



Seattle City Council

Central Staff - Memorandum

Date: September 24, 2015
To: PLUS Committee
From: Aly Pennucci, Council Central Staff
Subject: Seattle Mixed Zone Proposed Bill (CB 118429)

Overview

On August 4th, 2015, the Planning, Land Use, and Sustainability (PLUS) Committee discussed CB 118429. This bill, as proposed by the Executive, would make adjustments and corrections to the regulatory framework for Seattle Mixed (SM) zones. On August 18, 2015, the PLUS Committee held a public hearing and its second discussion of CB 118429. On September 15, 2015, the PLUS Committee had a second discussion and adopted the following three amendments:¹

1. Amended the Executive's proposal to allow 20 percent of bonus residential floor area to be obtained through the provision of a public amenity to include a mid-block corridor, elevator and a public viewpoint.
2. Amended the Executive's proposal to eliminate special exemptions to maximum parking requirements.
3. Amended the Executive's proposal to make the transparency requirements in SM zones consistent with NC zones.

This memo describes additional amendments to CB 118429 that the Committee will consider at their meeting on September 29, 2015.

Proposed Amendments

The Committee is considering the following amendments:

Amendment 1: Modifications to the incentive zoning provisions in South Lake Union (SLU) – to allow a Design Review departure to the standards for a project that gains 20 percent of bonus residential floor area to be obtained through the provision of a public amenity to include a mid-block corridor, elevator and a public viewpoint and makes a technical correction.

At the September 15, 2015, meeting, the Committee voted to move an amendment to allow a project to incorporate a public hill climb/mid-block corridor and viewpoint as a public amenity to obtain extra floor area. The proposed amendment:

¹ The bill as amended by the committee is included in attachment 1. The committee will vote on the adoption of the full bill, as amended, at the September 29, 2015 PLUS committee meeting.

- Corrects an error identified in Section 23.41.012.B.12. This section previously prohibited a departure to the standards for extra floor area in Seattle Mixed zones (current code section 23.48.011). In the reorganized chapter, 23.48.011 was split between 23.48.021 and 23.48.221, but the amendment to update the reference in 23.48.012.B.12 only referenced 23.48.221.
- Adds language to this section to allow departures for flexibility in applying the downtown amenity standards to a specific site.
- Clarifies that not more than one lot can gain 20% of the residential floor area by providing these amenities (but not limiting other sites from providing similar amenities if the opt to do so without gaining extra floor area).

Options	Considerations
<p><u>Option A:</u> No change</p>	<p>Option A would not revise the proposal as approved by the Committee at the 9/15/15 PLUS Committee meeting. This would limit an applicant’s ability to request flexibility in applying the standards to a specific site.</p>
<p><u>Option B:</u> Amend the proposal (as shown in Attachment 2) to make clarifications and technical corrections, and to allow a Design Review departure to the standards for a project that gains 20 percent of bonus residential floor area through the provision of a public amenity to include a mid-block corridor, elevator and a public viewpoint, and correct a referential error.</p>	<p>Allowing flexibility will provide projects an opportunity to modify the specific standards if the design achieves the intent of the Downtown Amenity Standards for that amenity feature.</p>

Committee direction regarding modifications to incentive zoning provisions in South Lake Union:

Amendment 2: Floor area limits for residential towers on lots less than 21,000 square feet

Current floor area maximums for residential towers that exceed the base height in the SM zone in SLU range from 10,500 square feet (sf) to 12,500 sf, varying based on the maximum height permitted, or 50 percent of the lot area, whichever is less. For smaller lots (under 21,000 square feet), applicants have indicated that this requirement is an obstacle to developing slender residential towers that were planned for in SLU.

CB 118429 would allow residential tower development on lots less than 21,000 sf to request a Design Review departure to increase the maximum footprint of a residential tower from 50 percent of the lot area to as much as 75 percent of the lot area. During the Committee discussion on September 15th, the Committee considered several options to amend the Executive’s proposal. That discussion was continued to the September 29th PLUS Committee meeting for further discussion.

The issues discussed at the 9/15/15 Committee meeting focused on two main questions:

1. Could this proposal impact work that is underway to consider implementing a mandatory inclusionary Housing (MIH)² program for residential development that was included in the Housing Affordability and Livability Agenda (HALA) recommendations. If additional capacity is added today, more capacity may need to be made available if an MIH program is implemented. Of the options outlined below, Option B would postpone the decision about adding capacity until the council is considering MIH legislation.
2. If additional residential capacity is authorized today through the proposed departure, should it be:
 - o obtained under the existing Incentive Zoning (IZ) program (where 60 percent of the additional floor area would be obtained by providing or contributing to affordable housing, 40 percent would be obtained by purchasing regional development credits), or, should 100 percent of the additional capacity be obtained by providing or contributing to affordable housing.
 - o more narrowly define where the departure would apply to limit the number of sites that would be eligible.

Council staff identified the following four options for the PLUS committee to consider:

Option	Considerations
<p><u>Option A:</u> Adopt the Executive’s proposal</p>	<p>If a departure is made available now, any project that vests between when this change is adopted and when/if a MIH program is implemented, would not be subject to the MIH requirements, but, it may make some sites more likely to participate in the existing voluntary IZ program.</p>
<p><u>Option B:</u> Amend the Executive’s proposal, as shown in attachment 3, to remove the departure that would allow for projects on lots less</p>	<p>If the proposed departures is not made available now, and instead is packaged with a MIH proposal, it would be clear that this added capacity is linked to the MIH program</p>

² Mandatory inclusionary housing is a program whereby residential developers are required to set aside some percentage of affordable units in a project or pay a fee in-lieu of providing those units. In order to implement a MIH program a “jurisdiction shall provide increased residential development capacity through zoning changes, bonus densities, height and bulk increases, parking reductions or other regulatory changes or other incentives” ([RCW 36.70A.540\(3\)\(b\)](#)). As described in the HALA recommendations, as part of a MIH program, the additional capacity would be achieved by allowing residential floor plates (in areas where towers are allowed) to be 1,000 square feet larger in exchange for a yet-to-be-determined percentage of affordable housing on site or via an in lieu payment.

Option	Considerations
<p>than 21,000 sf to increase the maximum footprint of a residential tower from 50 percent of the lot area to 75 percent of the lot area at this time. Direct DPD to consider including this option with other potential changes when and if a Mandatory Inclusionary Housing (MIH) program for residential development is proposed.</p>	<p>and would not result in a need for additional capacity if an MIH program is implemented.</p> <p>If the departure is not made available now some projects may move forward with smaller buildings that would not participate in the existing IZ program which would result in no contribution to affordable housing.</p>
<p><u>Option C:</u></p> <p>Amend the Executive’s proposal to require that the extra residential floor area gained through the departure is achieved by building or providing for affordable housing rather than the 60/40 split between affordable housing and regional development credits.</p>	<p>This would ensure that any added capacity given today is paid for only through providing or contributing to affordable housing</p> <p>If this capacity is added today, it may require additional capacity is provided if an MIH program is implemented.</p>
<p><u>Option D:</u></p> <p>Amend the Executive’s proposal to limit where the departure would be available. This could include:</p> <ul style="list-style-type: none"> • limiting the geographic area to lots under 21,000 square feet in the South Lake Union Seaport Flight Corridor • decreasing the 21,000 square foot lot size to 12,500 	<p>Staff identified all lots with less than 21,000 square feet of lot area in SLU where residential towers are subject to a floor area limit; 162 lots were identified. Of these lots, staff found 15³ lots that are most likely to take advantage of the proposed departure.</p> <p>This option would reduce the number of eligible lots</p> <ul style="list-style-type: none"> • flight corridor option reduces the number of potential sites identified from 15 to 1; • decreasing the lot size reduces the number of sites identified from 15 to 8. Of the 8 identified here, two are under common ownership on the same block and may be less likely to use the departure).

Committee direction regarding floor area limits for residential towers on lots less than 21,000 square feet:

³ Staff previously identified 16 potential lots; one lot was removed from the list because it is part of a larger site that is current going under review through the Design Review program. Also, of the 15 identified, two are under common ownership on the same block and are less likely to use the departure.