

Amendment 2 Version 1 to CB 120761 – OPCD Conversion to Housing ORD

Sponsor: Councilmember Moore

Removing MHA exemption for conversions in specific zones

Effect: This amendment would remove the exemption from Mandatory Housing Affordability (MHA) requirements for any commercial to residential conversion projects located in high-rise or mid-rise multifamily zones.

Add new recitals as follows:

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WHEREAS, in May and June 2023, the Office of Planning and Community Development (OPCD) sponsored a competitive call for ideas to convert Seattle downtown commercial spaces to residential use; and

WHEREAS, this legislation is responsive to the call for policy changes to incentivize conversion of vacant commercial buildings to activate downtown and is intended to be narrowly tailored to achieve that purpose; and

WHEREAS, Mandatory Housing Affordability (MHA) exemption for commercial, Downtown, or Seattle (SM) Mixed zones is appropriate given the focus on downtown activation and unused commercial spaces; and

WHEREAS, approximately twelve projects downtown are anticipated for conversion over the next seven years; and

WHEREAS, these twelve projects can be completed without exempting additional zones from MHA; and

WHEREAS, OPCD and SDCI will be monitoring the success of conversions in the Downtown, commercial and Seattle Mixed-Use zones, so there will additional opportunity to revisit the expansion of the MHA exemptions; and

WHEREAS, the proposed actions of this ordinance would increase housing supply; and

WHEREAS, the City through its Seattle Department of Construction and Inspections (SDCI) may provide additional flexibilities outside of this legislation with respect to application of the construction codes to proposals for conversion of existing structures to residential uses on a case-by-case basis using existing authority, and Mayor Harrell has directed SDCI to explore such flexibilities with owners of candidate structures; and

WHEREAS, nothing in this proposed legislation authorizes the City to approve permit applications in cases in which the building cannot satisfy life safety standards;

NOW, THEREFORE,

Amend Section 1 of CB 120761 as follows:

23.40.080 Conversion to residential use in an existing structure

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E. A conversion to residential use in an existing structure meeting the criteria of subsection 23.40.080.A shall be exempt from design review (~~subject to the following exemptions~~) if the structure is already constructed or construction has commenced on the structural frame for the structure.((:

~~1. Exempt from design review; and~~

~~2.))~~

F. A conversion to residential use in an existing structure meeting the criteria of subsection 23.40.080.A.1-5 and located in a commercial zone, Downtown zone, or a Seattle (SM) Mixed zone shall be exempt (~~(Exempt)~~) from requirements under Chapter 23.58C (Mandatory Housing Affordability for Residential Development) for any portion of the development proposal that converts floor area from a nonresidential use to a residential use if the structure is already constructed or construction has commenced on the structural frame for the structure.

~~(F)~~G. A conversion to residential use in an existing structure meeting the criteria of subsection 23.40.080.A shall be subject to the following if the conversion is in a building approved for future development for which an unexpired Master Use Permit was issued prior to March 1, 2024, and construction on the structural frame for the structure has not yet commenced:

1. Any design review modification to the issued and unexpired Master Use Permit necessary to add residential use shall be reviewed, and may be approved by the Director as a Type I decision; and

2. Notwithstanding the provisions of subsection 23.58C.025.B, any portion of the development proposal that converts floor area from a nonresidential use to a residential use shall be subject to the requirements of Chapter 23.58C that were in effect on the vested date of the unexpired Master Use Permit.