Director's Report and Recommendation

Interim Suspension Ordinance-Implementing HB 1293

Proposal Summary and Background

During the 2023 session, the State legislature passed <u>House Bill (HB) 1293</u>, which requires Seattle and other cities and counties that have a design review program to meet certain requirements by June 30, 2025.

HB 1293 requirements include:

- Using objective rather than subjective guidelines;
- Having only one public meeting as part of the review process;
- Regulating building exteriors only;
- Maintaining the density, height, bulk, or scale at what zoning allows; and
- Integrating design review into the development permit process.

The Seatle Department of Construction and Inspections (SDCI) is proposing new interim legislation to meet the ESHB deadline of June 30, 2025. The proposed interim legislation will temporarily suspend required design review for sixmonths, making design review voluntary for proposed development. These regulations will be in place while SDCI works to update the design review program and guidelines as required by ESHB 1293, as well as updating affordable housing measures. The permanent changes are intended to update the design review program to be more efficient; better meet the current needs of the city for new investment, particularly in varying and more housing options throughout the city; and focus the program on good design outcomes for developments that are most likely to impact the character of neighborhoods with the highest concentrations of residents and visitors. The additional time is needed for City staff to respond to the stakeholder and public engagement recommendations and to work through code amendments, Director's Rules, Tips, and guidance documents to clarify code requirements and procedures. Permanent legislation and new Design Guidelines are anticipated for council review following the 2025 budget process.

The interim suspension applies to three types of design review: Streamlined Design Review (SDR), Administrative Design Review (ADR), and Full Design Review (FDR) with Design Review Board (DRB) input. Design review does not apply to single-family detached residences. Design review does not include life and safety reviews which are regulated by other permits and other parts of the Seattle Municipal Code.

This legislation also extends temporary regulations established by Ordinance 126854 for an additional six months. The temporary regulations exempt proposed development that meet Mandatory Housing Affordability requirements using on-site performance units and low-income housing from Design Review, but allow the Director to approve departures for qualifying proposed development as a Type I decision.

Public Outreach

In 2022 the City Council also adopted a Statement of Legislative Intent (SLI), <u>City Council SLI SDCI 4A1</u>. The SLI directed SDCI and the Office of Planning and Community Development (OPCD) to work with a stakeholder group to analyze the outcomes of Seattle's design review program and recommend best practices, and options for program modifications, including addressing barriers to equitable participation. SDCI and OPCD delivered this <u>analysis</u> to Council in August 2024. The Mayor's Housing Subcabinet has also directed SDCI to make land use codes and permitting processes simpler and more efficient, to reduce the time and cost of permitting housing.

In October-November 2024, SDCI worked with a consultant (Seva Workshop) to conduct public outreach focused on Design Review Program changes. The outreach efforts resulted in a report dated January 2025 and included a set of recommendations related to the overall Design Review Program, Design Guidelines, prioritizing important community assets through design review, public engagement, and equitable development.

As a result of initial outreach feedback, SDCI recommends the interim suspension Ordinance to allow for additional outreach and further development of the permanent legislation to address SHB1293.

Comprehensive Plan Goals and Policies

The proposal is consistent with relevant goals and policies in the Seattle 2035 Comprehensive Plan including:

- **(Housing) Goal HG3** Achieve greater predictability in project approval timelines, achievable densities and mitigation costs.
- **HG6** In order to control the effects of regulatory processes on housing price, strive to minimize the time taken to process land use and building permits, subject to the need to review projects in accordance with applicable regulations. Continue to give priority in the plan review process to permits for very low-income housing.
- HG7 Periodically assess the effects of City policies and regulations on housing development costs and overall
 housing affordability, considering the balance between housing affordability and other objectives such as
 environmental quality, urban design quality, maintenance of neighborhood character and protection of public
 health, safety and welfare.
- **(Economic Development) EDG3 –** Support the Urban Village Strategy by encouraging the growth of jobs in Urban Centers and Hub Urban Villages and by promoting the health of neighborhood commercial districts.
- (Land Use) LU55 Employ a design review process to promote development that:

- o Enhances the character of the city
- o Respects the surrounding neighborhood context, including historic resources
- Enhances and protects the natural environment
- Allows for diversity and creativity in building design and site planning
- Furthers community design and development objectives
- o Allows desired intensities of development to be achieved

Recommendation

The Director of SDCI recommends that the City Council adopt the proposed interim design review legislation to avoid potential preemption by ESHB 1293. It allows for additional time for City staff to respond to the stakeholder and public engagement recommendations to work through code amendments, Director's Rules, Tips, and guidance documents to clarify code requirements and procedures. Permanent legislation and new Design Guidelines are anticipated for council review following the 2025 budget process.

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The proposal is consistent with the Comprehensive Plan and with recently adopted State law directing the adoption of proposed land use code amendments for design review.