

## SUMMARY and FISCAL NOTE

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Legislative	Lish Whitson/206-615-1674	N/A

### **1. BILL SUMMARY**

**Legislation Title:**

AN ORDINANCE relating to land use and zoning; amending Sections 23.74.002 and 23.74.008 of the Seattle Municipal Code to allow residential uses in the Stadium Transition Area Overlay District.

**Summary and Background of the Legislation:**

This bill would amend the Stadium Transition Area Overlay District (STAOD) to allow housing as a conditional use within the Urban Industrial (UI) zone. Most of the STAOD is zoned UI, with the exception of a block north of S Royal Brougham Way and west of 1<sup>st</sup> Avenue S, known as the WOSCA block, which is zoned MML.

According to Seattle Municipal Code Section 23.34.099, UI zoning is generally intended to provide “an integrated and healthy transition between core industrial areas and neighboring urban villages, residential, and mixed-use areas. These areas contain a mix of affordable, small-scale places for light industry, makers, brewing and distilling, creative arts, and industry supporting ancillary retail, office, or research activity. This area also provides limited opportunities for workforce housing that supports industrial uses. The area functions as a place for residents and workers from nearby urban villages or centers to patronize and experience unique local industrial businesses.”

With the adoption of Industrial and Maritime zoning in 2023, housing is now allowed as a conditional use in most UI zones. However, the STAOD regulations, in SMC section 23.74.008 prohibit housing in the district. In addition, the conditional use criteria for housing in UI districts, SMC 23.50A.062.C, prohibit housing within 200 feet of a Major Truck Street. Within the STAOD all of the arterials are designated as Major Truck Streets including 1st Avenue S, S Royal Brougham Way, Edgar Martinez Drive S, and S Holgate Street, meaning that most of the STAOD is within 200 feet of major truck streets. During consideration of Ordinance 126862, which adopted these regulations, it was argued that housing within the STAOD would conflict with efficient movement of goods through the area and may have negative impacts on the Port of Seattle’s operations.

This bill would remove the prohibition on housing in the STAOD and would allow housing within 200 feet of a major truck street within the STAOD. As a result, housing would be permitted in the STAOD if it complies with the other conditions of SMC 23.50A.060:

- A. The use shall be determined not to be materially detrimental to the public welfare or injurious to property in the zone or vicinity in which the property is located.

B. The benefits to the public that would be provided by the use shall outweigh the negative impacts of the use.

C. Landscaping and screening, vehicular access controls, and other measures shall insure the compatibility of the use with the surrounding area and mitigate adverse impacts.

D. The conditional use shall be denied if it is determined that the negative impacts cannot be mitigated satisfactorily. However, adverse negative impacts may be mitigated by imposing requirements or conditions deemed necessary for the protection of other properties in the zone or vicinity and the public interest.

And the conditions of SMC 23.50A.062.C:

Residential use in UI zones. Residential uses are permitted as an administrative conditional use in UI zones if all of the following criteria are met. The residential use may be part of a Major Phased Development.

1. The residential use shall not exceed a density limit of 50 dwelling units per acre; and
2. The residential use shall not be located within 200 feet of a shoreline; and
3. [NOTE: Subsection 3, related to major truck streets, would not apply.]
4. All dwelling units shall have sound-insulating windows sufficient to maintain interior sound levels at 60 decibels or below in consideration of existing environmental noise levels at the site. The applicant shall submit an analysis of existing noise levels and documentation of the sound insulating capabilities of windows as part of the conditional use permit application; and
5. All dwelling units shall have a permanently installed air cooling system and a balanced ventilation system, which may be combined. The ventilation system shall filter any outdoor air supply through filters rated MERV 13 or higher as determined by the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE). The air cooling and ventilation systems shall be indicated on the plan; and
6. The residential use shall be located, designed, and configured in a manner to reduce potential conflict with adjacent existing industrial business operations; and
7. The owner(s) of a building seeking a conditional use for the residential use must sign and record a covenant and equitable servitude, on a form acceptable to the Director, that acknowledges that the owner(s) and occupants of the building accept the industrial character of the neighborhood and agree that existing or permitted industrial uses do not constitute a nuisance or other inappropriate or unlawful use of land. Such covenant and equitable servitude must state that it is binding on the owner(s)' successors, heirs, and assigns, including any lessees of the residential use; and
8. The residential use shall be a part of a mixed-use development that includes non-residential uses permitted in UI zones, and the residential use component shall not exceed 50 percent of the total floor area of the mixed use development; and

9. Occupancies of dwelling units are voluntarily limited by the building owner to support the availability of housing that is affordable to area workers, such that the residential use consists of either:
  - a. All dwelling units are live-work units in which the commercial activity qualifies as industrial, or are caretakers' quarters associated with a business on the same site provided no single business shall have more than three associated caretakers' quarters; or
  - b. A minimum of 50 percent of the dwelling units are made available at affordable rent or affordable sale price for a period of 75 years beginning January 1 of the year following final certificate of occupancy to eligible households with annual incomes at or below 60 percent of median income for SEDUs, 80 percent of median income for studio and one bedroom units, and 90 percent of median income for two-bedroom and larger units. Standardized procedures and definitions established by the Office of Housing for administration of Chapter 5.73 shall apply. Dwelling units eligible for the multifamily housing tax exemption may be counted towards the minimum 50 percent.

The intent of the bill is to allow caretaker's quarters and residential uses serving a mix of incomes, including low-income households, as a conditional use and in turn such housing can help support additional activity within the STAOD, particularly on nights and weekends when there are not games or other events at Lumen Field or T-Mobile Park. More residences in the area, combined with non-residential uses can create a livelier Stadium District throughout the year.

On March 18, the City Council amended the bill as follows:

- Adding recitals indicating the Council's intent to strengthen the City's policies and regulations to further limit changes to industrial areas;
- Limiting the total number of residential units in the STAOD to 990;
- Requiring covenants related to geologic hazard areas to be recorded and run with the land in perpetuity;
- Requiring residential units to be designed and built to maintain an indoor noise level of 45 decibels or lower;
- Requiring residential buildings to include clear and conspicuous signage indicating that the project is in an industrial area and a liquefaction zone;
- Requiring that any residential projects commit to not seeking or using city funding for construction, maintenance, or environmental remediation;
- Prohibiting residential uses west of 1<sup>st</sup> Avenue S; and
- Extending the effective date to June 30, 2025.

## 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.**

**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 the Seattle Department of Construction and Inspections (SDCI) as SDCI staff will need to be made aware of the code amendment for the purposes of permit review. However, this may not create a meaningful fiscal impact on SDCI. SDCI's fees are structured to cover the actual costs of reviewing permits. Additional review required for administrative conditional uses should be able to be covered by the standard fee schedule.

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

None identified

## 4. OTHER IMPLICATIONS

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

The Seattle Department of Construction and Inspections (SDCI) regulates development and would need to update materials and systems to reflect the proposed zoning change. Central Staff is ready to consult with SDCI to determine whether this change would require any changes to software that could have fiscal impacts.

**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.**

This legislation applies to the Urban Industrial zone that is included within the Stadium Transition Overlay district. See attachment 1.

**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.**

According to the 2022 Final Environmental Impact Statement for the Seattle Industrial and Maritime Strategy (FEIS), the STAOD is within one of the areas of the city with the highest disadvantages. FEIS attached hereto. The proposal would allow for additional housing, including potentially low-income housing, near both high-capacity transit and living wage jobs that are accessible to people without college degrees. Alternative 4 in the 2022 FEIS analyzed the likelihood of housing via caretaker's quarters and mixed-income housing in the SODO district and concluded that it may result in up to 990 units (see pages 2-43, 3-330, and 3-377-378).

However, living in the STAOD may present challenges to future residents. It is an area with few amenities for residents, including a lack of access to groceries, schools, or parks. The criteria for allowing housing include measures to mitigate the indoor air quality and noise impacts of living near major transportation corridors, but exterior air quality near the Port of Seattle, Interstate 90, State Route 99 and major truck routes can be poorer than in other areas. In addition to traffic noise, the stadiums, industrial activity, and railroads can create a noisier street environment than is found in other areas.

Lacking trees and open space, and predominantly developed with large open areas of concrete, the STAOD is one of the hottest areas in the city. The conditions for approval of housing in the UI zone include requirements for air conditioning. In addition, most development in the UI zone will be required to add street trees and comply with the green factor landscaping standards, adding some relief to the area as it redevelops.

There are also natural hazards in this area. The STAOD is in a liquefaction zone, which means that buildings constructed in the area will need to be carefully designed to avoid severe damage during an earthquake. Similarly, portions of the STAOD are susceptible to sea level rise, and building designs will need to consider those impacts.

The north Duwamish area, including the STAOD, has seen a high number of pedestrian and bicycle deaths in recent years. The current street environment in the area includes blocks without pedestrian or bicycle infrastructure. Encouraging redevelopment of the area would bring with it pedestrian facilities, including sidewalks, pedestrian lighting, and street trees in areas where they don't exist. It can also lead to a vulnerable population being added to a risky environment for pedestrians and bicyclists.

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

See the analysis of Race and Social Equity included in the 2022 FEIS.

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

SDCI regularly provides translated material describing changes to zoning on their website.

**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.**

According to the 2022 FEIS, allowing housing in the STAOD is likely to lead to slightly higher greenhouse gas emissions than maintaining the current zoning due to increased transportation to and from future homes and businesses that would be developed under the proposal. However, under either current zoning or the proposal, emissions are likely to decrease compared to current conditions.

- 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.**

The STAOD was originally mud flats at the outlet of the Duwamish River into Elliott Bay. The area’s current conditions are a result of significant channelization of the Duwamish River in the early 20<sup>th</sup> Century. As a result, the STAOD has unstable soils and is in a liquefaction zone that is prone to significant impacts during earthquakes. Portions of the STAOD may be at increased risk of sea level rise. Seattle’s codes and engineering requirements are well developed to address liquefaction risk, although the city has little residential development in its most liquefaction-prone areas. The area where residential development is most likely to occur – south of the Stadiums and east of 1<sup>st</sup> Avenue S is not the area identified on maps as particularly susceptible to sea level rise. However, the City could prohibit residential development at ground level, or otherwise require above-grade residential units to further mitigate possible sea level rise impacts on future residents of the area.

- 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?**

Not applicable.

**5. CHECKLIST**

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

- Is a public hearing required?**

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

## **6. ATTACHMENTS**

### **List Summary Attachments (if any):**

Summary Attachment 1 – Map of the Stadium Area Transition Overlay District  
Summary Attachment 2 – Seattle Industrial & Maritime Strategy Final Environmental Impact Statement