

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
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*\* 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.*

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE amending Section 23.58A.044 of the Seattle Municipal Code to facilitate the transfer of development rights from Pierce and Snohomish Counties to Seattle.

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

This legislation would allow the transfer of development rights from Snohomish and Pierce counties into Seattle as part of the existing Transferable Development Rights (TDR) program. Currently, development in parts of Downtown and South Lake Union may achieve extra floor area by providing certain public benefits such as purchasing development rights from farms and forests in King County. The proposed change would expand the geographic areas where TDR can come from to include Snohomish and Pierce counties as well. It would not expand the area in which extra floor area can be achieved or change amount of extra floor area that could be achieved. The intent of the legislation is to support farm and forest preservation throughout the region and to ensure that development in Downtown and South Lake Union can easily find TDR.

The proposal would not impact the amount of revenue received through the related Landscape Conservation and Local Infrastructure Program (LCLIP). In exchange to implementing the Regional TDR program, King County agreed to provide the City of Seattle with portion of property tax revenue on all new development in Downtown and South Lake Union. This percentage does not change based on the amount of TDR received, but the length of the benefit increases based on the amount of TDR received. Specifically, the revenue goes for 10 years if we receive 200 credits, 15 years with 400 credits, 20 years with 600 credits and 25 years with 800 credits. The City has already meet the 200 credit threshold and is expected to meet the 800 credit threshold within 2-4 years. TDR from Pierce and Snohomish counties count toward meeting these goals in the same way that TDR from King County does.

### **2. CAPITAL IMPROVEMENT PROGRAM**

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

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**       Yes  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?**

This legislation would help ensure that new development can find TDR. Due to the success of the program, the King County TDR bank is running out of TDR that it can quickly sell. Expanding the program to allow TDR from Snohomish and Pierce counties would make it easier to purchase TDR and reduce the likelihood that new development might stall due to a limited availability of TDR.

**Is there financial cost or other impacts of *not* implementing the legislation?**

Not implementing this legislation could marginally reduce the amount of housing and office development that occurs in Seattle.

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

**a. Does this legislation affect any departments besides the originating department?**

The legislation would affect the Seattle Department of Construction and Inspections (SDCI). SDCI will need to develop updated business practices and training for accepting TDR from Pierce and Snohomish Counties.

**b. Is a public hearing required for this legislation?**

Yes. A public hearing is expected to be held in 2021.

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

Publication is required in the Daily Journal of Commerce.

**d. Does this legislation affect a piece of property?**

The legislation will apply to properties in Downtown and South Lake Union

**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 is not expected to have significant positive or negative implications for the Race and Social Justice Initiative. It may help to ensure continued production of housing and office development in Downtown and South Lake Union. New development is required to contribute to affordable housing through Mandatory Housing Affordability and housing production will help slow increasing housing prices by increasing the supply of housing.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

This legislation is likely to slightly decrease carbon emissions over the long term as it will make it easier to preserve farm and forest land and accommodate new development in areas of Seattle with high access to transit and amenities. This pattern of development will support reduced carbon emissions due to transportation.

- 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.**

This legislation will not have a significant impact on Seattle’s resiliency. Overall, it will tend to encourage new development in areas where it will have minimum impact on increasing impervious surface and will help preserve existing farms and forests.

- 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)?**

No new initiative or major programmatic expansion is proposed.