



# SEATTLE CITY COUNCIL

## Land Use and Neighborhoods Committee

### Agenda

Wednesday, August 11, 2021

9:30 AM

### Public Hearing

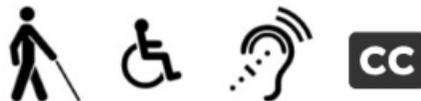
Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or  
Seattle Channel online.

Dan Strauss, Chair  
Teresa Mosqueda, Vice-Chair  
Debora Juarez, Member  
Andrew J. Lewis, Member  
Alex Pedersen, Member  
M. Lorena González, Alternate

Chair Info: 206-684-8806; [Dan.Strauss@seattle.gov](mailto:Dan.Strauss@seattle.gov)

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**SEATTLE CITY COUNCIL**  
**Land Use and Neighborhoods Committee**  
**Agenda**  
**August 11, 2021 - 9:30 AM**  
**Public Hearing**

**Meeting Location:**

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

**Committee Website:**

<http://www.seattle.gov/council/committees/land-use-and-neighborhoods>

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This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

*In-person attendance is currently prohibited per Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.*

Register online to speak during the Public Comment period and at the Public Hearing at the 9:30 a.m. Land Use and Neighborhoods Committee meeting at

<http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Land Use and Neighborhoods Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Strauss at

[Dan.Strauss@seattle.gov](mailto:Dan.Strauss@seattle.gov)

Sign-up to provide Public Comment at the meeting at

<http://www.seattle.gov/council/committees/public-comment>

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*Please Note: Times listed are estimated*

**A. Call To Order**

**B. Approval of the Agenda**

**C. Public Comment**

(10 minutes)

**D. Items of Business**

1. [CB 120121](#) **AN ORDINANCE relating to land use and zoning; adopting interim provisions by amending Sections 23.76.004, 23.76.006, and 23.76.032 of, and adding a new Section 23.42.041 to, the Seattle Municipal Code to facilitate occupancy of street-level spaces downtown during the COVID-19 civil emergency; and adopting a work plan.**

Supporting  
Documents:

[Summary and Fiscal Note](#)

[Director's Report](#)

[Central Staff Memo](#)

[Presentation \(7/28/21\)](#)

**Public Hearing, Discussion, and Possible Vote**

**Presenters:** Rico Quirindongo, Interim Director, and Magda Hogness, Office of Planning and Community Development; Mike Podowski, Seattle Department of Construction and Inspections; Sara Belz and Genna Nashem, Department of Neighborhoods; Ketil Freeman, Council Central Staff

Register online to speak at the Public Hearing during the Land Use and Neighborhoods Committee meeting at

<http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Public Hearing during the Land Use and Neighborhoods Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Hearing during the meeting. Speakers must be registered in order to be recognized by the Chair. If you are unable to attend the remote meeting, please submit written comments to Councilmember Strauss at [Dan.Strauss@seattle.gov](mailto:Dan.Strauss@seattle.gov).

2. [CB 120153](#) **AN ORDINANCE** relating to land use and zoning; adding a new Section 23.49.167 to the Seattle Municipal Code to provide alternative development standards for small lots located in Downtown Mixed Residential zones.

*Supporting*

Documents:

[Summary and Fiscal Note](#)

[Director's Report](#)

[Presentation \(8/11/21\)](#)

**Briefing and Discussion** (30 minutes)

**Presenter:** Brennon Staley, Office of Planning and Community Development

## E. Adjournment



Legislation Text

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**File #:** CB 120121, **Version:** 1

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**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

AN ORDINANCE relating to land use and zoning; adopting interim provisions by amending Sections 23.76.004, 23.76.006, and 23.76.032 of, and adding a new Section 23.42.041 to, the Seattle Municipal Code to facilitate occupancy of street-level spaces downtown during the COVID-19 civil emergency; and adopting a work plan.

WHEREAS, due to the COVID-19 outbreak, street-level businesses downtown have been impacted and many have gone out of business due to the lack of customers, particularly office workers, tourists, and convention attendees; and

WHEREAS, the Seattle Comprehensive Plan has as a Goal (G1) to: Maintain Downtown Seattle as the most important of the region's urban centers-a compactly developed area supporting a diversity of uses meeting the employment, residential, shopping, culture, service, and entertainment needs of the broadest range of the region's population; and

WHEREAS, the Seattle Comprehensive Plan has as a Policy (P11) to: Regulate uses at street-level in certain areas in order to generate pedestrian interest and activity in conformance with policies for the pedestrian environment. Promote street-level uses to reinforce existing retail concentrations, enhance main pedestrian links between areas, and generate new pedestrian activity where appropriate to meet area objectives without diluting existing concentrations of retail activity. Promote active and accessible uses at the street-level of new development where it is important to maintain the continuity of retail activity. Consider measures to promote street-level space of adequate size and sufficient flexibility to accommodate a variety of retail and service activities. Encourage incorporation, as appropriate, of street

-level uses as part of open space public amenity features provided for a floor area bonus to promote activity and increase public use of these spaces. To encourage active and accessible street-level uses throughout Downtown, consider appropriate exemptions of these uses from floor area limits; and

WHEREAS, the Land Use Code amendments proposed in this ordinance would expand opportunities for new businesses to occupy vacant street-level spaces Downtown, consistent with and in furtherance of Comprehensive Plan goals and policies; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The City Council finds and declares that:

A. On February 29, 2020, Governor Inslee proclaimed a State of Emergency for all counties throughout the State of Washington as a result of the confirmed person-to-person spread of COVID-19 in Washington State.

B. The COVID-19 disease, caused by a coronavirus that spreads easily from person to person and which may cause serious injury and death, has spread throughout King County and the City of Seattle.

C. On March 3, 2020, Mayor Durkan issued a Proclamation of Civil Emergency declaring a civil emergency within the City of Seattle based on the confirmed spread of COVID-19 in King County and resulting deaths.

D. In recognition of the danger that hospitals may become overwhelmed with COVID-19 patients unless the spread of the disease is slowed, on March 23, 2020, Governor Inslee imposed a stay-home order throughout Washington State prohibiting all people in the State from leaving their homes or participating in gatherings with only limited exceptions for participating in essential activities or essential business services. While the order initially was for a term of two weeks, the Governor has issued numerous subsequent orders in 2020 and in 2021 limiting business and economic activity to prevent the further spread of the coronavirus and maintain hospital capacity for people with severe cases of COVID-19.

E. Pursuant to the Governor's Orders, all businesses except essential businesses were forced to close or operate virtually for much of the last 15 months.

F. While many citizens have obtained COVID-19 vaccinations in the first two quarters of 2021, the City of Seattle is still in Phase 3 of the state's Healthy Washington pandemic reopening plan and the State's reopening plan still requires, as of May 2021, limited capacity of businesses including businesses downtown such as restaurants, retail, and offices.

G. Limitations on business and economic activity over the last 15 months have disproportionately impacted businesses at street-level in downtown, which are acutely impacted by the lack of office workers in these neighborhoods as well as the lack of tourists and conventions. This impact has and continues to deprive these businesses of the customers previously available to support them, and this extended period of closure and significantly reduced capacity has resulted in numerous street level businesses downtown unable financially to continue to operate at reduced levels and with such a reduced customer base. The Downtown Seattle Association conducted a count in 2021 and found 161 vacant storefronts downtown.

H. The changes in this ordinance are designed to allow more types of businesses to be located at street-level downtown, thereby increasing the opportunities to fill those spaces and generate income and activity downtown. This is especially important given the length of time that the State shutdown order has been in place because much in-person business activity continues to be limited.

I. Providing regulatory flexibility for street-level businesses will keep more businesses operating and speed the economic recovery once COVID-19 restrictions are lifted.

J. The City Council determines that the foregoing creates a basis for adopting interim regulations under RCW 36.70A.390 which authorizes adoption of the ordinance without a required pre-adoption public hearing and a SEPA threshold determination. Following the standard process would delay the proposed changes for several months. During that period, for the reasons discussed above, more businesses may fail leading to

increased unemployment and continued lack of potential customers, workers, and visitors downtown. Both continued closure of businesses and continued lack of customers, workers and visitors downtown will delay the City's and region's recovery from the COVID-19 emergency.

K. The City has legal authority to establish interim measures pursuant to the authority granted by Article 11, Section 11 of the Washington Constitution, the Growth Management Act, RCW 36.70A.390, and *Matson v. Clark County*, 79 Wn. App. 641 (1995).

Section 2. A new Section 23.42.041 is added to the Seattle Municipal Code as follows:

**23.42.041 Additional interim street-level uses**

Where street-level uses are required in any downtown zone, except in the International Special Review District, the interim uses set forth in this Section 23.42.041 are allowed in addition to uses allowed by the zone for an interim period according to the provisions of this Section 23.42.041.

A. Eligibility. In order to qualify for an interim street-level use, an applicant must demonstrate the following:

1. The Department had issued a certificate of occupancy for the structure prior to the effective date of this ordinance.
2. The applicant submits a complete application for interim street-level use within 12 months after the effective date of this ordinance.
3. Structures with existing permit conditions, or development standard limitations related to street-level uses for floor area ratio pursuant to Section 23.49.011 or bonus floor area achieved for general sales and service uses pursuant to Sections 23.49.012 and 23.49.013 may use interim street level use(s) pursuant to this Section 23.42.041 and will not require additional developer contributions.
4. The space may return to the previously established use at the property owner's or applicant's option, consistent with Section 23.42.108.

5. Notwithstanding the expiration of the interim regulations, an approval for interim street-level uses or a permit that is issued or approved for issuance prior to the expiration of the interim regulations can continue as a non-conforming use consistent with Sections 23.42.100 through 23.42.110.

6. Except for uses that are prohibited pursuant to Section 23.66.122 and subsection 23.66.130.E, interim street-level uses permitted pursuant to this Section 23.42.041 in the Pioneer Square Preservation District shall be approved pursuant to Subchapter II of Chapter 23.66 and the following:

- a. Street-level for the purposes of application of this subsection 23.42.041.A.6 means a story or stories located within 8 feet measured horizontally above or below street-level.
- b. The Pioneer Square Preservation Board (“Board”) may, following a special review of potential impacts, including, but not limited to, traffic, parking, noise, and the scale and character of the pedestrian environment, recommend to the Director of Neighborhoods that the uses at street-level be approved if the impacts of such uses are not significantly adverse. The Board may recommend, and the Director of Neighborhoods may impose, conditions to mitigate the impacts of approved uses.
- c. The Director of Neighborhoods shall make the decision about allowing similar uses set forth at subsection 23.42.041.B.1.1.

#### B. Permitted uses

1. In addition to the street-level uses permitted by the applicable zone, the following uses are permitted:
  - a. Arts facilities, including art installations, that do not conflict with Chapter 23.55;
  - b. Shower facilities for bicycle commuters accessory to office uses;
  - c. Food processing and craft work;
  - d. Horticultural uses;
  - e. Institutions, except hospitals or major institutions;
  - f. Lobbies, gyms, meeting rooms, shared working spaces, and other similarly active uses

accessory to residential or lodging uses limited to a street frontage of 30 feet;

- g. Medical services;
- h. Museums;
- i. Public parks;
- j. Public restrooms;
- k. Sales and services, non-household and heavy commercial, except heavy commercial

sales; and

l. Any similar use or activity that is determined by the Director to have the likelihood of attracting and increasing pedestrian activity in the area such as extending the duration of activity beyond 8 A.M. to 5 P.M. Monday to Friday or increasing the variety of goods and services available.

2. The Director shall require the most active portions of uses allowed by subsection 23.42.041.B, such as lobbies, waiting areas, and retail sales, to abut the street-facing facade along street frontages where street-level uses are required by the zone.

Section 3. Table A for Section 23.76.004 of the Seattle Municipal Code, which section was last amended by Ordinance 126042, is amended as follows:

**23.76.004 Land use decision framework**

\* \* \*

<b>Table A for 23.76. 004 LAN D USE DECI SION FRA MEW ORK<sup>1</sup></b>
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<p><b>Director's and Hearing Examiner's Decisions Requiring Master Use Permits</b>  <b>TYPE I</b>  <b>Director's Decision</b>          (Administrative review through land use interpretation as allowed by Section 23.88.020<sup>2</sup>)</p>	<p>Application of development standards for decisions</p>
<p>*</p>	<p>Uses permitted outright</p>
<p>*</p>	<p>Temporary uses, four weeks or less</p>
<p>*</p>	<p>Renewals of temporary uses, except for temporary uses for construction</p>
<p>*</p>	<p>Intermittent uses</p>

*	Additional interim street-level uses pursuant to Section 23.49.008.H
*	Uses on vacant or underused lots pursuant to Section 23.49.008.H
*	Transitional encampment interim use
*	Certain street uses
*	Lot boundary adjustments
*	Modifications of features bonused under Title 24
*	Determinations of significance (EIS required) except on historic and cultural preservation
*	Temporary uses for relocation of police and fire stations
*	Exemptions from right-of-way improvement requirements
*	Special accommodation
*	Reasonable accommodation
*	Minor amendment to a Major Phased Development permit
*	Determination of whether an amendment to a proper minor
*	Streamlined design review decisions pursuant to Section 23.49.008.H if no development standard departures are requested, and design review decision if no development standard departures are requested
*	Shoreline special use approvals that are not part of a
*	Adjustments to major institution boundaries pursuant to
*	Determination that a project is consistent with a plan
*	Decision to approve, condition, or deny, based on Section 23.49.008.H be consistent with a planned action ordinance
*	Decision to increase the maximum height for residential use pursuant to subsection 23.49.008.H
*	Decision to increase the maximum allowable FAR in subsection 23.49.011.A.2.n
*	Minor revisions to an issued and unexpired MUP that
*	Building height increase for minor communication use
*	Other Type I decisions that are identified as such in
	* * *

Section 4. Section 23.76.006 the Seattle Municipal Code, last amended by Ordinance 126042, is amended as follows:

**23.76.006 Master Use Permits required**

A. Type I, II, and III decisions are components of Master Use Permits. Master Use Permits are required

for all projects requiring one or more of these decisions.

B. The following decisions are Type I:

1. Determination that a proposal complies with development standards;
2. Establishment or change of use for uses permitted outright, uses allowed under Section 23.42.038, temporary relocation of police and fire stations for 24 months or less, transitional encampment interim use, temporary uses for four weeks or less not otherwise permitted in the zone, and renewals of temporary uses for up to six months, except temporary uses and facilities for light rail transit facility construction;
3. The following street use approvals:
  - a. Curb cut for access to parking, whether associated with a development proposal or not;
  - b. Concept approval of street improvements associated with a development proposal, such as additional on-street parking, street landscaping, curbs and gutters, street drainage, sidewalks, and paving;
  - c. Structural building overhangs associated with a development proposal;
  - d. Areaways associated with a development proposal;
4. Lot boundary adjustments;
5. Modification of the following features bonused under Title 24:
  - a. Plazas;
  - b. Shopping plazas;
  - c. Arcades;
  - d. Shopping arcades; and
  - e. Voluntary building setbacks;
6. Determinations of Significance (determination that an Environmental Impact Statement is required) for Master Use Permits and for building, demolition, grading, and other construction permits

(supplemental procedures for environmental review are established in Chapter 25.05, Environmental Policies and Procedures), except for Determinations of Significance based solely on historic and cultural preservation;

7. Discretionary exceptions for certain business signs authorized by subsection 23.55.042.D;
8. Waiver or modification of required right-of-way improvements;
9. Special accommodation pursuant to Section 23.44.015;
10. Reasonable accommodation;
11. Minor amendment to Major Phased Development Permit;
12. Streamlined design review decisions pursuant to Section 23.41.018 if no development standard departures are requested pursuant to Section 23.41.012, and design review decisions in an MPC zone if no development standard departures are requested pursuant to Section 23.41.012;
13. Shoreline special use approvals that are not part of a shoreline substantial development permit;
14. Determination that a project is consistent with a planned action ordinance, except as provided in subsection 23.76.006.C;
15. Decision to approve, condition, or deny, based on SEPA policies, a permit for a project determined to be consistent with a planned action ordinance;
16. Determination of requirements according to subsections 23.58B.025.A.3.a, 23.58B.025.A.3.b, 23.58B.025.A.3.c, 23.58C.030.A.2.a, 23.58C.030.A.2.b, and 23.58C.030.A.2.c;
17. Decision to increase the maximum height of a structure in the DOC2 500/300-550 zone according to subsection 23.49.008.F;
18. Decision to increase the maximum FAR of a structure in the DOC2 500/300-550 zone according to subsection 23.49.011.A.2.n;
19. Minor revisions to an issued and unexpired MUP that was subject to design review, pursuant to subsection 23.41.008.G;

20. Building height departures for minor communication facilities in downtown zones, pursuant to Section 23.57.013; ((and))

21. Additional interim street-level uses pursuant to Section 23.42.041; and

22. Other Type I decisions.

\* \* \*

Section 5. Pursuant to RCW 36.70A.390, the Council will hold a public hearing within 60 days of adoption of this ordinance to take public testimony and consider adopting further findings.

Section 6. Under RCW 36.70A.390, the Council approves the following work plan for the development of permanent regulations to address the issues in this ordinance and directs the Seattle Department of Construction and Inspections, in consultation with the Office of Planning and Community Development, and the Department of Neighborhoods, to transmit proposed legislation to the Council by March 2022. Interim regulations can be authorized up to one year if accompanied by a work plan. The work plan is set forth below:

**WORK PLAN:**

Prepare State Environmental Policy Act (SEPA) Review on Interim Regulations	July - September 2021
Publish SEPA Threshold Determination	September 2021
Conduct analysis, Draft permanent legislation, Conduct public outreach, and Prepare SEPA review on Permanent Regulations	October - December 2021
Mayor Transmits Permanent Legislation to Council	March 2022
Council Deliberations and Public Hearing on Proposed Permanent Legislation	April - May 2022
Permanent Legislation Effective	June 2022

Section 7. This ordinance shall automatically expire 12 months after its effective date unless the Council takes action to either extend it as provided by statute or terminate it sooner.

Section 8. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, subsection, or portion of this ordinance, or the invalidity

of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

Section 9. 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.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
SDCI	Mike Podowski, 206-386-1988	Christie Parker, 206-684-5211

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to land use and zoning; adopting interim provisions by amending Sections 23.76.004, 23.76.006, and 23.76.032 of, and adding a new Section 23.42.041 to, the Seattle Municipal Code to facilitate occupancy of street-level spaces downtown during the COVID-19 civil emergency; and adopting a work plan.

**Summary and background of the Legislation:** The Seattle Department of Construction and Inspections (SDCI), Office of Planning and Community Development, and the Department of Neighborhoods are recommending land use legislation to add more flexibility for uses allowed to occupy storefronts Downtown, including the Pioneer Square Preservation District, on certain streets where the allowed uses are limited. Due to the COVID 19 virus outbreak, Downtown has lost many businesses that relied on office workers, tourists and convention participants. The result is many vacant storefronts, substantially reduced activity on downtown sidewalks, and a general loss in vitality.

The proposed Land Use Code amendments would temporarily (for 12 months) expand the types of uses that can locate in downtown storefronts to help fill vacancies and promote active streets. The proposed uses are drawn from pedestrian shopping districts outside of Downtown and include uses such as medical services. While in place, a property or business owner could get a permit to establish a type of use that is not normally allowed. The permit, as with all permits, would be good in perpetuity.

### **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?** \_\_\_ Yes \_\_\_X\_\_\_ No

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?** \_\_\_ Yes \_\_\_X\_\_\_ No

**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?**

No direct financial impacts, direct or indirect, are anticipated from adoption of this legislation. The cost of administering the proposal is anticipated to be covered by existing fees and with existing staff. Upgrades to the permit tracking system to aid SDCI in tracking permits under this legislation are covered by existing resources.

**Is there financial cost or other impacts of *not* implementing the legislation?**

The is no direct financial cost of not implementing the legislation. Failure to implement this or similar legislation could prolong challenges that the City is facing to help fill vacant spaces in downtown storefronts and generate economic activity and tax revenue.

**4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

The legislation would affect, and has been developed in partnership with, the Office of Economic Development, Office of Planning and Community Development (OPCD), and the Department of Neighborhoods. SDCI and DON will have responsibility to review permit applications that may use this legislation. No impacts to any departments are anticipated.

**b. Is a public hearing required for this legislation?**

A public hearing is required because this legislation would amend the Land Use Code (Title 23) and is a Type V Council land use decision; however, because the legislation is adopted on an interim basis under RCW 36.70A.390, the hearing will occur within 60 days after the ordinance is adopted.

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

Public notice is required for a City Council public hearing in *The Daily Journal of Commerce* and the City's Land Use Information Bulletin as well as for the future environmental review (SEPA) for a comment and appeal period.

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

No. The legislation would not directly affect any specific piece of property but would modify the type of businesses allowed on certain properties on certain streets within the Downtown Urban Center, excluding the International Special Review District.

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

The proposal is intended to create opportunities for new businesses and jobs, which may extend to BIPOC communities. Further actions are anticipated to help BIPOC-owned businesses and job seekers experience the benefits from the proposal, including communication in multiple languages. OPCD and SDCI are working with other departments/offices on methods/materials to help BIPOC and other businesses navigate the permit process, and provide priority processing.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

The legislation is not likely to have a material effect on carbon emissions. To the extent that the legislation facilitates incrementally more businesses providing goods and services downtown, the legislation could marginally increase the number of Seattle residents able to meet daily needs without the use of a car.

**2. 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.**

No.

**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).**

Not applicable.

**List attachments/exhibits below:** None.

## **Director's Report and Recommendation Filling Vacant Downtown Storefronts - Land Use Code Amendments June 15, 2021**

### **Proposal Summary**

The Seattle Department of Construction and Inspections (SDCI) is recommending land use legislation to add more flexibility for uses allowed to occupy storefronts Downtown on certain streets where the allowed uses are limited. Due to the COVID 19 virus outbreak downtown has lost many businesses that relied on office workers, tourists and convention participants. The result is many vacant storefronts, substantially reduced activity on downtown sidewalks, and a general loss in vitality.

SDCI has worked with the Office of Planning and Community Development (OPCD) and the Department of Neighborhoods (DON) on proposed Land Use Code amendments to temporarily expand the types of uses that can locate in downtown storefronts to help fill vacancies and promote active streets. While in place, a property or business owner could apply for a permit to establish a type of use that is not normally allowed. The legislation includes the following:

1. **New types of uses at the street level.** Currently, only the most “active” types of uses (e.g., retail and bars/restaurants) and a few types of cultural and community facilities (e.g., libraries and childcare) are allowed at street level downtown. The proposal would allow more types of uses, including art installations, co-working spaces, community centers, and medical offices, among others. The list of proposed uses is drawn largely from what is allowed in pedestrian-oriented neighborhood business districts elsewhere in the city. While the proposed uses may be slightly less active than the uses currently allowed downtown, they would provide more options to fill empty spaces. To help these new uses to be visually interesting, we would also require the tenant’s most visual activities occur in the storefront.
2. **Temporary flexibility to support recovery.** The proposed ordinance would be in place for 12 months, the maximum amount of time allowed under state law for temporary/interim land use regulations that are proposed with a work plan. Environment (SEPA) review of the proposed legislation would occur post-adoption. The ordinance also includes a schedule for the preparation of permanent land use regulations.
3. **Duration of permit.** The proposal is to treat these permits like any other and allow the use to remain after the temporary rules expire. The permitted uses would become nonconforming, meaning they could stay in perpetuity but not expand at street-level. This would allow a tenant to recuperate over time the costs of obtaining permits and making improvements.
4. **Where the temporary flexibility would apply.** The proposal would apply to areas Downtown with street-level use restrictions, including the Retail Core (between Virginia and University) and in Belltown (along 1<sup>st</sup>/2<sup>nd</sup>/3<sup>rd</sup> Ave). There would be a custom

approach for the Special Review District in Pioneer Square to balance preservation, opportunities for recovery in the short term, and lasting economic health:

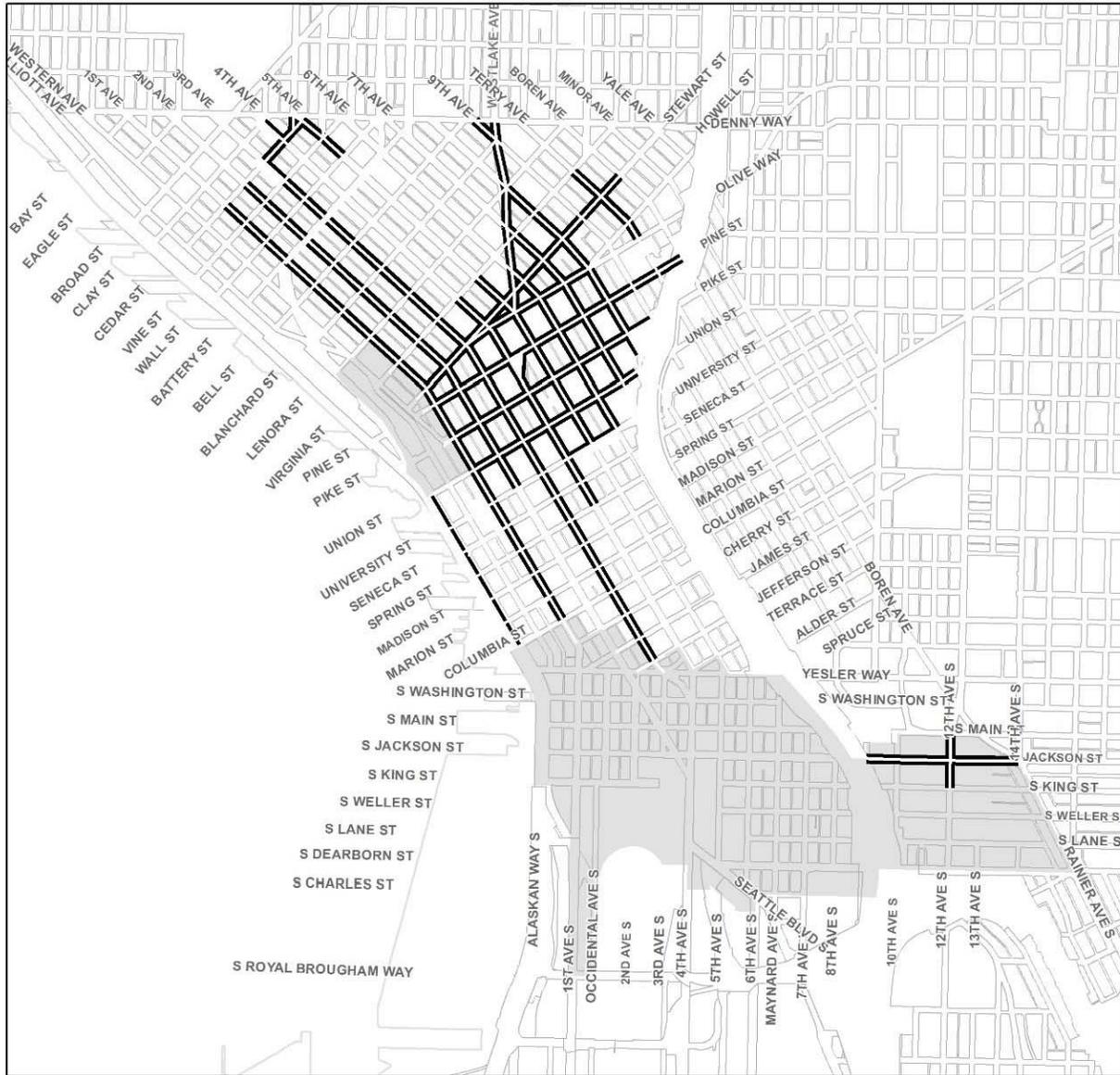
- **Pioneer Square.** The proposal would expand the types of uses allowed as a Special Review, once approved by the Pioneer Square Preservation Board (PSPD) on a case-by-case basis. It would also clarify which types of spaces located slightly above or below street-grade may be considered "street-level".
- **Chinatown/International District (CID).** No changes are proposed in CID. The International Special Review District (ISRD) Board already has broad discretion to review proposed uses on a case-by-case basis.

As part of the City's overall downtown revitalization efforts, we are recommending these temporary code amendments to complement other efforts by removing a code barrier to filling vacant storefronts. The Downtown Seattle Association (DSA) recently reported numerous vacancies downtown (approximately 160 in early 2021), many between the Pike Place Market and the Convention Center. Separately, OPCD and SDCI are working on ways to help BIPOC and other businesses navigate the permit process, and on priority processing, including a potential SDCI permit facilitator.

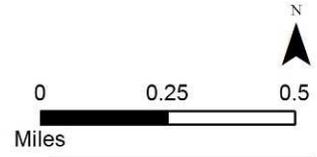
### **Background and Analysis**

The following maps show the downtown streets where a specific menu of street-level uses is required, the boundaries of the Pioneer Square Preservation District (PSPD) as well as where street-level uses are required in the PSPD. This network of streets including in the PSPD is where the proposed code amendments would apply. In addition, tables show the current and proposed street-level uses.

# Street Level Uses Required



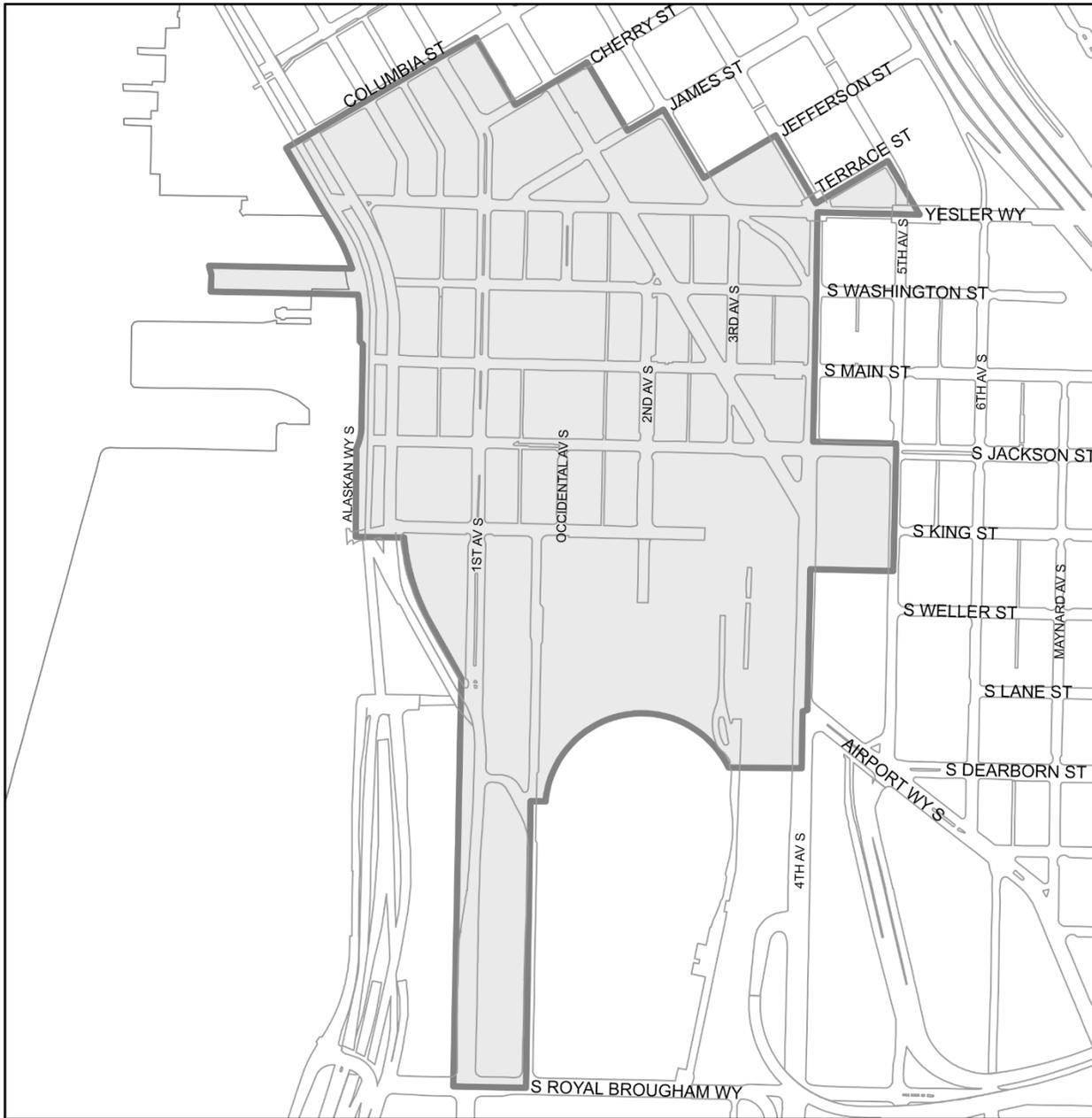
**—** Street Level Uses Required  
**■** Special Review or Historic Districts



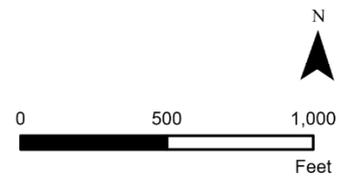
No warranties of any sort, including accuracy, fitness, or merchantability accompany this product.  
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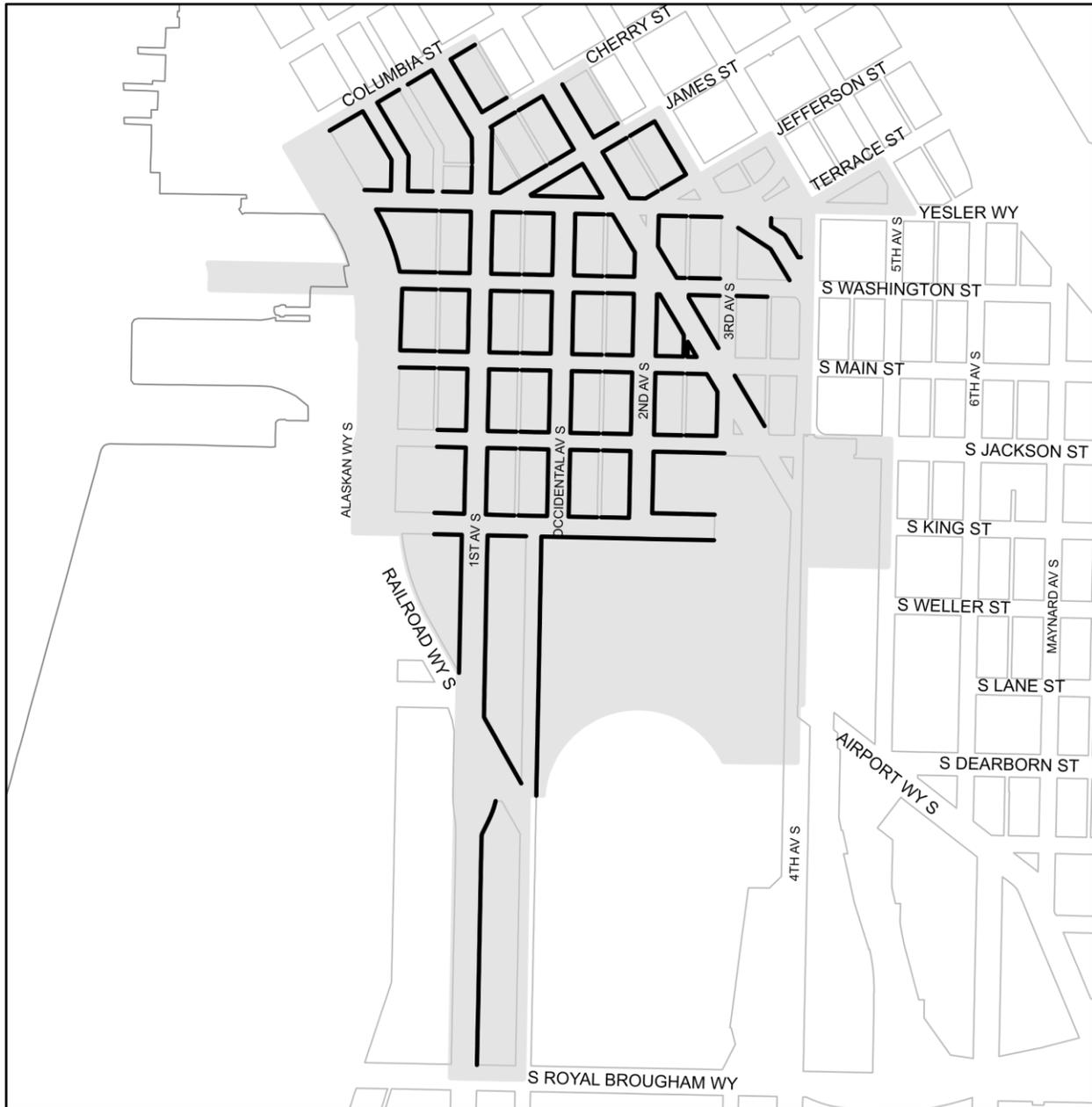
Downtown zoning  
**Map 1G**  
Street Level Uses Required

# Map A for 23.66.100

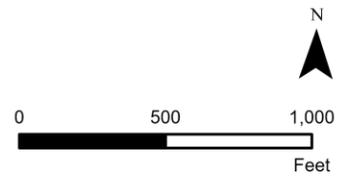


 Pioneer Square Preservation District





- Street Level Uses Required
- Pioneer Square Preservation District



### Comparison of Existing and Recommended Street-level Uses

<b>Currently allowed street-level uses downtown, not including Pioneer Square &amp; CID</b>	<b>Notes/examples</b>
General sales and services	Grocery, pharmacies, shops, and customer service offices (banks with tellers, insurance agents)
Eating and drinking establishments	
Human service uses and child care centers	
Retail sales, major durables	Appliance sales
Entertainment uses	Music venues, video arcades
Museums, and administrative offices in a museum expansion space	
Libraries	
Elementary and secondary schools and colleges, except on lots in the Downtown Retail Core Zone	Retail core is generally around Westlake Park
Public atriums	
Arts facilities	
Religious facilities	
Bicycle parking, up to 30 percent of the frontage	
<b>Proposed additional street-level uses including Pioneer Square*</b>	<b>Notes/examples</b>
Arts installations	Less formal than arts facilities, includes pop-ups such as window displays
Bicycle parking and shower facilities for bicycle commuters	
Food processing and craft work	Food preparation on- or off-site for sale, hand-made goods made on- or off-site for sale
Horticultural uses	Nurseries including the growing of plants for sale
Institutions, except hospitals or major institutions	Community centers, private clubs
Lobbies, gyms, meeting rooms, shared working spaces, and other similarly active uses accessory to residential or lodging uses	Proposal would limit to 30 feet of frontage (roughly equal to two smaller storefronts)
Medical services	Doctor, dentist, and therapeutic services
Museums	Allowed at street-level downtown generally, this change clarifies they are allowed at street-level in Pioneer Square
Public parks	May include indoor spaces
Public restrooms	

Sales and services, non-household and heavy commercial, except heavy commercial sales.	Broader range of sales and services such as sales of restaurant equipment and janitorial services. The exclusion is for construction materials and industrial supplies.
Any similar use or activity that is determined by the Director to have the likelihood of attracting and increasing pedestrian activity in the area.	'Attracting and increasing activity' may include criteria such as extending activity beyond 8:AM to 5:PM period, and/or adding to the variety of goods and services in an area.

\*The proposed additional uses are currently allowed at street-level in pedestrian-oriented business districts (Commercial zones) such as along 15<sup>th</sup> Ave E on Capitol Hill, California Ave SW in the West Seattle Junction, and N 45<sup>th</sup> St in Wallingford.

### Pioneer Square and CID Street-level Uses

Distinct from the remainder of downtown, the street-level uses in Pioneer Square and in the CID do not largely rely on broad use categories for use regulation. The uses are called out as specific businesses. The businesses are then grouped as Preferred uses and Discouraged uses. In the PSPD use groupings also include Conditional and Prohibited uses. In the International Special Review District (ISRD) there is an additional grouping for uses Subject to Special Review. Some of the distinctions about which street-level uses are permitted in both neighborhoods is related to the size of the use or business, or how much of a block front is occupied.

Street-level use categories	Pioneer Square	Chinatown/International District
<b>Preferred</b>	Any of the following under 3,000 sqft in size:  Art galleries, other general sales and services uses, eating and drinking establishments, lodging, theaters, and certain parking garages.	Apparel shops; Asian arts, crafts, and specialty goods shops; Bakeries; Banks; Barbecue shops; Bookstores; Coffee shops; Floral shops; Groceries; Museums; Personal services such as beauty shops and barbershops; Restaurants; Sidewalk cafes; Tea shops; Travel agencies; Variety stores.

<p><b>Discouraged</b></p>	<p>Any use occupying &gt;50% of a block front,</p> <p>Any of the following uses over 3000 sqft in size:</p> <p>Art galleries, Other general retail sales and service uses, Eating and drinking establishments, and Lodging.</p> <p>All other uses listed as preferred over 10,000 sqft in size.</p> <p>Professional service establishments or offices occupying more than 20% of a block front.</p> <p>Parking garages that do not serve a preferred use.</p>	<p>N.A.*</p> <p>*In the Retail Core of the CID, the following uses are allowed with limited street frontage:</p> <p>Community clubs or centers; Family associations; Human service uses; Nonprofit community service organizations; Theaters and spectator sports facilities.</p>
<p><b>Conditionally allowed (in Pioneer Square on Map B for 23.66.130)</b></p>	<p>Any use &gt;50% of street-level frontage that is &gt;20,000 sqft in size.</p> <p>Human service uses and personal service establishments, including hair cutting and tanning).</p>	<p>N.A.</p>
<p><b>Special review in the CID*</b></p> <p><b>* The Board may recommend, and the DON Director may impose, conditions to mitigate the impacts of approved uses.</b></p>	<p>N.A.</p>	<p>Appliance repair shops; Research and development laboratories; Radio and television studios; Residential uses; Taxidermy shops; Upholstery establishments; Vocational or fine arts schools; Warehouses or wholesale showrooms, especially if they include storage of jewelry, optical or photographic goods, pharmaceuticals,</p>

		cosmetics, and other similar high-value, low-bulk articles.
<b>Prohibited</b>	Wholesaling, storage and distribution uses; Vocational or fine arts schools; Research and development laboratories; Radio and television studios; Taxidermy shops; Appliance repair shops; Upholstery establishments; and Other similar uses.	N.A.

### Development Standards

Multiple Land Use Code standards apply to street-level spaces. Many of these have changed over the years and existing buildings downtown were permitted under different versions of the Land Use Code. The standards generally are intended to: 1) help the street-level spaces contribute to the vitality of the street; and 2) address the overall fit and bulk and scale of the building they are located in.

***Standards that relate to the street.*** These standards include having a door that can allow foot-traffic directly to and from the sidewalk, and windows that allow for people on the sidewalk to see into the space. These standards are not proposed to be changed with the proposal as they are important for the continued vitality of downtown.

***Overall standards for the building.*** For commercial development, largely offices and hotels, the overall size of buildings is regulated by a limit on the amount of floor area that can be in commercial use. This is called a floor area ratio (FAR). It relates the amount of floor area allowed in a building to the area of the parcel the building sits on. Another standard allows builders to achieve additional floor area above the base FAR limit, by providing certain uses at street-level in addition to other features or amenities. Examples of street-level uses that have been used in buildings per various versions of the Land Use Code to achieve additional floor area include museums, child-care, human-service uses, and retail stores. In the case of retail stores for example, they no longer qualify to earn additional floor area, but are exempt from the floor area limit as an incentive to continue to include them. In order to facilitate the filling of vacant spaces, including any that were previously used to earn floor area or are exempt from floor area, the proposed legislation would allow a new proposed street-level use to replace a retail store (general sales and service use) even if it does not qualify to achieve floor area or is not exempt. An example is the proposed medical services use that would be able to fill a vacant space that was established as a retail store.

## **Comprehensive Plan Goals and Policies**

The proposal is consistent with following relevant goals and policies in the *Seattle 2035* Comprehensive Plan:

GOAL LU G11 Promote Downtown Seattle as an urban center with the densest mix of residential and commercial development in the region, with a vital and attractive environment that supports employment and residential activities and is inviting to visitors.

PRE-EMINENT REGIONAL CENTER GOAL DT-G1 Maintain Downtown Seattle as the most important of the region's urban centers—a compactly developed area supporting a diversity of uses meeting the employment, residential, shopping, culture, service, and entertainment needs of the broadest range of the region's population.

ECONOMIC DEVELOPMENT GOAL DT-G2 Encourage economic development activities consistent with the Comprehensive Plan to attract and retain businesses and to expand employment and training opportunities for Seattle area residents.

URBAN FORM GOAL DT-G4 Use regulations in the Land Use Code and other measures to encourage public and private development that contributes positively to the Downtown physical environment by: ...4. establishing a high-quality pedestrian-oriented street environment;...

DT-UDP11 Regulate uses at street-level in certain areas in order to generate pedestrian interest and activity in conformance with policies for the pedestrian environment. Promote street-level uses to reinforce existing retail concentrations, enhance main pedestrian links between areas, and generate new pedestrian activity where appropriate to meet area objectives without diluting existing concentrations of retail activity. Promote active and accessible uses at the street-level of new development where it is important to maintain the continuity of retail activity. Consider measures to promote street-level space of adequate size and sufficient flexibility to accommodate a variety of retail and service activities. Encourage incorporation, as appropriate, of street-level uses as part of open space public amenity features provided for a floor area bonus to promote activity and increase public use of these spaces. To encourage active and accessible street-level uses throughout Downtown, consider appropriate exemptions of these uses from floor area limits.

In addition to the key goals and policies included above, the Downtown goals and policies recognize the distinct character of the neighborhoods that make up downtown, especially within the historic area of Pioneer Square. The proposal is consistent with the goals and policies for that neighborhood.

## **Recommendation**

The Director of SDCI recommends adoption of the proposed temporary code amendments to remove a code barrier to promote filling vacant storefronts downtown as part of the City's overall downtown revitalization efforts.

July 23, 2021

## MEMORANDUM

**To:** Land Use and Neighborhoods Committee  
**From:** Ketil Freeman, Analyst  
**Subject:** Council Bill 120121 – Downtown Street-level uses Interim Controls

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On July 28, 2021, the Land Use and Neighborhoods (LUN) Committee will have an initial briefing on [Council Bill \(CB\) 120121](#). CB 120121 would establish interim development controls for most downtown zones, which would temporarily relax some requirements for street-level uses.

This memorandum (1) provides background on downtown street-level use requirements and economic recovery, (2) briefly describes what the bill would do, (3) provides a preliminary issue identification, and (4) sets out next steps.

### Street-level Use Requirements

The Downtown Neighborhood Plan urban design policies call for street-level use regulations to generate pedestrian interest, encourage pedestrian activity, strengthen connections between areas of downtown with different functions, and reinforce existing areas with retail concentrations, such as the Downtown Retail Core.<sup>1</sup> Desirable street-level uses are retail, restaurants and bars, and entertainment businesses.

These policies are reflected in development standards in the Land Use Code that map block faces where street-level uses are required;<sup>2</sup> specify allowed uses; and establish minimum physical development standards for the frontage, location, and access to the required street-level use.<sup>3</sup> To mitigate street-level use regulatory requirements, the floor area in a street-level use is not counted towards floor area limits for new development and does not count for the purposes of determining requirements under the Mandatory Housing Affordability program or other public benefit programs.<sup>4</sup>

The Downtown Seattle Association (DSA) estimates that more than 160 downtown street-level business locations closed due to the pandemic.<sup>5</sup> Recent reporting by the DSA indicates that the 2020 retail vacancy rate was about 2.5 percent. That is below peak vacancy rates for the periods 2015-2020 and 2010-2015, which were approximately 3.0 percent and 4.0 percent, respectively. The DSA also indicates that approximately half a million square feet of retail is currently under construction and retail rents are forecast to increase over the next five years.<sup>6</sup>

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<sup>1</sup> [Seattle 2035](#), Downtown Neighborhood Plan, Urban Design Policies DT-UDP10 and DT-UDP11, p. 267-268.

<sup>2</sup> [Seattle Municipal Code \(SMC\) Section 23.49, Map 1G](#).

<sup>3</sup> [SMC Section 23.49.009](#).

<sup>4</sup> [SMC Section 23.49.011.B.1.b](#).

<sup>5</sup> [State of Downtown Economic Report 2021](#), Downtown Seattle Association, p.37

<sup>6</sup> Ibid, p.40.

According to the DSA's [economic recovery dashboard](#), average daily visitors, average daily foot traffic, and hotel occupancy rates are approaching or exceeding pre-pandemic, January 2020 levels.

### **Council Bill 120121**

Council bill 120121 would expand the uses authorized at street-level in most downtown neighborhoods where those uses are required, with the exception of the Chinatown / International Special Review District. The additional uses are intended to increase opportunities to occupy vacant downtown spaces and increase economic activity. The authorization to permit additional uses would expire after a year, unless extended.

Proposed uses include art installations; food processing and craft work; and accessory spaces, like lobbies and amenity areas, to residential and lodging uses. Those proposed uses are currently allowed in most pedestrian-designated areas outside of downtown. For a comparison of currently-allowed and proposed street-level uses, see the table on page six of the Seattle Department of Construction and Inspection's (SDCI) [Director's Report](#) for the bill.

The bill would also:

- Authorize the SDCI Director to permit, through an administrative decision not subject to public comment, notice, or appeal, any kind of use that could increase pedestrian activity or increase the range of goods and services available downtown;
- Reserve to the Pioneer Square Preservation Board and the Director of Neighborhoods decision-making authority for proposed new street-level uses in the Pioneer Square Special Review District;
- Allow uses established through the bill to be maintained as existing non-conforming uses in perpetuity;
- Exempt owners of building subject to the Mandatory Housing Affordability (MHA) Program or other regulatory bonus program from making additional payments or providing additional public benefit for space associated with a use that would otherwise be chargeable under those programs, for example conversion to lobby space in a new hotel of square footage that was originally permitted as a restaurant; and
- Establish a work program for Council consideration of permanent changes to downtown street-level use regulations.

## Preliminary Issue identification

This memorandum sets out some preliminary issues with discussion for Committee consideration.

### 1. Ripeness for Council Consideration.

The bill is intended to facilitate downtown recovery by filling vacant ground-floor spaces. While the pandemic contributed to downtown business closures, the DSA's economic reporting and monitoring indicates that retail vacancies are still below some pre-pandemic levels and overall economic activity is increasing. The proposed bill is proposed under authority local jurisdictions have to enact interim development controls that expire after one-year but may be extended for additional 6-month terms.

*Should the Council approve the bill now or defer action on the bill to see how the recovery progresses?*

### 2. Types of Proposed Additional Uses.

The additional proposed street-level uses are derived from allowable street-level uses in pedestrian-designated zones in commercial areas outside of downtown.<sup>7</sup> Allowable uses in those zones include some uses not proposed in the bill, like office uses; exclude others, like horticultural uses; and limit the extent of some through physical development standards, like frontage limitations for heavy retail sales and service.

*Should the Council amend the list of proposed uses to allow more or fewer uses and/or prescribe physical development standards to mitigate uses that might have longer-term negative impacts on the pedestrian environment?*

### 3. Delegation of Authority to SDCI.

The proposed bill provides discretion to the SDCI Director to decide administratively whether to authorize a use that is not listed in the Code. That decision would not be subject to appeal, nor would it require notice and an opportunity for public comment. The proposed delegation provides two independent factors for the SDCI Director to consider in exercising his discretion: (1) whether a proposed use would increase pedestrian activity; or (2) whether a use would increase the range of goods and services available. The delegation would last for the life of the bill.

*Should the Council limit the Director's discretion in deciding which street-level uses to authorize?*

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<sup>7</sup> [SMC Section 23.47A.005](#).

4. Geography for the Use Dispensation.

As proposed, the interim controls would apply to downtown zones where street-level uses are required, except zones located in the Chinatown / International Special Review District. Other zones, such as some Seattle Mixed zones in South Lake Union and the University District have street-level use limitations with restrictions similar to those that apply downtown.

*Should the Council extend the proposed interim controls to other areas with street-level use requirements?*

5. Applicability of MHA and other Bonus Programs.

The proposed bill allows conversion of floor area in a required street-level use to uses that could be charged towards a structure's maximum floor area limit. For buildings developed under the MHA program or other bonus programs, converted floor area would require the provision of a public benefit or an in-lieu payment. The proposed bill would allow floor area converted from a required street-level use to remain in that use in perpetuity.

*Should the Council require participation in public benefit programs, like MHA and the childcare bonus program, for development that converts to chargeable floor area and remains in that use?*

**Next Steps**

The LUN Committee is scheduled to hold a public hearing and may vote on the bill at its meeting on Wednesday, August 11, 2021.

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget

# Temporary Land Use Legislation

Seattle City Council  
Land Use and Neighborhoods Committee  
Wednesday, July 28<sup>th</sup>, 2021

## Purpose of Changes

- Proactively support street level businesses that are vital to public life and recovery
- Signal reopening and activity
- Partner with communities to get us back to a vital downtown core



Office of Planning and Community Development  
Seattle Department of Construction and Inspections  
Seattle Department of Neighborhoods



Image taken Thursday April 8<sup>th</sup>, 2021 at 4pm

Neighborhood	341 Permanent Closures (2020-June 2021)	167 New Businesses (2020-June 2021)
Retail Core	96	32
Pioneer Square	62	15
C-ID	54	48
Belltown	51	26
West Edge	38	22
Denny Triangle	33	21
Waterfront	7	3

## Data from the Downtown Seattle Association

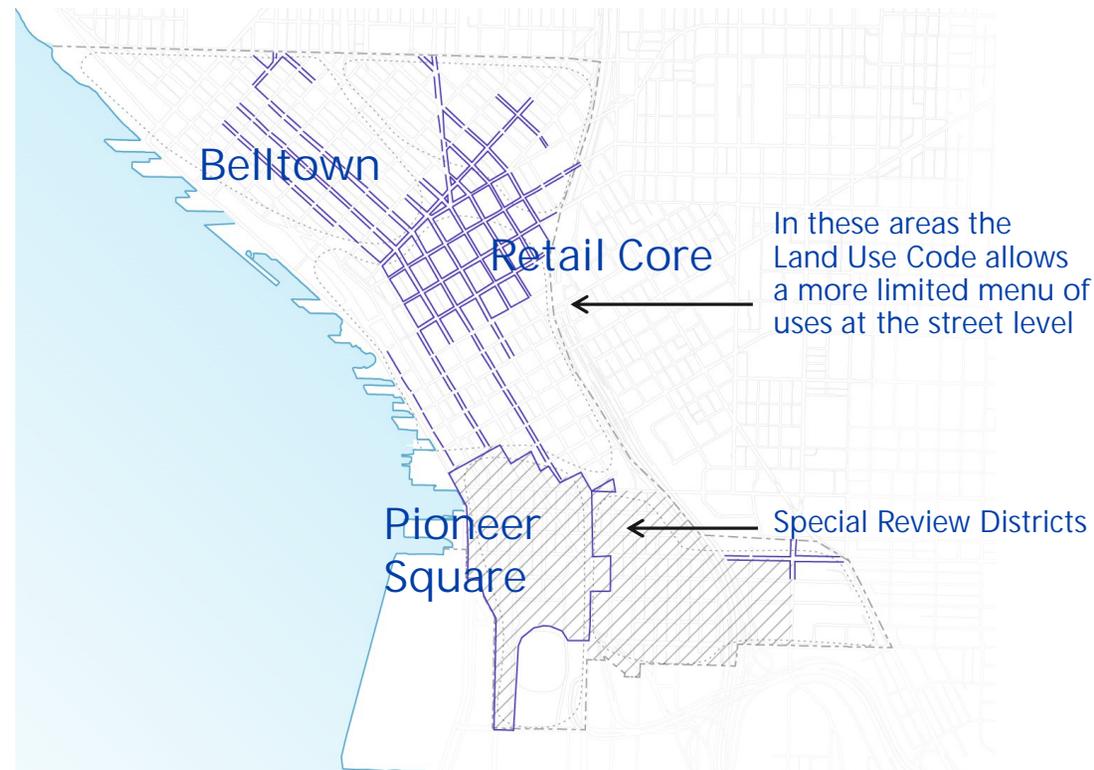
Downtown Seattle has seen over 340 businesses permanently close in 2020 and the first half of 2021. Of the permanent closures, approximately half have been filled with new business openings or announcements.

# Overview of Proposed Land Use Changes

Allow regulatory flexibility for street-level businesses in existing buildings

- Temporary legislation – Rules will be in place for 12 months
- Once permit is issued by SDCI, new business/use can remain in perpetuity
- Will apply to areas of downtown with street level use restrictions, including Pioneer Square
  - No code changes are proposed for Chinatown/International District, since the ISRD already has flexibility.
  - Must place the most visual activities in the front

As interim/emergency land use regulations, SEPA will be completed after Council adoption



# Proposed List of New Street Level Uses

Drawn largely from uses allowed in pedestrian-oriented neighborhood business districts

- Arts installations
- Bicycle parking/shower facilities
- Food processing and craft work
- Horticultural uses
- Institutions (except hospitals or major inst)
- Medical services
- Museums
- Lobbies, gyms, meeting rooms, shared working spaces, etc. that are accessory to residential or lodging uses (limited to a street frontage of 30 feet)
- Public restrooms
- Public parks
- Sales and services, non-household and heavy commercial (except heavy commercial sales)
- Any similar use or activity that is likely to attract/increase pedestrian activity in the area or increase the variety of goods and services available.
  - To be determined by SDCI Director on a case-by-case basis

# Related and Supporting Programs

Includes all Downtown neighborhoods

## Intentional Collaboration and Outreach

- Collaboration with OED, Cultural Space Agency
- Outreach to DSA, Alliance for Pioneer Square, SCIDpda, CIDBIA
- Creation of an informal survey tool to entice BIPOC owner businesses to contact us with questions or work through any issues that surface

## Permit Support

- Evaluating options for providing dedicated SDCI permitting staff time to respond to emergent needs
- Exploring ways to expedite permits



# Thank you!

For more information, please contact us or visit our website

<http://www.seattle.gov/sdci/codes/changes-to-code/filling-vacant-downtown-storefronts>

## Contacts

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Legislation Text

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**File #: CB 120153, Version: 1**

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**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

AN ORDINANCE relating to land use and zoning; adding a new Section 23.49.167 to the Seattle Municipal Code to provide alternative development standards for small lots located in Downtown Mixed Residential zones.

WHEREAS, existing development standards in Downtown Mixed Residential (DMR) zones make development on small lots difficult because the standards require small upper-story floor plates, challenging floor layouts, and complicated construction; and

WHEREAS, modular and panelized construction is making small lot development more feasible, but they require consistent floor plates to be feasible; and

WHEREAS, allowing alternative development standards for small lots located in the DMR zones of Belltown could increase the supply of market-rate and rent-restricted housing; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. A new Section 23.49.167 of the Seattle Municipal Code is added to Subchapter IV of Chapter 23.49 as follows:

**23.49.167 Downtown Mixed Residential, alternative standards for small lots**

In lieu of meeting development standards contained in subsections 23.49.158.A (lot coverage), 23.49.164.A (structure width and depth), and 23.49.166.B (green street setbacks), a proposed development that meets the eligibility requirements of subsection 23.49.167.A may elect to meet the alternative development standards of subsections 23.49.167.B, 23.49.167.C, and 23.49.167.D. A proposed development that elects to meet the alternative development standards must meet the development standards contained in subsections 23.49.167.B,

23.49.167.C, and 23.49.167.D and may not elect to comply with some but not other of those standards.

A. Eligibility requirements. The alternative development standards in subsections 23.49.167.B, 23.49.167.C, and 23.49.167.D are only applicable to development that meets the following standards:

1. The lot is located in a DMR/C 145/75, DMR/R 145/65, DMR/C 280/125, or DMR/R 280/65 zone;
2. The lot is less than 14,500 square feet in size; and
3. At least 75 percent of gross floor area is in residential use.

B. Lot coverage

1. For lots 8,000 square feet or less in size, development must meet one of the following:
  - a. Portions of structures above 25 feet in height shall not exceed a lot coverage of 80 percent; or
  - b. Portions of structures above 25 feet in height shall not exceed a lot coverage of 85 percent and the development does not exceed a height of 135 feet, excluding rooftop features and any additional height granted by the Living Building Pilot program in Section 23.40.060.
2. For lots greater than 8,000 square feet but 14,500 square feet or less in size, portions of structures above 45 feet in height shall not exceed a lot coverage of 75 percent.

C. Maximum width and depth

1. The maximum width and depth for any portion of a structure above 45 feet in height is 100 feet on avenues and 120 feet on east/west streets. The maximum applies to the width and depth of portions of structures as measured parallel to any street lot line.
2. Any portion of a structure above 45 feet in height shall be separated horizontally by at least 20 feet at all points from any other portion of a structure on the lot above 45 feet in height.

D. Green street setbacks. If the structure is located on the northern side of the green street, portions of structures above 25 feet in height shall be set back 10 feet from the street lot line of a green street designated on

Downtown Overlay Map 1B. If the structure is located on the southern side of the green street, the standards of subsection 23.49.166.B shall still apply.

Section 2. 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.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Office of Planning & Community Development (OPCD)	Brennon Staley/206-684-4625	Christie Parker/206-684-5211

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### 1. BILL SUMMARY

**Legislation Title:** AN ORDINANCE relating to land use and zoning; adding a new Section 23.49.167 to the Seattle Municipal Code to provide alternative development standards for small lots located in Downtown Mixed Residential zones.

#### **Summary and background of the Legislation:**

The legislation addresses issues relating to construction on small lots in DMR zones located in Belltown. Currently, lot coverage and setback requirements in these zones require complex building forms with floor plates that gradually decrease in size at various heights. While construction is already challenging on small lots, these standards are particularly challenging because they result in complicated construction, challenging floor layouts, and small upper-story floor plates. Advancements in modular and panelized construction are making small lot development more feasible; however, these types of construction require more consistent floor plates to be feasible. The goal of this legislation is to implement zoning standards that are more appropriate for small lots in order to increase the supply of market-rate and rent-restricted housing.

#### **MINIMUM REQUIREMENTS**

Projects meeting the following standards would be allowed to meet a different set of development standards:

- The site is located in a DMR/C 145/75, DMR/R 145/65, DMR/C 280/125, or DMR/R 280/65 zone.
- The site is less than 14,500 square feet in size.
- At least 75% of gross floor area in residential use.

#### **ALTERNATIVE STANDARDS**

Projects meeting the minimum standards would be allowed to use the following alternative standards in order to provide more appropriate massing for smaller lots.

#### **Coverage Limits**

Currently, on lots less than 19,000 square feet in DMR zones, the first 65 feet in height have no coverage limit, floors between 65 feet and 85 feet have a maximum coverage limit of 75%, and floors above 85 feet and have a coverage limit of 65%. We are proposing to allow the following alternative:

- For lots 8,000 square feet or less, development would have to meet one of the following:

- the first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 80%; or
- the first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 85%, but the development could not exceed 135 feet, excluding rooftop features and any additional height granted by the Living Building Pilot program.
- For lots 14,500 square feet or less but greater than 8,000 square feet, the first 45 feet would have no coverage limit and all floors above 45 feet would have a maximum coverage limit of 75%.

### **Building Width and Depth**

Currently, lots less than 19,000 square feet in DMR zones have a maximum width and depth limit of 90 feet on avenues and 120 feet on east/west streets for portions of a structure above 65 feet in height. We are proposing to allow a maximum width and depth limit of 100 feet on avenues and 120 feet on east/west streets for portions of a structure above 45 feet in height.

### **Green Street Setbacks**

Development on green streets in DMR zones is required to be setback 10 feet from the green street property line between 65 and 85 feet in height, plus an additional foot of setback for each 5 feet above 85 feet. However, buildings frequently get departures from the stepped setback through design review as it results in a strange shape. Variable upper-level setbacks are challenging on small lots because they result in many floor plate changes. This type of development standard is particularly challenging for modular or panelized construction where standard unit sizes would result in the removal of full units on upper stories. The proposed alternative is to require no setback for the first 25 feet and a setback of 10 feet for the remainder of the building. This alternative would only be allowed on the north side of a green street without view corridor requirements to ensure it does not significantly reduce the amount of light accessing the street.

## **2. CAPITAL IMPROVEMENT PROGRAM**

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

## **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?** \_\_\_ Yes \_\_\_ X No

**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?**

This legislation could encourage additional housing development projects which could increase the number of Master Use and Building Permits that are submitted to the City for review. Additionally, this legislation could result in very minor increases in the time it takes to review projects in DMR zones in Belltown. The cost of additional review time would be paid for by additional permit fees. The legislation is not likely to produce more than one new Master Use Permit a year.

**Is there financial cost or other impacts of *not* implementing the legislation?**

Not implementing this legislation could reduce the amount of housing development that occurs in Seattle.

**4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

The legislation would affect the Seattle Department of Construction and Inspections (SDCI) due to potential small increases in the volume of permits submitted.

**b. Is a public hearing required for this legislation?**

Yes. A public hearing is expected to be held in 2021.

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

Publication is required in the Daily Journal of Commerce.

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

The legislation will apply to residential development on small lots in the DMR zones of Belltown.

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

This legislation would encourage more market-rate housing production. New housing production is required to contribute to affordable housing through Mandatory Housing Affordability and will help slow or prevent increasing housing prices by increasing the supply of housing. Displacement of existing housing is unlikely as an analysis of the City's Development Capacity model found that the affected area does not contain any existing residential buildings that are likely to redevelop.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

This legislation is likely to decrease carbon emissions over the long term. The intent of this legislation is to make it easier to develop housing in Belltown, an area of the city where residents tend to travel less by car and thus generate lower carbon emissions. Additionally, it will facilitate modular and panelized construction which tends to use less materials.

**2. 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 will not have a significant impact on Seattle's resiliency. Overall, it will tend to encourage housing in an area where it will have minimum impact on increasing

impervious surface and decreasing canopy cover. This area is also not expected to be affected by increased flooding or rising sea levels. This area may however be subject to higher temperatures than Seattle as a whole due to higher levels of impervious surface and lower tree canopy.

- 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).**

No new initiative or major programmatic expansion is proposed.

## **Director's Report**

### **Small Lot Development Standards in Belltown**

#### **June 2021**

#### **SUMMARY**

The Office of Planning and Community Development (OPCD) is proposing legislation to support development on small lots in the Downtown Mixed Residential (DMR) zones of Belltown. Current regulations require complex building forms that make development on small lots very challenging. Advancements in modular and panelized construction are making small lot development more feasible; however, these types of construction require more consistent floor layouts across multiple floors to accommodate the stacking of units. This legislation would allow housing development on small lots to be built with simpler massing in order to make development on small lots more feasible and support innovative approaches to construction. This legislation would implement one of the recommendations of the Affordable Middle-Income Housing Advisory Council on innovative construction.

#### **BACKGROUND**

The DMR zones affected by this proposal, which are only located in Belltown, have been in place since at least the 1970s and reflect an older approach to controlling building size that is not used in other zones in Seattle. Regulations in these zones, including lot coverage limits, setbacks, and maximum building width requirements, require complex building forms with floors that gradually decrease in size at various heights. While construction is already challenging on small lots, the complex building forms make it even more challenging because they result in complicated construction, varying floor layouts, and small upper-story floor plates. Advancements in modular and panelized construction are making small lot development more feasible; however, these types of construction require consistent floor layouts across multiple floors to accommodate stacking of the units.

Multiple companies have expressed interest in building more modular or panelized construction in the urban areas of Seattle. Modular construction involves building whole rooms or units off-site, basically boxes that are stacked to make buildings. Panelized construction involves constructing a building frame on a site and then inserting pre-made floor/ceiling and wall panels that contain all the insulation, plumbing, electrical, heating, and interior finishes necessary for the building between the elements of the frame. Panelized construction is particularly cost-effective for high-rise buildings that are 125 to 240 feet high and can be built on lots as small as 6,000 square feet. Development above 85 feet on small lots has traditionally been considered economically infeasible using conventional high-rise building technology.

Below are recent examples of modular and panelized construction. The Emmonson (left) was constructed using modular construction. 47 & 7 (right) was constructed using panelized construction.



## PUBLIC ENGAGEMENT

OPCD conducted outreach to the Belltown Community Council, Belltown Business Association, Denny Triangle Neighborhood Association, and Downtown Seattle Association in June through September 2019 on an initial proposal to address this issue. Additionally, OPCD met with a group of property owners in January of 2020. Overall, comments were generally supportive of providing flexibility to support modular and panelized construction. A small number of people expressed concern about the large massing and scale of buildings allowed under the existing code that the original proposal would have increased slightly. Additionally, there were concerns that the small increase in massing did not justify a proposed requirement for additional rent- and income-restricted housing units and that this requirement would prevent most developments from being able to use the alternative standards. Based on that feedback, OPCD modified the initial proposal. While the original proposal allowed for an increase in floor area and required affordable housing units, the updated proposal does not allow for an increase in floor area and will not require additional affordable housing units. Instead, the updated proposal allows a similar amount of floor area in new buildings but allows flexibility in the shape of those buildings.

## PROPOSAL

The proposed legislation will allow housing development on small lots to meet alternative development standards if they meet certain minimum requirements. Housing development could continue to meet the existing standards but may voluntarily opt to use the alternative standards. The purpose of the alternative development standards is to allow a simpler building shape. Below is a summary of the minimum requirements and alternative standards.

### Minimum Requirements

Projects meeting the following minimum requirements would be allowed to meet a different set of development standards:

- The site is located in a DMR/C 145/75, DMR/R 145/65, DMR/C 280/125, or DMR/R 280/65 zone.
- The site is less than 14,500 square feet in size.
- At least 75% of gross floor area in the proposed building is in residential use.

Below is a map of the affected zones.



### Alternative Standards

Projects meeting the minimum standards would be allowed to use the following alternative standards in order to provide more appropriate massing for smaller lots. The overall goal of the alternative standard is to allow buildings that have a similar amount of floor area as is allowed under current regulations, but a more simplified shape.

#### **Coverage Limits**

Currently, on lots less than 19,000 square feet in DMR zones, the first 65 feet in height have no coverage limit, floors between 65 feet and 85 feet have a maximum coverage limit of 75% of the lot, and floors above 85 feet have a coverage limit of 65% of the lot. We are proposing to allow the following alternative:

- For lots 8,000 square feet or less, development would have to meet one of the following:
  - The first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 80%; or
  - The first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 85%, but the height limit would be reduced by 10 feet to 135 feet.
- For lots 14,500 square feet or less but greater than 8,000 square feet, the first 45 feet would have no coverage limit and all floors above 45 feet would have a maximum coverage limit of 75%.

### ***Building Width and Depth***

Currently, lots less than 19,000 square feet in DMR zones have a maximum width and depth limit of 90 feet on avenues and 120 feet on east/west streets for portions of a structure above 65 feet in height. We are proposing to allow a maximum width and depth limit of 100 feet on avenues and 120 feet on east/west streets for portions of a structure above 45 feet in height.

### ***Green Street Setbacks***

Development on green streets in DMR zones is required to be setback 10 feet from the green street property line between 65 and 85 feet in height, plus an additional foot of setback for each 5 feet above 85 feet. However, buildings frequently get departures from the stepped setback through design review as it results in a strange shape that is difficult to build. Variable upper-level setbacks are challenging on small lots because they result in different layout on each floor and small floors on the upper levels. This type of development standard is particularly challenging for modular or panelized construction where standard unit sizes would result in the removal of full units on upper stories. The proposed alternative is to require no setback for the first 25 feet and a setback of 10 feet for the remainder of the building. This alternative would only be allowed on the north side of a green street without view corridor requirements to ensure it does not significantly reduce the amount of light accessing the street.

The City of Seattle's Development Capacity Model identified about 13 single lots (each about 6,400 square feet in size) and about 11 double lots (each about 12,800 square feet in size) in the project area that are considered redevelopable and could be affected by this legislation. Displacement of existing housing is unlikely as an analysis of the City's Development Capacity model found that none of these sites contain existing residential buildings.

Modeling of potential outcomes of the proposed changes is available on the Small Lot Development in Belltown website at: <http://www.seattle.gov/opcd/ongoing-initiatives/belltown-small-lot-development>.

## **CONCLUSION**

This proposal would implement a recommendation of the Affordable Middle-Income Housing Advisory Council to support innovative construction. It would help to address our affordability crisis by increasing the supply of market-rate and affordable housing units and supporting development using innovative construction approaches that may help to reduce the cost of building new housing in the future.

# Small Lot Development in Belltown

Office of Planning and Community Development

August 2021



# The Challenge

- DMR zones in North Belltown represent a great location for housing with access to local amenities, transit, and jobs.
- Building to the local height limit of 145 feet requires steel and concrete construction which is expensive.
- Existing development regulations require complex building shapes that make development impractical on small lots.



# New Opportunities

Advances in innovative construction are making construction at this height more practical:

- Modular construction: boxes are built offsite and stacked
- Panelized construction: a grid is built and then pre-made panels are inserted

Both approaches can bring down cost and time, especially in areas where traditional construction is challenging such as areas with height limits of between 85 and 160 feet and on small lots. However, they require building shapes that allows stacking of units.

These types of construction can be more sustainable as they use less materials to construct.



PC7 Please change "allows" to "allow". Thank you.  
Parker, Christie, 8/6/2021

# Intended outcome of legislation

To create more appropriate development standards for small lots that would:

- Create additional housing in Belltown
- Support innovative construction that can help bring down costs and meet environmental goals

# How did we develop the proposal?

- Initial conversations with builders in early 2019
- Outreach on initial proposal in summer 2019
  - Presentations to the Belltown Community Council, Belltown Business Association, Denny Triangle Neighborhood Association, and Downtown Seattle Association
  - Meetings with 2 local developers and 5 local property owners
- Released updated proposal and SEPA analysis in February 2020
- Project was put on hold due to the pandemic

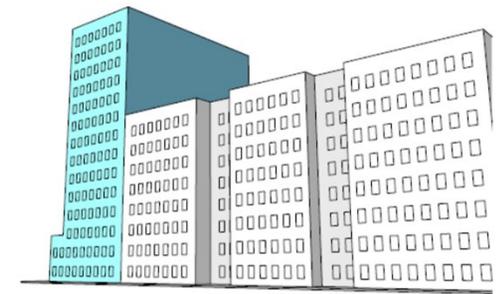
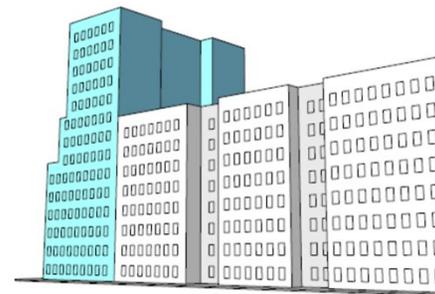
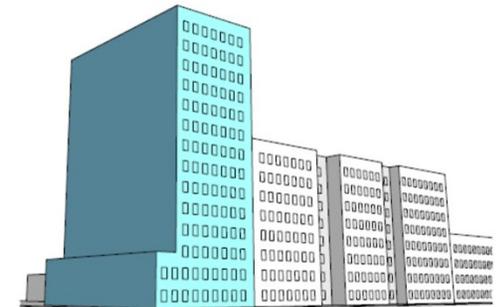
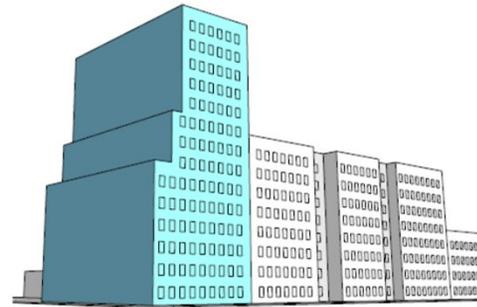


# Proposed Updates to the Land Use Code

Allow housing development on small lots in Belltown to be a slightly different shape in order to support innovative construction techniques

- Reduce number of required upper-level setbacks to allow a more rectangular shape
- Allow upper floors to be larger while requiring lower floors to be smaller

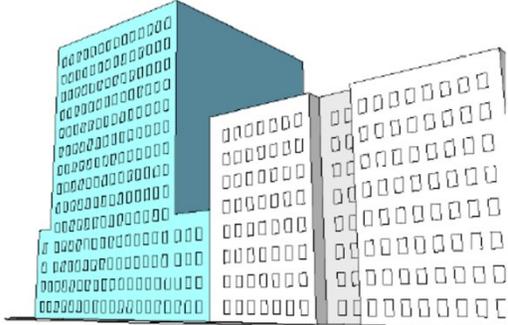
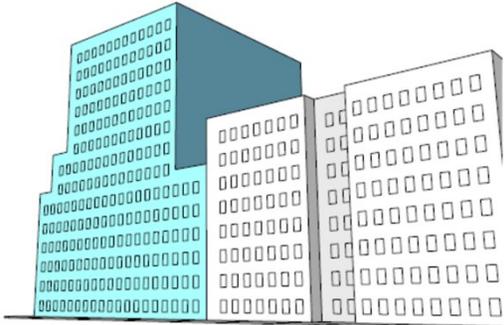
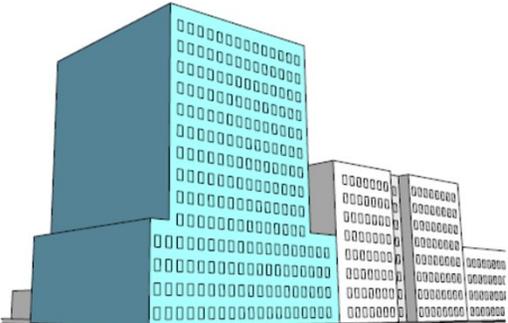
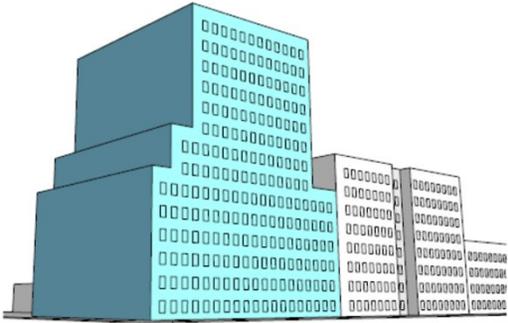
Would not increase the size (floor area or height) of new buildings



Existing Rules

Proposed Rules

# Example on Double Lot



Existing Rules

Proposed Rules

# Thank you.

Materials, including additional modeling examples, are available at OPCD's Belltown Small Lot website.