

## SUMMARY and FISCAL NOTE

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
OPCD	Geoff Wentlandt	Christie Parker

### 1. BILL SUMMARY

**Legislation Title:** AN ORDINANCE relating to conversions of existing nonresidential structures to residential use; adding a new Section 23.40.080 to the Seattle Municipal Code.

**Summary and Background of the Legislation:**

This legislation aims to remove regulatory barriers by providing broad exemptions from dimensional and design development standards when an existing structure, or structure that is permitted, is converted to housing from another use. The exemptions are from development standards and requirements of any commercial and downtown zone, Seattle Mixed zone, Midrise zone, and Highrise zone except for a limited subset of requirements such as noise and odor regulations and provisions that address commercial uses that may continue in the structure. Building projects that have not been constructed and have an existing unexpired Master Use Permit as of March 1, 2024, are eligible for conversions; this allows permitted but not constructed projects to convert space to residential use without needing to completely restart the permitting process.

The proposed legislation also exempts conversions to housing in commercial, downtown, and Seattle Mixed zones from the City’s Mandatory Housing Affordability (MHA) and all conversions to housing from Design Review requirements, although these requirements remain in effect for buildings that have been permitted but have not yet been constructed.

### 2. CAPITAL IMPROVEMENT PROGRAM

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

### 3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City?  Yes  No

#### 3.d. Other Impacts

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

No meaningful financial impacts.

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

This legislation affects SDCI as the staff will need to be made aware of the code amendment for the purposes of permit review. However, this will not create a meaningful fiscal impact on SDCI. This legislation will not increase the amount of permit review by SDCI staff. It may in fact decrease the amount of permit review time required compared to the absence of the legislation because it exempts conversion projects from all complex land use reviews. No changes to zoning maps or changes to the permit tracking software are required. Although the proposed legislation exempts conversions from MHA this is not expected to create an adverse effect because in the absence of the legislation the conversions would not likely take place and therefore would not generate MHA proceeds.

**Please describe any financial costs or other impacts of *not* implementing the legislation.**  
None.

#### **4. OTHER IMPLICATIONS**

**a. Please describe how this legislation may affect any departments besides the originating department.**

This legislation affects SDCI as the staff will need to be made aware of the code amendment for the purposes of permit review. However, this will not create a meaningful fiscal impact on SDCI. No changes to zoning maps or changes to the permit tracking software are required.

**b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

No. This legislation applies to any existing structure converting to housing from another use in any commercial and downtown zone, Seattle Mixed zone, Midrise zone, and Highrise zone around the city.

**c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

**i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

This legislation does not impact vulnerable or historically disadvantaged communities.

**ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

None.

- iii. **What is the Language Access Plan for any communications to the public?**  
None.

**d. Climate Change Implications**

- i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

No. This proposal does not alter the City’s energy code for buildings. Emissions and energy performance of the building being converted would be considered as part of a building permit review in individual conversions. When older structures are converted, it is likely that the project would improve energy and GHG emissions performance of the building to a level that is closer to meeting current standards. Since the legislation concerns conversions of structures from an existing use to another use, the proposed action is not expected to substantially increase or decrease the total amount of vehicle trips in the area.

- ii. **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 could increase Seattle’s resiliency by improving the energy performance of older structures. The legislation intends to improve the balance of residential and commercial uses in downtown, which has been dominated by office uses. This provides the potential for a better balance of jobs and housing in the center of the city, which can reduce vehicle trips.

- e. **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)? What mechanisms will be used to measure progress towards meeting those goals?**

No.

**5. CHECKLIST**

Please click the appropriate box if any of these questions apply to this legislation.

- Is a public hearing required?**  
Yes. A City Council public hearing must be conducted before legislation can be adopted.
- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**  
Yes. OPCD published a SEPA determination of non-significance (DNS) on January 11, 2024, in the DJC and the City’s Land Use Information Bulletin.
- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**

- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**  
No.

## **6. ATTACHMENTS**

### **Summary Attachments:**

Summary Att 1 - SEPA Threshold Determination: Conversion to Housing Legislation