

September 8, 2023

MEMORANDUM

To: Land Use Committee
From: Lish Whitson, Analyst
Subject: CB 120631: Belltown Lodging Land Use Code Amendment

On Wednesday, September 13, the Land Use Committee (Committee) will hold a public hearing and receive a briefing on [Council Bill \(CB\) 120631](#), which would amend the Land Use Code (Seattle Municipal Code Title 23) to support the development of lodging¹ in the Belltown Downtown Mixed Residential/Residential zone. The amendment would remove floor area ratio (FAR) limits on lodging in the DMR/R 95/65 zone. According to the Office of Planning and Community Development (OPCD) [Director's Report](#), the change is intended to enhance neighborhood vitality and increase economic development and recover.

This legislation is one strategy of Mayor Harrell's Downtown Activation Plan, which includes a variety of initiatives to improve Downtown Seattle, including the following legislative actions:

- Making zoning changes to facilitate office-to-residential conversion;
- Supporting food businesses by waiving fees for food trucks and carts;
- Extending the term of Master Use Permits (MUP);
- Expanding the uses permitted at street-level downtown;
- Rezoning property in the Retail Core to support additional housing development;
- Providing flexibility for temporary uses; and
- Increasing the budget for the Metropolitan Improvement District's cleaning, safety, and hospitality services.

This memorandum describes the existing DMR/R 95/65 zone and the proposed changes and identifies one change Councilmembers may want to consider.

Existing Zoning

DMR zones are identified by the Comprehensive Plan as areas that are to be maintained for a primarily residential use. Policies related to non-residential uses in the DMR/R zone state that they should be "of modest scale, likely to change in the future, or neighborhood serving in character."

The DMR/R 95/65 zone is generally bounded by Wall Street and Lenora Street and includes the blocks fronting 1st and 2nd Avenues. It has a base FAR limit of 1.0 and a maximum FAR limit of

¹ Lodging uses include hotels, motels, bed and breakfasts, and short-term rentals.

1.5 for non-residential uses, and no FAR limit for residential uses. In this area, projects that contain no residential or live-work units are limited to a maximum height of 65 feet, while mixed-use or residential projects have a limit of 95 feet.

For uses like lodging that are subject to the FAR limits, the square footage within the structure is limited to the site size, unless a project voluntarily participates in the Downtown incentive zoning provisions, in which case the use can be 50 percent larger. The incentive zoning provisions include purchase of landmark transferable of development rights, if available. Other incentives include floor area bonuses for contribution toward childcare facilities and affordable housing, open space, human service space, or public restrooms. Mandatory housing affordability (MHA) requirements apply to all projects.

Some uses, including residential uses, are exempt from the FAR limits. The size of these uses is generally² only constrained by the height limits. These projects do not need to participate in the incentive zoning programs but do contribute to the MHA program.³

Council Bill 120631

CB 120631 would exempt new lodging projects from the FAR limits that currently apply to most non-residential uses.⁴ This would have two effects:

1. New lodging uses would be allowed to be larger, covering the lot up to 65 feet or approximately six stories or up to five or six FAR, instead of the current limit of 1.5 FAR, if the project does not include residential space.
2. Lodging uses would not be required to participate in the Downtown incentive zoning program but would continue to participate in the MHA program. This could result in less resources for Downtown landmarks or capital development of childcare facilities, but more funding for affordable housing.

In some other Downtown zones, the code allows a higher FAR limit for lodging, instead of exempting lodging floor area from FAR limits, as is proposed by this bill. For example, in the International District Mixed 75-85 zone, most non-residential uses are limited to three FAR, but hotels may be built up to six FAR.

If the Council wants to maintain the use of the incentive zoning program for lodging uses in the DMR/R 96/65 zone, it could amend Council Bill 120631 to increase the maximum FAR limit for lodging to five or six FAR rather than exempt lodging from FAR limits. This would maintain incentive zoning provisions while allowing larger lodging projects in the area.

² Along east-west streets, view corridor standards may require setbacks from the street lot line.

³ Currently, the MHA payment requirements for the DMR/R 95/65 zone are \$18.90 a square foot for commercial development, including lodging uses.

⁴ Other non-residential uses that are exempt from FAR limits downtown include childcare centers, human service uses, museums, performing arts theaters, and major retail stores in the Downtown Retail Core.

Next Steps

The Land Use Committee is scheduled to hold a public hearing on September 13 and may consider the bill at its special meeting scheduled for September 18. If the Committee votes on the bill on September 18, it could be considered by the City Council meeting as early as September 26.

cc: Esther Handy, Director
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Yolanda Ho, Supervising Analyst