minimum size threshold for certain tree species from 30 inches to 24 inches as measured by diameter at standard height (DSH)
- Adds tree groves and heritage trees to the definition of exceptional trees (with certain existing exceptional tree species with thresholds smaller than 24 inches continuing to be defined as exceptional)
- Accompanied by a Draft Director's Rule to provide additional guidance for exceptional trees that are 24" DSH and smaller pursuant to SMC Chapter 25.11



## SIGNIFICANT TREES

- Defines "significant tree" as any tree that has a diameter at standard height (DSH) of six inches or greater and is not defined as an exceptional tree
- Requires mitigation for removal of significant trees that are 12 inches or greater
- Limits removal of significant trees outside of development to trees smaller than 12 inches

## 4

### **ADJUSTMENTS TO DEVELOPMENT STANDARDS**

 Provides home builder flexibility to development standards, to accommodate retention of exceptional trees

# For development <u>not</u> subject to Design Review:

- Setbacks and separation requirements may be reduced by a maximum of 50 percent
- Amenity areas may be reduced by a maximum of 10 percent
- Landscaping and screening may be reduced by a maximum of 25 percent
- Structure width, structure depth, and facade length limits may be increased by a maximum of 10 percent

# For development subject to Design Review:

- Departures permitted in Section 23.41.012
- Parking reduction in the parking quantity allowed by Section 23.54.015 and the modification of standards for safe access
- In Lowrise zones, an increase in base height limit of 40 feet to 50 feet, for an additional building floor if needed to recover floor area lost within a tree protection area

## **PAYMENT IN-LIEU**

- Adds a new payment option (voluntary payment-in-lieu)
   when tree replacement is required subject to further
   refinement to include City costs such as establishment of
   trees for a period of 3 to 5 years
- Includes Draft Director's Rule that defines a method for calculating in-lieu payments, and draft payment amounts for exceptional trees and significant trees 12 inches and greater



## HAZARDOUS TREES AND EMERGENCIES

- Adds a new section addressing provisions related to hazardous tree removal (25.11.037)
- Adds a new section that states specific emergency actions that may be undertaken without obtaining a permit in advance (25.11.035)
- Updates definitions further strengthen tree code (25.11.020)



## PROCESSES AND ENFORCEMENT

- Simplifies the permit review process by allowing flexibility with development standards to protect exceptional trees in multifamily and commercial zones as an administrative review rather than require streamlined design review
- Increases penalties for violations of tree regulations (25.11.100)

## NEXT STEPS —

### Q2/Q3 2022

- Work with stakeholders, including the UFC, on any potential updates to the SEPA Draft
- Resolve any appeal\* of the SEPA determination
- Develop final recommendations

### **Ongoing**

Identify potential implementation and enforcement needs

\*Deadline to appeal is March 10



# QUESTIONS?

**Chanda Emery** chanda.emery@seattle.gov (206) 233-2537

www.seattle.gov/sdci/codes/changes-to-code/treeprotection/project-documents

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www.seattle.gov/trees/management

