

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>Executive Contact/Phone:</b>
Legislative	Lish Whitson/615-1674	

**1. BILL SUMMARY**

**a. Legislation Title:**

AN ORDINANCE relating to land use and zoning; amending Sections 23.30.010, 23.45.502, 23.45.510, 23.45.512, 23.45.514, 23.47A.002, 23.47A.009, 23.47A.012, 23.47A.013, 23.48.002, 23.48.005, 23.48.020, 23.48.021, 23.48.025, 23.48.040, 23.48.045, 23.48.055, 23.48.085, 23.48.240, 23.58A.040, 23.58A.042, 23.58B.040, 23.58B.050, 23.58C.030, 23.58C.035, 23.58C.040, 23.58C.050, 23.61.008, 23.61.014, 23.84A.004, 23.84A.025, 23.84A.028, 23.84A.038, 23.84A.042, and 23.84A.048 of the Seattle Municipal Code (SMC); adding new Sections 23.45.509, 23.45.517, 23.47A.017, 23.48.602, 23.48.605, 23.48.610, 23.48.615, 23.48.620, 23.48.621, 23.48.622, 23.48.623, 23.48.624, 23.48.627, 23.48.630, 23.48.635, 23.48.640, 23.48.645, 23.48.646, 23.48.650, 23.48.680, 23.48.685, and 23.48.690 to the SMC; amending Ordinance 125108 and Ordinance 125233; and amending the Official Land Use Map at pages 60, 61, 78, and 79 to rezone areas in the University District.

**b. Summary and background of the Legislation:**

The proposed legislation replaces Council Bill (CB) 118862 to reflect amendments made by the City Council’s Planning Land Use and Zoning Committee. The bill as amended by the Committee will allow additional height and density through an incentive zoning program in portions of the University Community Urban Center west of 15<sup>th</sup> Avenue NE. The proposal would also implement the City’s mandatory housing affordability (MHA) requirements for new development in the rezoned area, as well as establish new development standards to achieve design and development objectives expressed in the U District Urban Design Framework (2013). In general, the goal of this proposal is to help shape the growth anticipated to occur in this portion of the U District, subject to requirements that will mitigate the related impacts of that growth.

Key recommendations include:

1. Rezoning various NC3 65 and NC3 85 zoned properties to a new Seattle Mixed-University (SM-U) designation, with height limits ranging from 85 feet to 320 feet, but not rezoning any properties abutting University Way Northeast (“The Ave”);
2. Rezoning a limited number of single family parcels to a Lowrise 1 multifamily (LR1) designation and Neighborhood Commercial (NC2P-40) designation; two Lowrise 3 (LR3) multifamily zone areas to a Midrise (MR) multifamily zone designation; and an LR3 area to an NC3 75 commercial zone designation;

3. Applying Mandatory Housing Affordability (MHA) requirements in the rezoned areas, and adding MHA requirements for performance and payment amounts that would apply to commercial development;
4. Revising development standards to address design issues with current development and accommodate new building types in the neighborhood.
5. Apply incentive zoning provisions for new commercial and residential projects in SM-U zones, including programs to permit the transfer of development potential from designated Landmark structures, public open space sites, and historic vulnerable masonry structures and floor area bonuses for green street improvements and onsite open space amenities, and allowing transfers of development rights from NC and MR zoned areas in the University Community Urban Center;
6. Amend pedestrian-oriented development standards;
7. Amend other sections of the Land Use Code as they relate to rezoned areas in the University District for consistency among the standards of the various SM zone designated areas and to make administrative revisions and correct references.

For more information see the Summary and Fiscal Note for CB 118862, and the Report of the Director of Planning and Community Development on CB 118862.

## 2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project? \_\_\_ Yes  X  No

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? \_\_\_ Yes  X  No
- b. 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?  
The proposed legislation will provide additional development capacity in the affected portion of the University Community Urban Center to accommodate the 5,000 additional households and 4,800 new jobs expected in the area over the next 20 years. This growth could result in an increase in demand for municipal services to be provided by the full range of city departments. The increase in the need for additional services is expected to be balanced by the corresponding incremental increase in property tax revenues sales tax revenues and other revenues associated with increased development. In sum, the increased development will be balanced by increased revenue at existing rates.

The more direct and immediate cost of implementing the legislation is the impact on the Seattle Department of Construction and Inspections (SDCI) to process future development under the legislative rezone.

### IT Costs

Following a legislative rezone, the Seattle Department of Construction and Inspection's (SDCI) IT division must update all GIS maps and zoning records in SDCI's permit systems for each parcel within the rezone boundaries. This work will be covered by existing resources in SDCI's IT division.

### SDCI training and implementation

The new code standards are anticipated to affect permit review staff at SDCI. Training is needed to ensure that reviewers are aware of the new provisions, and that the policy intent is clear for implementation. This training will be incorporated within the existing training and coordination schedule.

### MHA requirements

As rezones or code changes go into effect, new development projects will be subject to MHA requirements. OH and SDCI have already addressed anticipated needs for additional staff to administer the mandatory housing affordability (MHA) requirements, which ultimately will apply to zones citywide. During permit review, each permit application subject to the program will require a calculation of affordable housing mitigation to be provided.

- c. **Is there financial cost or other impacts of *not* implementing the legislation?**  
No

### **3.d. Appropriations**

**This legislation adds, changes, or deletes appropriations.**

### **3.e. Revenues/Reimbursements**

**This legislation adds, changes, or deletes revenues or reimbursements.**

### **3.f. Positions**

**This legislation adds, changes, or deletes positions.**

## **4. OTHER IMPLICATIONS**

- a. **Does this legislation affect any departments besides the originating department?**  
If adopted, it is likely the proposed legislation will impact staff time in OH, Parks, SPU, City Light, and SDOT although impacts can be absorbed through existing permit fees and/or utility rates without any new FTEs.
- b. **Is a public hearing required for this legislation?**  
Yes, a public hearing on CB 118862 was held on November 16, 2016, comments received at that public hearing informed changes between CB 118862 and this bill. In addition, public notice of potential City Council amendments was provided and opportunities for public comment were available prior to the Committee's vote on

changes to CB 118862.

**c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No

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

Yes, publication in the Daily Journal of Commerce is required

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

The legislation would apply to new development in rezoned areas located in a portion of the University Community Urban Center west of 15<sup>th</sup> Avenue NE.

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

This legislation will help ensure that future development in the U District will produce affordable housing, helping to offset the increasing cost of housing in this neighborhood and throughout the City. Over half of the households served by providers of City-funded low-income housing are households of color.

The proposed zoning changes promote the concentration of future employment activity at a location that is highly accessible by transit, including light rail, thereby increasing accessibility to future job opportunities for transit dependent residents throughout the city and region.

**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).**

The mandatory affordable housing requirements that would be implemented through the rezone are expected to yield between 600-900 affordable housing units over a 20 year timeframe for households with income at or below 60% of AMI.

**h. Other Issues:**

See the Legislative record for CB 118862 for more information

**List attachments/exhibits below:** None