

June 5, 2017

#### **MEMORANDUM**

**To:** Planning, Land Use and Zoning (PLUZ) Committee

From: Eric McConaghy and Lish Whitson, Council Central Staff

**Subject:** Proposed amendments to Chinatown/International District Rezone:

Council Bill 118959 and Resolution 31754

On Tuesday, April 18, the Planning, Land Use and Zoning (PLUZ) Committee began discussion of Council amendments to Council Bill (CB) 118959, which would change the zoning in the Chinatown/International District (C/ID) to apply Mandatory Housing Affordability requirements. At the May 16 PLUZ Committee meeting, PLUZ discussed a draft Resolution (Resolution 31754) that identified a wide range of community concerns that are not directly related to the zoning amendments in front of the Committee. The resolution makes City commitments to address those concerns. On June 1, the PLUZ Committee held a public hearing on CB 118959 and proposed amendments to that bill. This memorandum and attachments discuss proposed amendments to these two pieces of legislation. At the June 6 PLUZ Committee meeting the Committee may vote on these proposed amendments and the underlying Council Bill and Resolution.

Attachment 1 to this memo lists potential amendments for Committee consideration based on discussion at the May 16 meeting and further input from Councilmembers and the public. Attachment 2 provides background regarding stability for commercial businesses in the C/ID.

In working with the C/ID community, Councilmembers identified seven amendments intended to strengthen Resolution 31754. Those amendments are described in Attachment 1, and are attached to this memo as Attachments 3 – 9. Attachments 10 and 11 include amendment language and updated maps for the amendments to CB 118959 discussed in Attachment 1.

#### Attachments to this memorandum:

- 1. Summarize issues and related amendments to Resolution 31754 and Council Bill 118959 for consideration by PLUZ (Attachment 1);
- Compare recommendations from the Mayor's Commercial Affordability Advisory
  Committee to the zoning in Little Saigon, with and without Councilmembers'
  amendments, and identifies additional steps the Committee could take to address these
  issues (Attachment 2);
- 3. Set out proposed amendments to Resolution 31754 (Attachments 3-9); and
- 4. Set out proposed amendments to CB 118959 (Attachments 10-11)

#### **Attachments:**

- 1. Table of proposed amendments for Resolution 31754 and Council Bill 118959
- 2. Commercial stability and zoning in Little Saigon
- 3. Resolution Amendment 1: Commitment to help C/ID preserve cultural home
- 4. Resolution Amendment 2: Support for C/ID Advisory Committee and update to plan for Charles Street Campus
- 5. Resolution Amendment 3: Amend the title of Resolution 31754 to include economic vitality
- 6. Resolution Amendment 4: Request for consideration of specific changes to ISRD rules and guidelines
- 7. Resolution Amendment 5: Commit to continued dialogue with business community stakeholders
- 8. Resolution Amendment 6: Add a deadline for a report on parks and open space activities
- 9. Resolution Amendment 7: Add anti-displacement strategies
- 10. CB Amendment 1: Amend the boundaries of the International Special Review District and Design Review Districts
- 11. CB Amendment 2: Exempt affordable housing projects from incentive zoning requirements

cc: Kirstan Arestad, Central Staff Director Ketil Freeman, Supervising Analyst

Attachment 1: Table of proposed amendments for Resolution 31754 and Council Bill 118959

Topic/Issue	Mayor's Proposal	Proposed Amendment	Discussion
Amendments to Resolution 3175	4		
1. This amendment would express Council's recognition of the C/ID as a cultural home for diverse stakeholders and Asian-Pacific Islander communities and declare the City's commitment to help the C/ID.	n/a	See Councilmember González amendment, Attachment 3.	The commitment expressed in the resolution calls for "exploring culturally- and linguistically-responsive strategies and resources that can help C/ID residents and stakeholders to best preserve and grow cultural, community, and business institutions as a diverse, unique neighborhood."
2. This amendment would add a statement of Council's support for the work of a C/ID Advisory Committee, with special regard for the planning for the Charles Street property.	n/a	See Councilmember O'Brien amendment, Attachment 4.	The Executive is in the process of forming a C/ID Advisory Committee to develop a framework and implementation plan for the C/ID, as described in the language of the amendment. The amendment supports this effort, in particular, calling out the update to the Charles Street Campus Master Plan. The Charles Street Campus is Cityowned property that currently houses City engineering shops. It is between 8 <sup>th</sup> Ave S and 9 <sup>th</sup> Ave S, bounded by Dearborn to the north and Interstate 90 to the
			south. S Charles St dead-ends to east into the property. The C/ID community has advocated for a more community-oriented use of these properties.

Attachment 1: Table of proposed amendments for Resolution 31754 and Council Bill 118959

Topic/Issue	Mayor's Proposal	Proposed Amendment	Discussion
3. This amendment would amend the title of the resolution to include "economic vitality"	n/a	See Councilmember Herbold amendment, Attachment 5.	Sustaining the vital role the businesses in the C/ID play in the life of the region's Asian and Pacific Islander communities has been a core theme of public comment on the proposed legislation. This amendment brings that theme into the title of the Resolution.
4. This amendment would request that the Office of Planning and Community Development (OPCD) and the Department of Neighborhoods (DON) ensure that specific issue are included in the consideration of changes to the International Special Review District (ISRD) rules and guidelines.	s	See Councilmember Herbold amendment, Attachment 6.	The Council requests OPCD and DON work with the C/ID community, stakeholders, and the ISRD Board to consider particular types of land use, zoning and design review changes, based on community concerns. This amendment to the resolution is separate from the amendment to the bill that would increase the geographic area of the ISRD.
5. This amendment would affirm the City's commitment to continue to work with business community stakeholders in developing strategies promote economic development and commercial stability	n/a	See Councilmember Herbold amendment, Attachment 7.	This amendment would recognize the importance of the voices of the C/ID business community in developing and implementing strategies to support the continued economic vitality of the C/ID.

Attachment 1: Table of proposed amendments for Resolution 31754 and Council Bill 118959

Topic/Issue		Mayor's Proposal	Proposed Amendment	Discussion
add a de report or space im reaffirm for progr	ndment would adline for a parks and public provements and the City's support amming of public the C/ID and	n/a	See Councilmember Herbold amendment, Attachment 8.	This amendment would request that the Executive report by September 2017 on the timing and sequence of parks and public space improvements. It would also reaffirm the City's commitment to programming of public spaces in the C/ID.
add two displacer the resol Reuse of property an unrei	nent strategies to	n/a	See Councilmember Herbold amendment, Attachment 9.	This amendment would add two additional anti-displacement strategies for the Chinatown/International District. The first is exploring opportunities to reuse City and other publiclyowned property for affordable housing development in the neighborhood. The second is exploring a new Unreinforced Masonry Preservation pilot to increase the supply of affordable housing in vacant floors of buildings in the Chinatown/International District. The pilot program would be funded through MHA funds, proceeds from the \$29 million housing bond approved by the Council in the 2017 budget, or a targeted growth fund with revenues from an increment of increased property tax revenue from future growth.

## Attachment 1: Table of proposed amendments for Resolution 31754 and Council Bill 118959

Topic	:/Issue	Mayor's Proposal	Proposed Amendment	Discussion
Am	endments to Council Bill 1189	) 59		
1.	Amend the International Special Review District (ISRD) and Downtown Design Review District (DDRD) boundaries	No changes to the boundaries of the ISRD were proposed by the Mayor. West of Interstate 5 (I-5) the entire rezone area is included in the ISRD. East of I-5, the boundaries are S Jackson Street,	Councilmember Johnson proposes amending the boundaries of the ISRD to include the entire rezone area. This would move the boundary one block north to S Main Street (or the extension of S	This would apply the rules and controls and the review process of the ISRD to the area proposed to be included in the ISRD. This would not change the rules, controls, and process of the ISRD;
	A) This amendment would change the boundaries of the ISRD to be	12 <sup>th</sup> Avenue S, and S Dearborn Street.	Main Street) and east one block to Rainier Avenue South.	it would only change the boundary. The Executive has stated that if this amendment is
	coterminous with the boundaries of the rezone area.		See Attachment 10	not adopted at this time, they plan to review these boundaries and develop a proposal for whether or not to amend the ISRD boundaries over the next few months. The provisions of the ISRD and its boundary were last amended in 2011 (Ordinance 123589).  At the request of the Department of Neighborhoods, this change would go into effect on January 1, 2018.
1.	B) This amendment would change the boundaries of the DDRD to include all of the Chinatown- International District.	No changes to the boundaries of the Design Review districts were proposed by the Mayor.	Councilmember Johnson proposes amending Design Review boundaries to include all of the Chinatown/International District in the DDRD. Currently, boundaries to Design Review Boards run along I-5 and South Jackson Street, splitting the neighborhood into three Design	This amendment would make the Design Review Board District boundaries consistent with the neighborhood's boundaries and consistent with the proposed expansion of the ISRD.  Under the code, because zones within the C/ID are downtown zones, the Downtown Design

Attachment 1: Table of proposed amendments for Resolution 31754 and Council Bill 118959

Topic/Issue	Mayor's Proposal	Proposed Amendment	Discussion
		Review Boards: Downtown, East, and Southeast.	Guidelines should apply to projects in the C/ID.
		See Attachment 10.	At the request of the Seattle Department of Construction and Inspections, this change would go into effect on January 1, 2018.
2. Allow larger projects with affordable housing to be built without participation in the Transfer of Development Potential (TDP) or downtown amenity programs	For most of the Chinatown/International District (C/ID), the zoning allows a base amount of development (expressed as floor area ratio [FAR] and height limits) as-of-right. Under existing zoning, projects that exceed the base amount of development, must mitigate impacts through provision of affordable housing and childcare space for 60% of the floor area over the base. For 40% of the floor area above the base, projects must either provide open space improvements or preserve historic landmarks. The affordable housing bonus will be replaced with the Mandatory Housing Affordability program, however the other "incentive zoning" programs will still apply under the proposed zoning.	Councilmember Johnson recommends amending Seattle Municipal Code (SMC) Section 23.49.023 to grant extra floor area to low-income residential buildings that are exempt from the MHA program.  In DMC, DMR, IDM and IDR zones in South Downtown, exempt projects from non-housing incentive zoning requirements if they qualify for the existing MHA exemption for low-income residential buildings:  Receives public funding or tax credits;  Receives public funding or tax credits;  Subject to enforceable agreement, covenant or other legal instrument;  40% of occupancy restricted to households earning no greater than 60% of median income; and  Minimum of 40 years  See Attachment 11.	As the pace of development accelerates in close-in neighborhoods, such as the C/ID, not-for-profit developers are having a hard time competing for land to develop affordable housing projects. This amendment would reduce some costs for projects with a large share of units dedicated to affordable housing, such as non-profit housing developments.  The amendment could also, however, reduce the number of projects that provide open space, make green street improvements, or contribute to the preservation of historic landmarks.

#### Attachment 2: Commercial stability and zoning in Little Saigon

Little Saigon, the part of the Chinatown/International District east of I-5, is seeing a significant amount of new development. As the neighborhood grows, the small, immigrant-owned businesses in Little Saigon face the threat of displacement. Business owners are concerned that as rents increase in the neighborhood and small one-story buildings are replaced with mixed-use towers, they will not be able to remain in the neighborhood. In 2016, in response to similar concerns from across the City, the Mayor convened a <a href="Commercial Affordability Advisory">Commercial Affordability Advisory</a> Committee. It developed a wide range of recommendations, some of which are directly related to land use and zoning.

The following table compares existing zoning in Little Saigon and the Council's proposed amendments to the Commercial Affordability Advisory Committee's land use recommendations. The Mayor's Recommended legislation would not change these aspects of the zoning in the Chinatown/International District.

	Commercial Affordability Advisory Committee Recommendation	Current Zoning in Little Saigon	Council Amendments	Discussion
a.	Allow small pockets of commercial uses in residential areas	Commercial uses are allowed throughout Little Saigon, they are required along S Jackson Street and the blocks of 12 <sup>th</sup> Ave S that are directly north and south of S Jackson Street.	Councilmember Herbold has proposed asking OPCD and DON to review the uses permitted in the C/ID	The Council could ask OPCD to work with the community to review whether the list of uses that are permitted in the area and the uses that are required at street-level remain appropriate.
b.	Limit signage to discourage franchise businesses	Signs are regulated in the International Special Review District (ISRD) (23.66.338), special design guidelines have been adopted for the ISRD.	Councilmember Johnson has proposed to extend the ISRD include all of Little Saigon.	The Council could ask DON to work with the community and ISRD board to review whether the design guidelines for signage need to be updated.
C.	Require special permits for formula retail businesses	"Formula fast food restaurants" are subject to special review in the ISRD.	Councilmember Johnson has proposed to extend the ISRD include all of Little Saigon.	This special review is unique to the International District; the Council could ask OPCD to consult with the ISRD Board to determine whether there has been or is likely to be a preponderance of formula retail uses that could also be subject to special review.

## Attachment 2: Commercial stability and zoning in Little Saigon

	Commercial Affordability Advisory Committee Recommendation	Current Zoning in Little Saigon	Council Amendments	Discussion
d.	Limit the length of store frontages occupied by a single tenant	In DMR zones (23.49.143): retail and restaurant uses are limited to 25,000 square feet and grocery stores are limited to 50,000 square feet, there are no frontage limits In DMC zones (23.49.059): Abutting green streets, large grocery stores (greater than 50,000 square feet) and other large retail uses (25,000 square feet) must be separated from the green street for 75% of lot frontage.	Councilmember Herbold has proposed to ask OPCD and DON to review the maximum sizes of retail uses and the characteristics of storefront entrances and their spacing.	The Council could ask OPCD to work with the Little Saigon community to determine whether to change these limits or add additional requirements.
e.	Support small businesses through design guidelines	The ISRD has specific <u>guidelines</u> for storefronts in the Asian Design Character District.	Councilmember Johnson has proposed to extend the ISRD include all of Little Saigon.	The Council can ask the ISRD Board and DON to review the guidelines to make sure that they support small businesses in Little Saigon
f.	Provide channels for communication of small business priorities through the development process	ISRD development review provides an opportunity for members of the community to discuss projects with developers throughout the development process. Community members have mentioned that out of this process, they have been able to work with developers to provide commercial spaces in new buildings that will work for small immigrant-owned businesses.	Councilmember Johnson has proposed to extend the ISRD include all of Little Saigon.	

## Attachment 2: Commercial stability and zoning in Little Saigon

	Commercial Affordability Advisory Committee Recommendation	Current Zoning in Little Saigon	Council Amendments	Discussion
g.	Offer zoning incentives to allow for larger buildings if commercial spaces appropriate to small locallyowned businesses are provided	Zoning incentives are currently provided for affordable housing, childcare facilities, historic preservation and open space or green street improvements, no incentives are currently provided for commercial space.		In October 2016, a report on using Transferable Development Rights to support businesses in Little Saigon was published. The "Equity Transferable Development Rights Project for Chinatown/International District" identified a number of hurdles to creating a program that would work to support existing businesses without hurting other goals for the development of Little Saigon.

# Attachment 3: Resolution Amendment 1: Culturally- and linguistically-responsive strategies and resources for C/ID

Chinatown/International District Resolution Amendment 1: Resolution 31754 Sponsor: Councilmember González

This amendment would add a section expressing Council's recognition of Chinatown/International District (C/ID) as a cultural home for diverse stakeholders and Asian-Pacific Islander communities and declaring Council's commitment to exploring culturally- and linguistically-responsive strategies and resources that can help C/ID. Following sections would be renumbered accordingly.

<u>Double underlines</u> indicate proposed new language. <u>Double strikeouts</u> indicate language that would be removed from the Council Bill.

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Section 10. The Council recognizes the strong desire of diverse stakeholders and Asian-Pacific Islander (API) communities to retain a "cultural home" in the C/ID; and that the future of the C/ID as a safe, vibrant neighborhood with a unique identity depends on placemaking, economic development, and community building by its residents and stakeholders. The City commits to exploring culturally- and linguistically-responsive strategies and resources that can help C/ID residents and stakeholders to best preserve and grow cultural, community, and business institutions as a diverse, unique neighborhood.

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Attachment 4: Resolution Amendment 2: Indicate Council's support of C/ID Advisory Committee, especially to update planning for the Charles Street Campus

Chinatown/International District Resolution Amendment: Resolution 31754

Sponsor: Councilmember O'Brien

This amendment would add a new section 3 to Resolution 31754, containing a statement of the Council's support for the work of a C/ID Advisory Committee, with special regard for the planning for the Charles Street property. Following sections would be renumbered accordingly.

<u>Double underlines</u> indicate proposed new language. <del>Double strikeouts</del> indicate language that would be removed from the Council Bill.

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Section 3. The Council supports the efforts of a C/ID Advisory Committee, with City departments, to develop a framework and implementation plan for the C/ID, addressing topics such as: updates to the ISRD guidelines, community development and stabilization, strategic investment of City funds, public realm improvements, and an update to the Charles Street Campus Master Plan. The Council expects the updated planning for the City's Charles Street property to consider a range of alternatives including streetscape improvements along S Dearborn Street, partial redevelopment, and a long-term strategy for relocation of City facilities.

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# Attachment 5: Resolution Amendment 3: Amend the title of Resolution 31754 to include economic vitality

Chinatown/International District Resolution Amendment: Resolution 31754

Sponsor: Councilmember Herbold

This amendment would add "economic vitality" to the intended outcomes of the Council's resolution related to the Chinatown/International District

<u>Double underlines</u> indicate proposed new language. <del>Double strikeouts</del> indicate language that would be removed from the Council Bill.

A RESOLUTION relating to the Chinatown/International District; identifying actions of the City and its partners that hold promise to enhance cultural identity and economic vitality, recognize history, and promote equitable development.

# Attachment 6: Resolution Amendment 4: Specify topics for consideration in revising the ISRD rules and guidelines

Chinatown/International District Resolution Amendment: Resolution 31754 Sponsor: Councilmember Herbold

This amendment requests that Office of Planning and Community Development (OPCD) and Department of Neighborhoods (DON) ensure that specific issues are considered while studying changes to the International Special Review District (ISRD) rules and guidelines.

<u>Double underlines</u> indicate proposed new language. <del>Double strikeouts</del> indicate language that would be removed from the Council Bill.

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Section 2. The City commits to considering the contributions of all stakeholders in the C/ID during the pending revision of use and development rules and guidelines of the International Special Review District (ISRD) and the design review program, to better serve the C/ID. The Council requests that the Office of Planning and Community Development (OPCD) and the Department of Neighborhoods (DON) work with the C/ID community, stakeholders, and the ISRD Board to consider the following types of changes:

- Reducing the maximum permitted size of retail uses;
- Specifying important characteristics of storefront entrances and their spacing;
- Amending the list of conditional uses;
- Applying limits to formula retail uses;
- Allowing administrative review for minor changes to buildings, rather than ISRD board review;
- Providing authority to the ISRD board to grant departures from Land Use Code
   requirements; and
- Changing the structure of the ISRD board.

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# Attachment 7: Resolution Amendment 5: Commit to continued dialogue with business community stakeholders

Chinatown/International District Resolution Amendment: Resolution 31754

Sponsor: Councilmember Herbold

This amendment would amend Section 3 of the Resolution to confirm that the City will continue its dialogue with the business community in the Chinatown/International District (C/ID) and use that dialogue to guide strategies to promote economic development and cultural stability in the C/ID.

<u>Double underlines</u> indicate proposed new language. <del>Double strikeouts</del> indicate language that would be removed from the Council Bill.

Section 3. The City will act in a timely manner to partner with local businesses, community organizations, and customers to promote economic development and commercial stability for culturally relevant commerce in the C/ID as guided by the recommendations of the Commercial Affordability Advisory Committee and continuing dialogue with the C/ID's business community stakeholders.

# Attachment 8: Resolution Amendment 6: Add a deadline for a report on parks and open space activities

Chinatown/International District Resolution Amendment: Resolution 31754 Sponsor: Councilmember Herbold

This amendment would amend Section 5 of Resolution 31754 to add a date by which time a report is requested from the Mayor regarding parks and public space improvements in the Chinatown/International District (C/ID). The amendment also voices continuing support for the programming of public spaces.

<u>Double underlines</u> indicate proposed new language. <del>Double strikeouts</del> indicate language that would be removed from the Council Bill.

Section 5. The Council requests a report from the Mayor by September 2017 on the timing and sequence of the completion of City-supported projects to enhance parks and public spaces, including improvements such as green streets, mid-block crossings, and pocket parks. Furthermore the Council intends to ensure ongoing support for the operation of public spaces in the C/ID, including the programming of positive activities, as well as throughout Seattle.

Attachment 9: Resolution Amendment 7: Add anti-displacement strategies

Chinatown/International District Resolution Amendment: Resolution 31754

Sponsor: Councilmember Herbold

This amendment would amend Section 10 of Resolution 31754 to add two strategies to help reduce displacement in the Chinatown/International District (C/ID): reuse of publicly-owned property and development of a pilot program to support the rehabilitation of unreinforced masonry buildings.

<u>Double underlines</u> indicate proposed new language. <del>Double strikeouts</del> indicate language that would be removed from the Council Bill.

Section 10. The City recognizes the potential for displacement as property in the C/ID undergoes public and private development, and is committed to informing City decisions regarding investments, including support under the Equitable Development Initiative, by careful consideration of racial and social justice impacts, including:

- a. Support under the Equitable Development Initiative;
- b. Exploration of re-use of City-owned property and/or City partnership and support for re-use of property owned by other public entities for new affordable housing, affordable commercial/retail and non-profit community uses in the neighborhood; and
- c. Support for an Unreinforced Masonry Preservation pilot to increase the supply of affordable housing on currently-vacant upper floors, and to sustain affordable commercial spaces on the ground floors by using funds from sources such as the Mandatory Housing Affordability (MHA) program, proceeds from the \$29 million housing bond, and/or a targeted growth fund with revenues from an increment of increased property tax revenue from future growth, as appropriate.

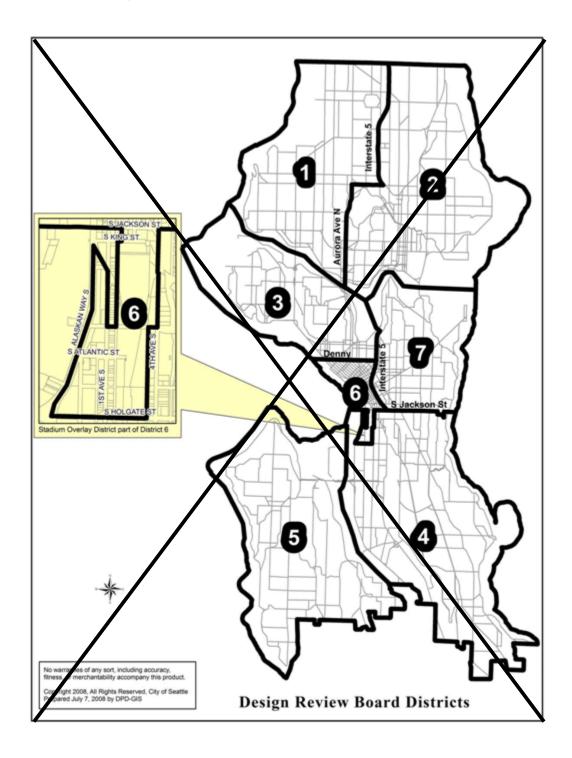
## Attachment 10: CB Amendment 1: Amend the boundaries of the International Special Review District and the Design Review Districts

Chinatown/International District Rezone Potential Amendments: Council Bill 118959

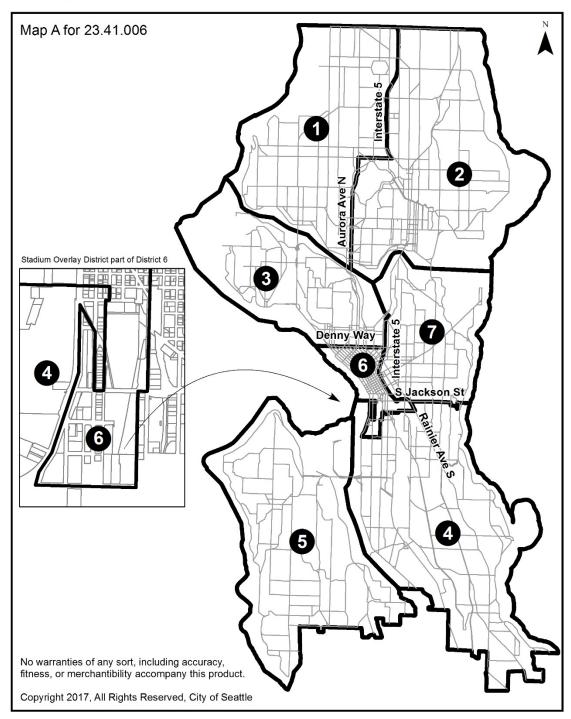
This amendment would amend various maps in the Land Use Code to change the boundaries of the International Special Review District and Design Review Districts to be coterminous with the boundaries of the Chinatown/International District. The amendment would also add an effective date of January 1, 2018 for those changes. Sections 20-23 of Council Bill 118959 would be amended, a new Section 24 would be added, and Section 24 in the Council Bill would be renumbered.

<u>Double underlines</u> indicate proposed new language or figures. <del>Double strikeouts</del> indicate language that would be removed from the Council Bill; figures that would be removed are crossed-out. The amendments begin on the next page.

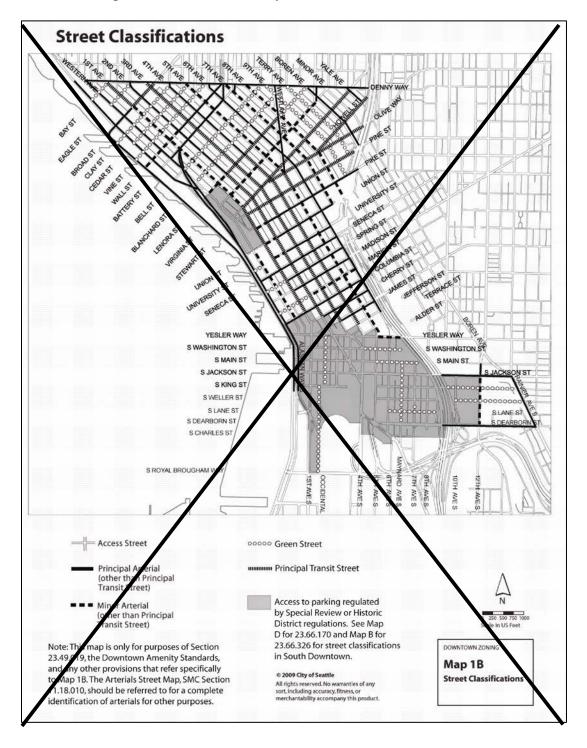
Section 20. Map A for Section 23.41.006 of the Seattle Municipal Code, last amended by Ordinance 123046, is amended as follows:

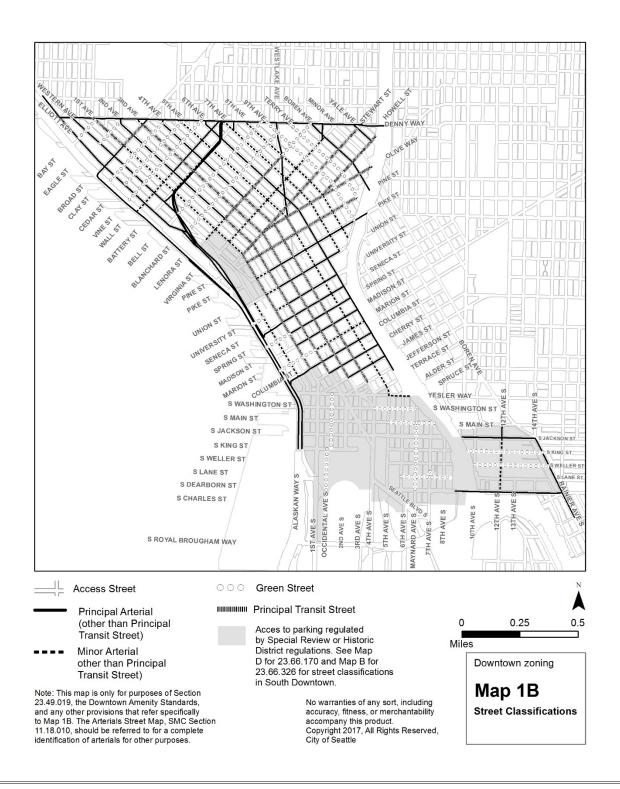


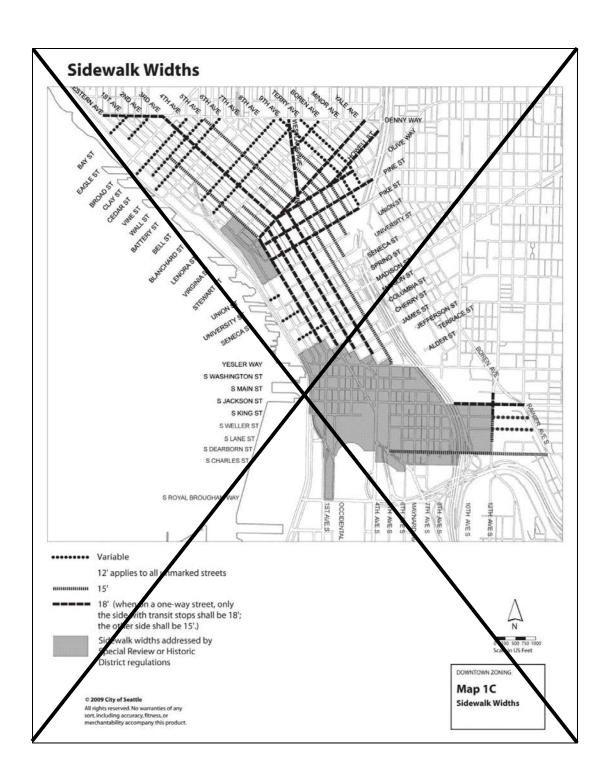
## **Design Review Board Districts**

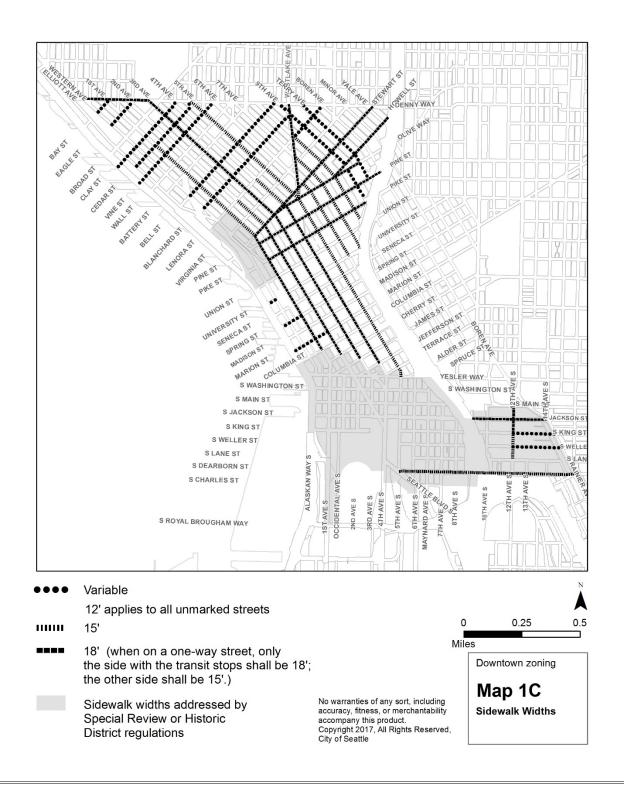


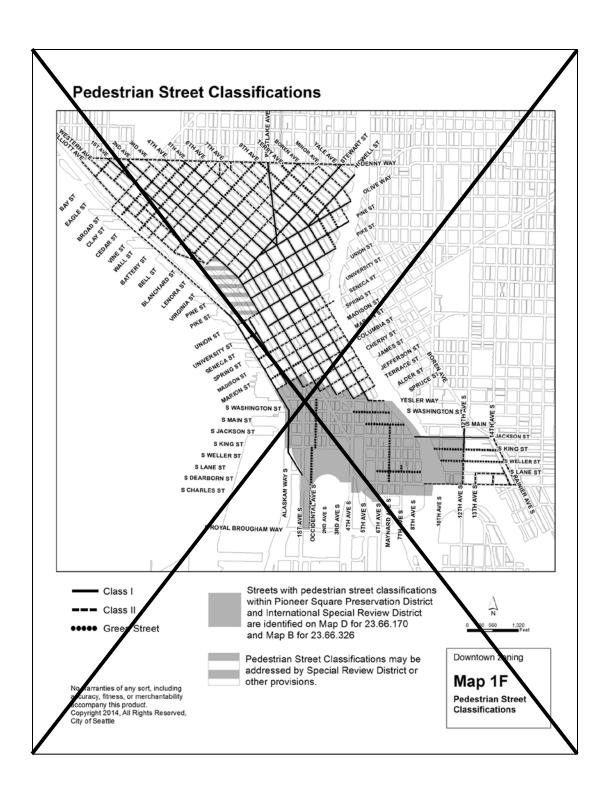
Section 21 Map 1B and Map 1C for Section 23.49 of the Seattle Municipal Code, last amended by Ordinance 123589, and Map 1F, Map 1G, and Map 1H for Section 23.49 of the Seattle Municipal Code, last amended by Ordinance 124680, are amended as follows:

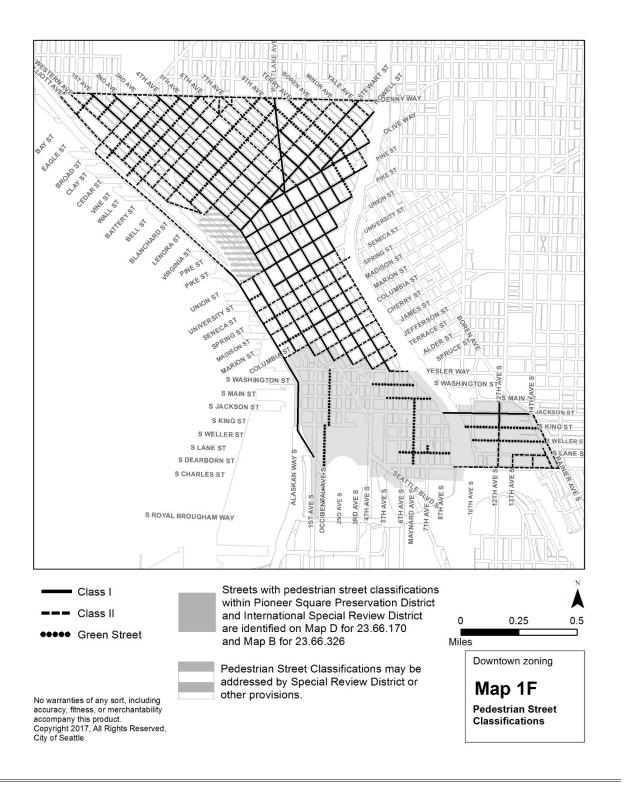


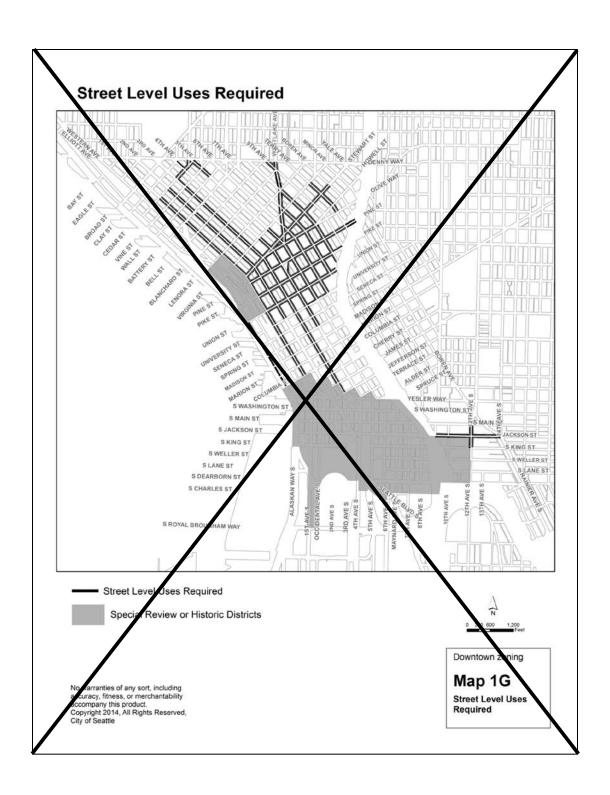




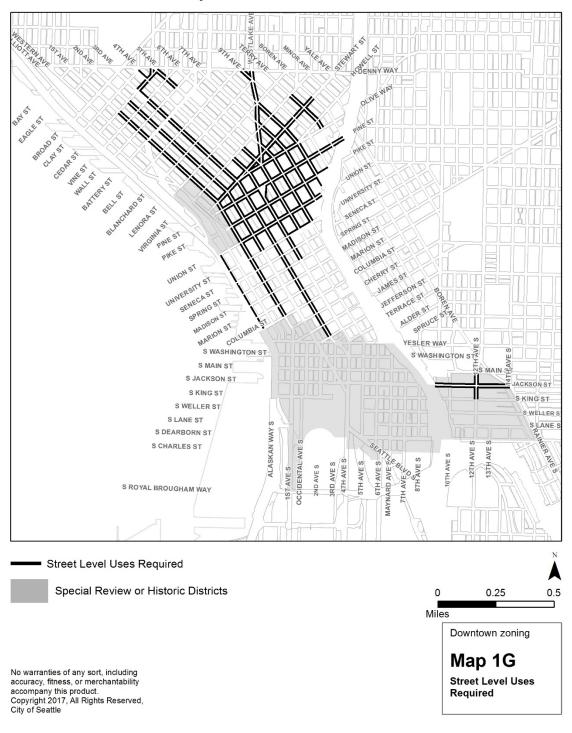


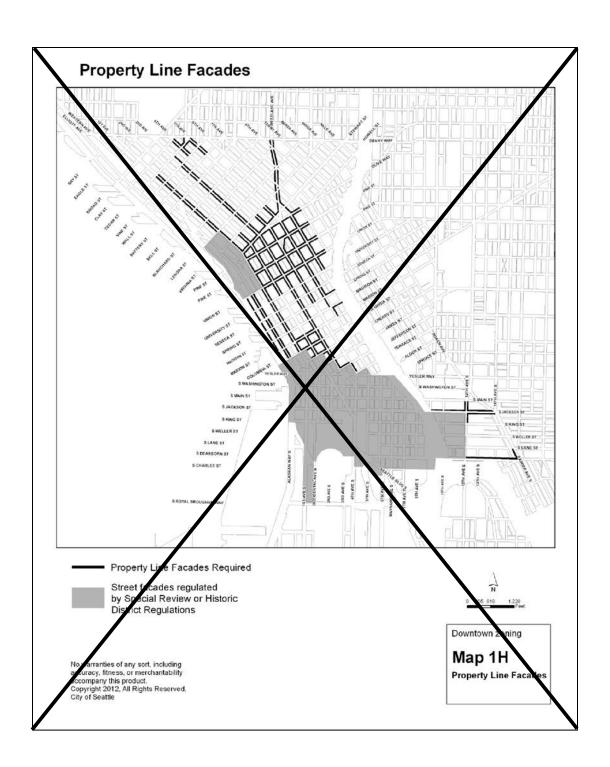




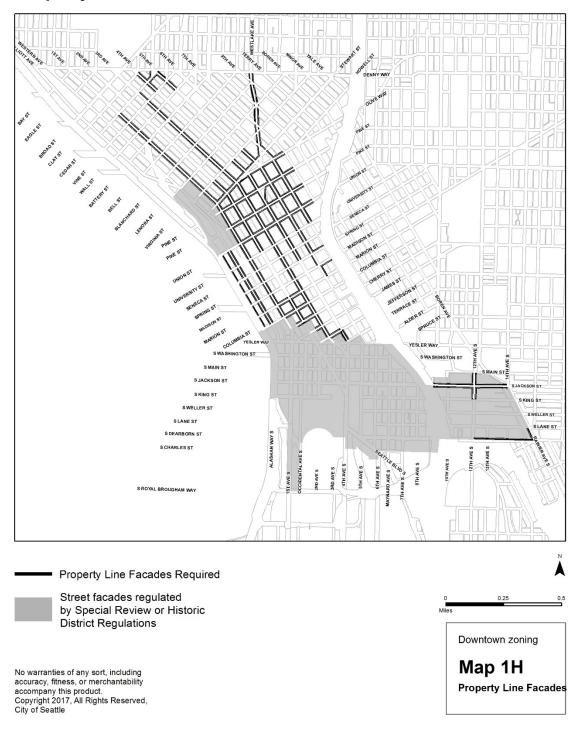


## Street Level Uses Required

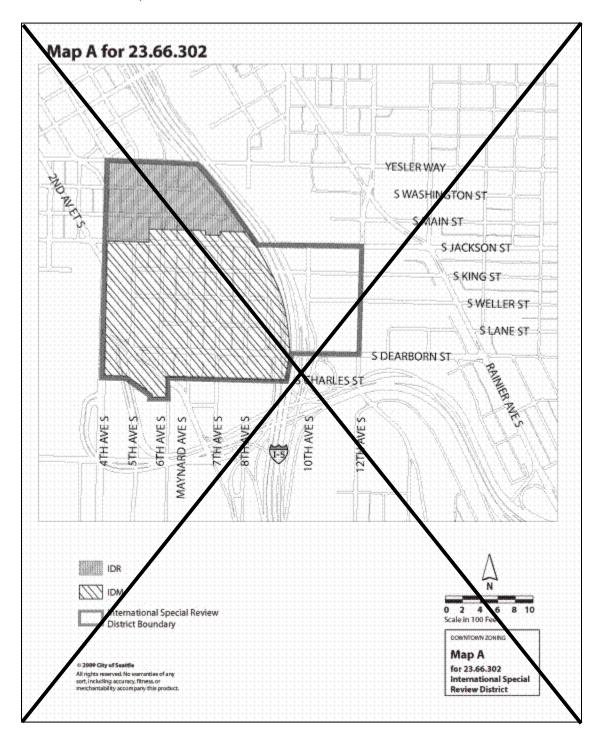




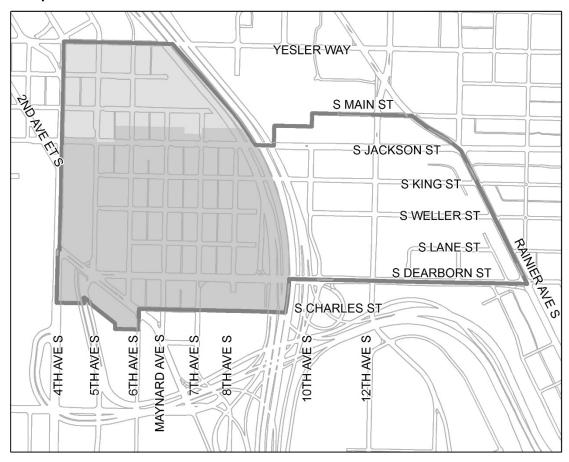
## **Property Line Facades**



Section 22. Map A for Section 23.66.302 of the Seattle Municipal Code, last amended by Ordinance 123589, is amended as follows:

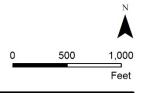


## Map A for 23.66.302





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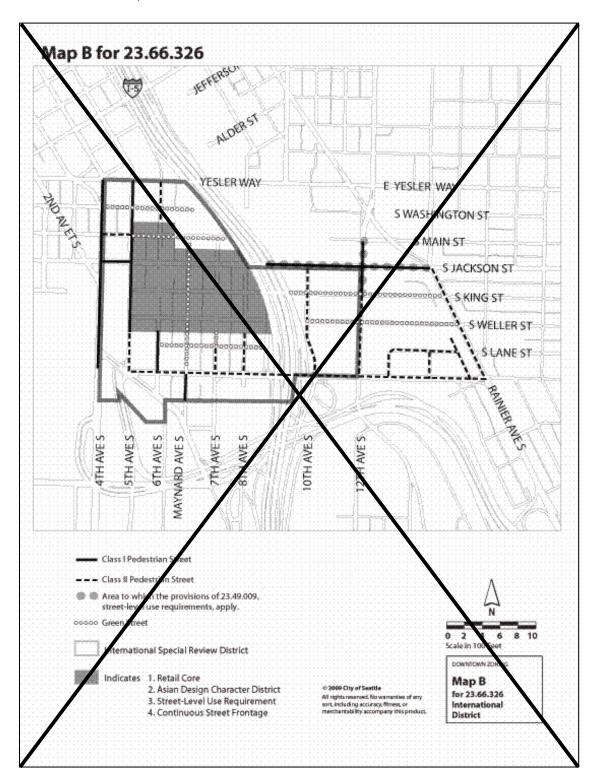


**DOWNTOWN ZONING** 

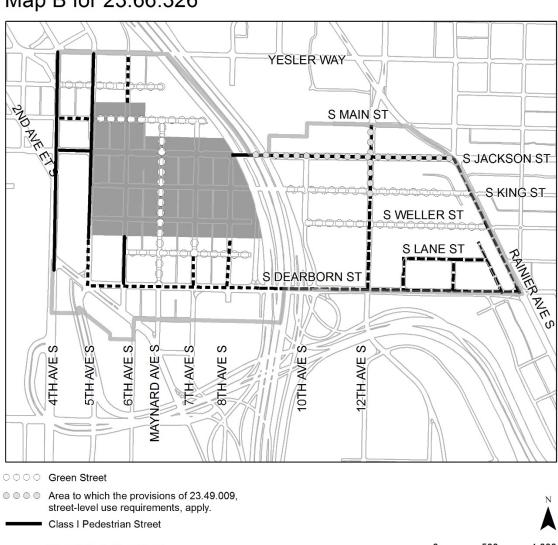
## Map A

for 23.66.302 International Special Review District

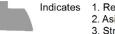
Section 23. Map B for Section 23.66.326 of the Seattle Municipal Code, last amended by Ordinance 123589, is amended as follows:



## Map B for 23.66.326

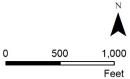


- Class II Pedestrian Street
- International Special Review District Boundary



- 1. Retail Core
- 2. Asian Design Character District
- 3. Street-Level Use Requirement
- 4. Continuous Street Frontage

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**DOWNTOWN ZONING** 

## Map B

for 23.66.326 International Special Review District

Section 24. Sections 20, 21, 22, and 23 of this ordinance shall take effect and be in force on January 1, 2018.

Section <u>2425</u>. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

# Attachment 11: CB Amendment 2: Exempt affordable housing projects from incentive zoning requirements

Chinatown/International District Rezone Potential Amendments: Council Bill 118959 Sponsor: Councilmember Johnson

This amendment would amend Seattle Municipal Code (SMC) Section 23.49.023 to grant extra floor area to low-income residential buildings that are exempt from the MHA program. The Mayor's proposed bill would only have amended subsection G of Section 23.49.023; this amendment would change other subsections of Section 23.49.023, which are included below. This amendment also includes technical corrections to reconcile the heights listed in subsection B1 with the proposed height limits for zones in the Chinatown/International District.

<u>Double underlines</u> indicate proposed new language. <del>Double strikeouts</del> indicate language that would be removed from the Council Bill.

Section 8. Subsection Section 23.49.023 of the Seattle Municipal Code, which section was last amended by Ordinance 125163, is amended as follows:

# 23.49.023 Extra residential floor area and hotel floor area in South Downtown; transferable development potential (TDP); limits on TDP sending sites

A. Zones where extra residential floor area may be allowed. In South Downtown, extra residential floor area, as defined in subsection 23.58A.004.B, is permitted in DMC, DMR, IDM, and IDR zones and in PSM zones except the PSM 100 and PSM 85-120 zones according to this Section 23.49.023 and Chapter 23.58A.

#### B. Means to achieve extra residential floor area.

1. Except as provided in subsection 23.49.023.B.2, if # the maximum height limit for residential use is 8595 feet or lower, the applicant shall use housing bonus residential floor area, as defined in subsection 23.58A.004.B, to achieve all extra residential floor area on the lot. If the maximum height limit for residential use is greater than 8595 feet, the applicant shall use housing bonus residential floor area, as defined in subsection 23.58A.004.B, to achieve 60 percent of the total extra residential floor area on the lot. To the extent permitted under the

provisions of the zone, the applicant shall achieve 40 percent of extra residential floor area through one or more of the following programs:

- a4. bonus residential floor area for amenities pursuant to Section 23.58A.040;
  and/or
- <u>b</u><del>2</del>. transfer of transferable residential development potential pursuant to Section 23.58A.042; and/or
- €3. bonus residential floor area for contributing structures pursuant to subsection 23.49.023.C.
- 2. In DMC, DMR, IDM and IDR zones in South Downtown, a development that qualifies for the exemption in subsection 23.58C.025.C may achieve extra residential floor area without meeting the requirements of subsection 23.49.023.B.1.
- C. Bonus floor area for contributing structures in IDM and IDR zones. On a lot that is located within an IDM or IDR zone and that includes one or more contributing structures under Section 23.66.032, an amount of floor area up to the equivalent gross floor area within the contributing structure or structures, including floor area below grade that is rehabilitated as part of the structure, but not to exceed 40 percent of the total extra residential floor area to be gained on the lot, is allowed as bonus floor area if all the following conditions are met:
- 1. No South Downtown Historic TDR or TDP has been previously transferred from the lot of the contributing structure.
- 2. The structure has been determined to be contributing within no more than three years prior to using the bonus residential floor area under this subsection 23.49.023.C.
- 3. As a condition to using the bonus residential floor area under this subsection 23.49.023.C, except from a City-owned sending lot, the fee owner of the lot shall execute and

record an agreement running with the land, in form and content acceptable to, and accepted in writing by, the Director of Neighborhoods, providing for the rehabilitation and maintenance of the historically significant structure or structures on the lot. The Director may require evidence that each holder of a lien has effectively subordinated the lien to the terms of the agreement, and that any holders of interests in the property have agreed to its terms. To the extent that the contributing structure requires restoration or rehabilitation for the long-term preservation of the structure or its historically or architecturally significant features, the Director of Neighborhoods may require, as a condition to acceptance of the necessary agreement, that the owner of the lot apply for and obtain a certificate of approval from the Director of Neighborhoods after review by the International Special Review District Board, as applicable, for the necessary work, or post security satisfactory to the Director of Neighborhoods for the completion of the restoration or rehabilitation, or both.

#### D. Transferable Development Potential (TDP)

- 1. Open space TDP may be transferred from a lot in any zone in South Downtown, subject to Section 23.58A.040, but only to a lot in South Downtown that is eligible to use TDP.
- 2. South Downtown Historic TDP may be transferred from a lot in any zone within the Pioneer Square Preservation District or the International Special Review District, subject to Section 23.58A.040, but only to a lot in South Downtown that is eligible to use TDP.

#### E. Limits on TDP sending sites

1. Development on any lot from which TDP is transferred is limited pursuant to Section 23.58A.040, any other provision of this Title 23 notwithstanding.

- 2. Lot coverage on any lot from which open space TDP is transferred is limited pursuant to Section 23.58A.040.
- F. For new structures in PSM, IDM, DMR, and DMC zones within South Downtown that include extra residential floor area pursuant to Chapter 23.58A, the applicant shall make a commitment that the proposed development will meet the green building standard and shall demonstrate compliance with that commitment, all in accordance with Chapter 23.58D.
- G. Extra floor area for hotel use in IDM ((75/85-150)) 85/85-170. In a mixed\_use development that includes residential use and hotel use in an IDM ((75/85-150)) 85/85-170 zone, extra floor area for hotel use above base height limits may be gained under this Section 23.49.023 on the same terms and conditions as extra residential floor area if the structure otherwise qualifies to exceed base height limits under subsection 23.49.208.E. If extra residential floor area is gained for the same development, it shall be combined with any such extra floor area in hotel use for all purposes under this Section 23.49.023 and under Chapter 23.58A.