

## **SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
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### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to land use and zoning; adopting temporary regulations to exempt housing projects that meet Mandatory Housing Affordability requirements using on-site performance units from Design Review, and allowing permit applicants for all housing subject to Full Design Review the option of complying with Design Review pursuant to Administrative Design review; temporarily suspending and allowing voluntary design review of proposed development in Titles 23 and 25 of the Seattle Municipal Code, consistent with Chapter 333, Laws of 2023; and amending Section 23.41.004 of the Seattle Municipal Code.

**Summary and Background of the Legislation:** During the 2023 session, the State legislature passed House Bill (HB) 1293, which requires Seattle and other cities and counties that have a design review program to meet certain requirements.

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.

In addition, the City Council adopted a Statement of Legislative Intent (SLI), [City Council SLI SDCI 4A1](#), in 2022. The SLI directed Seattle Department of Construction and Inspections (SDCI) and 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 [analysis](#) 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.

SDCI is proposing amendments to the land use code to update design review to carry out state law, direction from the City Council and Mayor. Carrying out these state mandates is 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 development projects that are most likely to impact the character of neighborhoods.

This legislation would temporarily suspend required design review for six months, 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. These 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 reenacts temporary regulations established by Ordinance 126854 for 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.

### 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, the legislation does not have any associated costs. The proposed legislation would suspend required Design Review and would not add additional staffing or program costs.

**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.**

No, the legislation does not have any associated costs. The proposed legislation would suspend required Design Review and would not add additional staffing or program costs.

**Please describe any financial costs or other impacts of *not* implementing the legislation.**

No, the legislation does not have any associated costs. The proposed legislation would suspend required Design Review and would not add additional staffing or program costs. Not implementing the legislation makes the City vulnerable to legal challenges for money damages which could result in financial impacts to the City.

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

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

The City department with direct responsibility for implementation and enforcement of this legislation is the Seattle Department of Construction and Inspections (SDCI), the originating department.

**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.**

Yes. The legislation affects properties citywide, largely zoned multifamily, commercial, downtown and industrial. The SDCI recommended thresholds for design review of permit applications would result in an estimated reduction of 58 design review applications per year. This is a roughly estimated 40 percent reduction from the 145 applications reviewed per year for a representative base year that is a higher activity year.

**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.**

The legislation is not anticipated to negatively impact vulnerable or historically disadvantaged communities. Potential benefits of the proposal to those communities include:

- Encouraging the production of housing by speeding up permitting (and thus project completion) for some projects, allowing units to reach the housing market more quickly, increasing supply; and
- Enhancing web-based tools, which could allow for increased efficiency and transparency in the permit process.

SDCI's engagement strategy included focused outreach and engagement with Black, Indigenous, and People of Color (BIPOC) communities, BIPOC Design Review Stakeholders (BIPOC DRS), Design Review Board members past and present, SDCI Design Review staff, BIPOC-led social development organizations and BIPOC youth. Feedback gathered from BIPOC communities focused on program and guideline deficiencies; community assets and priorities; public engagement methods; and considerations for fostering equitable development in Seattle. Community members expressed that the overall complexity and timeliness of the process can be a large barrier to the successful completion of development projects. Thus, the draft legislation was prepared to address these concerns by simplifying the processes and steps and streamlining the process (refer to "*Seattle Design Review Program & Design Guidelines: Fall 2024 Outreach*" report prepared by Seva Workshop, January 2025 for additional information).

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

In October and November of 2024, SDCI engaged with over 1,500 community members about the Design Review program and Design Guidelines and how they can be improved to address community goals and issues, support equitable development, and support needed and future development in their communities. The engagement was conducted through stakeholder interviews and focus groups, outreach at community events, and an online survey.

An analysis of survey responses, interviews, and focus group discussions centered on five specific themes: the Design Review program, design guidelines, community assets and priorities, public engagement, and equitable development. The feedback collected was utilized to formulate recommendations and identify areas for further exploration to enhance the program, prioritize community goals and interests, support new development that is mindful of and encourages culturally rooted and enriched urban design.

**iii. What is the Language Access Plan for any communications to the public?**

Project documents including the SEPA Draft legislation and the City's SEPA Determination, pursuant to environmental review under the State Environmental Policy Act (SEPA) will be published on the SDCI website with options for multiple languages including the top tier languages used in Seattle. Notices will also be published in the *The Daily Journal of Commerce* and in the City's Land Use Information Bulletin.

**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.**

This legislation is likely to have little to no impact on carbon emissions. The proposal does not change current zoning including land and shoreline uses. The proposed changes would continue to allow land uses and land use patterns that are compatible with the objectives and intent of the Comprehensive Plan.

- 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 is likely to have no impact on climate change.

- 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?**

This legislation does not include a new initiative nor any major programmatic expansion.

## 5. CHECKLIST

- ☒ **Is a public hearing required?**

Yes. The City Council is required to hold a public hearing on the proposal and will conduct a public hearing during their review of the proposed legislation anticipated to be held in 2025.

- ☒ **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**

Yes. Publication of notice of the Council public hearing will be made in *The Daily Journal of Commerce* and in the City’s Land Use Information Bulletin. Environmental review under the State Environmental Policy Act (SEPA) is also required for this legislation, and publication of notice of the environmental determination was also made in *The Daily Journal of Commerce* and in 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?**

Yes.

- ☐ **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:** None.