

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE relating to land use and zoning; correcting typographical and other technical errors, correcting section references, and clarifying regulations in sections that relate or may apply to low-income housing and other developments with units subject to affordability restrictions; amending, adopting new, and repealing obsolete defined terms relating to affordability of and eligibility to reside in certain housing; increase consistency and clarity of provisions that relate to low-income housing and restricted units; amending a limited number of provisions, including applicability of design review and authorization to request waiver or modification of certain development standards, to facilitate development of low-income housing; amending the title of Sections 23.44.019, 23.45.550, 23.47A.040, 23.48.100, and 23.49.007, amending Sections 22.900G.015, 23.34.012, 23.34.020, 23.41.004, 23.42.055, 23.42.057, 23.42.070, 23.44.024, 23.44.034, 23.44.041, 23.45.510, 23.45.512, 23.45.516, 23.47A.004, 23.47A.005, 23.47A.013, 23.48.005, 23.48.020, 23.48.232, 23.48.605, 23.48.920, 23.49.008, 23.49.010, 23.49.012, 23.49.014, 23.49.023, 23.49.037, 23.49.041, 23.49.058, 23.49.164, 23.49.180, 23.54.015, 23.58A.002, 23.58A.003, 23.58A.004, 23.58A.014, 23.58A.024, 23.58A.042, 23.58B.010, 23.58B.020, 23.58B.025, 23.58B.040, 23.58B.050, 23.58B.060, 23.58C.020, 23.58C.025, 23.58C.030, 23.58C.040, 23.58C.050, 23.66.100, 23.66.310, 23.70.008, 23.70.010, 23.72.002, 23.72.010, 23.73.010, 23.73.016, 23.75.020, 23.75.085, 23.76.032, 23.76.060, 23.84A.002, 23.84A.016, 23.84A.024, 23.84A.025, 23.84A.030, 23.84A.032, 23.84A.038, 23.84A.040, and 23.86.007, and repealing Sections 23.49.015 and 23.49.181 of the Seattle Municipal Code.

..body

WHEREAS, ...; and

WHEREAS, ...; and

WHEREAS, ...; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 22.900G.015 of the Seattle Municipal Code, last amended by Ordinance 125982, is amended as follows:

22.900G.015 Fees for review by the Office of Housing

((An applicant)) At application for a Master Use Permit, or for the first building permit that includes the structural frame for the structure if no Master Use Permit is required, where the

1 application includes a proposal to provide or make a financial contribution for ~~((affordable~~
2 ~~housing or low-income housing through the transfer of development rights or transfer of~~
3 ~~development potential, or as a condition of incentives, or to mitigate housing impacts according~~
4 ~~to)) restricted units required by Section 23.34.004, ~~((Section 23.49.012,))~~ Section 23.49.014,
5 ~~((Section 23.49.015, Section 23.49.181,))~~ Section 23.54.015, Chapter 23.58A, Chapter 23.58B,
6 Chapter 23.58C, or Section 23.75.085, the applicant shall pay a housing review fee ~~((with~~
7 ~~application for the permit))~~ in the amount of \$550 to the Office of Housing ~~((for review of the~~
8 ~~application))~~.~~

9 Section 2. Section 23.34.012 of the Seattle Municipal Code, last amended by Ordinance
10 126509, is amended as follows:

11 **23.34.012 Neighborhood Residential Small Lot (RSL) zone, function, and locational criteria**

12 A. Function. An area within an urban village that provides for the development of homes
13 on small lots that may be more affordable compared to detached homes on larger lots and
14 appropriate ~~((and affordable to))~~ for households with children ~~((and other households which~~
15 ~~might otherwise choose existing detached houses on larger lots))~~.

16 * * *

17 Section 3. Section 23.34.020 of the Seattle Municipal Code, last amended by Ordinance
18 123495, is amended as follows:

19 **23.34.020 Lowrise 3 (LR3) zone, function, and locational criteria**

20 * * *

21 C. The LR3 zone is also appropriate in ~~((areas located in))~~ the Delridge High Point
22 Neighborhood Revitalization Area, as shown in Map A for 23.34.020, provided that the LR3
23 zone designation would facilitate a mixed-income housing development initiated by the Seattle

Housing Authority or other public agency((;)) , a property use and development agreement is executed subject to the provisions of Chapter 23.76 as a condition to any rezone((;)) , and the development would serve a broad public purpose.

* * *

Section 4. Section 23.41.004 of the Seattle Municipal Code, last amended by Ordinance 126741, is amended as follows:

23.41.004 Applicability

A. Design review required

1. Subject to the exemptions in subsection 23.41.004.B, design review is required in the following areas or zones when development is proposed that exceeds a threshold in Table A or Table B for 23.41.004:

- a. Multifamily;
- b. Commercial;
- c. Seattle Mixed;
- d. Downtown; and
- e. Stadium Transition Area Overlay District as shown in Map A for

23.74.004, when the width of the lot exceeds 120 feet on any street frontage.

2. Subject to the exemptions in subsection 23.41.004.B, design review is required in the following areas or zones when commercial or institution development is proposed that exceeds a threshold in Table A or Table B for 23.41.004:

- a. Industrial Buffer; and
- b. Industrial Commercial.

3. The gross floor area of the following uses is not included in the total gross floor area of a development for purposes of determining if a threshold is exceeded:

- a. Religious facilities;
- b. Elementary and secondary schools;
- c. Uses associated with a Major Institution Master Plan (MIMP); or
- d. Development of a major institution use within a Major Institution Overlay (MIO) district.

4. Any development proposal participating in the Living Building or 2030 Challenge High Performance Existing Building Pilot Program according to Sections 23.40.060 and 23.40.070, including a development proposal for an existing structure, regardless of size or site characteristics, is subject to full design review according to Section 23.41.014.

~~((5. Any development proposal, regardless of size or site characteristics, is subject to the administrative design review process according to Section 23.41.016 if it receives public funding or an allocation of federal low-income housing tax credits, and is subject to a regulatory agreement, covenant, or other legal instrument recorded on the property title and enforceable by The City of Seattle, Washington State Housing Finance Commission, State of Washington, King County, U.S. Department of Housing and Urban Development, or other similar entity as approved by the Director of Housing, which restricts at least 40 percent of the units to occupancy by households earning no greater than 60 percent of median income, and controls the rents that may be charged, for a minimum period of 40 years.~~

~~6.))~~ 5. Any development proposal that is located in a Master Planned Community zone and that includes a request for departures, regardless of size or site characteristics, is subject to full design review according to Section 23.41.014. If a development proposal in a Master

Planned Community zone does not include a request for departures, the applicable design review procedures are in Section 23.41.020. A development proposal in a Master Planned Community zone, which includes a request for departures and provides affordable housing per subsection 23.41.004.A.5, shall be subject to administrative design review according to Section 23.41.016.

~~((7.))~~ 6. Subject to the exemptions in subsection 23.41.004.B, design review is required for additions to existing structures when the size of the proposed addition or expansion exceeds a threshold in Table A or Table B for 23.41.004. Administrative design review, as described in Section 23.41.016, is required for certain other additions to existing structures according to rules promulgated by the Director.

* * *

B. Exemptions. The following are exempt from design review:

1. Development located in special review districts established by Chapter 23.66;
2. Development in Landmark districts established by Title 25;
3. Development within the historic character area of the Downtown Harborfront 1 zone;
4. Development that is subject to shoreline design review pursuant to Chapter 23.60A;
5. New light rail transit facilities that are subject to review by the Seattle Design Commission;
6. City facilities that are subject to review by the Seattle Design Commission;
7. Development within neighborhood residential or residential small lot zones;
- and
8. ~~((Permanent supportive))~~ Low-income housing.

* * *

~~((D. Temporary provisions for affordable housing projects~~

~~1. Notwithstanding any contrary provision of this Title 23, a project subject to administrative design review according to subsection 23.41.004.A.5 or a project in a Master Planned Community zone that meets the requirements according to subsection 23.41.004.A.5 shall be exempt from design review if the applicant files a complete building permit application while this ordinance is in effect, except that the applicant may elect to have the project be subject to design review notwithstanding the preceding exemption.~~

~~2. Requests for departures. If a project is exempt from design review according to subsection 23.41.004.D.1, the Director may consider requests for departures from the following development standards in this Title 23:~~

- ~~a. Requirements for bike rooms and the quantity of bike parking;~~
 - ~~b. Requirements for the size of parking spaces;~~
 - ~~c. Requirements for overhead weather protection;~~
 - ~~d. Requirements facade openings, articulation, and modulation and art on the facades of buildings but not including limitations on structure width;~~
 - ~~e. Requirements for the size and design of common recreational areas, amenity areas, community rooms, and similar indoor amenities but not including any required outdoor open space;~~
 - ~~f. Requirements related to residential uses, transparency, blank facades, and floor-to-floor height at street level, except as otherwise limited in subsection 23.41.012.B;~~
- ~~and~~

1 ~~g. Other similar standards as determined by the Director, not including~~
2 ~~those listed in subsection 23.41.012.B, that pertain to the interior of the building and do not~~
3 ~~affect the size of the building envelope.~~

4 ~~3. Departures decision. Requests for departures according to subsection~~
5 ~~23.41.004.D.2 shall be evaluated by the Director, in consultation with the Office of Housing, in~~
6 ~~light of the particular population designed to be served by the project, and may be granted by the~~
7 ~~Director as a Type I decision if the departure would not impact the overall height, bulk, and scale~~
8 ~~of the proposed building and would result in additional housing units meeting the standards of~~
9 ~~subsection 23.41.004.A.5 being constructed.)) D. Exemptions; applicability. Low-income~~
10 ~~housing that vests according to Section 23.76.026 prior to the effective date of this ordinance~~
11 ~~may also use the design review exemption authorized according to subsection 23.41.004.B.8.~~

12 Section 5. Section 23.42.055 of the Seattle Municipal Code, last amended by Ordinance
13 126685, is amended as follows:

14 **23.42.055 ((Low-income housing)) Development of affordable units on property owned or**
15 **controlled by a religious organization**

16 A. This Section 23.42.055 establishes the requirements for ~~((developments using))~~ use of
17 alternative development standards for ((low-income housing)) development of affordable units
18 on property owned or controlled by a religious organization where allowed by the provisions of
19 the zone.

20 B. Eligible property. The property must be owned or controlled by a religious
21 organization at the date of the permit application.

22 C. Affordability requirements

1 1. ~~((Eligible households. All dwelling units or congregate residence sleeping~~
2 ~~rooms permitted pursuant to this Section 23.42.055 shall serve only:~~

3 a. ~~For rental units, households with incomes no greater than 80 percent of~~
4 ~~median income, adjusted by household size.~~

5 b. ~~For ownership units, households with incomes no greater than 80~~
6 ~~percent of median income, adjusted by household size.))~~ All units permitted pursuant to this
7 Section 23.42.055 shall be affordable units. For purposes of this Section 23.42.055, “affordable
8 unit” means a principal dwelling unit that is a restricted unit subject to housing cost and income
9 limits no higher than 80 percent of median income.

10 2. Duration. The ~~((obligation to provide dwelling units meeting the))~~ requirements
11 of subsection 23.42.055.B shall last for a period of 50 years from the date of the certificate of
12 occupancy or, if a certificate of occupancy is not required, from the date of the final building
13 permit inspection for the development to which this Section 23.42.055 applies.

14 3. Affordable rent. Monthly rent shall not exceed 30 percent of 80 percent of
15 median income. ~~((For purposes of this subsection 23.44.055.C.3, "monthly rent" includes a~~
16 ~~utility allowance for heat, gas, electricity, water, sewer, and refuse collection, to the extent such~~
17 ~~items are not paid for tenants by the owner, and any recurring fees that are required as a~~
18 ~~condition of tenancy.))~~

19 4. Affordable sale price

20 ~~((a. Affordable price — initial sales. The initial affordable sale price must~~
21 ~~be an amount in which total ongoing housing costs do not exceed 30 percent of 80 percent of~~
22 ~~median income. The Director of Housing will establish by rule the method for calculating the~~
23 ~~initial sale price including standard assumptions for determining upfront housing costs, including~~

1 ~~the down payment, and ongoing housing costs, which must include mortgage principal and~~
2 ~~interest payments, homeowner's insurance payments, homeowner or condominium association~~
3 ~~dues and assessments, and real estate taxes and other charges included in county tax billings. The~~
4 ~~Director of Housing may establish by rule a maximum down payment amount.~~

5 b. ~~Affordable price — resales. Eligible households for purchase of an~~
6 ~~ownership unit subsequent to the initial sale must have incomes no greater than 80 percent of~~
7 ~~median income at initial occupancy.))~~ The Office of Housing will establish by rule the formula
8 for calculating maximum affordable prices for initial sales ~~((subsequent to the initial sale))~~ and
9 resales to allow modest growth in homeowner equity while maintaining long-term affordability
10 for ~~((future))~~ income-eligible buyers.

11 D. Agreement. As a condition of building permit issuance for a development according to
12 this Section 23.42.055, the property owner and the ~~((City))~~ Director of Housing must enter into
13 an agreement in a form acceptable to the City that includes housing covenants consistent with
14 this Section 23.42.055 and the final plan set approved by the Department. The agreement must
15 be recorded on the title of the property ~~((on which the low income housing development is~~
16 ~~located))~~.

17 E. Applicability. ~~((The alternative development standards for low income housing on~~
18 ~~property owned or controlled by a religious organization that are available in each zone may be~~
19 ~~applied to projects))~~ Projects that vested according to Section 23.76.026~~((;))~~ prior to August 9,
20 2021, in accordance with subsection 23.76.026.E and that satisfy the requirements of this Section
21 23.45.055 are also eligible to use the alternative development standards authorized by this
22 Section 23.42.055 where allowed by the provisions of the zone.

Section 6. Section 23.42.057 of the Seattle Municipal Code, last amended by Ordinance 126684, is amended as follows:

23.42.057 ((~~Permanent supportive housing~~)) Waivers and modifications for low-income housing

((~~Permanent supportive~~)) Low-income housing must meet the development standards for the zone in which it is located except as follows:

A. Requests for waivers or modifications. The Director may consider requests for waivers or modifications from the following development standards in this Title 23:

1. Requirements for the size of parking spaces;
2. Requirements for ratios of vehicle parking sizes;
3. Requirements for overhead weather protection;
4. Requirements for facade openings, articulation, and modulation ((~~and art~~)) on the facades of buildings except limitations on structure width may not be waived or modified;
5. Requirements for the size and design of common recreational areas, amenity areas, community rooms, or similar indoor amenities;
6. Requirements for outdoor open space and amenity areas;
7. Requirements related to residential uses, transparency, blank facades, and floor-to-floor height at street level; and
8. Other similar physical development standards as determined by the Director that do not affect the size of the building envelope.

B. Waiver or modification decision. Requests for waivers or modifications shall be evaluated by the Director, in consultation with the Office of Housing and may be granted by the Director as a Type I decision if the waiver or modification would ((~~not impact the overall height,~~

1 ~~bulk, and scale of the proposed building and would result in additional permanent supportive~~
2 ~~housing units))~~ facilitate development of low-income housing.

3 C. Community engagement and relations. ~~((The))~~ For permanent supportive housing, the
4 applicant shall submit a draft community relations plan in a form acceptable to the Director and
5 the Director of ~~((the Office of))~~ Housing. The draft community relations plan shall describe the
6 overall community engagement and communication strategy throughout the project's pre-
7 development, design, construction, and operation phases. In addition to compliance with the draft
8 community relations plan, the applicant must hold at least one community meeting in-person, or
9 virtually in the event of an emergency that makes in-person meetings impracticable as declared
10 by the Mayor. Virtual meetings may be offered to supplement in-person meetings. This meeting
11 shall be exclusively about the project and the applicant must send notice of the meeting to
12 neighbors at least within 500 feet of the site.

13 D. Applicability. Low-income housing that vests according to Section 23.76.026 prior to
14 the effective date of this ordinance may also request waivers and modifications as authorized by
15 this Section 23.42.057 and the provisions of the zone.

16 Section 7. Section 23.42.070 of the Seattle Municipal Code, enacted by Ordinance
17 125558, is amended as follows:

18 **23.42.070 Parking for rented or leased multifamily dwelling units and commercial uses**

19 A. Parking for multifamily dwelling units

20 1. Off-street parking accessory to rented or leased multifamily dwelling units shall
21 not be included in any dwelling unit rental agreement and shall be subject to a rental agreement
22 addendum or in a separate rental agreement.

2. ~~((Multifamily residential uses with rent and income criteria as described in Part III of Table B for 23.54.015 shall be))~~ Moderate-income units are exempt from the requirement of subsection 23.42.070.A.1.

3. Multifamily dwelling units with individual garages that are functionally a part of the dwelling unit, including but not limited to townhouses and rowhouses, shall be exempt from the requirement of subsection 23.42.070.A.1.

* * *

Section 8. The title of Section 23.44.019 of the Seattle Municipal Code, which section was last amended by Ordinance 126509, is amended as follows:

23.44.019 Alternative ~~((development))~~ standards for ~~((low-income housing))~~ development of affordable units on property owned or controlled by a religious organization

Section 9. Section 23.44.024 of the Seattle Municipal Code, last amended by Ordinance 126509, is amended as follows:

23.44.024 Clustered housing planning developments

Clustered housing planned developments (CHPDs) may be permitted as an administrative conditional use in NR1, NR2, and NR3 zones. A CHPD is intended to enhance and preserve natural features, encourage the construction of ~~((affordable))~~ low-income housing, allow for development and design flexibility, and protect and prevent harm in environmentally critical areas. CHPDs shall be subject to the following provisions:

* * *

Section 10. Section 23.44.034 of the Seattle Municipal Code, last amended by Ordinance 126509, is amended as follows:

23.44.034 Planned residential development (PRD)

Planned residential developments (PRDs) may be permitted in NR1, NR2, and NR3 zones as a council conditional use. A PRD is intended to enhance and preserve natural features, encourage the construction of ~~((affordable))~~ low-income housing, allow for development and design flexibility, promote green stormwater infrastructure and protect and prevent harm in environmentally critical areas. PRDs shall be subject to the following provisions:

* * *

Section 11. Section 23.44.041 of the Seattle Municipal Code, last amended by Ordinance 126685, is amended as follows:

23.44.041 Accessory dwelling units

A. General provisions. The Director may authorize an accessory dwelling unit, and that dwelling unit may be used as a residence, only under the following conditions:

1. ~~((Number of accessory dwelling units allowed on a lot~~

~~a.))~~ In an NR1, NR2, and NR3 zone, a lot with or proposed for a principal single-family dwelling unit may have up to two accessory dwelling units, provided that the following conditions are met:

~~((1) Only))~~ a. No more than one accessory dwelling unit ~~((may be))~~ is a detached accessory dwelling unit; and

~~((2))~~ b. A second accessory dwelling unit is allowed only if:

~~((a) The second accessory dwelling unit is added by converting floor))~~ 1) Floor area within an existing structure is converted to create the second accessory dwelling unit; or

~~((b) For a new structure, the applicant makes a commitment that the))~~ 2) The applicant commits that an attached accessory dwelling unit in a new principal

1 structure ~~((containing an attached accessory dwelling unit or the new accessory structure~~
2 ~~containing a))~~ or a new detached accessory dwelling unit will meet a green building standard and
3 shall demonstrate compliance with that commitment, all in accordance with Chapter 23.58D; or

4 ~~((e) the))~~ 3) The second accessory dwelling unit is a ~~((rental unit~~
5 ~~affordable to and reserved solely for "income eligible households," as defined in Section~~
6 ~~23.58A.004, and is subject to an agreement specifying the affordable housing requirements under~~
7 ~~this subsection approved by the Director of Housing to ensure that the housing shall serve only~~
8 ~~income eligible households for a minimum period of 50 years. The monthly rent, including basic~~
9 ~~utilities, shall not exceed 30 percent of the income limit for the unit, all as determined by the~~
10 ~~Director of Housing, and the housing owner shall submit a report to the Office of Housing~~
11 ~~annually that documents how the affordable housing meets the terms of the recorded agreement.~~

12 ~~Prior to issuance, and as a condition to issuance, of the first building~~
13 ~~permit for a project, the applicant shall execute and record a declaration in a form acceptable to~~
14 ~~the Director that shall commit the applicant to satisfy the conditions to establishing a second~~
15 ~~accessory dwelling unit as approved by the Director))~~ restricted unit subject to rent and income
16 limits no higher than 80 percent of median income or limits on initial sale and resale prices and
17 income limits no higher than 100 percent of median income for at least 40 years.

18 ~~((b.))~~ 2. In an RSL zone, each principal dwelling unit may have no more than one
19 accessory dwelling unit.

20 ~~((2.))~~ 3. In the Shoreline District, accessory dwelling units shall be as provided in
21 Chapter 23.60A; where allowed in the Shoreline District, they are also subject to the provisions
22 in this Section 23.44.041.

((3-)) 4. In NR1, NR2, and NR3 zones, accessory dwelling units are subject to the tree requirements in subsection 23.44.020.A.2.

((4.)) 5. No off-street parking is required for accessory dwelling units.

6. An existing required parking space may not be eliminated to accommodate an accessory dwelling unit unless it is replaced elsewhere on the lot.

* * *

Section 12. Section 23.45.510 of the Seattle Municipal Code, last amended by Ordinance 126287, is amended as follows:

23.45.510 Floor area

* * *

D. The following floor area is exempt from FAR limits:

1. All stories, or portions of stories, that are underground.
2. The floor area ((~~contained~~)) in a Landmark structure subject to controls and incentives imposed by a designating ordinance, if the owner of the Landmark has executed and recorded an agreement acceptable in form and content to the Landmarks Preservation Board, providing for the restoration and maintenance of the historically significant features of the structure, except that this exemption does not apply to a lot from which a transfer of development potential (TDP) has been made under Chapter 23.58A, and does not apply for purposes of determining TDP available for transfer under Chapter 23.58A.

3. The floor area (~~((contained))~~) in structures built prior to January 1, 1982, as single-family dwelling units that will remain in residential use, regardless of the number of dwelling units within the existing structure, provided that:

a. No other principal structure is located between the existing residential structure and the street lot line along at least one street frontage. If the existing residential structure is moved on the lot, the floor area of the existing residential structure remains exempt if it continues to meet this provision; and

b. The exemption is limited to the gross floor area in the existing residential structure as of January 1, 1982.

4. Portions of a story that extend no more than 4 feet above existing or finished grade, whichever is lower, excluding access, (see Exhibit A for 23.45.510), in the following circumstances:

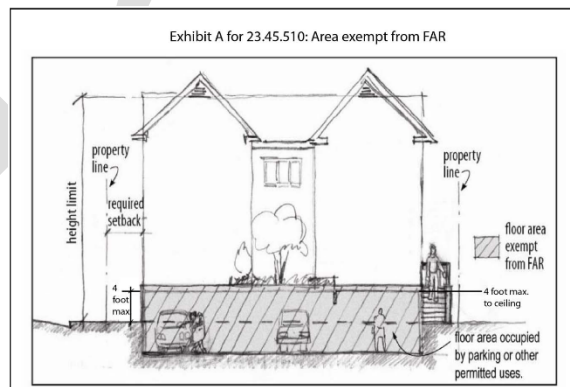
a. Apartments in LR zones;

b. Rowhouse and townhouse developments in LR zones, provided that all parking is located at the rear of the structure or is enclosed in structures with garage entrances located on the rear facade; and

c. All multifamily structures in MR and HR zones.

Exhibit A for 23.45.510

Area exempt from FAR



5. For rowhouse and townhouse developments and apartments, floor area within a story, or portion of a story, that is partially above grade if all of the following conditions are met:

1 a. The story, or portion of the story, that is partially above grade is used
2 for parking or other accessory uses and has no additional stories above;

3 b. The average height of the exterior walls enclosing the floor area does
4 not exceed one story, measured from existing or finished grade, whichever is lower;

5 c. The roof area above the exempt floor area is predominantly flat, is used
6 as amenity area, and meets the standards for amenity area at ground level in Section 23.45.522;
7 and

8 d. At least 25 percent of the perimeter of the amenity area on the roof
9 above the floor area is not enclosed by the walls of the structure.

10 6. Enclosed common amenity area in HR zones.

11 7. As an allowance for mechanical equipment, in any structure more than 85 feet
12 in height, 3.5 percent of the gross floor area that is not otherwise exempt under this subsection
13 23.45.510.D.

14 8. In HR zones, ground floor commercial uses meeting the requirements of
15 Section 23.45.532, if the street level of the structure containing the commercial uses has a
16 minimum floor-to-floor height of 13 feet and a minimum depth of 15 feet.

17 9. The floor area of required bicycle parking for small efficiency dwelling units or
18 congregate residence sleeping rooms, if the bicycle parking is located within the structure
19 containing the small efficiency dwelling units or congregate residence sleeping rooms. Floor area
20 of bicycle parking that is provided beyond the required bicycle parking is not exempt from FAR
21 limits.

22 10. Common walls separating individual rowhouse and townhouse dwelling units.

11. In the Northgate Urban Center, up to 15,000 square feet of floor area in residential use in a structure built prior to 1990 that is located on a split-zoned lot of at least 40,000 square feet in size.

12. In MR and HR zones, all gross floor area in child care centers.

13. In ~~((permanent supportive))~~ low-income housing, all gross floor area for accessory human service uses.

* * *

Section 13. Section 23.45.512 of the Seattle Municipal Code, last amended by Ordinance 126682, is amended as follows:

23.45.512 Density limits and family-size unit requirements—LR zones

A. Density limits

1. Except according to subsection 23.45.512.A.4, the following developments must meet the density limits described in this subsection 23.45.512.A:

a. In LR1 zones, rowhouse development on interior lots and all townhouse development; and

b. All development in Lowrise zones that do not have a mandatory housing affordability suffix.

2. Development described in subsection 23.45.512.A.1 shall not exceed a density of one dwelling unit per 1,150 square feet of lot area, except that apartments in LR3 zones that do not have a mandatory housing affordability suffix shall not exceed a density limit of one dwelling unit per 800 square feet.

3. When density calculations result in a fraction of a unit, any fraction up to and including 0.85 constitutes zero additional units, and any fraction over 0.85 constitutes one additional unit.

~~4. ((Density exception for certain types of low-income multifamily residential uses~~

~~a. The exception in this subsection 23.45.512.A.4 applies to low-income residential uses operated by a public agency or a private nonprofit corporation.~~

~~b. The uses listed in subsection 23.45.512.A.4.a)) Low-income housing shall have a maximum density of one dwelling unit per 400 square feet of lot area ((if a majority of the dwelling units are designed for and dedicated to tenancies of at least three months, and the dwelling units remain in low-income residential uses for the life of the structure)).~~

* * *

Section 14. Section 23.45.516 of the Seattle Municipal Code, last amended by Ordinance 125791, is amended as follows:

23.45.516 Method to achieve extra residential floor area in HR zones

* * *

B. In HR zones, extra residential floor area above the base FAR may be gained in accordance with Chapter 23.58A subject to the conditions and limits in this Section 23.45.516.

1. Up to all extra residential floor area may be gained through the affordable housing incentive ((program)) provisions in Section 23.58A.014.

2. Up to 40 percent of extra residential floor area may be gained by one or any combination of:

a. Transfer of development potential;

b. Providing neighborhood open space; and/or

c. Providing a neighborhood green street setback if allowed pursuant to

subsection 23.45.516.F, all in accordance with this Section 23.45.516 and Chapter 23.58A.

* * *

Section 15. The title of Section 23.45.550 of the Seattle Municipal Code, which section was last amended by Ordinance 126509, is amended as follows:

23.45.550 Alternative ((development)) standards for ((low-income housing)) development of affordable units on property owned or controlled by a religious organization

* * *

Section 16. Table A for Section 23.47A.004 of the Seattle Municipal Code, which section was last amended by Ordinance 126626, is amended as follows:

23.47A.004 Permitted and prohibited uses

* * *

| Table A for 23.47A.004 Uses in Commercial zones | | | | | |
|--|--|-------------------|-------------------|-------------------|-------------------|
| Uses | Permitted and prohibited uses by zone ¹ | | | | |
| | NC1 | NC2 | NC3 | C1 | C2 |
| * * * | | | | | |
| J. RESIDENTIAL USES ¹⁴ | | | | | |
| J.1. Residential uses not listed below | P | P | P | P | CU ¹⁵ |
| J.2. Caretaker's quarters | P | P | P | P | P |
| J.3. Congregate residence | X/P ¹⁶ | X/P ¹⁶ | P/X ¹⁷ | P/X ¹⁷ | P/X ¹⁷ |
| J.4. ((Permanent supportive)) <u>Low-income housing</u> | P | P | P | P | P |
| * * * | | | | | |
| KEY | | | | | |
| A = Permitted as an accessory use only | | | | | |
| CU = Administrative Conditional Use (business establishment limited to the multiple of 1,000 | | | | | |

square feet of any number following a hyphen, pursuant to Section 23.47A.010)
CCU = Council Conditional Use (business establishment limited to the multiple of 1,000 square feet of any number following a hyphen, pursuant to Section 23.47A.010)
P = Permitted
S = Permitted in shoreline areas only
X = Prohibited
CU-25 = Conditionally permitted; use is limited to 25,000 square feet, pursuant to Section 23.47A.010
10 = Permitted, business establishments limited to 10,000 square feet, pursuant to Section 23.47A.010
20 = Permitted, business establishments limited to 20,000 square feet, pursuant to Section 23.47A.010
25 = Permitted, business establishments limited to 25,000 square feet, pursuant to Section 23.47A.010
35 = Permitted, business establishments limited to 35,000 square feet, pursuant to Section 23.47A.010
40 = Permitted, business establishments limited to 40,000 square feet, pursuant to Section 23.47A.010
50 = Permitted, business establishments limited to 50,000 square feet, pursuant to Section 23.47A.010

Footnotes to Table A for 23.47A.004

¹ In pedestrian-designated zones, a portion of the street-level street-facing facade of a structure along a designated principal pedestrian street may be limited to certain uses as provided in subsection 23.47A.005.D. In pedestrian-designated zones, drive-in lanes are prohibited (Section 23.47A.028).

² In addition to the provisions in this Chapter 23.47A, uses that entail major marijuana activity are subject to the requirements of Section 23.42.058.

³ For commercial uses with drive-in lanes, see Section 23.47A.028.

⁴ Subject to subsection 23.47A.004.H.

⁵ Permitted at Seattle Center.

⁶ Bed and breakfasts in existing structures are permitted outright with no maximum size limit.

⁷ Medical services over 10,000 square feet within 2,500 feet of a medical Major Institution Overlay boundary require conditional use approval, unless they are included in a Major Institution Master Plan or dedicated to veterinary services.

⁸ Medical service uses that are located in an urban center or urban village, which are in operation at such location before August 1, 2015, and that routinely provide medical services on a reduced fee basis to individuals or families having incomes at or below 200 percent of the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 USC 9902(2), are limited to 20,000 square feet. This provision does not apply to medical service uses that are subject to a Major Institution Master Plan.

⁹ Office uses in C1 and C2 zones are permitted up to the greater of 1 FAR or 35,000 square feet as provided in subsection 23.47A.010.D. Office uses in C1 and C2 zones are permitted outright with no maximum size limit if they meet the standards identified in subsection 23.47A.010.D.

¹⁰ Gas stations and other businesses with drive-in lanes are not permitted in pedestrian-designated zones (Section 23.47A.028). Elsewhere in NC zones, establishing a gas station may require a demonstration regarding impacts under Section 23.47A.028.

¹¹ Grocery stores meeting the conditions of subsection 23.47A.010.E are permitted up to 23,000 square feet in size.

¹² Subject to subsection 23.47A.004.G.

¹³ Permitted pursuant to subsection 23.47A.004.D.7.

¹⁴ Residential uses may be limited to 20 percent of a street-level street-facing facade pursuant to subsection 23.47A.005.C.

¹⁵ Residential uses are conditional uses in C2 zones under subsection 23.47A.006.A.3, except as otherwise provided above in Table A for 23.47A.004 or in subsection 23.47A.006.A.3.

¹⁶ Congregate Residences that are owned by a college or university, or are affiliated with an educational major institution that is part of the Washington State Community and Technical Colleges system, or are a sorority or fraternity, or are owned by a not-for-profit entity or charity, or are licensed by the State and provide supportive services are permitted outright. All others are prohibited. Supportive services include meal service, cleaning service, health services, or similar.

¹⁷ Congregate Residences that are owned by a college or university, or are affiliated with an educational major institution that is part of the Washington State Community and Technical Colleges system, or are a sorority or fraternity, or are owned by a not-for-profit entity or charity, or are licensed by the State and provide supportive services are permitted outright. All others are permitted only in locations within urban villages and urban centers. Supportive services include meal service, cleaning service, health services, or similar.

¹⁸ Permitted at Seattle Center; see Section 23.47A.011.

¹⁹ Flexible-use parking is subject to Section 23.54.026. In pedestrian-designated zones, surface parking is prohibited adjacent to principal pedestrian streets pursuant to subsection 23.47A.032.B.2.

²⁰ Permitted as surface parking only on surface parking lots existing as of January 1, 2017. In pedestrian-designated zones, surface parking is prohibited adjacent to principal pedestrian streets pursuant to subsection 23.47A.032.B.2.

²¹ Permitted outright, except prohibited in the SAOD.

²² See Chapter 23.57, Communications regulations, for regulation of communication utilities.

²³ A recycling use that is located on the same development site as a solid waste transfer station may be permitted by administrative conditional use, subject to the requirements of subsection 23.47A.006.A.7.

Section 17. Section 23.47A.005 of the Seattle Municipal Code, last amended by Ordinance 126287, is amended as follows:

23.47A.005 Street uses

* * *

C. Residential uses at street level

1. In all NC and C zones, residential uses may occupy, in the aggregate, no more than 20 percent of the street-level street-facing facade in the following circumstances or locations:

a. In a pedestrian-designated zone, facing a designated principal pedestrian street; or

b. In all NC and C1 zones within the Bitter Lake Village Hub Urban Village, except lots abutting Linden Avenue North, north of North 135th Street; or

c. Within a zone that has a height limit of 85 feet or higher, except as provided in subsection 23.47A.005.C.2; or

d. Within an NC1 zone, except as provided in subsection 23.47A.005.C.2; or

e. In all NC and C1 zones within the Northgate Overlay District, except as provided in Section 23.71.044; or

f. In all NC and C1 zones within the areas shown on Maps A through D for 23.47A.005 at the end of this Chapter 23.47A when facing an arterial street.

2. Subsection 23.47A.005.C.1 notwithstanding, there is no restriction on the location of residential uses in the following circumstances:

a. ~~((Within a very low income housing project existing as of May 1, 2006, or within a very low income housing project replacing a very low income housing project existing as of May 1, 2006, on the same site))~~ The development is low-income housing; or

b. The residential use is an assisted living facility or nursing home and private living units are not located at street level; or

1 c. Within the Pike/Pine Conservation Overlay District, for street-facing
2 facades that do not face a designated principal pedestrian street, as shown on Map A for
3 23.73.008; or

4 d. In a structure existing on January 1, 2012, that is within an NC1 zone
5 but not located in an area defined in Maps A through D for 23.47A.005, at the end of this
6 Chapter 23.47A, a live-work space may be converted to an accessory dwelling unit if the
7 residential use is established, if the area proposed to be converted meets the minimum housing
8 standards of Chapter 22.206, and if the area proposed to be converted meets the owner
9 occupancy requirement of subsection 23.44.041.C((;)) .

10 ~~((e. Within a structure that:~~

11 ~~1) Is developed and owned by the Seattle Housing Authority; and~~
12 ~~2) Is located on a lot zoned NC1 or NC3 that was owned by the~~
13 ~~Seattle Housing Authority as of January 1, 2009; or~~

14 ~~f. Within a structure containing permanent supportive housing.))~~

15 3. Additions to, or on-site accessory structures for, existing single-family
16 structures are permitted outright.

17 4. Where residential uses at street level are limited to 20 percent of the street-
18 level, street-facing facade, such limits do not apply to residential structures separated from the
19 street lot line by an existing structure meeting the standards of this Section 23.47A.005 and
20 Section 23.47A.008, or by an existing structure legally nonconforming to those standards.

21 D. In pedestrian-designated zones the locations of uses are regulated as follows:

1 1. Along designated principal pedestrian streets, one or more of the following uses
2 are required along 80 percent of the street-level, street-facing facade in accordance with the
3 standards provided in subsection 23.47A.008.C.

- 4 a. Arts facilities;
- 5 b. Community gardens;
- 6 c. Eating and drinking establishments;
- 7 d. Entertainment uses, except for adult cabarets, adult motion picture
8 theaters, and adult panorams;
- 9 e. Food processing and craft work;
- 10 f. Institutions, except hospitals or major institutions;
- 11 g. Lodging uses;
- 12 h. Medical services;
- 13 i. Offices, provided that no more than 30 feet of the street-level, street-
14 facing facade of a structure may contain an office use;
- 15 j. Parks and open spaces;
- 16 k. Rail transit facilities;
- 17 l. Retail sales and services, automotive, in the Pike/Pine Conservation
18 Overlay District if located within an existing structure or within a structure that retains a
19 character structure as provided in Section 23.73.015;
- 20 m. Sales and services, general, provided that no more than 40 feet of the
21 street-level, street-facing facade of a structure on a principal pedestrian street may contain a
22 customer services office;

n. Sales and services, heavy, except for heavy commercial sales, and provided that no more than 30 feet of the street-level, street-facing facade of a structure may contain a non-household sales and service use; and

o. ~~((Permanent supportive))~~ Low-income housing.

The establishment of any such use is subject to the applicable use provisions of this Title 23.

2. The following streets are principal pedestrian streets when located within a pedestrian-designated zone:

10th Avenue;
11th Avenue;
12th Avenue;
13th Avenue, between East Madison Street and East Pine Street;
14th Avenue South, except within the North Beacon Hill Residential Urban Village;
15th Avenue East;
15th Avenue Northeast, north of Lake City Way Northeast;
15th Avenue Northwest;
15th Avenue South;
17th Avenue Northwest;
20th Avenue Northwest;
22nd Avenue Northwest;
23rd Avenue;
24th Avenue Northwest;

1 25th Avenue Northeast;
2 32nd Avenue West;
3 35th Avenue Northeast, except within the Lake City Hub Urban Village;
4 35th Avenue Southwest, except within the West Seattle Junction Hub
5 Urban Village;
6 39th Avenue Northeast;
7 Aurora Ave North, except within the Bitter Lake Village Hub Urban
8 Village;
9 Ballard Avenue Northwest;
10 Beacon Avenue South;
11 Boren Avenue;
12 Boylston Avenue, except within the Pike/Pine Conservation Overlay
13 District;
14 Broadway;
15 Broadway East;
16 California Avenue Southwest;
17 Delridge Way Southwest;
18 Dexter Avenue North;
19 East Green Lake Drive North;
20 East Green Lake Way North;
21 East Madison Street;
22 East Olive Way;
23 East Pike Street;

1 East Pine Street;
2 East Union Street, except within the Pike/Pine Conservation Overlay
3 District only lots abutting East Union Street between Broadway and East Madison Street;
4 Eastlake Avenue East;
5 First Avenue North, except within the Upper Queen Anne Residential
6 Urban Village;
7 Fremont Avenue North;
8 Fremont Place North;
9 Galer Street;
10 Green Lake Drive North;
11 Greenwood Avenue North;
12 Lake City Way Northeast;
13 Leary Avenue Northwest;
14 Linden Avenue North;
15 Madison Street;
16 Martin Luther King Jr. Way South;
17 Mary Avenue Northwest, between Holman Road Northwest and
18 Northwest 87th Street;
19 Mercer Street;
20 North 34th Street;
21 North 35th Street;
22 North 45th Street;
23 North 85th Street;

1 Northeast 43rd Street;

2 Northeast 45th Street, except between Linden Ave North and Evanston

3 Ave North;

4 Northeast 55th Street, east of 15th Avenue Northeast;

5 Northeast 65th Street;

6 Northeast 125th Street;

7 Northwest 65th Street;

8 Northwest 85th Street;

9 Northwest 90th Street, between Mary Avenue Northwest and 14th Avenue

10 Northwest;

11 Northwest Market Street;

12 Phinney Avenue North, between North 58th Street and North 63rd Street;

13 Pike Street;

14 Pine Street;

15 Queen Anne Avenue North;

16 Rainier Avenue South;

17 Roosevelt Way Northeast;

18 Roy Street;

19 Sand Point Way Northeast;

20 South Alaska Street;

21 South Cloverdale Street;

22 South Henderson Street;

23 South Jackson Street;

1 South Lander Street;
2 South McClellan Street;
3 South Othello Street;
4 Southwest Alaska Street;
5 Stone Way North;
6 Summit Avenue, except within the Pike/Pine Conservation Overlay
7 District;
8 Terry Avenue;
9 University Way Northeast;
10 Wallingford Avenue North;
11 West Dravus Street;
12 West Galer Street;
13 West Green Lake Drive North;
14 West McGraw Street, except within the Upper Queen Anne Residential
15 Urban Village; and
16 Woodlawn Avenue Northeast.

17 Section 18. Section 23.47A.013 of the Seattle Municipal Code, last amended by
18 Ordinance 126600, is amended as follows:

19 **23.47A.013 Floor area ratio**

20 * * *

21 B. The following gross floor area is not counted toward FAR:

22 1. All stories, or portions of stories, that are underground;

2. All portions of a story that extend no more than 4 feet above existing or finished grade, whichever is lower, excluding access;

3. Gross floor area of a transit station, including all floor area open to the general public during normal hours of station operation but excluding retail or service establishments to which public access is limited to customers or clients, even where such establishments are primarily intended to serve transit riders;

4. On a lot containing a peat settlement-prone environmentally critical area, above-grade parking within or covered by a structure or portion of a structure, if the Director finds that locating a story of parking below grade is infeasible due to physical site conditions such as a high water table, if either:

a. The above-grade parking extends no more than 6 feet above existing or finished grade and no more than 3 feet above the highest existing or finished grade along the structure footprint, whichever is lower, as measured to the finished floor level or roof above, pursuant to subsection 23.47A.012.A.3; or

b. All of the following conditions are met:

1) No above-grade parking is exempted by subsection 23.47A.013.B.4.a;

2) The parking is accessory to a residential use on the lot;

3) Total parking on the lot does not exceed one space for each residential dwelling unit plus the number of spaces required for non-residential uses; and

4) The amount of gross floor area exempted by this subsection 23.47A.013.B.4.b does not exceed 25 percent of the area of the lot in zones with a height limit

less than 65 feet, or 50 percent of the area of the lot in zones with a height limit 65 feet or greater; and

5. Rooftop greenhouse areas meeting the standards of subsections 23.47A.012.C.4, 23.47A.012.C.5, and 23.47A.012.C.6;

6. Bicycle commuter shower facilities required by subsection 23.54.015.K.8;

7. The floor area of required bicycle parking for small efficiency dwelling units or congregate residence sleeping rooms, if the bicycle parking is located within the structure containing the small efficiency dwelling units or congregate residence sleeping rooms. Floor area of bicycle parking that is provided beyond the required bicycle parking is not exempt from FAR limits;

8. All gross floor area in child care centers; and

9. In ~~((permanent supportive))~~ low-income housing, all gross floor area for accessory human service uses.

* * *

Section 19. The title of Section 23.47A.040 of the Seattle Municipal Code, which section was last amended by Ordinance 126509, is amended as follows:

23.47A.040 Alternative ~~((development))~~ standards for ~~((low-income housing))~~ development of affordable units on property owned or controlled by a religious organization

Section 20. Section 23.48.005 of the Seattle Municipal Code, last amended by Ordinance 126287, is amended as follows:

23.48.005 Uses

* * *

D. Required street-level uses

1. One or more of the following uses listed in this subsection 23.48.005.D.1 are required: (i) at street-level of the street-facing facade along streets designated as Class 1 Pedestrian Streets shown on Map A for 23.48.240, except as required in subsection 23.48.205.C; (ii) at street-level of the street-facing facades along streets designated on Map A for 23.48.640; and (iii) at street-level of the street-facing facades along streets designated as Class 1 or Class 2 streets shown on Map A for 23.48.740:

- a. General sales and service uses;
- b. Eating and drinking establishments;
- c. Entertainment uses;
- d. Public libraries;
- e. Public parks;
- f. Arts facilities;
- g. Religious facilities;
- h. Light rail transit stations;
- i. Child care centers; and
- j. ~~((Permanent supportive))~~ Low-income housing.

2. Standards for required street-level uses. Required street-level uses shall meet the development standards in subsection 23.48.040.C, and any additional standards for Seattle Mixed zones in specific geographic areas in the applicable subchapter of this Chapter 23.48.

* * *

Section 21. Section 23.48.020 of the Seattle Municipal Code, last amended by Ordinance 126287, is amended as follows:

23.48.020 Floor area ratio (FAR)

* * *

B. Floor area exempt from FAR calculations. The following floor area is exempt from maximum FAR calculations:

1. All underground stories or portions of stories.
2. Portions of a story that extend no more than 4 feet above existing or finished grade, whichever is lower, excluding access.
3. As an allowance for mechanical equipment, in any structure 65 feet in height or more, 3.5 percent of the total chargeable gross floor area in a structure is exempt from FAR calculations. Calculation of the allowance includes the remaining gross floor area after all exempt space allowed in this subsection 23.48.020.B has been deducted. Mechanical equipment located on the roof of a structure, whether enclosed or not, is not included as part of the calculation of total gross floor area.
4. All gross floor area for solar collectors and wind-driven power generators.
5. Bicycle commuter shower facilities required by subsection 23.54.015.K.8.
6. The floor area of required bicycle parking for small efficiency dwelling units or congregate residence sleeping rooms, if the bicycle parking is located within the structure containing the small efficiency dwelling units or congregate residence sleeping rooms. Floor area of bicycle parking that is provided beyond the required bicycle parking is not exempt from FAR limits.
7. Child care centers.
8. In ~~((permanent-supportive))~~ low-income housing, all gross floor area for accessory human service uses.

* * *

Section 22. The title of Section 23.48.100 of the Seattle Municipal Code, which section was enacted by Ordinance 126384, is amended as follows:

23.48.100 Alternative ((development)) standards for ((low-income housing)) development of affordable units on property owned or controlled by a religious organization

Section 23. Section 23.48.232 of the Seattle Municipal Code, last amended by Ordinance 125291, is amended as follows:

23.48.232 Lot area limits in SM-SLU/R 65/95

* * *

F. Non-residential use exception. A non-residential structure may be permitted where a residential or mixed-use structure would otherwise be required, subject to the following:

1. The ((proposal)) project is comprised of two or more lots within a SM-SLU/R 65/95 zone; and
2. The amount of gross floor area in residential use in the structures on both lots is equal to at least 60 percent of the total gross floor area of the total combined development on the lots included in the ((proposal)) project; and
3. The non-residential structure is subject to design review to ensure compatibility with the residential character of the surrounding area; and
4. The ((proposal)) project meets one or more of the following:
 - a. The project includes the rehabilitation of a Landmark structure or incorporates structures or elements of structures of architectural or historical significance as identified in the Seattle Comprehensive Plan or design guidelines; or

b. The project includes general sales and service uses, eating and drinking establishments, major durables retail sales uses, entertainment uses, human service uses, or child care centers at the street level in an amount equal to 50 percent of the structure's footprint; or

c. On the lot(s) accommodating the required amount of gross floor area in residential use, as specified in subsection 23.48.232.F.2, a minimum of ten percent of all new ~~((housing))~~ units in the ~~((proposal))~~ project are either provided as ~~((affordable housing as defined in Chapter 23.58A, and shall be maintained as affordable housing for a period of at least 20 years, or a minimum of ten percent of all new housing units in the proposal are provided as))~~ moderate-income units or townhouses.

Section 24. Section 23.48.605 of the Seattle Municipal Code, last amended by Ordinance 126287, is amended as follows:

23.48.605 Uses in SM-U zones

C. Required street-level uses

1. One or more of the following uses listed in this subsection 23.48.605.C.1 are required at street level along the street-facing facades abutting streets shown on Map A for 23.48.605:

- a. General sales and service uses;
- b. Eating and drinking establishments;
- c. Entertainment uses;
- d. Public libraries;
- e. Public parks;
- f. Arts facilities;
- g. Religious facilities;

- h. Human services uses;
- i. Child care centers;
- j. Light rail transit stations; and
- k. ~~((Permanent supportive))~~ Low-income housing.

2. Standards for required street-level uses. Required street-level uses shall meet the development standards in subsection 23.48.040.C.

Map A for 23.48.605

Locations of street-level use requirements



Section 25. Section 23.48.920 of the Seattle Municipal Code, enacted by Ordinance 125791, is amended as follows:

23.48.920 Floor area ratio in SM-RB zones

* * *

B. The FAR limit listed in Table A for 23.48.920 shall be increased by an amount of floor area equal to twice the amount of floor area occupied by the following uses, up to a maximum increase in FAR of 1.0 in SM-RB 55 and SM-RB 85 zones and 2.0 in SM-RB 125 zones:

1. Light manufacturing;

2. College;

3. School, vocational, or fine arts;

4. Food processing and craft work;

5. Child care center; or

6. ~~((Residential development that receives public funding and/or an allocation of federal low-income housing tax credits, and is subject to a regulatory agreement, covenant, or other legal instrument recorded on the property title and enforceable by The City of Seattle, Washington State Housing Finance Commission, State of Washington, King County, U.S. Department of Housing and Urban Development, or other similar entity as approved by the Director of Housing, that restricts at least 40 percent of the units to occupancy by households earning no greater than 60 percent of median income, and controls the rents that may be charged, for a minimum period of 40 years))~~ Low-income housing.

Section 26. The title of Section 23.49.007 of the Seattle Municipal Code, which section was last amended by Ordinance 125371, is amended as follows:

23.49.007 Mandatory housing affordability (MHA) in Downtown zones

Section 27. Section 23.49.008 of the Seattle Municipal Code, last amended by Ordinance 126600, is amended as follows:

23.49.008 Structure height

The following provisions regulating structure height apply to all property in Downtown zones except the DH1 zone. Structure height for PSM, IDM, and IDR zones is regulated by this Section 23.49.008, and by Sections 23.49.178, 23.49.208, and 23.49.236.

A. Base and maximum height limits

1. Except as otherwise provided in this Section 23.49.008, maximum structure heights for Downtown zones are as designated on the Official Land Use Map. In certain zones, as specified in this Section 23.49.008, the maximum structure height may be allowed only for particular uses or only on specified conditions, or both. If height limits are specified for portions of a structure that contain specified types of uses, the applicable height limit for the structure is the highest applicable height limit for the types of uses in the structure, unless otherwise specified.

2. Except in the PMM zone, the base height limit for a structure is the lowest of the maximum structure height or the lowest other height limit, if any, that applies pursuant to this Title 23 based upon the uses in the structure, before giving effect to any bonus for which the structure qualifies under this Chapter 23.49 and to any special exceptions or departures authorized under this Chapter 23.49. In the PMM zone the base height limit is the maximum height permitted pursuant to urban renewal covenants.

3. In zones listed below in this subsection 23.49.008.A.3, the applicable height limit for portions of a structure that contain non-residential and live-work uses is shown as the first figure after the zone designation (except that there is no such limit in DOC1), and the base height limit for portions of a structure in residential use is shown as the first figure following the "/". The third figure shown is the maximum residential height limit. Except as stated in

subsection 23.49.008.D, the base residential height limit is the applicable height limit for portions of a structure in residential use if the structure does not ~~((uses the bonus available under Section 23.49.015))~~ achieve bonus residential floor area according to Chapter 23.58A, and the maximum residential height limit is the height limit for portions of a structure in residential use if the structure ~~((uses the bonus available under Section 23.49.015))~~ achieves bonus residential floor area according to Chapter 23.58A:

DOC1 Unlimited/450-unlimited

DOC2 500/300-550

DMC 340/290-440

DMC 240/290-440.

4. A structure in a DMC 340/290-440 zone on a lot comprising a full block that abuts a DOC1 zone along at least one street frontage may gain additional structure height of 30 percent above the maximum residential height limit if the structure ~~((uses the bonus available under Section 23.49.015))~~ achieves bonus residential floor area according to Chapter 23.58A, or 35 percent above 340 feet if ~~((that bonus is not used))~~ the structure does not include bonus residential floor area according to Chapter 23.58A, in either case under the following conditions:

a. Only one tower is permitted on the lot;

b. Any additional floor area above the maximum height limit for non-residential or live-work use, as increased under this subsection 23.49.008.A.4, is occupied by residential use;

c. The average residential gross floor area and maximum residential floor area of any story in the portion of the tower permitted above the base residential height limit do not exceed the limits prescribed in subsection 23.49.058.C.1;

1 d. Any residential floor area allowed above the base residential height
2 limit under this provision is ~~((gained through voluntary agreements to provide low income or~~
3 ~~moderate income housing))~~ achieved according to ~~((Section 23.49.015))~~ Chapter 23.58A;

4 e. At least 35 percent of the lot area, or a minimum of 25,000 square feet,
5 whichever is greater, is in open space use substantially at street level meeting the following
6 standards, and subject to the following allowances for coverage:

7 1) The location and configuration of the space shall enhance solar
8 exposure, allow easy access to entrances to the tower serving all tenants and occupants from
9 streets abutting the open space, and allow convenient pedestrian circulation through all portions
10 of the open space. The open space shall be entirely contiguous and physically accessible. To
11 offset the impact of the taller structure allowed, the open space shall have frontage at grade
12 abutting sidewalks, and be visible from sidewalks, on at least two streets. The elevation of the
13 space may vary, especially on sloping lots where terracing the space facilitates connections to
14 abutting streets, provided that grade changes are gradual and do not significantly disrupt the
15 continuity of the space, and no part of the open space is significantly above the grade of the
16 nearest abutting street. The Director may allow greater grade changes, as necessary, to facilitate
17 access to transit tunnel stations.

18 2) Up to 20 percent of the area used to satisfy the open space
19 condition to allowing additional height may be covered by the following features: permanent,
20 freestanding structures, such as retail kiosks, pavilions, or pedestrian shelters; structural
21 overhangs; overhead arcades or other forms of overhead weather protection; and any other
22 features approved by the Director that contribute to pedestrian comfort and active use of the
23 space. The following features within the open space area may count as open space and are not

1 subject to the percentage coverage limit: temporary kiosks and pavilions, public art, permanent
2 seating that is not reserved for any commercial use, exterior stairs and mechanical assists that
3 provide access to public areas and are available for public use, and any similar features approved
4 by the Director.

5 f. Open space used to satisfy the condition to allowing additional height in
6 this Section 23.49.008 is not eligible for a bonus under Section 23.49.013.

7 g. Open space used to satisfy the condition to allowing additional height in
8 this Section 23.49.008 may qualify as common recreation area to the extent permitted by
9 subsection 23.49.011.B and may be used to satisfy open space requirements in subsection
10 23.49.016.C.1 if it satisfies the standards of subsection 23.49.016.C.1.

11 h. No increase in height shall be granted to any proposed development that
12 would result in significant alteration to any designated feature of a Landmark structure, unless a
13 certificate of approval for the alteration is granted by the Landmarks Preservation Board.

14 5. In a DRC zone, the base height limit is 85 feet, except that, subject to the
15 conditions in subsection 23.49.008.A.6:

16 a. The base height limit is 170 feet if any of the following conditions is
17 satisfied:

18 1) All portions of a structure above 85 feet contain only residential
19 use; or

20 2) At least 25 percent of the gross floor area of all structures on a
21 lot is in residential use; or

22 3) A minimum of 1.5 FAR of eating and drinking establishments,
23 retail sales, and service or entertainment uses, or any combination thereof, is provided on the lot.

1 b. For residential floor area created by infill of a light well on a Landmark
2 structure, the base height limit is the lesser of 170 feet or the highest level at which the light well
3 is enclosed by the full length of walls of the structure on at least three sides. For the purpose of
4 this subsection 23.49.008.A.5.b, a light well is defined as an inward modulation on a non-street-
5 facing facade that is enclosed on at least three sides by walls of the same structure, and infill is
6 defined as an addition to that structure within the light well.

7 6. Restrictions on demolition and alteration of existing structures

8 a. Any structure in a DRC zone that would exceed the 85-foot base height
9 limit shall incorporate the existing exterior street-front facade(s) of each of the structures listed
10 below, if any, located on the lot of that project. The City Council finds that these structures are
11 significant to the architecture, history, and character of downtown. The Director may permit
12 changes to the exterior facade(s) to the extent that significant features are preserved and the
13 visual integrity of the design is maintained. The degree of exterior preservation required will
14 vary, depending upon the nature of the project and the characteristics of the affected structure(s).

15 b. The Director shall evaluate whether the manner in which the facade is
16 proposed to be preserved meets the intent to preserve the architecture, character, and history of
17 the Retail Core. If a structure on the lot is a Landmark structure, approval by the Landmarks
18 Preservation Board for any proposed modifications to controlled features is required prior to a
19 decision by the Director to allow or condition additional height for the project. The Landmarks
20 Preservation Board's decision shall be incorporated into the Director's decision. Inclusion of a
21 structure on the list below is solely for the purpose of conditioning additional height under this
22 subsection 23.49.008.A.6.b, and shall not be interpreted in any way to prejudge the structure's
23 merit as a Landmark:

| | |
|-------------------------------|----------------------|
| Sixth and Pine Building | 523 Pine Street |
| Decatur | 1513 6th Avenue |
| Coliseum Theater | 5th and Pike |
| Seaboard Building | 1506 Westlake Avenue |
| Fourth and Pike Building | 1424 4th Avenue |
| Pacific First Federal Savings | 1400 4th Avenue |
| Joshua Green Building | 1425 4th Avenue |
| Equitable Building | 1415 4th Avenue |
| Mann Building | 1411 3rd Avenue |
| Olympic Savings Tower | 217 Pine Street |
| Fischer Studio Building | 1519 3rd Avenue |
| Bon Marche (Macy's) | 3rd and Pine |
| Melbourne House | 1511 3rd Avenue |
| Former Woolworth's Building | 1512 3rd Avenue |

c. The restrictions in this subsection 23.49.008.A.6 are in addition to, and not in substitution for, the requirements of ~~((the Landmarks Ordinance,))~~ Chapter 25.12.

7. The applicable height limit for a structure is the base height limit plus any height allowed as a bonus under this Chapter 23.49 according to Chapter 23.58A, and any additional height allowed by special exception or departure, or by subsection 23.49.008.A.4. The height of a structure shall not exceed the applicable height limit, except as provided in subsections 23.49.008.B, 23.49.008.C, and 23.49.008.D.

8. The height of rooftop features, as provided in subsection 23.49.008.D, is allowed to exceed the applicable height limit.

9. On lots in the DMC 85/75-170 zone:

a. A height limit of 85 feet applies to the portions of a structure that contain non-residential or live-work uses.

b. A base height limit of 75 feet applies to the portions of a structure that contain residential uses.

c. The applicable height limit for portions of a structure that contain residential uses is 85 feet if ~~((the applicant qualifies for))~~ extra floor area ~~((on the lot under))~~ is achieved according to Section 23.49.023 and Chapter 23.58A, and the structure has no non-residential or live-work use above 85 feet, and the structure does not qualify for a higher limit for residential uses under subsection 23.49.008.A.9.d.

d. The applicable height limit is 170 feet if ~~((the applicant qualifies for))~~ extra floor area ~~((on the lot under))~~ is achieved according to Section 23.49.023 and Chapter 23.58A~~((;))~~ , the structure has no non-residential or live-work use above 85 feet~~((;))~~ , the lot is at least 40,000 square feet in size and includes all or part of a mid-block corridor that satisfies the conditions of Section 23.58A.040, except to the extent ~~((any))~~ the Director grants a waiver of such conditions ~~((is granted by the Director;))~~ , and the standards of Section 23.49.060 are satisfied.

* * *

G. In DMC 85/75-170, DMR/C 75/75-95, DMR/C 75/75-170, IDM 85/85-170, IDM 165/85-170, IDR/C 125/150-270, and IDR 45/125-270 districts, and except for projects that receive additional height pursuant to subsection 23.49.008.F, an additional 10 feet in height is permitted above the otherwise applicable maximum height limit for residential uses for a structure that meets the following conditions:

1 1. ~~((For purposes of application of Chapter 23.58C to the portion of the structure~~
2 ~~below the otherwise applicable maximum height limit for residential uses:~~

3 a. ~~At least ten units are provided in the structure to comply with Chapter~~
4 ~~23.58C through the performance option pursuant to the calculation under subsection~~
5 ~~23.58C.050.A;~~

6 b. ~~Notwithstanding any contrary requirements of subsections~~
7 ~~23.58C.050.C.3.a.2 and 23.58C.050.C.6.a, at least ten of the units provided to comply with~~
8 ~~Chapter 23.58C through the performance option shall, for a rental unit with net unit area of~~
9 ~~greater than 400 square feet, (1) at initial occupancy by a household, serve households with~~
10 ~~incomes no greater than 50 percent of median income, and (2) have rent levels such that monthly~~
11 ~~rent shall not exceed 30 percent of 50 percent of median income.)) The structure must comply~~
12 ~~with Chapter 23.58C performance option requirements. The calculation of performance units~~
13 ~~required to satisfy the requirements of Section 23.58C.050 shall be based on the total number of~~
14 ~~units in the portion of the structure that is below the otherwise applicable maximum height limit~~
15 ~~for residential uses, and must total at least ten units that each have a net unit area greater than~~
16 ~~400 square feet, as measured according to subsection 23.86.007.B, and affordability and~~
17 ~~occupancy restrictions no higher than 50 percent of median income.~~

18 2. Units ~~((contained))~~ in the additional 10 ~~((additional))~~ feet of height available
19 under subsection 23.49.008.G shall not be included for purposes of the calculation under
20 subsection 23.58C.050.A and gross floor area ~~((contained))~~ in the additional 10 ~~((additional))~~
21 feet of height available under this subsection 23.49.008.G shall not be included for purposes of
22 the calculation ~~((under subsection 23.58C.040.A))~~ of a cash contribution for a fractional unit not
23 otherwise provided according to subsections 23.58C.050.A.3 or 23.58C.050.A.4, as applicable.

1 The portion of the structure above the maximum height limit for residential use achieved
2 according to this subsection 23.49.008.G shall be excluded for purposes of the distribution
3 requirements for MHA-R units according to subsection 23.58C.050.C.1.

4 * * *

5 I. In Downtown zones, low-income housing may achieve the maximum height according
6 to provisions of the zone without meeting the requirements of this Section 23.49.008.

7 Section 28. Section 23.49.010 of the Seattle Municipal Code, last amended by Ordinance
8 124843, is amended as follows:

9 **23.49.010 General requirements for residential uses**

10 * * *

11 B. Common recreation area. Common recreation area is required for all new development
12 with more than 20 dwelling units. Required common recreation area shall meet the following
13 standards:

14 1. An area equivalent to ~~((5))~~ five percent of the total gross floor area in
15 residential use, excluding any ~~((floor area in residential use gained in a project through a~~
16 ~~voluntary agreement for housing under Section 23.49.015))~~ bonus residential floor area achieved
17 according to Chapter 23.58A, shall be provided as common recreation area. The amount of
18 required common recreation area shall not exceed the area of the lot. The common recreation
19 area shall be available to all residents and may be provided at or above ground level.

20 2. A maximum of 50 percent of the common recreation area may be enclosed.

21 3. The minimum horizontal dimension for required common recreation areas shall
22 be 15 feet, except for open space provided as landscaped setback area at street level, which shall

1 have a minimum horizontal dimension of 10 feet. No required common recreation area shall be
2 less than 225 square feet.

3 4. Common recreation area that is provided as open space at street level shall be
4 counted as twice the actual area in determining the amount provided to meet the common
5 recreation area requirement.

6 5. In mixed use projects, the Director may permit a bonused public open space to
7 satisfy a portion of the common recreation area requirement, provided that the space meets the
8 standards of this Section 23.49.010, and the Director finds that its design, location, access, and
9 hours of operation meet the needs of building residents.

10 6. Parking areas, driveways and pedestrian access, except for pedestrian access
11 meeting the Washington State Rules and Regulations for Barrier Free Design, shall not be
12 counted as common recreation area.

13 7. In PSM zones, the Director of the Department of Neighborhoods, on
14 recommendation of the Pioneer Square Preservation Board, may waive the requirement for
15 common recreation area, pursuant to the criteria of Section 23.66.155(~~(, Waiver of common~~
16 ~~recreation area requirements~~)).

17 8. In IDM and IDR zones, the Director of the Department of Neighborhoods, on
18 recommendation of the International District Special Review District Board, may waive the
19 requirement for common recreation area, pursuant to the criteria of Section 23.66.155(~~(, Waiver~~
20 ~~of common recreation area requirements~~)).

21 9. For lots abutting designated green streets, up to 50 percent of the common
22 recreation area requirement may be met by contributing to the development of a green street. The
23 Director may waive the requirement that the green street abut the lot and allow the improvement

1 to be made to a green street located in the general vicinity of the project if such an improvement
2 is determined to be beneficial to the residents of the project.

3 * * *

4 Section 29. Section 23.49.012 of the Seattle Municipal Code, last amended by Ordinance
5 124843, is amended as follows:

6 **23.49.012 Bonus floor area for voluntary agreements for housing and child care**

7 A. General provisions

8 1. The purpose of this Section 23.49.012 is to encourage development in addition
9 to that authorized by basic zoning regulations ("bonus development"), provided that certain
10 adverse impacts from the bonus development are mitigated. Two impacts from additional
11 development are an increased need for ~~((low-income))~~ affordable housing to house the families
12 of downtown workers having lower-paid jobs and an increased need for child care for downtown
13 workers.

14 2. If an applicant elects to seek approval of bonus development pursuant to this
15 Section 23.49.012, the applicant must execute a voluntary agreement with the City in which the
16 applicant agrees to provide mitigation for the impacts identified in subsection 23.49.012.A.1. In
17 the absence of a signed voluntary agreement, acceptance of a permit for any bonus development
18 allowed under this Section 23.49.012 shall constitute a voluntary agreement on the terms set
19 forth in this Section 23.49.012. The mitigation may be provided by building the requisite ~~((low-~~
20 ~~income))~~ affordable housing or child care facilities (the "performance option"), by making a
21 contribution to be used by the City to build or provide the housing and child care facilities (the
22 "payment option"), or by a combination of the performance and payment options.

1 ~~((3. For purposes of this Section 23.49.012, a housing unit serves low income~~
2 ~~households only if either:~~

3 a) ~~For a period of 50 years beginning upon the issuance of a final~~
4 ~~certificate of occupancy by the Department for the project using the bonus development, the~~
5 ~~housing unit is used as rental housing solely for low income households, at rent limited so that~~
6 ~~annual housing costs, including rent and basic utilities, do not exceed 30 percent of 80 percent of~~
7 ~~median income, and the housing unit and the structure in which it is located are maintained in~~
8 ~~decent and habitable condition, including adequate basic appliances in the housing unit; or~~

9 b) ~~The unit is sold for owner occupancy to a low income household at an~~
10 ~~initial sale price limited so that the annual housing costs, including mortgage principal and~~
11 ~~interest, real estate taxes, and insurance plus homeowner dues if applicable, are not expected to~~
12 ~~exceed 35 percent of 80 percent of median income, according to a calculation based on~~
13 ~~reasonable assumptions and approved by the Director of Housing, and the unit is subject to a~~
14 ~~recorded instrument satisfactory to the Director of Housing with a term of 50 years beginning~~
15 ~~upon the issuance of a final certificate of occupancy by the Department for the project using the~~
16 ~~bonus development, providing for sales prices on any resale consistent with affordability on the~~
17 ~~same basis as the initial sale, allowing resales only to low income households, and requiring that~~
18 ~~upon any resale the housing unit be in decent and habitable condition, including adequate basic~~
19 ~~appliances, for such 50 year period.))~~

20 B. Voluntary agreements for housing ~~((and child care))~~. The voluntary agreement shall
21 commit the developer to provide or contribute to ~~((the following facilities in the following~~
22 ~~amounts: 1. Housing))~~ affordable housing according to Chapter 23.58A.

1 ~~((a. Housing serving low income households equal to at least 15.6 percent~~
2 ~~of each gross square foot of bonus floor area obtained through the performance option must be~~
3 ~~provided. A cash contribution for each gross square foot of bonus floor area obtained through the~~
4 ~~payment option, as an alternative to the performance option, for housing to serve low income~~
5 ~~households must be provided. The alternative cash contribution is \$18.75 per gross square foot of~~
6 ~~bonus floor area obtained through the payment option, subject to adjustment under this~~
7 ~~subsection 23.49.012.B.1.a. From the effective date of the ordinance introduced as Council Bill~~
8 ~~117908 to June 30, 2014, the alternative cash contribution is \$22.88 per gross square foot of~~
9 ~~bonus floor area obtained through the payment option. From July 1, 2014 to June 30, 2015, the~~
10 ~~alternative cash contribution is \$24.95 per gross square foot of bonus floor area obtained through~~
11 ~~@the payment option plus the product of \$24.95 times the 2013 annual average change in the~~
12 ~~Consumer Price Index, All Urban Consumers, Seattle Tacoma metropolitan area, All Items~~
13 ~~(1982-84 = 100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or~~
14 ~~successor index. On July 1, 2015, and on the same day annually thereafter the alternative cash~~
15 ~~contribution amount in this subsection 23.49.012.B.1.a shall automatically adjust in proportion to~~
16 ~~the change in the Consumer Price Index, All Urban Consumers, Seattle Tacoma metropolitan~~
17 ~~area, All Items (1982-84 = 100), as determined by the U.S. Department of Labor, Bureau of~~
18 ~~Labor Statistics, or successor index, from January 1, 2014, or the time the alternative cash~~
19 ~~contribution was last adjusted, whichever is later.~~

20 ~~b. For the performance option, housing serving low income households~~
21 ~~must be provided within the project using the bonus development unless the Director, after~~
22 ~~consultation with the Director of Housing, approves an alternate location, as a Type I decision. In~~
23 ~~determining whether to approve an alternate location, the Director shall consider the extent to~~

1 ~~which low-income housing at that location would mitigate the impact of the development on the~~
2 ~~need for low-income housing serving downtown workers. The alternate location must be in one~~
3 ~~of the following areas, prioritized in the following order:~~

- 4 ~~1) within the Downtown Urban Center;~~
- 5 ~~2) within an Urban Center adjacent to the Downtown Urban~~
6 ~~Center;~~
- 7 ~~3) in the City within 0.5 mile of a light rail or bus rapid transit~~
8 ~~station on a route serving the Downtown Urban Center;~~
- 9 ~~4) in the City within 0.25 mile of a bus or streetcar stop on a route~~
10 ~~serving the Downtown Urban Center.~~

11 ~~e. For purposes of this Section 23.49.012, housing may be considered to~~
12 ~~be provided by the applicant seeking bonus floor area if:~~

13 ~~1) It is committed to serve low-income households pursuant to an~~
14 ~~agreement between the housing owner and the City executed and recorded prior to the issuance~~
15 ~~of the building permit for the housing, but no earlier than three years prior to the issuance of a~~
16 ~~Master Use Permit for the project using the bonus floor area; and~~

17 ~~2) The housing is newly constructed, is converted from non-~~
18 ~~residential use, or is renovated; and:~~

19 ~~a) The housing is owned by the applicant seeking to use the~~
20 ~~bonus; or~~

21 ~~b) The owner of the housing has signed, and there is in~~
22 ~~effect, a linkage agreement approved by the Director of Housing allowing the use of the housing~~
23 ~~bonus in return for necessary and adequate financial support to the development of the housing;~~

1 ~~and either the applicant has, by the terms of the linkage agreement, the exclusive privilege to use~~
2 ~~the housing to satisfy conditions for bonus floor area; or the applicant is the assignee of the~~
3 ~~privilege to use the housing to satisfy conditions for bonus floor area, pursuant to a full and~~
4 ~~exclusive assignment, approved by the Director of Housing, of the linkage agreement, and all~~
5 ~~provisions of this Section 23.49.012 respecting assignments are complied with. If housing is~~
6 ~~developed in advance of a linkage agreement, payments by the applicant used to retire or reduce~~
7 ~~interim financing may be considered necessary and adequate support for the development of the~~
8 ~~housing.~~

9 ~~d. Housing that is not yet constructed, or is not ready for occupancy, at the~~
10 ~~time of the issuance of a building permit for the project intending to use bonus floor area, may be~~
11 ~~considered to be provided by the applicant if, within three years of the issuance of the first~~
12 ~~building permit for that project, the Department issues a final certificate of occupancy for such~~
13 ~~housing. Any applicant seeking to qualify for bonus floor area based on housing that is not ready~~
14 ~~for occupancy shall provide to the City, prior to the date when a contribution would be due for~~
15 ~~the cash option under subsection 23.49.012.C, an irrevocable bank letter of credit or other~~
16 ~~sufficient security approved by the Director of Housing, and a related voluntary agreement, so~~
17 ~~that at the end of the three year period, if the housing does not qualify or is not provided in a~~
18 ~~sufficient amount to satisfy the terms of this Section 23.49.012, the City shall receive:~~

19 ~~1) a cash contribution for housing in the amount determined~~
20 ~~pursuant to this Section 23.49.012 after credit for any qualifying housing then provided; plus~~

21 ~~2) an amount equal to interest on the contribution, at the rate equal~~
22 ~~to the prime rate quoted from time to time by Bank of America, or its successor, plus three~~

1 ~~percent per annum, from the date of issuance of the first building permit for the project using the~~
2 ~~bonus.~~

3 ~~If and when the City becomes entitled to realize on any security, the~~
4 ~~Director of Housing shall take appropriate steps to do so, and the amounts realized, net of any~~
5 ~~costs to the City, shall be used in the same manner as cash contributions for housing made under~~
6 ~~this Section 23.49.012. In the case of any project proposing to use bonus floor area for which no~~
7 ~~building permit is required, references to the building permit in subsection 23.49.012.B.1 shall~~
8 ~~mean the Master Use Permit allowing establishment or expansion of the use for which bonus~~
9 ~~floor area is sought.~~

10 ~~e. Nothing in this Chapter 23.49 shall be construed to confer on any owner~~
11 ~~or developer of housing, any party to a linkage agreement, or any assignee, any development~~
12 ~~rights or property interests. Because the availability and terms of allowance of bonus floor area~~
13 ~~depend upon the regulations in effect at the relevant time for the project proposing to use the~~
14 ~~bonus floor area, pursuant to Section 23.76.026, any approvals or agreements by the Director of~~
15 ~~Housing regarding the eligibility of actual or proposed housing as to satisfy conditions of a~~
16 ~~bonus, and any approval of a linkage agreement and/or assignment, do not grant any vested~~
17 ~~rights, nor guarantee that any bonus floor area will be permitted based on the housing.~~

18 ~~f. The Director of Housing shall review the design and proposed~~
19 ~~management plan for any housing proposed under the performance option to determine whether~~
20 ~~it will comply with the terms of this Section 23.49.012.~~

21 ~~g. The Director of Housing is authorized to accept a voluntary agreement~~
22 ~~for the provision of housing and related agreements and instruments consistent with this Section~~
23 ~~23.49.012.~~

1 h. ~~Any provision of any Director's rule notwithstanding, the housing units~~
2 ~~shall continue to satisfy the applicable requirements of subsection 23.49.012.B.1 throughout the~~
3 ~~required 50-year period and that compliance shall be documented annually to the satisfaction of~~
4 ~~the Director of Housing, and the owner of any project using the bonus floor area shall be in~~
5 ~~violation of this Title 23 if any housing unit does not satisfy applicable requirements, or if~~
6 ~~satisfactory documentation is not provided to the Director of the Office of Housing, at any time~~
7 ~~during that period. The Director of Housing may provide by rule for circumstances in which~~
8 ~~housing units may be replaced if lost due to casualty or other causes, and for terms and~~
9 ~~conditions upon which a cash contribution may be made in lieu of continuing to provide housing~~
10 ~~units under the terms of subsection 23.49.012.B.1. If housing is provided for owner occupancy~~
11 ~~pursuant to an agreement under subsection 23.49.012.B.1, the owner of any project using the~~
12 ~~bonus floor area shall be in violation of this Title 23 if the first sale or other transfer of a housing~~
13 ~~unit after it becomes subject to that agreement is not made to a low-income household or is not~~
14 ~~made on the terms and subject to the recorded instrument provided in subsection~~
15 ~~23.49.012.B.1.b.2, which shall be a continuing violation until that unit or another unit accepted~~
16 ~~by the Director of Housing in substitution for it is sold to a low-income household on those~~
17 ~~terms, and subject to a recorded instrument as described in that subsection 23.49.012.B.1.b.2.~~

18 i. ~~Housing units provided to qualify for a bonus, or produced with~~
19 ~~voluntary contributions made under this Section 23.49.012, should include a range of unit sizes,~~
20 ~~including units suitable for families with children. The Director of Housing is authorized to~~
21 ~~prescribe by rule minimum requirements for the range of unit sizes, by numbers of bedrooms, in~~
22 ~~housing provided to qualify for a bonus. The Director of Housing shall take into account, in any~~
23 ~~such rule, estimated distributions of household sizes among low-income households. The~~

Director of Housing is further authorized to adopt policies for distribution of unit sizes in housing developments funded by contributions received under this Section 23.49.012.

j. Any failure of the low-income housing to satisfy the requirements of subsection 23.49.012.B.1 shall not affect the right to maintain or occupy the bonus floor area if the Director of Housing certifies to the Director that either:

1) The applicant has provided the City with a letter of credit or other sufficient security pursuant to subsection 23.49.012.B.1.d; or

2) There have been recorded one or more agreements or instruments satisfactory to the Director of Housing providing for occupancy and affordability restrictions on low-income housing with the minimum floor area determined under subsection 23.49.012.B.1, all low-income housing has been completed, and the low-income housing is on a different lot from the bonus floor area or is in one or more condominium units separate from the bonus development under condominium documents acceptable to the Director of Housing.

k. Unless and until the Director of Housing certifies as set forth in subsection 23.49.012.B.1.j, it shall be a continuing permit condition, whether or not expressly stated, for each development obtaining bonus floor area based on the provision of low-income housing to which this Section 23.49.012 applies, that the low-income housing shall be maintained in compliance with the terms of this Section 23.49.012 and any applicable provisions of the zone, as documented to the satisfaction of the Director of Housing.))

((2. Child Care.)) C. Voluntary agreements for child care facilities. The voluntary agreement shall commit the developer to provide or contribute to child care facilities as follows:

((a.)) 1. For each square foot of bonus floor area allowed under this ((section)) Section 23.49.012, in addition to ((providing housing or an alternative cash contribution pursuant

1 ~~to~~) satisfying requirements of subsection 23.49.012.B(~~(+)~~), the applicant shall provide fully
2 improved child care facility space sufficient for 0.000127 of a child care slot, or a cash
3 contribution to the City of (~~(\$3.25)~~) \$5.76 to be administered by the Human Services
4 Department. (~~From the effective date of the ordinance introduced as Council Bill 117908 to~~
5 ~~June 30, 2014, the alternative cash contribution is \$3.97 per gross square foot of bonus floor area~~
6 ~~obtained through the payment option. From July 1, 2014 to June 30, 2015, the alternative cash~~
7 ~~contribution is \$4.32 per gross square foot of bonus floor area obtained through the payment~~
8 ~~option plus the product of \$4.32 times the 2013 annual average change in the Consumer Price~~
9 ~~Index, All Urban Consumers, Seattle Tacoma metropolitan area, All Items (1982-84 = 100), as~~
10 ~~determined by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index. On~~
11 ~~July 1, 2015 and on the same day annually thereafter the alternative))~~ The in lieu cash
12 contribution amount in this subsection ((23.49.012.B.2.a)) 23.49.012.C.1 shall automatically
13 adjust once each calendar year starting in 2024 by an amount in proportion to the change, for the
14 time period since the previous adjustment, in the Consumer Price Index, All Urban Consumers,
15 Seattle-Tacoma((~~metropolitan area~~))-Bellevue, WA, All Items (1982-84 = 100), as determined
16 by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index((~~, from January~~
17 1, 2014 or the time the alternative cash contribution was last adjusted, whichever is later)). The
18 amount of the ((~~alternative~~)) in lieu cash contribution made at the time specified in subsection
19 23.49.012.C shall be based on the ((~~alternative~~)) in lieu cash contribution amount that is in effect
20 when vesting of a Master Use Permit occurs under Section 23.76.026. The minimum interior
21 space in the child care facility for each child care slot shall comply with all applicable state and
22 local regulations governing the operation of licensed childcare providers. Child care facility
23 space shall be deemed provided only if the applicant causes the space to be newly constructed or

1 newly placed in child care use after the submission of a permit application for the project
2 intended to use the bonus floor area, except as provided in subsection ~~((23.49.012.B.2.b.6))~~
3 23.49.012.C.2.f. If any contribution or subsidy in any form is made by any public entity to the
4 acquisition, development, financing or improvement of any child care facility, then any portion
5 of the space in such facility determined by the Director of the Human Services Department to be
6 attributable to such contribution or subsidy shall not be considered as provided by any applicant
7 other than that public entity.

8 ~~((b.))~~ 2. Child care space shall be provided on the same lot as the project using the
9 bonus floor area or on another lot in a downtown zone and shall be ~~((contained))~~ in a child care
10 facility satisfying the following standards:

11 ~~((4))~~ a. The child care facility and accessory exterior space must be
12 approved for licensing by the State of Washington Department of Social and Health Services and
13 any other applicable state or local governmental agencies responsible for the regulation of
14 licensed childcare providers.

15 ~~((2))~~ b. At least 20 percent of the number of child care slots for which
16 space is provided ~~((as a condition of))~~ to gain bonus floor area must be reserved for, and
17 affordable to, families with annual incomes at or below the U.S. Department of Housing and
18 Urban Development Low Income Standard for Section 8 Housing based on family size (or, if
19 such standard shall no longer be published, a standard established by the Human Services
20 Director based generally on 80 percent of the median family income of the Metropolitan
21 Statistical Area, or division thereof, that includes Seattle, adjusted for family size). Child care
22 slots shall be deemed to meet these conditions if they serve, and are limited to, a) children
23 receiving child care subsidy from ~~((the))~~ The City of Seattle, King County, or State Department

1 of Social and Health Services, and/or b) children whose families have annual incomes no higher
2 than the above standard who are charged according to a sliding fee scale such that the fees paid
3 by any family do not exceed the amount it would be charged, exclusive of subsidy, if the family
4 were enrolled in the City of Seattle Child Care Subsidy Program.

5 ~~((3))~~ c. Child care space provided to satisfy bonus conditions shall be
6 dedicated to child care use, consistent with the terms of this ~~((section))~~ Section 23.49.012, for 20
7 years. The dedication shall be established by a recorded covenant, running with the land, and
8 enforceable by the City, signed by the owner of the lot where the child care facility is located and
9 by the owner of the lot where the bonus floor area is used, if different from the lot of the child
10 care facility. The child care facility shall be maintained in operation, with adequate staffing, at
11 least 11 hours per day, five days per week, 50 weeks per year.

12 ~~((4))~~ d. Exterior space for which a bonus is or has been allowed under any
13 other section of this ~~((title))~~ Title 23 or under former Title 24 shall not be eligible to satisfy the
14 conditions of this ~~((section))~~ Section 23.49.012.

15 ~~((5))~~ e. Unless the applicant is the owner of the child care space and is a
16 duly licensed and experienced child care provider approved by the Director of the Human
17 Services Department, the applicant shall provide to the Director a signed agreement, acceptable
18 to such Director, with a duly licensed child care provider, under which the child care provider
19 agrees to operate the child care facility consistent with the terms of this ~~((section))~~ Section
20 23.49.012 and of the recorded covenant, and to provide reports and documentation to the City to
21 demonstrate such compliance.

22 ~~((6))~~ f. One child care facility may fulfill the conditions for a bonus for
23 more than one project if it includes sufficient space, and provides sufficient slots affordable to

1 limited income families, to satisfy the conditions for each such project without any space or child
2 care slot being counted toward the conditions for more than one project. If the child care facility
3 is located on the same lot as one of the projects using the bonus, then the owner of that lot shall
4 be responsible for maintaining compliance with all the requirements applicable to the child care
5 facility; otherwise responsibility for such requirements shall be allocated by agreement in such
6 manner as the Director of the Human Services Department may approve. If a child care facility
7 developed to qualify for bonus floor area by one applicant includes space exceeding the amount
8 necessary for the bonus floor area used by that applicant, then to the extent that the voluntary
9 agreement accepted by the Director of the Human Services Department from that applicant so
10 provides, such excess space may be deemed provided by the applicant for a later project pursuant
11 to a new voluntary agreement signed by both such applicants and by any other owner of the child
12 care facility, and a modification of the recorded covenant, each in form and substance acceptable
13 to such Director.

14 ((e-)) 3. The Director of the Human Services Department shall review the design
15 and proposed management plan for any child care facility proposed to qualify for bonus floor
16 area to determine whether it will comply with the terms of this Section 23.49.012. The allowance
17 of bonus floor area is conditioned upon approval of the design and proposed management plan
18 by the Director. The child care facility shall be constructed consistent with the design approved
19 by such Director and shall be operated for the minimum 20 year term consistent with the
20 management plan approved by such Director, in each case with only such modifications as shall
21 be approved by such Director. If the proposed management plan includes provisions for payment
22 of rent or occupancy costs by the provider, the management plan must include a detailed

operating budget, staffing ratios, and other information requested by the Director to assess whether the child care facility may be economically feasible and able to deliver quality services.

~~((&))~~ 4. The Director of the Human Services Department is authorized to accept a voluntary agreement for the provision of a child care facility to satisfy bonus conditions and related agreements and instruments consistent with this Section 23.49.012. The voluntary agreement may provide, in case a child care facility is not maintained in continuous operation consistent with this subsection ~~((23.49.012.B.2))~~ 23.49.012.C at any time within the minimum 20 year period, for the City's right to receive payment of a prorated amount of the ~~((alternative))~~ in lieu cash contribution that then would be applicable to a new project seeking bonus floor area. Such Director may require security or evidence of adequate financial responsibility, or both, as a condition to acceptance of an agreement under this subsection ~~((23.49.012.B.2))~~ 23.49.012.C.

~~((C;))~~ D. Cash ~~((Option Payments))~~ option payments for child care. Cash payments under voluntary agreements for bonuses according to subsection 23.49.012.C shall be made prior to issuance of any building permit after the first building permit for a project, and in any event before any permit for any construction activity other than excavation and shoring is issued, or if the bonus is for use of existing floor area, the cash payment shall be made prior to issuance of any permit or modification allowing for use of the space as chargeable floor area. The payments shall be deposited in a special ~~((accounts))~~ account established solely to fund expenditures for the development of ~~((low-income housing and))~~ childcare. Earnings on balances in the special ~~((accounts))~~ account shall accrue to ~~((those accounts. Cash payments made in lieu of providing low-income housing and any earnings thereon shall be deposited in the Low Income Housing Fund and used by the Director of Housing to support development of low income housing, including renter or owner housing, which support may include financing property purchase for~~

1 ~~the purpose of providing low income housing. Payments in lieu of low income housing also may~~
2 ~~be used for loans or grants to low income households for home purchases))~~ that account. The
3 Human Services Director shall use cash payments made in lieu of child care facilities and any
4 earnings thereon to support development of child care facilities. Uses of funds to support
5 ~~((housing and))~~ child care facilities may include the City's costs to administer projects, not to
6 exceed ten percent of total payments under this section and of any earnings thereon, and support
7 provided through loans or grants to owners or developers. The location of ~~((low income housing~~
8 ~~and))~~ child care facilities funded wholly or in part with cash payments shall be prioritized in the
9 following order: 1) within the Downtown Urban Center; 2) within an Urban Center adjacent to
10 the Downtown Urban Center; 3) in the City within 0.5 mile of a light rail or bus rapid transit
11 station on a route serving the Downtown Urban Center; 4) in the City within 0.25 mile of a bus
12 or streetcar stop on a route serving the Downtown Urban Center. ~~((Housing units that are funded~~
13 ~~with cash contributions under this section shall be generally comparable in their average size and~~
14 ~~quality of construction to other housing units in the same structure, in the judgment of the~~
15 ~~Director of Housing.~~

16 ~~D. No Subsidies for Bonused Housing: Exception.~~

17 ~~1. Intent. Housing provided through the bonus system is intended to mitigate a~~
18 ~~portion of the additional housing needs resulting from increased density, beyond those needs that~~
19 ~~would otherwise exist, which the City and other governmental and charitable entities attempt to~~
20 ~~meet through various subsidy programs. Allowing bonus floor area under the performance option~~
21 ~~for housing that uses such subsidy programs therefore could undermine the intent of this section.~~

22 ~~2. Agreement Concerning Subsidies. The Director of the Office of Housing may~~
23 ~~require, as a condition of any bonus floor area for housing under the performance option, that the~~

owner of the lot upon which the housing is located agree not to seek or accept any subsidies, including without limitation those items referred to in subsection D3 of this section, related to the housing, except for any subsidies that may be allowed by the Director of the Office of Housing under that subsection. The Director may require that such agreement provide for the payment to the City, for deposit in the Downtown Housing Bonus Account, of the value of any subsidies received in excess of any amounts allowed by such agreement.

3. No Bonus for Subsidized or Restricted Housing. In general, no bonus may be earned by providing housing if:

a. Any person is receiving or will receive with respect to the housing any charitable contributions or public subsidies for housing development or operation, including, but not limited to, tax exempt bond financing, tax credits, federal loans or grants, City of Seattle housing loans or grants, county housing funds, State of Washington housing funds, or property tax exemptions or other special tax treatment; or

b. The housing is or would be, independent of the requirements for the bonus, subject to any restrictions on the use, occupancy or rents.

4. Exceptions by Rule. The Director of the Office of Housing may provide, by rule promulgated after the effective date of this ordinance, for terms and conditions on which exceptions to the restriction on subsidies in this subsection may be allowed. Such rule may provide that, as a condition to any exception, the Director of the Office of Housing shall increase the amount of housing floor area per bonus square foot, as set forth in subsection B1 of this section, to an amount that allows credit for only the Director's estimate of the incremental effect, in meeting the City's housing needs for the next fifty (50) years, of the net financial contribution

1 ~~that is being made by the applicant pursuant to the voluntary agreement and not funded or~~
2 ~~reimbursed, directly or indirectly, from any other source.))~~

3 Section 30. Section 23.49.014 of the Seattle Municipal Code, last amended by Ordinance
4 126157, is amended as follows:

5 **23.49.014 Transfer of development rights**

6 * * *

7 B. Standards for ~~((Sending Lots.))~~ sending lots

8 1. Maximum transferable floor area except from lots in South Downtown. This
9 subsection 23.49.014.B.1 applies to sending lots that are not in South Downtown.

10 a. The maximum amount of floor area that may be transferred, except as
11 open space TDR, Landmark TDR, or Landmark housing TDR, from an eligible sending lot, is
12 the amount by which the product of the eligible lot area times the base FAR of the sending lot, as
13 provided in Section 23.49.011, exceeds the sum of any chargeable gross floor area existing or, if
14 a DMC housing TDR site, to be developed on the sending lot, plus any TDR previously
15 transferred from the sending lot.

16 b. The maximum amount of floor area that may be transferred from an
17 eligible open space TDR site is the amount by which the product of the eligible lot area times the
18 base FAR of the sending lot, as provided in Section 23.49.011, exceeds the sum of (a) any
19 existing chargeable gross floor area that is built on or over the portion of the sending lot that is
20 not made ineligible by subsection 23.49.017.C, plus (b) the amount, if any, by which the total of
21 any other chargeable floor area on the sending lot exceeds the product of the base FAR of the
22 sending lot, as provided in Section 23.49.011, multiplied by the difference between the total lot
23 area and the eligible lot area, plus (c) any TDR previously transferred from the sending lot.

1 c. The maximum amount of floor area that may be transferred from an
2 eligible Landmark housing TDR site is the amount by which the product of the eligible lot area
3 times the base FAR of the sending lot, as provided in Section 23.49.011, exceeds TDR
4 previously transferred from the sending lot, if any.

5 d. The maximum amount of floor area that may be transferred from an
6 eligible Landmark TDR site, if the chargeable floor area of the landmark structure is less than or
7 equal to the base FAR permitted in the zone, is equivalent to the base FAR of the sending lot,
8 minus any TDR that have been previously transferred. For landmark structures having
9 chargeable floor area greater than the base FAR of the zone, the amount of floor area that may be
10 transferred is limited to an amount equivalent to the base FAR of the sending lot minus the sum
11 of (a) any chargeable floor area of the landmark structure exceeding the base FAR and (b) any
12 TDR that have been previously transferred.

13 e. For purposes of this subsection 23.49.014.B.1, the eligible lot area is the
14 total area of the sending lot, reduced by the excess, if any, of the total of accessory surface
15 parking over $\frac{1}{4}$ of the total area of the footprints of all structures on the sending lot; and for an
16 open space TDR site, further reduced by the area of any portion of the lot ineligible under
17 subsection 23.49.017.C.

18 2. TDR from lots in South Downtown. This subsection 23.49.014.B.2 applies to
19 sending lots in South Downtown.

20 a. If the sending lot is located in a PSM or IDM zone, then subject to any
21 lower limit under this subsection 23.49.014.B.2, the gross floor area that may be transferred is
22 six times the lot area, minus the sum of any existing chargeable floor area and further reduced by
23 any TDR previously transferred from the sending lot.

1 b. If the sending lot is not located in a PSM or IDM zone, then subject to
2 any lower limit under this subsection 23.49.014.B.2, the gross floor area that may be transferred
3 is the amount by which the product of the eligible lot area times the base FAR of the sending lot,
4 as provided in Section 23.49.011, exceeds the sum of any chargeable floor area existing on the
5 sending lot, plus any TDR previously transferred from the sending lot.

6 c. The cumulative amount of housing TDR transferred from any lot in
7 South Downtown shall not exceed three times the lot area.

8 d. The cumulative amount of open space TDR transferred from any lot in
9 South Downtown shall not exceed three times the lot area.

10 e. The cumulative amount of South Downtown Historic TDR transferred
11 from any lot shall not exceed three times the lot area.

12 f. The cumulative combined amount of TDR and TDP transferred from
13 any lot in South Downtown shall not exceed six times the lot area.

14 g. For purposes of this subsection 23.49.014.B.2, the eligible lot area is the
15 total area of the sending lot, reduced by the excess, if any, of the total of accessory surface
16 parking over 1/4 of the total area of the footprints of all structures on the sending lot; and for an
17 open space TDR site, further reduced by any portion of the lot ineligible under subsection
18 23.49.017.C.

19 3. Effect of transfer in zones with base FAR limits. If TDR are transferred from a
20 sending lot in a zone with a base FAR limit, except an IDM zone, the amount of chargeable floor
21 area that may then be established on the sending lot is equal to the amount by which the area of
22 the lot, multiplied by the applicable base FAR limit set in Section 23.49.011, exceeds the total of:

23 a. The existing chargeable floor area on the lot; plus

b. The amount of gross floor area transferred from the lot.

4. Effect of transfer in PSM and IDM zones.

a. If TDR are transferred from a sending lot in a PSM zone, the amount of chargeable floor area that may then be established on the sending lot is equal to the amount by which the total gross floor area that could have been built on the sending lot consistent with applicable development standards as determined by the Director had no TDR been transferred exceeds the sum of:

1) The existing chargeable floor area on the lot; plus

2) The gross floor area of TDR transferred from the lot.

b. If TDR are transferred from a sending lot in an IDM zone, the amount of chargeable floor area that may then be established on the sending lot shall not exceed the amount by which the applicable base FAR limit in Section 23.49.011 multiplied by the lot area exceeds the sum of:

1) The existing chargeable floor area on the lot; plus

2) The gross floor area of TDR transferred from the lot.

5. TDR from lots with more than base FAR not allowed; exception. Gross floor area allowed above base FAR under any bonus provisions of this Title 23 or the former Title 24, or allowed under any exceptions or waivers of development standards, may not be transferred. TDR may be transferred from a lot that ~~((contains))~~ has chargeable floor area exceeding the base FAR only if the TDR are from an eligible Landmark TDR site, consistent with subsection 23.49.014.B.1.c, or to the extent, if any, that:

a. TDR were previously transferred to such lot in compliance with the Land Use Code provisions and applicable rules then in effect;

1 b. Those TDR, together with the base FAR under Section 23.49.011,
2 exceed the chargeable floor area on the lot and any additional chargeable floor area for which
3 any permit has been issued or for which any permit application is pending; and

4 c. The excess amount of TDR previously transferred to such lot would
5 have been eligible for transfer from the original sending lot under Section 23.49.014 at the time
6 of their original transfer from that lot.

7 6. Rehabilitation of Landmark structures and contributing structures. Landmark
8 structures on sending lots from which Landmark TDR or Landmark housing TDR are transferred
9 shall be rehabilitated and maintained as required by the Landmarks Preservation Board.
10 Contributing structures under Section 23.66.032 on sending lots from which South Downtown
11 Historic TDR are transferred shall be rehabilitated and maintained as required by the Director of
12 Neighborhoods upon recommendation by the International Special Review District Board or the
13 Pioneer Square Preservation Board.

14 7. Rehabilitation of housing. Housing on lots from which housing TDR are
15 transferred shall be rehabilitated to the extent required to provide decent, sanitary and habitable
16 conditions, in compliance with applicable codes, and so as to have an estimated minimum useful
17 life of at least 50 years from the time of the TDR transfer, as approved by the Director of
18 Housing. Landmark buildings on lots from which Landmark housing TDR are transferred shall
19 be rehabilitated to the extent required to provide decent, sanitary and habitable housing, in
20 compliance with applicable codes, and so as to have an estimated minimum useful life of at least
21 50 years from the time of the TDR transfer, as approved by the Director of Housing and Director
22 of Neighborhoods. If housing TDR or Landmark housing TDR are proposed to be transferred
23 prior to the completion of work necessary to satisfy this subsection 23.49.014.B.7, the Director

of Housing may require, as a condition to such transfer, that security be deposited with the City to ensure the completion of such work.

8. ~~((Low-income housing units. The housing units on a lot from which))~~
Restricted units provided as a condition to eligibility of a lot as a housing TDR site, Landmark housing TDR site, or DMC housing TDR ~~((are transferred, and that are committed to low-income housing use as a condition to eligibility of the lot as a TDR sending lot,))~~ site shall be generally comparable in their average size and quality of construction to other ~~((housing))~~ units in the same structure, in the judgment of the Director of Housing, after completion of any rehabilitation or construction undertaken in order to qualify as a TDR sending lot.

9. Standards for eligibility as a South Downtown Historic TDR sending lot~~((:))~~

a. In order to be eligible to transfer South Downtown Historic TDR, a lot must contain a structure that includes at least 5,000 gross square feet in above-grade space and was finally determined to be a contributing structure under Section 23.66.032.

b. Contributing structures on a sending lot from which South Downtown Historic TDR are transferred shall be rehabilitated and maintained as required by the Director of Neighborhoods.

c. As a condition to finally allow the transfer of South Downtown Historic TDR from a lot, the applicant must certify that the contributing structure continues to meet any conditions identified by the Director of Neighborhoods pursuant to subsection 23.66.032.C within no more than three years prior to the recordation of the deed conveying the TDR from the sending lot.

d. South Downtown Historic TDR shall not be transferred from a lot from which South Downtown Historic TDP has been transferred or from a lot on which any extra floor area has been established based on the presence of a contributing structure.

* * *

Section 31. Section 23.49.015 of the Seattle Municipal Code, last amended by Ordinance 125603, is repealed:

~~((23.49.015 Bonus residential floor area in DOC1, DOC2, and DMC zones outside South Downtown for voluntary agreements for low-income housing and moderate-income housing~~

~~A. General provisions~~

~~1. The purpose of this Section 23.49.015 is to encourage residential development in addition to that authorized by basic zoning regulations ("bonus development"), provided that certain adverse impacts from the bonus development are mitigated. This Section 23.49.015 does not apply within South Downtown. "Basic zoning regulations" for purposes of this Section 23.49.015 are the provisions of Section 23.49.008 that determine base height limits for residential use in DOC1, DOC2 and DMC zones, and for DMC zones, the provisions of Section 23.49.058 that determine the maximum average floor area per story. The City has determined that one impact of high-rise residential development is an increased need for low-income housing and moderate-income housing to house the families of workers having lower paid jobs who serve the residents of such development. The City also finds that DOC1, DOC2, and DMC zones are areas in which increased residential development will assist in achieving local growth management and housing policies, and has determined that increased residential development capacity and height of residential structures can be achieved within these zones, subject to~~

1 ~~consideration of other regulatory controls on development. The City Council finds that in the~~
2 ~~case of affordable housing for rental occupancy, use of the income level for low income housing~~
3 ~~rather than a lower level is necessary to address local housing market conditions, and that in the~~
4 ~~case of affordable housing for owner occupancy, higher income levels than those for low income~~
5 ~~housing are needed to address local housing market conditions. The City hereby adopts the~~
6 ~~extension of the authority of RCW 36.70A.540, as amended, and enacts this Section 23.49.015~~
7 ~~pursuant to such authority, in addition to the City's preexisting authority. To the extent that any~~
8 ~~provision of this Section 23.49.015 or the application thereof to any project for which a Master~~
9 ~~Use Permit application is considered under the Land Use Code as in effect after June 7, 2006~~
10 ~~would conflict with any requirement of RCW 36.70A.540, as it may be amended, the terms of~~
11 ~~this Section 23.49.015 shall be deemed modified to conform to the applicable requirements of~~
12 ~~RCW 36.70A.540.~~

13 2. ~~An applicant may elect to seek bonus development under this section only for a~~
14 ~~project in a DOC1, DOC2 or DMC zone that includes residential development. If an applicant~~
15 ~~elects to seek approval of bonus development under this section, the applicant must execute a~~
16 ~~voluntary agreement with the City in which the applicant agrees to provide mitigation for~~
17 ~~impacts described in subsection A1 of this section. The mitigation may be provided in the form~~
18 ~~of low income housing or moderate income housing, or both, either within or adjacent to the~~
19 ~~residential project using the bonus development (the "performance option"), by paying the City~~
20 ~~to build or provide the housing (the "payment option"), or by a combination of the performance~~
21 ~~and payment options.~~

22 3. ~~No bonus development under this section shall be granted to any proposed~~
23 ~~development that would result in significant alteration to any designated feature of a Landmark~~

1 ~~structure unless a Certificate of Approval for the alteration is granted by the Landmarks~~
2 ~~Preservation Board.~~

3 ~~4. The Master Use Permit application to establish any bonus development under~~
4 ~~this Section 23.49.015 shall include a calculation of the amount of bonus development sought~~
5 ~~and shall identify the manner in which the conditions to such bonus development shall be~~
6 ~~satisfied. The Director shall, at the time of issuance of any Master Use Permit decision approving~~
7 ~~any such bonus development, issue a Type I decision as to the amount of bonus development to~~
8 ~~be allowed and the conditions to such bonus development, which decision may include~~
9 ~~alternative means to achieve bonus development, at the applicant's option, if each alternative~~
10 ~~would be consistent with this Section 23.49.015 and any other conditions of the permit, including~~
11 ~~Design Review conditions if applicable.~~

12 ~~B. Voluntary agreements for housing~~

13 ~~1. The voluntary agreement shall commit the applicant to provide or contribute to~~
14 ~~low income housing or moderate income housing, or both, in an amount as set forth in this~~
15 ~~subsection 23.49.015.B. The quantities in this subsection 23.49.015.B are based on findings of an~~
16 ~~analysis that quantifies the linkages between new market rate units in high rise residential~~
17 ~~structures in DOC1, DOC2, and DMC zones and the demand that residents of such units~~
18 ~~generate for low income housing and moderate income housing. The amount of such housing~~
19 ~~and income levels served, and the amount of any cash payment, shall be determined as follows:~~

20 ~~a. For the performance option, the applicant shall provide, as low income~~
21 ~~housing or moderate income housing, net rentable floor area equal to 11 percent of the net~~
22 ~~residential floor area sought as bonus development, computed by multiplying the following sum~~
23 ~~by an efficiency factor of 80 percent: (i) the total square footage of gross residential floor area to~~

1 ~~be developed on the lot above the base height limit for residential use under Section 23.49.008,~~
2 ~~plus (ii) the excess, if any, in each tower to be developed on the lot, of (X) the total number of~~
3 ~~square feet of gross residential floor area between the height of 85 feet and the base height limit,~~
4 ~~over (Y) the product of the "average residential gross floor area limit of stories above 85 feet if~~
5 ~~height does not exceed the base height limit for residential use" as provided in Table B for~~
6 ~~23.49.058, column 2, multiplied by the number of stories with residential use in each tower~~
7 ~~above 85 feet and below the base height limit. All low income housing or moderate income~~
8 ~~housing provided under the performance option shall be on the lot where the bonus development~~
9 ~~is used or an adjacent lot. The adjacent lot must be within the block where the bonus~~
10 ~~development is used and either abut the lot where bonus development is used, or be separated~~
11 ~~only by public right of way. All rental housing provided under the performance option shall be~~
12 ~~low income housing.~~

13 ~~b. For the payment option, the applicant shall pay the lesser of the~~
14 ~~following:~~

15 ~~1) an amount that equals the approximate cost of developing the~~
16 ~~same number and quality of housing units that would be developed under the performance~~
17 ~~option, as determined by the Director; or~~

18 ~~2) in DMC zones:~~

19 ~~a) Eight dollars per square foot of gross residential floor~~
20 ~~area sought as bonus development between the height of 85 feet and the base height limit for~~
21 ~~residential use under Section 23.49.008, \$12 per square foot of the gross residential floor area of~~
22 ~~the first four stories above the base height limit for residential use, \$16 per square foot of gross~~
23 ~~residential floor area of the next three stories, and \$20 per square foot of gross residential floor~~

1 ~~area of the higher stories, not to exceed an average of \$15.15 per square foot of gross residential~~
2 ~~floor area sought as bonus development; and~~

3 ~~b) after January 18, 2014, \$11.45 per square foot of gross~~
4 ~~residential floor area sought as bonus development between the height of 85 feet and the base~~
5 ~~height limit for residential use under Section 23.49.008, \$17.17 per square foot of the gross~~
6 ~~residential floor area of the first four stories above the base height limit for residential use,~~
7 ~~\$22.89 per square foot of gross residential floor area of the next three stories, and \$28.62 per~~
8 ~~square foot of gross residential floor area of the higher stories, not to exceed an average of~~
9 ~~\$21.68 per square foot of gross residential floor area sought as bonus development; and~~

10 ~~3) in DOC1 and DOC2 zones:~~

11 ~~a) \$15.15 per square foot of gross residential floor area~~
12 ~~sought as bonus development above the base height limit for residential use under Section~~
13 ~~23.49.008; and~~

14 ~~b) after January 18, 2014, \$21.68 per square foot of gross~~
15 ~~residential floor area sought as bonus development above the base height limit for residential use~~
16 ~~under Section 23.49.008.~~

17 ~~c. The amount of the alternative cash contribution, as provided in this~~
18 ~~subsection 23.49.015.B.1.b and made at the time specified in subsection 23.49.015.C, shall be~~
19 ~~based on the amount that is in effect when vesting of a Master Use Permit occurs under~~
20 ~~23.76.026. The full amount must be paid to the City in cash, except that if the City shall approve~~
21 ~~by ordinance the acceptance of specific real property in lieu of all or part of the cash payment,~~
22 ~~the Director of Housing may accept the real property.~~

1 2. ~~Each low-income housing unit provided as a condition to the bonus allowed~~
2 ~~under this Section 23.49.015 shall serve only households with incomes at or below 80 percent of~~
3 ~~median income at the time of their initial occupancy. Each moderate-income housing unit~~
4 ~~provided as a condition to the bonus allowed under this Section 23.49.015 shall serve only as~~
5 ~~owner-occupied housing for households with incomes no higher than median income at the time~~
6 ~~of their initial occupancy. For rental housing, housing costs, including rent and basic utilities,~~
7 ~~shall not exceed 30 percent of 80 percent of median income, adjusted for the average size of~~
8 ~~family expected to occupy the unit based on the number of bedrooms, all as determined by the~~
9 ~~Housing Director, for a minimum period of 50 years. For owner-occupied housing, the initial~~
10 ~~sale price shall not exceed an amount determined by the Housing Director to be consistent with~~
11 ~~affordable housing for a moderate-income household with the average family size expected to~~
12 ~~occupy the unit based on the number of bedrooms, and the units shall be subject to recorded~~
13 ~~instruments satisfactory to the Housing Director providing for sales prices on any resale~~
14 ~~consistent with affordability on the same basis. The Housing Director may promulgate rules~~
15 ~~specifying the method of determining affordability, including eligible monthly housing costs.~~
16 ~~The Housing Director may also promulgate rules for determining whether units satisfy the~~
17 ~~requirements of this Section 23.49.015 and any requirements relating to down-payment amount,~~
18 ~~design, quality, maintenance, and condition of the low-income housing or moderate-income~~
19 ~~housing.~~

20 3. ~~For purposes of this Section 23.49.015, housing may be considered to be~~
21 ~~provided by the applicant seeking bonus development under the performance option if the~~
22 ~~housing satisfies all of the following conditions:~~

1 a. ~~It is committed to serve an eligible income group, and for a time period,~~
2 ~~referred to in this Section 23.49.015 pursuant to an agreement between the housing owner and~~
3 ~~the City.~~

4 b. ~~The agreement required by subsection 23.49.015.B.3.a is executed and~~
5 ~~recorded prior to the issuance of the Master Use Permit to establish the use for the project using~~
6 ~~the bonus development, but except when subsection 23.49.015.B.3.c.2 below applies, no earlier~~
7 ~~than one year prior to issuance of that Master Use Permit.~~

8 c. ~~Either:~~

9 1) ~~The Certificate of Occupancy for the new low income housing~~
10 ~~or moderate income housing, or both, must be issued within three years of the date the Certificate~~
11 ~~of Occupancy is issued for the project using the bonus development, unless the Housing Director~~
12 ~~approves an extension based on delays that the applicant or housing developer could not~~
13 ~~reasonably have avoided, or~~

14 2) ~~Only in the case of low income housing on a lot adjacent to the~~
15 ~~project using bonus development, which housing is subject to a regulatory agreement related to~~
16 ~~long term City financing of low income housing and was developed under a Master Use Permit~~
17 ~~issued pursuant to a decision that considered the housing together with a project then proposed~~
18 ~~on that adjacent site, a final Certificate of Occupancy for the low income housing was issued~~
19 ~~within five years of the building permit issuance for the project proposed for bonus development~~
20 ~~on the adjacent lot.~~

21 d. ~~If the low income housing or moderate income housing is not owned by~~
22 ~~the applicant, then the applicant made a financial contribution to the low income housing or~~
23 ~~moderate income housing, or promised such contribution and has provided to the City an~~

1 ~~irrevocable, unconditional letter of credit to ensure its payment, in form and content satisfactory~~
2 ~~to the Housing Director, in either case in an amount determined by the Housing Director to be,~~
3 ~~when reduced by the value of any expected benefits to be received for such contribution other~~
4 ~~than the bonus development, approximately equal to the cost of providing units within the~~
5 ~~project using the bonus development, and the owner of the low income housing or moderate-~~
6 ~~income housing has entered into a linkage agreement with the applicant pursuant to which only~~
7 ~~the applicant has the right to claim such housing for purposes of bonus development under this~~
8 ~~Section 23.49.015 or any other bonus under this Title 23.~~

9 4. ~~Any applicant seeking to qualify for bonus floor area based on development of~~
10 ~~new housing shall provide to the City, prior to the date when a contribution would be due for the~~
11 ~~cash option under subsection C of this section, an irrevocable bank letter of credit or other~~
12 ~~sufficient security approved by the Director of the Office of Housing, and a related voluntary~~
13 ~~agreement, so that at the end of the three (3) year period specified in subsection B3 of this~~
14 ~~section, if the housing does not qualify or is not provided in a sufficient amount to satisfy the~~
15 ~~terms of this section, the City shall receive (i) a cash contribution for housing in the amount~~
16 ~~determined pursuant to this section after credit for any qualifying housing then provided, plus (ii)~~
17 ~~an amount equal to interest on such contribution, at the rate equal to the prime rate quoted from~~
18 ~~time to time by Bank of America, or its successor, plus three (3) percent per annum, from the~~
19 ~~date of issuance of the first building permit for the project using the bonus. If and when the City~~
20 ~~becomes entitled to realize on any such security, the Director of the Office of Housing shall take~~
21 ~~appropriate steps to do so, and the amounts realized, net of any costs to the City, shall be used in~~
22 ~~the same manner as cash contributions for housing made under this section. In the case of any~~
23 ~~project proposing to use bonus development for which no building permit is required, references~~

1 ~~to the building permit in this subsection shall mean the master use permit allowing establishment~~
2 ~~or expansion of the use for which bonus development is sought.~~

3 ~~5. Nothing in this chapter shall be construed to confer on any owner or developer~~
4 ~~of housing, any party to a linkage agreement, or any assignee, any development rights or~~
5 ~~property interests. Because the availability and terms of allowance of bonus development depend~~
6 ~~upon the regulations in effect at the relevant time for the project proposing to use such bonus~~
7 ~~development, pursuant to SMC Section 23.76.026, any approvals or agreements by the Director~~
8 ~~of the Office of Housing regarding the eligibility of actual or proposed housing as to satisfy~~
9 ~~conditions of a bonus, and any approval of a linkage agreement and/or assignment, do not grant~~
10 ~~any vested rights, nor guarantee that any bonus development will be permitted based on such~~
11 ~~housing.~~

12 ~~6. The Director of the Office of Housing is authorized to accept and execute~~
13 ~~agreements and instruments to implement this section. For the performance option, the voluntary~~
14 ~~agreement by the applicant or, if the applicant is not the housing owner, then a recorded~~
15 ~~agreement of the housing owner acceptable to the Housing Director, shall provide for an initial~~
16 ~~monitoring fee payable to the City of Five Hundred Dollars (\$500) per unit of low income~~
17 ~~housing or moderate income housing provided, and in the case of rental housing, an annual~~
18 ~~monitoring fee payable to the City of Sixty-five Dollars (\$65) for each such unit. For rental~~
19 ~~housing, such agreement also shall require the housing owner to submit to the City annual~~
20 ~~reports with such information as the Housing Director shall require for monitoring purposes. In~~
21 ~~the case of housing for owner occupancy, the recorded resale restrictions also shall include a~~
22 ~~provision requiring payment to the City, on any sale or other transfer, of a fee of Five Hundred~~

1 ~~Dollars (\$500) for the review and processing of transfer documents to determine compliance~~
2 ~~with income and affordability restrictions.~~

3 ~~7. If the Housing Director shall certify to the Director that the Housing Director~~
4 ~~has accepted and there have been recorded one or more agreements or instruments satisfactory to~~
5 ~~the Housing Director providing for occupancy and affordability restrictions on housing provided~~
6 ~~for purposes of the performance option under this section, and that either all affordable housing~~
7 ~~has been completed or the applicant has provided the City with an irrevocable, unconditional~~
8 ~~letter of credit satisfactory to the Housing Director in the amount of the contribution to the~~
9 ~~affordable housing approved by the Housing Director, if applicable, then any failure of such~~
10 ~~housing to satisfy the requirements of this subsection B shall not affect the right to maintain or~~
11 ~~occupy the bonus development. Unless and until the Housing Director shall so certify, it shall be~~
12 ~~a continuing permit condition, whether or not expressly stated, for each project obtaining bonus~~
13 ~~floor area based on the provision of housing under this subsection, that the low income or~~
14 ~~moderate income housing units, or both, as applicable, shall continue to satisfy the requirements~~
15 ~~of this subsection throughout the term specified in this section and that such compliance shall be~~
16 ~~documented to the satisfaction of the Director of the Office of Housing. The Director of the~~
17 ~~Office of Housing may provide by rule for circumstances in which low income or moderate~~
18 ~~income housing units, or both, as applicable, may be replaced if lost due to casualty or other~~
19 ~~causes, and for terms and conditions upon which a cash contribution may be made in lieu of~~
20 ~~continuing to provide low income housing or moderate income housing, or both, under the terms~~
21 ~~of this subsection.~~

22 ~~8. Housing units produced with voluntary contributions made under this section,~~
23 ~~shall include a range of unit sizes, including units suitable for families with children. Housing~~

1 ~~units provided to qualify for bonus development shall comply with the following: (i) they shall~~
2 ~~be provided in a range of sizes comparable to those available to other residents; (ii) to the extent~~
3 ~~practicable, the number of bedrooms in low income units and moderate income units must be in~~
4 ~~the same proportion as the number of bedrooms in units within the entire building; (iii) the low-~~
5 ~~income units and moderate income units shall generally be distributed throughout the building,~~
6 ~~except that they may be provided in an adjacent building; and (iv) the low income units and~~
7 ~~moderate income units shall have substantially the same functionality as the other units in the~~
8 ~~building or buildings. The Housing Director is authorized to prescribe by rule standards and~~
9 ~~procedures for determining compliance with the requirements of this subsection 8. The Housing~~
10 ~~Director is further authorized to adopt policies for distribution of unit sizes in housing~~
11 ~~developments funded by contributions received under this section.~~

12 ~~9. References in this subsection B to a Certificate of Occupancy for a project~~
13 ~~mean the first Certificate of Occupancy issued by the City for the project, whether temporary or~~
14 ~~permanent.~~

15 ~~C. Cash Option Payments.~~

16 ~~1. On July 1, 2014 and on the same day annually thereafter the alternative cash~~
17 ~~contribution amount in subsection 23.49.015.B.1.b shall automatically adjust in proportion to the~~
18 ~~change in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma metropolitan area,~~
19 ~~All Items (1982-84 = 100), as determined by the U.S. Department of Labor, Bureau of Labor~~
20 ~~Statistics, or successor index, from December 31, 2013 or the time the alternative cash~~
21 ~~contribution was last adjusted, whichever is later.~~

22 ~~2. Cash payments under voluntary agreements for bonuses shall be made prior to~~
23 ~~issuance, and as a condition to issuance, of any building permit after the first building permit for~~

1 ~~a project, and in any event before any permit for any construction activity other than excavation~~
2 ~~and shoring is issued, unless the applicant elects in writing to defer payment. If the applicant~~
3 ~~elects to defer payment, then the issuance of any certificate of occupancy for the project shall be~~
4 ~~conditioned upon payment of the full amount of the cash payment determined under this Section,~~
5 ~~plus an interest factor equal to that amount multiplied by the increase, if any, in the Consumer~~
6 ~~Price Index, All Urban Consumers, West Region, All Items, 1962-64=100, as published~~
7 ~~monthly, from the last month prior to the date when payment would have been required if~~
8 ~~deferred payment had not been elected, to the last month for which data are available at the time~~
9 ~~of payment. If the index specified in this subsection is not available for any reason, the Director~~
10 ~~shall select a substitute cost of living index. In no case shall the interest factor be less than zero~~
11 ~~(0). All payments under this Section shall be deposited in special accounts established solely to~~
12 ~~fund capital expenditures for the affordable housing for low income households.~~

13 ~~D. No Subsidies for Bonused Housing: Exception.~~

14 ~~1. Intent. Housing provided through the bonus system is intended to mitigate a~~
15 ~~portion of the additional low income housing needs resulting from increased high rise market~~
16 ~~rate housing development, beyond those needs that would otherwise exist, which the City and~~
17 ~~other governmental and charitable entities attempt to meet through various subsidy programs.~~
18 ~~Allowing bonus development under the performance option for housing that uses such subsidy~~
19 ~~programs therefore could undermine the intent of this section.~~

20 ~~2. Agreement Concerning Subsidies. The Director of the Office of Housing may~~
21 ~~require, as a condition of any bonus floor area for housing under the performance option, that the~~
22 ~~owner of the lot upon which the low income housing is located agree not to seek or accept any~~
23 ~~subsidies, including without limitation those items referred to in subsection D3 of this section,~~

1 ~~related to the housing, except for any subsidies that may be allowed by the Director of the Office~~
2 ~~of Housing under that subsection. The Housing Director may require that such agreement~~
3 ~~provide for the payment to the City, for deposit in an appropriate account to be used for~~
4 ~~Downtown low-income housing, of the value of any subsidies received in excess of any amounts~~
5 ~~allowed by such agreement.~~

6 3. ~~No Bonus for Subsidized or Restricted Housing. In general, no bonus may be~~
7 ~~earned by providing housing if:~~

8 a. ~~Any person is receiving or will receive with respect to the housing any~~
9 ~~charitable contributions or public subsidies for housing development or operation, including, but~~
10 ~~not limited to, tax exempt bond financing, tax credits, federal loans or grants, City of Seattle~~
11 ~~housing loans or grants, county housing funds, State of Washington housing funds, or property~~
12 ~~tax exemptions or other special tax treatment; or~~

13 b. ~~The housing is or would be, independent of the requirements for the~~
14 ~~bonus, subject to any restrictions on the use, occupancy or rents.~~

15 4. ~~Exceptions by Rule. The Director of the Office of Housing may provide, by~~
16 ~~rule promulgated after the effective date of this ordinance, for terms and conditions on which~~
17 ~~exceptions to the restriction on subsidies in this subsection may be allowed. Such rule may~~
18 ~~provide that, as a condition to any exception, the Director of the Office of Housing shall increase~~
19 ~~the amount of floor area of low-income housing or moderate-income housing per square foot of~~
20 ~~bonus development, otherwise determined pursuant to subsection B of this section, to an amount~~
21 ~~that allows credit for only the Director's estimate of the incremental effect, in meeting the City's~~
22 ~~housing needs for the next fifty (50) years, of the net financial contribution that is being made by~~

the applicant pursuant to the voluntary agreement and not funded or reimbursed, directly or indirectly, from any other source.))

Section 32. Section 23.49.023 of the Seattle Municipal Code, last amended by Ordinance 125603, 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**

* * *

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 95 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 95 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)):

a. ((bonus)) Bonus residential floor area for amenities pursuant to Section 23.58A.040; and/or

b. ((transfer)) Transfer of transferable residential development potential pursuant to Section 23.58A.042; and/or

c. ((bonus)) 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 zones, ~~((a development that qualifies for the exemption in subsection 23.58C.025.C))~~ low-income housing may achieve extra residential floor area without meeting the requirements of subsection 23.49.023.B.1.

* * *

Section 33. Section 23.49.037 of the Seattle Municipal Code, enacted by Ordinance 126384, is amended as follows:

23.49.037 Alternative ~~((development))~~ standards for ~~((low-income housing))~~ development of affordable units on property owned or controlled by a religious organization

In lieu of meeting development standards ~~((contained))~~ in subsections 23.49.008.A (height) and 23.49.011.A.1 (floor area), a proposed development that meets the ~~((affordability and eligibility))~~ requirements of Section 23.42.055 may elect to meet the alternative development standards in this Section 23.49.037.

A. Maximum height. The applicable maximum height limit for residential uses in development permitted pursuant to Section 23.42.055 in Downtown zones is increased by the following amounts:

1. For zones with a mapped maximum height limit of 85 feet or less, 20 feet.
2. For zones with a mapped maximum height limit greater than 85 feet, 40 feet.

B. Floor area. The applicable maximum FAR limit for residential uses in development permitted pursuant to Section 23.42.055 in Downtown zones is increased by the following amounts:

1. For zones with a mapped maximum height limit of 85 feet or less, 1.5 FAR.
2. For zones with a mapped maximum height limit greater than 85 feet, 3.0 FAR.

Section 34. Section 23.49.041 of the Seattle Municipal Code, last amended by Ordinance 125291, is amended as follows:

23.49.041 Combined lot development

When authorized by the Director pursuant to this Section 23.49.041, lots located on the same block in DOC1, DOC2, or DMC 340/290-440 zones, or lots zoned DOC1 and DMC on the same block, may be combined, whether contiguous or not, solely for the purpose of allowing some or all of the capacity for chargeable floor area on one such lot under this Chapter 23.49 to be used on one or more other lots, according to the following provisions:

* * *

D. The Director shall allow combined lot development only to the extent that the Director determines in a Type II land use decision that permitting more chargeable floor area than would otherwise be allowed on a lot shall result in a significant public benefit. In addition to features for which floor area bonuses are granted, the Director may also consider the public benefits listed in subsections 23.49.041.D.1 through 23.49.041.D.8 that could satisfy this condition when provided for as a result of the lot combination. When issuing a decision on a Type II decision for combined lot development the Director shall include a written report with a detailed description of the public benefit(s) received, how the public benefit(s) serves the general public and that the public benefit(s) are not also used to meet required land use code requirements or other requirements in the Seattle Municipal Code for development.

1. Preservation of a Landmark structure located on the block or adjacent blocks;
2. Uses serving the downtown residential community, such as a grocery store, at appropriate locations;

3. Public facilities serving the Downtown population, including schools, parks, community centers, human service facilities, and clinics;

4. Transportation facilities promoting pedestrian circulation and transit use, including through-block pedestrian connections, transit stations, and bus layover facilities;

5. ~~((A significant amount of affordable housing serving households with a range of income levels that exceed))~~ Dwelling units exceeding the requirements under Chapters 23.58B and 23.58C;

6. Public view protection within an area;

7. Arts and cultural facilities, including a museum or museum expansion space; or

8. Green stormwater infrastructure beyond the requirements of ~~((the Stormwater Code-))~~ Chapters 22.800 through 22.808~~((9))~~.

* * *

Section 35. Section 23.49.058 of the Seattle Municipal Code, last amended by Ordinance 125291, is amended as follows:

23.49.058 Downtown Office Core 1 ~~((DOC1))~~, Downtown Office Core 2 ~~((DOC2))~~, and Downtown Mixed Commercial ~~((DMC))~~ upper-level development standards

* * *

C. Tower floor area limits and tower width limits for portions of structures in residential use. The requirements of this subsection 23.49.058.C apply only to structures that include portions in residential use above a height of 160 feet, and do not apply in the DMC 170 zone.

1. Maximum limits on average residential gross floor area per story and maximum residential floor area per story of towers are prescribed in Table B for 23.49.058.

| |
|------------------------------|
| Table B for 23.49.058 |
|------------------------------|

| Average residential gross floor area per story and maximum residential gross floor area per story of a tower ¹ | | | |
|--|---|---|--|
| (1) Zone | (2) Average residential gross floor area limit per story of a tower if height does not exceed the base height limit for residential use | (3) Average residential gross floor area limit per story of a tower if height exceeds the base height limit for residential use | (4) Maximum residential floor area of any story in a tower |
| DMC 240/290-440 and DMC 340/290-440 | 10,000 square feet | 10,700 square feet | 11,500 square feet |
| DOC2 | 15,000 square feet | 12,700 square feet | 16,500 square feet |
| DOC1 | 15,000 square feet | 14,800 square feet | 16,500 square feet |
| Footnote to Table B for 23.49.058 | | | |
| ¹ For the height at which a "tower" begins, see the definition in subsection 23.49.058.A. | | | |

a. For structures that do not exceed the base height limit for residential use, each tower is subject to the average floor area per story limits specified in column (2) on Table B for 23.49.058.

b. For structures that exceed the base height limit for residential use ~~((which requires that the applicant obtain bonus residential floor area pursuant to Section 23.49.015)))~~ according to Chapter 23.58A, the average residential gross floor area per story of each tower is subject to the applicable maximum limit specified in column (3) on Table B for 23.49.058.

c. In no instance shall the residential gross floor area of any story in a tower exceed the applicable maximum limit specified in column (4) on Table B for 23.49.058.

d. Unoccupied space provided for architectural interest pursuant to subsection 23.49.008.B shall not be included in the calculation of gross floor area.

2. Maximum tower width

a. In DMC zones, the maximum facade width for portions of a building above 85 feet along the general north/south axis of a site (parallel to the Avenues) shall be 120 feet or 80 percent of the width of the lot measured on the Avenue, whichever is less, except that:

1) On a lot where the limiting factor is the 80 percent width limit, the maximum facade width is 120 feet, if at all elevations above a height of 85 feet, no more than 50 percent of the area of the lot located within 15 feet of the street lot line(s) is occupied by the structure; and

2) On lots smaller than 10,700 square feet that are bounded on all sides by street right-of-way, the maximum facade width shall be 120 feet.

b. In DOC2 zones, the maximum facade width for portions of a building above 85 feet along the general north/south axis of a site (parallel to the Avenues) shall be 145 feet.

c. In DOC1, the maximum facade width for portions of a building above 85 feet along the general north/south axis of a site (parallel to the Avenues) shall be 160 feet.

d. The projection of unenclosed decks and balconies, and architectural features such as cornices, shall be disregarded in calculating the maximum width of a facade.

* * *

Section 36. Section 23.49.164 of the Seattle Municipal Code, last amended by Ordinance 125603, is amended as follows:

23.49.164 Downtown Mixed Residential, maximum width, depth and separation requirements

* * *

C. Housing option((:))

1 1. On lots with ~~((structures that contained low-income housing on or before~~
2 ~~September 11, 1988, and that meet the requirements of subsection 23.49.164.C.4))~~ low-income
3 housing, the width above a height of 65 feet of portions of structures that are located less than 20
4 feet from a street lot line shall not exceed 120 feet per block front. This maximum applies to the
5 width as measured parallel to the street lot line. Portions of structures, measured parallel to the
6 street lot line, that are located 20 feet or more from the street lot line, have no maximum limit.

7 2. If the housing option is used, no portions of the structure may be located in the
8 area within 20 feet of the intersection of street lot lines between heights of 65 feet and 145 feet.

9 3. If the housing option is used, each story in portions of structures between
10 heights of 65 feet and 145 feet shall have a maximum gross floor area of 25,000 square feet or
11 the lot coverage limitation, whichever is less. The 25,000 square foot limit shall apply separately
12 to portions of the same structure that are not connected above 65 feet.

13 ~~((4. In order to use the housing option, housing on the lot shall be subject to an~~
14 ~~agreement with the City that contains the following conditions and any other provisions~~
15 ~~necessary to ensure compliance:~~

16 a. ~~The demolition or change of use of the housing shall be prohibited for~~
17 ~~not less than 50 years from the date a final certificate of occupancy is issued for the commercial~~
18 ~~development on the lot; and~~

19 b. ~~If the housing is or was rental housing on or before September 11, 1988,~~
20 ~~it shall be used as rental housing for not less than 50 years from the date a final certificate of~~
21 ~~occupancy is issued for the commercial development of the lot; and~~

22 c. ~~The structure will be brought up to and maintained in conformance with~~
23 ~~Chapters 22.200 through 22.208; and~~

~~d. Housing that is or was low-income housing on or before September 11, 1988, shall be maintained as low-income housing for not less than 50 years from the date a final certificate of occupancy is issued for the commercial development on the lot.~~

~~5. Housing that is preserved according to this Section 23.49.164 does not qualify for a downtown housing bonus or for transfer of development rights.))~~

D. Facade width limits and separation requirements in South Downtown. On a lot in a DMR/C zone in South Downtown, the following standards apply:

1. For the portion of a structure 75 feet in height or less, the maximum width of a street-facing facade is 250 feet.

2. For the portion of a structure above 75 feet in height, the maximum width of a street-facing facade is 120 feet.

3. At all levels above 75 feet in height, separate structures on a lot and separate portions of the same structure must be separated at all points by a minimum horizontal distance of 20 feet, or as specified in subsections 23.49.164.D.4 and 23.49.164.D.5 for structures separated by a mid-block corridor.

4. At all levels above 45 feet and up to 95 feet in height, structures separated by a mid-block corridor must be separated at all points by a minimum horizontal distance of 45 feet, unless subsection 23.49.164.D.6 applies.

5. At all levels above 95 feet in height, structures separated by a mid-block corridor must be separated at all points by a minimum horizontal distance of 55 feet, unless subsection 23.49.164.D.6 applies.

6. If a mid-block corridor abuts a side lot line that is not a street lot line, at all levels above 45 feet structures on that lot must set back from that side lot line at all points by a minimum horizontal distance of 45 feet.

7. Waiver or modification of requirements, limits, and standards.

~~((a.))~~ For developments in the International Special Review District, the Director may waive or modify the requirements, limits, and standards referred to in subsection 23.49.164.D.2 and 23.49.164.D.3 as a Type I decision if, upon consultation with the Director of Neighborhoods and Director of Housing, the Director determines that waiving or modifying a requirement, limit, or standard will ~~((increase availability of affordable housing meeting the provisions of subsection 23.49.164.D.7.b and will))~~ facilitate development of low-income housing and better meet the goals and objectives of Section 23.66.302.

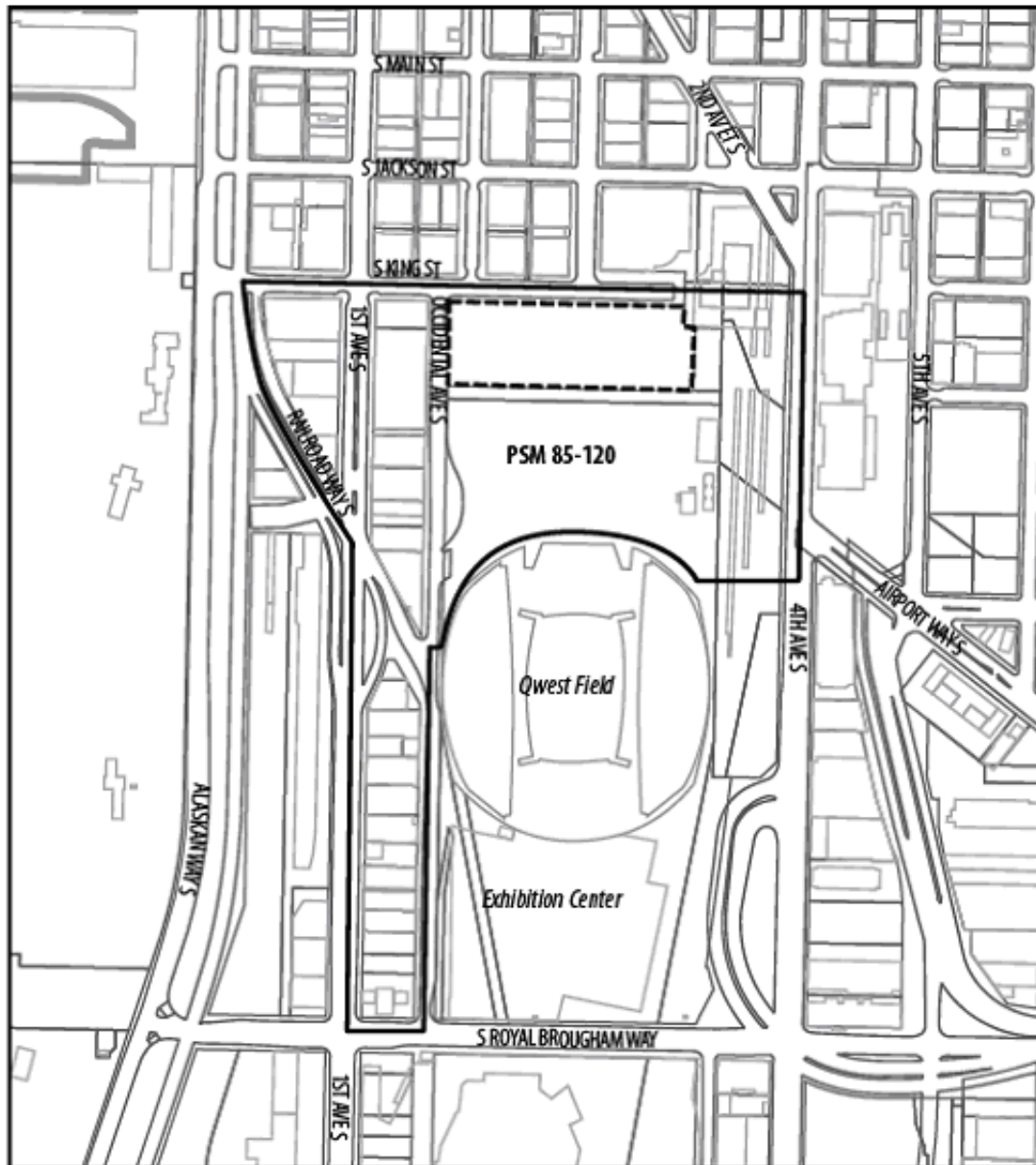
~~((b. For purposes of this subsection 23.49.164.D.7, housing is affordable if it receives public funding and/or an allocation of federal low-income housing tax credits, and is subject to a regulatory agreement, covenant, or other legal instrument recorded on the property title and enforceable by The City of Seattle, Washington State Housing Finance Commission, State of Washington, King County, U.S. Department of Housing and Urban Development, or other similar entity as approved by the Director of Housing, which restricts at least 40 percent of the units to occupancy by households earning no greater than 60 percent of median income, and controls the rents that may be charged, for a minimum period of 40 years.))~~

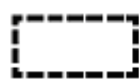
Section 37. Section 23.49.180 of the Seattle Municipal Code, last amended by Ordinance 125558, is amended as follows:

23.49.180 Additional height in the PSM 85-120 zone

1 A. General (~~((Intent))~~) intent. This (~~((section))~~) Section 23.49.180 applies to the area
2 identified on Map A for 23.49.180 within the Pioneer Square Preservation District if an applicant
3 elects to develop a project using the height limits in (~~((Section))~~) subsection 23.49.178.E.3. The
4 purpose of this (~~((section))~~) Section 23.49.180 is to provide added flexibility through an increase
5 in the maximum height limit by providing for affordable housing, as defined in Section
6 23.58A.004, to promote a high density, mixed use(~~((, and mixed income))~~) development that (~~((can~~
7 ~~contribute))~~) contributes to the vitality of Pioneer Square.

Map A for 23.49.180



 Area where additional height is permitted
according to the provisions of Section 23.49.180
of the Seattle Municipal Code

1
2

* * *

1 C. Lot area. If the applicant uses the height provisions of subsection 23.49.180.B to gain
2 additional height above the otherwise applicable height limit, the entire area identified on Map A
3 for 23.49.180, including any areas provided as open area or setbacks, or dedicated as street right
4 of way, shall be used to determine compliance with applicable provisions of this ~~((section))~~
5 Section 23.49.180 and ~~((Section 23.49.181))~~ Chapter 23.58A.

6 * * *

7 E. Floor area ratio (FAR)

8 1. Base and maximum FAR. The base FAR for all uses on a lot, except for those
9 uses expressly exempted, is 4. The maximum FAR for all uses on a lot, except for those uses
10 expressly exempted, is 8.

11 2. Limit on non-residential FAR. Non-residential chargeable floor area on a lot
12 may not exceed an FAR of 4.

13 3. Affordable housing incentive ~~((program))~~. Development that includes
14 residential use may exceed the base FAR, subject to the maximum FAR according to subsection
15 23.49.180.E.1, to the extent ~~((the applicant qualifies for))~~ bonus floor area is achieved by
16 providing affordable housing according to ~~((Section 23.49.181, subject to the FAR limit in~~
17 ~~subsection 23.49.180.E.1))~~ Chapter 23.58A.

18 4. Exemptions and deductions from FAR calculations

19 a. The exemptions and deductions from FAR calculations specified in
20 subsection 23.49.011.B apply, except that residential use is not exempt and is considered
21 chargeable floor area.

22 b. In addition to the exemptions from floor area calculations for parking in
23 subsection 23.49.011.B.1.1, enclosed parking provided at or above grade as accessory parking for

non-residential uses or as flexible-use parking replacing the surface spaces existing on the lot on June 25, 1998, is exempt from FAR calculations if it is separated from all streets abutting the lot by another use or is screened according to the provisions of subsection 23.49.180.G.9.

c. Street-level uses other than residential lobbies are exempt if they meet the requirements of subsection 23.49.180.F.

* * *

Section 38. Section 23.49.181 of the Seattle Municipal Code, last amended by Ordinance 126685, is repealed:

~~((23.49.181 Bonus floor area for affordable housing in the PSM 85-120 zone~~

~~A. Purpose; Scope of provisions; State law controlling. This Section 23.49.181 establishes an affordable housing incentive program for development on lots zoned PSM 85-120 that are subject to FAR limits pursuant to the provisions of Section 23.49.180. Chargeable floor area in addition to the base FAR is allowed for development that includes residential use, to the extent that the applicant qualifies by providing low income housing, in accordance with this Section 23.49.181 and subject to the provisions of Section 23.49.180. In case of any irreconcilable conflict between the terms of this Section 23.49.181 and the authority granted in RCW 36.70A.540, as it may be amended, the provisions of RCW 36.70A.540, as it may be amended, shall supersede and control. Unless the context otherwise clearly requires, references to RCW 36.70A.540 in this Section 23.49.181 mean that section in effect on the date as of which the provisions of this Title 23 apply to the application for a use permit for the project using the bonus floor area.~~

B. Permitting conditions

1 1. Master Use Permit. The Master Use Permit application to establish any bonus
2 floor area under this Section 23.49.181 shall include a calculation of the total amount of bonus
3 floor area sought and shall identify the quantity and type of affordable housing to be provided to
4 satisfy the conditions to such bonus floor area. The application shall include the proposed
5 location of the affordable housing. If any of the affordable housing is proposed to be within the
6 area defined on Map A for Section 23.49.180 where additional height is permitted, the
7 application shall include the location of the affordable housing within that area and its
8 distribution within the proposed building(s). If any of the affordable housing is not to be
9 provided within the area defined on Map A for Section 23.49.180 where additional height is
10 permitted, the application shall include the address, legal description, dimensions and ownership
11 of the other lot(s), and the approval of the Director of Housing for the affordable housing to be
12 provided on the other lot(s), pursuant to subsection 23.49.181.E.3. The Director shall, at the time
13 of issuance of any Master Use Permit decision approving any bonus floor area, issue a Type I
14 decision as to the amount of bonus floor area to be allowed and the conditions to such bonus
15 floor area. A declaration signed by the applicant and any other owners of the lot(s) on which the
16 project using the bonus floor area is to be built and any other owners, or persons with control, of
17 the lot(s) where the affordable housing will be located, on a form approved by the Director,
18 specifying the amount of bonus floor area, the legal descriptions of the lot where the bonus floor
19 area will be used and each other lot where affordable housing will be located, and the conditions,
20 must be executed and recorded as a condition to issuance of the Master Use Permit for a
21 development to include bonus floor area. If a change in the total bonus floor area to be
22 developed, or a change in the location of the affordable housing approved by the Director of
23 Housing pursuant to subsection 23.49.181.E.3, results in adjustment to one or more conditions,

1 ~~the declaration and any related conditions of the Master Use Permit may be amended, with the~~
2 ~~written approval of the Director, as a Type I decision. In requesting amendment of a declaration~~
3 ~~under this subsection 23.49.181.B and any related conditions of the Master Use Permit, the~~
4 ~~applicant may elect, consistent with subsection 23.76.026.E, that the provisions of this Section~~
5 ~~23.49.181 as in effect on the date of the Director's action on that request, rather than any earlier~~
6 ~~date applicable under Section 23.76.026, apply for purposes of the amendment to the Master Use~~
7 ~~Permit.~~

8 ~~2. First Building Permit.~~

9 ~~a. Except as otherwise provided in this subsection 23.49.181.B.2.a, prior~~
10 ~~to issuance, and as a condition to issuance, of the first building permit for a structure using bonus~~
11 ~~floor area, the owner of each lot that will include the affordable housing for that bonus floor area~~
12 ~~shall execute and record an agreement in a form acceptable to the Director of Housing that shall~~
13 ~~commit to provide that affordable housing, and shall run with the land to bind successors. The~~
14 ~~applicant shall submit an acceptable agreement, fully signed, as part of the building permit~~
15 ~~application, and if there is any change in ownership or if the location at which any affordable~~
16 ~~housing is to be provided is modified pursuant to subsection 23.49.181.B.1 prior to the issuance~~
17 ~~of the building permit, the new owners or any other owners of the lot(s) where the affordable~~
18 ~~housing is to be provided, or both, as applicable, shall execute the agreement or an addendum,~~
19 ~~substitute or separate agreement, acceptable to the Director of Housing. This subsection~~
20 ~~23.49.181.B.2.a does not apply with respect to bonus floor area that is based on an amount of~~
21 ~~affordable housing for which a certification by the Director of Housing is delivered pursuant to~~
22 ~~subsection 23.49.181.B.3.~~

1 b. ~~If the affordable housing is to be located on any lot(s) not owned by the~~
2 ~~applicant, then the applicant shall demonstrate that the applicant is providing the affordable~~
3 ~~housing on the other lot(s) in connection with the applicant's project, as set forth below in this~~
4 ~~subsection 23.49.181.B.2.b. Prior to issuance, and as a condition to issuance, of the first building~~
5 ~~permit for a structure using bonus floor area, the applicant shall provide to the Director of~~
6 ~~Housing a copy of a signed and binding linkage agreement, acceptable to the Director of~~
7 ~~Housing, with the owner(s) or person(s) in control of those lots, pursuant to which only the~~
8 ~~applicant has the right to claim such housing for purposes of bonus development under this~~
9 ~~Section 23.49.181 or any other bonus or benefit under this Title 23, and shall demonstrate that~~
10 ~~the applicant has made a financial contribution to the affordable housing, or has promised such~~
11 ~~contribution in that linkage agreement and has provided to the City an irrevocable, unconditional~~
12 ~~letter of credit to ensure its payment, in form and content satisfactory to the Director of Housing,~~
13 ~~in either case in an amount determined by the Director of Housing to be, when reduced by the~~
14 ~~value of any expected benefits to be received for such contribution other than the bonus~~
15 ~~development, approximately equal to the subsidy gap for construction in South Downtown of at~~
16 ~~least the minimum amount of affordable housing determined under this Section 23.49.181 for the~~
17 ~~amount of bonus floor area sought by the applicant. The Director of Housing may require that~~
18 ~~one or more parties to a linkage agreement enter into an agreement with the City to establish~~
19 ~~performance criteria to be met in the development of the affordable housing, to provide for~~
20 ~~control of the financial contribution from the applicant to ensure its use for the affordable~~
21 ~~housing, and to provide for its use for alternative affordable housing if performance criteria are~~
22 ~~not met. The Director of Finance is authorized to establish any funds or accounts that the~~
23 ~~Director of Housing may deem necessary for the deposit of funds under any agreement~~

1 ~~authorized in this subsection 23.49.181.B.2.b., and to make disbursements from such funds or~~
2 ~~accounts as directed by the Director of Housing, but the monies in such funds or accounts shall~~
3 ~~not become property of the City unless applied against obligations owing to the City, and the~~
4 ~~expenditure of those monies on any project or contract shall not cause it to be treated as a public~~
5 ~~work or contract of the City.~~

6 ~~3. Effect of Certification by Director of Housing. If the Director of Housing~~
7 ~~certifies to the Director that either (a) the applicant has provided the City with (i) a satisfactory~~
8 ~~linkage agreement; (ii) evidence of a sufficient financial contribution, a letter of credit, or other~~
9 ~~sufficient security pursuant to subsection 23.49.181.B.2.b; and (iii) such other agreements as the~~
10 ~~Director of Housing requires pursuant to subsection 23.49.181.B.2.b, all sufficient for purposes~~
11 ~~of providing a specified amount of affordable housing consistent with this Section 23.49.181; or~~
12 ~~(b) there have been recorded one or more agreements or instruments satisfactory to the Director~~
13 ~~of Housing providing for occupancy and affordability restrictions on affordable housing with the~~
14 ~~minimum floor area determined under this Section 23.49.181 for the amount of bonus floor area~~
15 ~~sought by the applicant, all affordable housing has been completed, and the affordable housing~~
16 ~~either is on a different lot from the bonus floor area or is located in one or more condominium~~
17 ~~units separate from the bonus floor area under condominium documents acceptable to the~~
18 ~~Director of Housing; then any failure of the affordable housing to be completed or to satisfy the~~
19 ~~requirements of subsection 23.49.181.E shall not affect the right to maintain or occupy the bonus~~
20 ~~floor area and shall not cause the applicant or owner of the lot with the bonus floor area to be in~~
21 ~~violation of this Title 23. If all conditions to the certification in clause (a)(i) and (a)(iii) of this~~
22 ~~subsection 23.49.181.B.3, but not clause (a)(ii), are satisfied, the Director of Housing may~~
23 ~~deposit a certification with an escrow agent, with irrevocable instructions to date and deliver the~~

1 ~~certification when the escrow agent holds the necessary funds for delivery to an appropriate~~
2 ~~account as a contribution to the affordable housing, and delivery of the certification by the~~
3 ~~escrow agent shall then have the same effect as certification by the Director of Housing on the~~
4 ~~date of that delivery.~~

5 C. Findings. Pursuant to the authority of RCW 36.70A.540, the City finds that the higher
6 income levels specified in the definition of "income-eligible households" in this Section
7 23.49.181, rather than those stated in the definition of "low income households" in RCW
8 36.70A.540, are needed to address local housing market conditions in the area to which this
9 Section 23.49.181 applies.

10 D. Defined Terms. For purposes of this Section 23.49.181:

11 1. "Affordable housing" means a unit or units of low income housing provided as
12 a condition to bonus floor area.

13 2. "Base FAR" or "base floor area ratio" means a FAR of 4.

14 3. "Bonus floor area" means all chargeable floor area allowed in addition to the
15 base FAR.

16 4. "Income-eligible households" means:

17 a. In the case of rental housing, households with incomes no higher than
18 80 percent of median income as defined in Section 23.84A.025.

19 b. In the case of owner occupancy housing units, households with incomes
20 no higher than the median income as defined in Section 23.84A.025.

21 5. "Low income housing" means housing that serves income-eligible households
22 as determined in subsection 23.49.181.E.

1 6. "Net bonus floor area" means ~~gross square footage of bonus floor area,~~
2 ~~multiplied by an efficiency factor of 80 percent.~~

3 ~~E. Affordable housing~~

4 1. ~~Amount. An applicant using bonus floor area shall provide an amount of net~~
5 ~~rentable floor area of low income housing, applicable to units for sale or rent, equal to at least~~
6 ~~17.5 percent of the net bonus floor area obtained. For purposes of this subsection 23.49.181.E,~~
7 ~~"net rentable floor area" is equal to 80 percent of the gross floor area of the low income housing.~~

8 2. ~~Serving income-eligible households. For the purposes of this Section~~
9 ~~23.49.181, a housing unit serves income-eligible households only if either:~~

10 a. ~~For a period of 50 years beginning upon the issuance of a final~~
11 ~~certificate of occupancy by the Seattle Department of Construction and Inspections for the~~
12 ~~affordable housing, the housing is used as rental housing solely for income-eligible households at~~
13 ~~rent limited so that annual housing costs, including rent and basic utilities, do not exceed 30~~
14 ~~percent of 80 percent of median income, and the housing unit and the structure in which it is~~
15 ~~located are maintained in decent and habitable condition, including basic appliances in the~~
16 ~~housing unit; or~~

17 b. ~~The unit is sold for owner occupancy to an income-eligible household~~
18 ~~at an initial sale price limited so that the annual housing costs, including mortgage principal and~~
19 ~~interest, real estate taxes, insurance, plus homeowner dues if applicable, are not expected to~~
20 ~~exceed 35 percent of median income, according to a calculation based on reasonable assumptions~~
21 ~~and approved by the Director of Housing, and the unit is subject to a recorded instrument~~
22 ~~satisfactory to the Director of Housing with a term extending until 50 years after the issuance of~~
23 ~~a final certificate of occupancy by the Seattle Department of Construction and Inspections for the~~

1 ~~structure using the bonus floor area for which that affordable housing is provided, providing for~~
2 ~~sales prices on any resale consistent with affordability on the same basis as the initial sale,~~
3 ~~allowing resales only to income-eligible households, and requiring that upon any resale, the~~
4 ~~housing unit be in decent and habitable condition, including adequate basic appliances in the~~
5 ~~housing unit.~~

6 3. ~~Location, size, and other requirements. Affordable housing may be provided~~
7 ~~within the area defined on Map A for 23.49.180 where additional height is permitted.~~
8 ~~Alternatively, affordable housing may be provided on one or more different lots within South~~
9 ~~Downtown, subject to approval by the Director of Housing under the criteria in this subsection~~
10 ~~23.49.181.E and to the conditions in subsection 23.49.181.B.2. Approval requires a~~
11 ~~determination by the Director of Housing that the affordable housing will (a) provide a public~~
12 ~~benefit; and (b) be more affordable than market rents or sale prices, as applicable, for housing in~~
13 ~~South Downtown. The affordable housing shall be provided in a range of unit sizes consistent~~
14 ~~with RCW 36.70A.540 and comply with all requirements of RCW 36.70A.540.~~

15 4. ~~Time of completion. Unless affordable housing is to be provided on a lot other~~
16 ~~than that of the project using the bonus and the Director of Housing has made all approvals~~
17 ~~described in subsections 23.49.181.B.2 and 23.49.181.E.3, the affordable housing shall be~~
18 ~~completed and ready for occupancy at or before the time when a certificate of occupancy is~~
19 ~~issued for any bonus floor area that is based on the affordable housing and as a condition to any~~
20 ~~right of the applicant to such a certificate of occupancy.~~

21 5. ~~No subsidies for affordable housing; exceptions~~

22 a. ~~In general, and except as may be otherwise required by applicable~~
23 ~~federal or state law, no bonus floor area may be earned by providing affordable housing if:~~

1 1) ~~Any person is receiving or will receive with respect to the~~
2 ~~housing any charitable contributions or public subsidies for housing development or operation,~~
3 ~~including, but not limited to, tax exempt bond financing, low income housing tax credits, federal~~
4 ~~loans or grants, City of Seattle housing loans or grants, county housing funds, and State of~~
5 ~~Washington housing funds; or~~

6 2) ~~The housing is or would be, independent of the requirements for~~
7 ~~the bonus floor area, subject to any restrictions on the income of occupants, rents or sale prices.~~

8 b. ~~As exceptions to the general rule in subsection 23.49.181.E.5.a:~~

9 1) ~~All affordable housing provided as a condition to bonus floor~~
10 ~~area within the area defined on Map A for 23.49.180 where additional height is permitted may~~
11 ~~consist wholly or in part of the same units used to satisfy terms under which the lot or a portion~~
12 ~~thereof was transferred by a public body, and any units of affordable housing provided as a~~
13 ~~condition to bonus floor area on a lot outside the area defined on Map A for 23.49.180 where~~
14 ~~additional height is permitted, may consist wholly or in part of the same units used to satisfy~~
15 ~~terms under which the lot or a portion thereof was transferred by a public body;~~

16 2) ~~The improvements on the lot may qualify for, and affordable~~
17 ~~housing provided as a condition to bonus floor area may consist wholly or in part of the same~~
18 ~~units used to satisfy conditions of, property tax exemptions pursuant to Chapter 5.73; and~~

19 3) ~~The prohibition on public subsidies for affordable housing does~~
20 ~~not include Internal Revenue Code Section 45D, New Markets Tax Credits.~~

21 e. ~~The Director of Housing may require, as a condition of any bonus floor~~
22 ~~area, that the owner of the lot upon which the affordable housing is located agree not to seek or~~
23 ~~accept any subsidies, other than as described in subsection 23.49.181.E.5.b, related to housing.~~

1 ~~The Director of Housing may require that such agreement provide for the payment to the City,~~
2 ~~for deposit in an appropriate sub-fund or account, of the value of any subsidies received in~~
3 ~~excess of any amounts allowed by such agreement.~~

4 ~~d. As an exception to the restriction on subsidies, the Director of Housing~~
5 ~~may allow the building or buildings in which the affordable housing is located to be financed in~~
6 ~~part with subsidies based on determinations that:~~

7 ~~1) the total amount of affordable housing is at least 300 net~~
8 ~~residential square feet greater than the minimum amount of affordable housing that would be~~
9 ~~needed to satisfy the conditions of this Section 23.49.181;~~

10 ~~2) the public benefit of the affordable housing net of those~~
11 ~~subsidies, as measured through an economic analysis, exceeds the public benefit from the~~
12 ~~minimum amount of affordable housing; and~~

13 ~~3) the subsidies being allowed would not be sufficient to leverage~~
14 ~~private funds for production of the affordable housing, under restrictions required in this Section~~
15 ~~23.49.181, without additional City subsidy.~~

16 ~~6. Agreements and approvals. The Director of Housing is authorized to accept and~~
17 ~~execute agreements and instruments to implement this Section 23.49.181. Except with respect to~~
18 ~~bonus floor area based on an amount of affordable housing for which a certification by the~~
19 ~~Director of Housing is delivered pursuant to subsection 23.49.181.B.3, issuance of the Master~~
20 ~~Use Permit, building permit, or certificate of occupancy for the project using the bonus floor area~~
21 ~~may be conditioned on satisfactory agreements and instruments signed by applicants and other~~
22 ~~owners. An applicant or prospective applicant may request, and the Director of Housing may~~
23 ~~provide, a determination that a linkage agreement or security arrangement, or both, would satisfy~~

1 ~~specific provisions of this Section 23.49.181, whether or not an applicant has proposed a specific~~
2 ~~development to use bonus floor area, but no such approval or agreement shall affect the~~
3 ~~determination, under Chapter 23.76 or other applicable law, of the date as of which any~~
4 ~~development regulations apply to a permit application.~~

5 ~~7. Reports and fees. An applicant for bonus floor area shall pay a review fee and~~
6 ~~the housing owner shall provide annual reports to the Office of Housing. Fees shall be paid in~~
7 ~~accordance with the applicable fee ordinance item or Section 22.900G.015.~~

8 ~~F. Identification of bonus floor area. The floor area that constitutes bonus floor area under~~
9 ~~this Section 23.49.181 shall be determined according to the order in which Master Use Permits~~
10 ~~are issued to establish the chargeable floor area, with the base FAR allocable to the earlier~~
11 ~~Master Use Permits. Within a structure or structures developed under a single Master Use Permit~~
12 ~~that involves both base floor area and bonus floor area:~~

13 ~~1. If the complete applications for building permits for construction, not including~~
14 ~~any permits limited to excavation and shoring, are submitted at different times, then unless~~
15 ~~otherwise specifically identified in the Master Use Permit application and approved by the~~
16 ~~Director, the base floor area shall be allocated first to the structure or structures for which the~~
17 ~~earlier complete building permit applications are submitted; and~~

18 ~~2. If the complete applications for building permits for construction, not including~~
19 ~~any permits limited to excavation and shoring, are submitted at the same time, then unless~~
20 ~~otherwise specifically identified in the Master Use Permit application and approved by the~~
21 ~~Director, the bonus floor area shall be the chargeable floor area, excluding any affordable~~
22 ~~housing, in the highest stories in the structure or structures, and if only a portion of a story~~

1 ~~consists of bonus floor area, it shall be allocated to each portion of that story in proportion to its~~
2 ~~chargeable floor area, excluding any affordable housing, within that story.~~

3 ~~G. Obligation of Owners.~~

4 ~~1. Except as otherwise expressly provided in subsection 23.49.181.B.3, any owner~~
5 ~~of bonus floor area shall be in violation of this Title 23 if:~~

6 ~~a. any housing units to be provided as affordable housing for that bonus~~
7 ~~floor area are not timely completed and ready for occupancy, or are not subject to a recorded~~
8 ~~instrument binding on the owner thereof as provided in this Section 23.49.181; or~~

9 ~~b. at any time during the period specified in subsection 23.49.180.E.2, any~~
10 ~~rental housing unit provided or to be provided under this Section 23.49.181 for that bonus floor~~
11 ~~area does not serve income-eligible households; or~~

12 ~~c. any housing unit provided or to be provided as affordable housing for~~
13 ~~owner occupancy for that bonus floor area under subsection 23.49.181.E.2.b is initially~~
14 ~~transferred other than in a sale to an income-eligible household, and subject to a recorded~~
15 ~~instrument, consistent with that subsection 23.49.181.E.2.b.~~

16 ~~2. Any owner of a housing unit provided or to be provided as affordable housing~~
17 ~~in accordance with this Section 23.49.181 shall be in violation of this Title 23 if either:~~

18 ~~a. for a rental housing unit, at any time during the period specified in~~
19 ~~subsection 23.49.181.E.2 it does not serve income-eligible households within the meaning of that~~
20 ~~subsection 23.49.181.E.2; or~~

21 ~~b. in the case of a unit provided or to be provided for owner occupancy,~~
22 ~~the owner causes or permits the transfer of the unit, or of the right to occupy the unit, or any offer~~

~~for any transfer, contrary to the terms of a recorded instrument then in effect pursuant to this Section 23.49.181.~~

~~H. Rules. The Director, in consultation with the Director of Housing, is authorized to adopt rules to interpret and implement provisions of this Section 23.49.181.))~~

Section 39. Tables B and D for Section 23.54.015 of the Seattle Municipal Code, which section was last amended by Ordinance 126685, is amended as follows:

23.54.015 Required parking and maximum parking limits

* * *

| Table B for 23.54.015 Required parking for residential uses | | |
|--|---|--|
| Use | | Minimum parking required |
| I. General residential uses | | |
| A. | Adult family homes | 1 space for each dwelling unit |
| B. | Artist's studio/dwellings | 1 space for each dwelling unit |
| C. | Assisted living facilities | 1 space for each 4 assisted living units; plus 1 space for each 2 staff members on-site at peak staffing time; plus 1 barrier-free passenger loading and unloading space |
| D. | Caretaker's quarters | 1 space for each dwelling unit |
| E. | Congregate residences | 1 space for each 4 sleeping rooms |
| F. | Cottage housing developments ⁴ | 1 space for each dwelling unit |
| G. | Floating homes | 1 space for each dwelling unit |
| H. | Mobile home parks | 1 space for each mobile home lot as defined in Chapter 22.904 |
| I. | Multifamily residential uses, except as otherwise provided in this Table B for 23.54.015 ^{1,4} | 1 space per dwelling unit, or 1 space for each 2 small efficiency dwelling units |
| J. | Nursing homes | 1 space for each 2 staff doctors; plus 1 additional space for each 3 employees; plus 1 space for each 6 beds |
| K. | Single-family dwelling units ^{2,4} | 1 space for each dwelling unit |
| II. Residential use requirements for specific areas | | |

| | | |
|--|---|--|
| L. | All residential uses within urban centers or within the Station Area Overlay District ¹ | No minimum requirement |
| M. | All residential uses in commercial, RSL, and multifamily zones within urban villages that are not within urban center or the Station Area Overlay District, if the residential use is located within a frequent transit service area ^{1,3} | No minimum requirement |
| N. | Multifamily residential uses within the University of Washington parking impact area shown on Map A for 23.54.015 ¹ | 1 space per dwelling unit for dwelling units with fewer than 2 bedrooms; plus 1.5 spaces per dwelling units with 2 or more bedrooms; plus 0.25 spaces per bedroom for dwelling units with 3 or more bedrooms |
| O. | Multifamily dwelling units, within the Alki area shown on Map B for 23.54.015 ¹ | 1.5 spaces for each dwelling unit |
| ((III. Multifamily residential use requirements with rent and income criteria | | |
| P. | For each dwelling unit rent and income restricted at or below 80 percent of the median income ^{1,4} | No minimum requirement)) |
| <p>Footnotes to Table B for 23.54.015</p> <p>¹ The minimum amount of parking prescribed by Part I of Table B for 23.54.015 does not apply if a use, structure, or development qualifies for a greater or a lesser amount of minimum parking, including no parking, under any other provision of this Section 23.54.015. If more than one ((such)) provision ((may apply)) in this Table B for 23.54.015 is applicable, the provision requiring the least amount of minimum parking applies, except that if item O in Part II of Table B for 23.54.015 applies, it shall supersede any other ((applicable)) requirement in Part I or Part II of this Table B for 23.54.015. ((The minimum amount of parking prescribed by Part III of Table B for 23.54.015 applies to individual units within a use, structure, or development instead of any requirements in Parts I or II of Table B for 23.54.015.))</p> <p>² No parking is required for single-family residential uses on lots in any residential zone that are less than 3,000 square feet in size or less than 30 feet in width where access to parking is permitted through a required yard or setback abutting a street according to the standards of subsections 23.44.016.B.2, 23.45.536.C.2, or 23.45.536.C.3.</p> <p>³ Except as provided ((in Part III of Table B for 23.54.015)) in Footnote 4, the minimum amounts of parking prescribed by Part I of Table B for 23.54.015 apply within 1,320 feet of the Fauntleroy Ferry Terminal.</p> <p>⁴ ((Dwelling units qualifying for parking reductions according to Part III of Table B for 23.54.015 shall be subject to a recorded restrictive housing covenant or recorded regulatory agreement that includes rent and income restrictions at or below 80 percent of median income, without a minimum household income requirement. The housing covenant or regulatory agreement including rent and income restrictions qualifying the development for parking reductions according to Part III of Table B for 23.54.015 shall be for a term of at least 15 years from the date of issuance of the certificate of occupancy and shall be recorded with the King County Recorder, signed and acknowledged by the owner(s), in a form prescribed by the Director of Housing. If these provisions are applied to a development for housing for persons</p> | | |

~~55 or more years of age, such housing shall have qualified for exemptions from prohibitions against discrimination against families with children and against age discrimination under all applicable fair housing laws and ordinances.)) For each moderate-income unit and each low-income unit, no minimum amount of parking is required.~~

* * *

**Table D for 23.54.015
Parking for bicycles ¹**

| Use | | Bike parking requirements | |
|----------------------------------|---|---------------------------|---|
| | | Long-term | Short-term |
| * * * | | | |
| D. RESIDENTIAL USES ³ | | | |
| D.1 | Congregate residences ⁴ | 1 per sleeping room | 1 per 20 sleeping rooms. 2 spaces minimum |
| D.2 | ((Multi-family)) Multifamily structures other than townhouse and rowhouse developments ^{4, 5} | 1 per dwelling unit | 1 per 20 dwelling units |
| D.3 | Single-family residences | None | None |
| D.4 | Townhouse and rowhouse developments ⁵ | 1 per dwelling unit | None |
| ((D.5)) | Permanent supportive housing | None | None)) |

* * *

Footnotes to Table D for 23.54.015

¹ Required bicycle parking includes long-term and short-term amounts shown in this Table D for 23.54.015.

² The Director may reduce short-term bicycle parking requirements for theaters and spectator sport facilities that provide bicycle valet services authorized through a Transportation Management Program. A bicycle valet service is a service that allows bicycles to be temporarily stored in a secure area, such as a monitored bicycle corral.

³ For residential uses, after the first 50 spaces for bicycles are provided, additional spaces are required at three-quarters the ratio shown in this Table D for 23.54.015.

⁴ For congregate residences or multifamily structures that are owned and operated by a not-for-profit entity serving seniors or persons with disabilities, or that are licensed by the State and provide supportive services for seniors or persons with disabilities, as a Type I decision, the Director shall have the discretion to reduce the amount of required bicycle parking to as few as zero if it can be demonstrated that residents are less likely to travel by bicycle.

⁵ ~~((For each dwelling rent and income restricted at))~~ In low-income housing, there is no minimum required long-term bicycle parking requirement for each unit subject to affordability limits no higher than 30 percent of median income ~~((and below, there is no minimum required long-term bicycle parking requirement. For each dwelling rent and income restricted at 60 percent to 31 percent of the median income, long-term bicycle parking requirements may be wholly or partially waived by the Director as a Type I decision if the waiver would result in additional rent and income restricted units meeting the requirements of this footnote to Table D for 23.54.015 and when a reasonable alternative such as in-unit vertical bicycle storage space is provided. The Directors of the Seattle Department of Construction and Inspections~~

and Seattle Department of Transportation are authorized to promulgate a joint Directors' Rule defining reasonable alternatives for long-term bicycle parking that meets the standards of this footnote to Table D for 23.54.015. Dwelling units qualifying for this provision shall be subject to a housing covenant, regulatory agreement, or other legal instrument recorded on the property title and enforceable by The City of Seattle or other similar entity, which restricts residential unit occupancy to households at or below 60 percent of median income, without a minimum household income requirement. The housing covenant or regulatory agreement including rent and income restrictions shall be for a term of at least 40 years from the date of issuance of the certificate of occupancy and shall be recorded with the King County Recorder, signed and acknowledged by the owner(s), in a form prescribed by the Director of Housing or the Washington State Housing Finance Commission. If these provisions are applied to a development for housing for persons 55 or more years of age, such housing shall have qualified for exemptions from prohibitions against discrimination against families with children and against age discrimination under all applicable fair housing laws and ordinances)) and long-term bicycle parking requirements may be waived by the Director as a Type I decision for each unit subject to affordability limits greater than 30 percent of median income and no higher than 80 percent of median income if a reasonable alternative is provided (e.g., in-unit vertical bike storage).

⁶ The Director, in consultation with the Director of the Seattle Department of Transportation, may require more bicycle parking spaces based on the following factors: area topography; pattern and volume of expected bicycle users; nearby residential and employment density; proximity to the Urban Trails system and other existing and planned bicycle facilities; projected transit ridership and expected access to transit by bicycle; and other relevant transportation and land use information.

Section 40. Section 23.58A.002 of the Seattle Municipal Code, last amended by Ordinance 125791, is amended as follows:

23.58A.002 Scope of chapter; general rules

A. ((This)) Consistent with subsections 23.58B.020.D and 23.58C.025.D, this Chapter 23.58A ((contains)) provides rules for ((incentive programs)) incentives in; areas for which the provisions of the zone specifically refer to this Chapter 23.58A((-or in zones having)) ; and in zones with an incentive zoning suffix. The provisions in this Chapter 23.58A specify conditions under which extra floor area may be allowed, as exceptions to the otherwise applicable floor area or base height limit, or both, subject to the maximum limits stated in the provisions of the zone and to all other applicable requirements and approvals. Nothing in this Chapter 23.58A

1 authorizes allowance of extra floor area, or the construction or use of any structure, contrary to
2 any other provisions of this Title 23 or Title 25. (~~Developments for which extra floor area is~~
3 ~~sought may be subject to conditions under other chapters and titles of the Seattle Municipal~~
4 ~~Code, including without limitation conditions imposed pursuant to Chapter 25.05, Environmental~~
5 ~~Policies and Procedures.))~~)

6 B. The provisions of this Subchapter I apply generally to projects using any of the
7 incentive provisions in this Chapter 23.58A, unless otherwise expressly provided in the
8 applicable subchapter of this Chapter 23.58A or in the provisions of the zone.

9 C. Nothing in this Chapter 23.58A shall be construed to confer on any owner or
10 developer any development rights or property interests. The availability and terms of any
11 allowance of extra floor area depend on the regulations in effect on the relevant date for
12 consideration of a permit application for the project proposing to use such extra floor area,
13 pursuant to Section 23.76.026, notwithstanding any prior approvals, interpretations or
14 agreements by the Director, (~~(Housing))~~ Director of Housing, or other official regarding the
15 eligibility of any actual or proposed facility or feature to satisfy conditions for extra floor area.

16 D. In zones to which this Chapter 23.58A applies, low-income housing may achieve
17 bonus floor area according to provisions of the zone without meeting the requirements of this
18 Chapter 23.58A.

19 Section 41. Section 23.58A.003 of the Seattle Municipal Code, enacted by Ordinance
20 124172, is amended as follows:

21 **23.58A.003 Affordable housing (~~(incentive programs))~~ incentives: purpose and findings**

1 A. Purpose. The provisions of this Chapter 23.58A that relate to affordable housing are
2 intended to implement affordable housing (~~((incentive programs))~~) incentives authorized by RCW
3 36.70A.540, as (~~((it may be))~~) amended.

4 B. State law controlling. In case of any irreconcilable conflict with the terms of this
5 Chapter 23.58A related to an affordable housing incentive (~~((program))~~), the provisions of RCW
6 36.70A.540, as amended, shall supersede and control.

7 C. Findings

8 1. Pursuant to the authority of RCW 36.70A.540, the City finds that higher
9 income levels (~~((are needed to address local housing market conditions throughout the city. The
10 terms of the affordable housing incentive program in this Chapter 23.58A take into account that,
11 for affordable housing not receiving public subsidies, the higher income levels specified in the
12 definition of "income-eligible households" in this Chapter 23.58A,))~~) consistent with Section
13 23.58A.004's definition of "income-eligible households," rather than the income levels stated
14 (~~((for renter and owner occupancy program purposes in the definition of "low income~~
15 ~~households"))~~) for rental housing units and owner occupancy housing units in RCW 36.70A.540,
16 are needed to address local housing market conditions.

17 2. The "general area of the development for which a bonus or incentive is
18 provided" under RCW 36.70A.540 is deemed to be the Seattle city limits for all development
19 within the Seattle city limits.

20 Section 42. Section 23.58A.004 of the Seattle Municipal Code, last amended by
21 Ordinance 124608, is amended as follows:

22 **23.58A.004 Definitions**

23 * * *

1 "Affordable housing" means ~~((a unit or units of housing))~~ restricted units provided as a
2 condition to bonus floor area that are affordable to and reserved solely for "income-eligible
3 households."

4 "Base FAR" ~~((or "Base floor area ratio"))~~ means base floor area ratio which is the non-
5 residential floor area that may be allowed under the provisions of the zone limiting floor area,
6 expressed as a multiple of the lot area, without use of any bonuses, transfer of development
7 capacity, other incentive provisions, or any departures, waivers, variances or special exceptions.

8 * * *

9 "Extra residential floor area" means the gross floor area of all residential development
10 allowed in addition to a base height limit or base residential floor area limit, or both, under the
11 provisions of this Chapter 23.58A or under any other provisions of this Title 23 referring to
12 this Chapter 23.58A that allow a bonus or a transfer of development rights or development
13 capacity. It includes, without limitation, gross floor area in residential use in all stories wholly or
14 in part above the base height limit, and all bonus residential floor area. In the IDM 75/85-150
15 zone, hotel use in a ~~((mixed-use))~~ mixed-use project may be counted as extra residential floor
16 area subject to subsection 23.49.023.A and subsection 23.49.208.E.

17 * * *

18 "Housing bonus residential floor area" means extra residential floor area allowed on
19 condition that ~~((low-income))~~ affordable housing be provided, or that a payment in lieu thereof
20 be made, under ~~((subchapter))~~ Subchapter II of this Chapter 23.58A.

21 "Housing and child care bonus non-residential floor area" means extra non-residential
22 floor area allowed under ~~((subchapter))~~ Subchapter III of this Chapter 23.58A on condition that
23 ~~((low-income))~~ affordable housing be provided or a payment in lieu of ~~((low-income))~~ affordable

housing be made and that a child care facility be provided or a payment in lieu of a child care facility be made.

"Income-eligible households" means:

1. For rental affordable housing units, except affordable housing units ~~((of))~~ with net unit area equal to or less than 400 ~~((or fewer net))~~ square feet~~((, or))~~ and sleeping rooms in a congregate residence, households with annual incomes no higher than the lower of:

a. 80 percent of median income ~~((as defined in Section 23.84A.025))~~; or

b. ~~((the))~~ The maximum level permitted for rental housing units by RCW 36.70A.540 ~~((as))~~ in effect when the agreement for the ~~((housing to serve as))~~ affordable housing is executed.

2. In the case of ~~((owner-occupied))~~ ownership affordable housing units, households with incomes no higher than the lesser of:

a. 100 percent of median income~~((, as defined in Section 23.84A.025))~~, or

b. ~~((the))~~ The maximum level permitted for ~~((owner-occupied))~~ owner occupancy housing units by RCW 36.70A.540 ~~((as))~~ in effect when the agreement for the ~~((housing to serve as))~~ affordable housing is executed.

3. For affordable housing units ~~((of))~~ with net unit area equal to or less than 400 ~~((or fewer net))~~ square feet ~~((or))~~ and sleeping rooms in a congregate residence, households with annual incomes no higher than 40 percent of median income ~~((as defined in Section 23.84A.025))~~. For this purpose, the resident(s) of each sleeping room in a congregate residence ~~((are regarded as a separate))~~ is one household.

"Payment option" means making a payment to the City in lieu of providing ~~((low-income))~~ affordable housing, child care, or any amenity or feature, ~~((in-order))~~ to qualify for bonus floor area.

"Performance option" means providing or committing to provide a physical facility, or a portion or feature of a project, such as ~~((low-income))~~ affordable housing, ~~((in-order))~~ to qualify for bonus floor area.

* * *

Section 43. Section 23.58A.014 of the Seattle Municipal Code, last amended by Ordinance 125791, is amended as follows:

23.58A.014 Bonus residential floor area for affordable housing

A. Scope; general rule. This Section 23.58A.014 applies to bonus residential floor area for affordable housing allowed on lots for which applicable sections of this Title 23 expressly refer to this Chapter 23.58A. To obtain bonus residential floor area for affordable housing, the applicant may use the performance option, the payment option, or a combination of these options, in accordance with this Section 23.58A.014 and subject to the provisions of the zone. However, where the maximum allowable height under the applicable provisions of the zone is 85 feet or less, the applicant may only use the performance option.

B. Performance option

1. Amount of affordable housing. An applicant using the performance option shall provide affordable housing units with ~~((a-gross-floor))~~ total net unit area measured according to subsection 23.86.007.B at least equal to the greatest of:

a. 14 percent of the gross bonus residential floor area ~~((obtained through the performance option, except that an applicant may elect to provide affordable housing equal to~~

1 ~~eight percent of the gross bonus residential floor area obtained through the performance option if~~
2 ~~the housing is affordable to, and restricted to occupancy by, households with incomes no higher~~
3 ~~than 50 percent of median income as defined by Section 23.84A.025))~~ achieved according to this
4 subsection 23.58A.014.B; or

5 b. 300 ((~~net residential~~)) square feet; or

6 c. ((~~any~~)) Any minimum floor area specified in the provisions of the zone.

7 The percentage of gross bonus residential floor area obtained through the
8 performance option to be provided as affordable housing may be reduced by the Council below
9 14 percent of the gross bonus residential floor area to no less than 12 percent of the gross bonus
10 residential floor area as a Type V decision on an official land use map amendment or text
11 amendment when the Council determines that the reduction is needed to accomplish
12 Comprehensive Plan goals and policies or to reflect economic conditions of the area. Applicants
13 may provide affordable housing as part of the development ((~~using~~)) that includes extra floor
14 area, or by providing or contributing to affordable housing at another location, subject to
15 requirements in subsection 23.58A.014.B.8 and approval in writing by the Director of Housing
16 prior to issuance of any permit after the first building permit for the development ((~~using~~)) that
17 includes the bonus residential floor area and before any permit for any construction activity other
18 than excavation and shoring for the development ((~~using~~)) that includes the bonus residential
19 floor area is issued.

20 2. Agreement. The City and the affordable housing owner shall enter into an
21 agreement specifying the affordable housing requirements under this subsection 23.58A.014.B.
22 This agreement shall be executed and recorded prior to issuance and as a condition to issuance of
23 any permit after the first building permit for the development ((~~using~~)) that includes the bonus

residential floor area and before any permit for any construction activity other than excavation and shoring for the development ~~((using))~~ that includes the bonus residential floor area is issued.

If the first building permit is issued for the structural frame for the structure that includes affordable housing according to this Section 23.58A.014 and such structure is acquired by a new owner to provide low-income housing, the agreement(s) according to this subsection 23.58A.014.B.2 and subsection 23.58A.014.B.6.b may be released at the sole discretion of the Director of Housing.

3. Duration. Affordable housing shall serve only income-eligible households for a minimum period of 50 years from the ~~((later of the date when the agreement between the housing owner and the City is recorded, or the))~~ date when a certificate of occupancy is issued for the structure that includes the affordable housing ~~((becomes available for occupancy as determined by the City))~~.

4. Unit size and distribution. Affordable housing shall be provided in a range of sizes comparable to those units that are available to other residents. To the extent practicable, the ~~((number of bedrooms in))~~ affordable housing units must be in the same proportion as ~~((the number of bedrooms in))~~ total units ~~((within the entire))~~ in the development in terms of size and configuration. The affordable housing units shall generally be distributed throughout the development and have substantially the same functionality as the other units in the development.

5. Additional standards for rental housing~~((For rental housing:))~~

a. ~~((monthly))~~ Monthly rent, including basic utilities, shall not exceed 30 percent of the applicable income limit for the affordable housing unit, all as determined by the Director of Housing~~((, for a minimum period of 50 years; and))~~ .

1 b. ~~((the housing owner shall submit a report to the Office of Housing~~
2 ~~annually that documents how the affordable housing meets the terms of the recorded~~
3 ~~agreement.))~~ Periodically as may be required by the Director of Housing, but no less than
4 annually, the owner of the affordable housing shall submit to the Office of Housing a written
5 report demonstrating compliance with and housing outcomes of this Section 23.58A.014. The
6 report shall include information and supporting documentation as required and in a form
7 prescribed by the Office of Housing, and it must be verified upon the owner's oath or
8 affirmation. The Director of Housing is authorized to assess a late fee of \$50 per day, which shall
9 accrue until the report is submitted, starting 14 days from the date the Office of Housing notifies
10 the owner of the affordable housing that the report is overdue.

11 c. The owner of the affordable housing shall pay the Office of Housing an
12 annual fee of \$190 per affordable housing unit for the purpose of monitoring compliance
13 according to this Section 23.58A.014. No more than once each calendar year starting in 2024, the
14 Office of Housing may adjust the fee provided any increase is proportional to or less than the
15 change, for the time period since the previous fee adjustment, in the Consumer Price Index, All
16 Urban Consumers, Seattle-Tacoma-Bellevue, WA, All Items (1982-1984=100), as determined by
17 the U.S. Department of Labor, Bureau of Labor Statistics, or successor index.

18 6. Additional standards for ~~((owner-occupied))~~ ownership housing((-))
19 ~~((For owner-occupied housing, the initial sale price of the unit and~~
20 ~~subsequent sale prices upon resale of))~~ a. Initial and resale prices for the affordable housing unit
21 ~~((during the 50-year affordability period))~~ shall be restricted to an amount determined by the
22 Director of Housing to be affordable to an income-eligible household((-, such that the annualized
23 housing payment for the unit does not exceed 35 percent of the annual income of an income-

1 ~~eligible household, adjusted by the household size expected to occupy the unit based on the~~
2 ~~number of bedrooms. The method to determine the sale price of the unit, subject to approval by~~
3 ~~the Director of Housing, includes mortgage principal and interest payments as calculated by~~
4 ~~prevailing interest rates, real estate taxes, insurance, homeowner association dues and any other~~
5 ~~housing cost deemed reasonable by the Director of Housing, and requirements relating to down-~~
6 ~~payment amount and homebuyer contributions)).~~ The Office of Housing will establish by rule the
7 formula for calculating maximum affordable prices for initial sales and resales to allow modest
8 growth in homeowner equity while maintaining long-term affordability for future buyers.

9 b. The affordable housing unit shall be subject to recorded instruments
10 satisfactory to the Director of Housing providing for limits on sale and resale prices ((on any
11 resale consistent with the affordability restriction on the same basis)) according to Section
12 23.58A.004 for a minimum period of 50 years.

13 c. Periodically as may be required by the Director of Housing, but no less
14 than annually, the applicant or third-party stewardship entity, as applicable, shall submit to the
15 Office of Housing a written report demonstrating compliance with and housing outcomes of this
16 Section 23.58A.014. The report shall include information and supporting documentation as
17 required and in a form prescribed by the Office of Housing, and it must be verified upon the
18 owner's oath or affirmation. The Director of Housing is authorized to assess a late fee of \$50 per
19 day, which shall accrue until the report is submitted, starting 14 days from the date the Office of
20 Housing notifies the owner of the affordable housing that the report is overdue.

21 d. The owner of each ownership affordable housing unit shall pay to the
22 Office of Housing or third-party stewardship entity, as applicable, an annual fee payable in 12

1 equal payments for purposes of monitoring compliance with this Section 23.58A.014. The fee
2 shall be established by the Director of Housing by rule.

3 7. Additional standards for on-site performance. If the affordable housing is
4 provided within the development ~~((using))~~ that includes the bonus residential floor area, the
5 affordable housing shall be completed and ready for occupancy at or before the time when a
6 certificate of occupancy is issued for any other units in the development ~~((using))~~ that includes
7 the bonus residential floor area, and as a condition to any right of the applicant to such a
8 certificate of occupancy.

9 8. Additional standards for off-site performance. If the affordable housing is not
10 provided within the development ~~((using))~~ that includes the bonus residential floor area, it may
11 be provided off-site according to the following standards:

12 a. ~~((Development that uses bonus residential floor area within the South~~
13 ~~Lake Union Urban Center must provide off-site))~~ Off-site affordable housing must be provided
14 within the South Lake Union Urban Center if the development that includes bonus residential
15 floor area is within the South Lake Union Urban Center. ~~((Outside))~~ If the development that
16 includes bonus residential floor area is outside the South Lake Union Urban Center, the
17 ~~((applicant shall demonstrate to the satisfaction of the Director of Housing that the))~~ off-site
18 affordable housing ~~((is located))~~ must be in Seattle city limits, in priority order, (1) within the
19 same urban center or village as the development ~~((using the bonus residential floor area or)), (2)~~
20 within 1 mile of the development ~~((using the bonus residential floor area or that it is infeasible~~
21 ~~for the off-site affordable housing to be located within this area. If the affordable housing is not~~
22 ~~located within the same urban center or village as the development using the bonus residential~~
23 ~~floor area or within 1 mile of the development using the bonus residential floor area, it shall be:~~

1 ~~1) located within Seattle city limits and~~), (3) within 0.5 mile of a
2 light rail or bus rapid transit station(~~;~~ ~~or~~
3 ~~2) if the applicant demonstrates that providing the affordable~~
4 ~~housing in such a location is also infeasible, then the Director of Housing may allow the~~
5 ~~affordable housing to be provided within Seattle city limits and~~), or (4) within 0.25 mile of a bus
6 or streetcar stop.

7 b. The applicant shall provide to the City an irrevocable letter of credit, or
8 other sufficient security approved by the Director of Housing, prior to issuance and as a
9 condition of issuance of any permit after the first building permit for the development ~~((using))~~
10 that includes the bonus residential floor area and before any permit for any construction activity
11 other than for excavation and shoring for the development is issued, unless completion of the
12 affordable housing has ~~((already))~~ been documented to the satisfaction of the Director of
13 Housing and the affordable housing is subject to recorded restrictions satisfactory to the Director
14 of Housing. The letter of credit or other security shall be in an amount equal to the ~~((Payment~~
15 ~~Option))~~ payment option amount calculated according to provisions in subsection 23.58A.014.C,
16 plus an amount equal to interest on such payment. The Director of Housing is authorized to
17 adopt, by rule, terms and conditions of such security including the amount of security and rate of
18 annual interest, conditions on which the City shall have a right to draw on the letter of credit or
19 other security, and terms should the City become entitled to realize on any such security.

20 c. Any failure of the affordable housing to satisfy the requirements of this
21 subsection 23.58A.014.B shall not affect the right to maintain or occupy the bonus residential
22 floor area if the Director of Housing certifies to the Director that either:

1 1) ~~((the))~~ The applicant has provided the City with a letter of credit
2 or other sufficient security pursuant to subsection 23.58A.014.B.8.b; or

3 2) ~~((there))~~ There have been recorded one or more agreements or
4 instruments satisfactory to the Director of Housing providing for occupancy and affordability
5 restrictions on affordable housing with the minimum floor area determined under this Section
6 23.58A.014, all affordable housing has been completed, and the affordable housing is on a
7 different lot from the bonus residential floor area or is in one or more condominium units
8 separate from the bonus residential floor area under condominium documents acceptable to the
9 Director of Housing.

10 d. Unless and until the Director of Housing shall certify as set forth in
11 subsection 23.58A.014.B.8.c, it shall be a continuing permit condition, whether or not expressly
12 stated, for each development obtaining bonus residential floor area based on the provision of
13 housing to which this Section 23.58A.014 applies, that the affordable housing shall be
14 maintained in compliance with the terms of this Section 23.58A.014 and any applicable
15 provisions of the zone, as documented to the satisfaction of the Director of Housing.

16 ~~((9. Limits on subsidies for affordable housing~~

17 a. ~~Except as allowed in subsections 23.58A.014.B.9.b and~~
18 ~~23.58A.014.B.9.c, no bonus residential floor area may be earned by providing affordable housing~~
19 ~~if:~~

20 1) ~~Any person is receiving or will receive with respect to the~~
21 ~~affordable housing any charitable contributions or public subsidies for development or operation,~~
22 ~~including, but not limited to, tax exempt bond financing, tax credits, federal loans or grants, City~~

1 ~~of Seattle housing loans or grants, county housing funds, and State of Washington housing funds;~~
2 ~~or~~

3 ~~2) The housing is or would be, independent of the requirements for~~
4 ~~the bonus residential floor area and Chapter 5.73, subject to any restrictions on the income of~~
5 ~~occupants, rents or sale prices.~~

6 ~~b. For the purpose of this subsection 23.58A.014.B.9, the qualification for~~
7 ~~and use of property tax exemptions pursuant to Chapter 5.73, or any other program implemented~~
8 ~~pursuant to chapter 84.14 RCW, does not constitute a subsidy and any related conditions~~
9 ~~regarding incomes, rent or sale prices do not constitute restrictions.~~

10 ~~c. As an exception to subsection 23.58A.014.B.9.a, the Director of Housing may~~
11 ~~allow the building or buildings in which the affordable housing is located to be financed in part~~
12 ~~with subsidies based on the determination that:~~

13 ~~1) the total amount of affordable housing is at least 300 net residential~~
14 ~~square feet greater than the amount otherwise required through the performance option under this~~
15 ~~Section 23.58A.014;~~

16 ~~2) the public benefit of the affordable housing, as measured through an~~
17 ~~economic analysis, exceeds the amount of the payment in lieu that would otherwise be paid by at~~
18 ~~least the value of any subsidies; and~~

19 ~~3) the subsidies being allowed would not be sufficient to leverage private~~
20 ~~funds for production of the affordable housing, under restrictions as required for the performance~~
21 ~~option, without additional City subsidy in an amount greater than the payment in lieu amount~~
22 ~~that would otherwise be paid.))~~ 9. Affordable housing; no other restrictions. The affordable

23 housing units provided according to this Section 23.58A.014 and restricted units provided for

1 any other reason, including but not limited to a property tax exemption or loans and grants, must
2 be different units.

3 10. ~~((Fees shall be paid by the applicant and owner of affordable housing to the~~
4 ~~Seattle Department of Construction and Inspections and the Office of Housing as specified under~~
5 ~~Chapter 22.900G.))~~ The applicant for a project that includes bonus floor area according to this
6 Section 23.58A.014 shall pay housing review fees according to Section 22.900G.015.

7 C. Payment option. The payment option is available only where the maximum height for
8 residential use under the provisions of the zone is more than 85 feet and only if the Director
9 determines that the payment achieves a result equal to or better than providing the affordable
10 housing on-site and the payment does not exceed the approximate cost of developing the same
11 number and quality of housing units that would otherwise be developed. The amount of the in-
12 lieu payment made at the time specified in subsection 23.58A.014.C.2 shall be based on the
13 payment amount that is in effect when vesting of a Master Use Permit occurs under Section
14 23.76.026.

15 1. Amount of payments

16 a. ~~((Except as provided in subsection 23.58A.014.C.1.b, in))~~ In lieu of all
17 or part of the performance option, an applicant may pay to the City (((\$15.15)) \$29.15 per square
18 foot of gross bonus residential floor area. Cash payment amounts shall automatically adjust
19 according to subsection 23.58A.014.C.1.b.

20 b. ~~((In the South Lake Union Urban Center, in lieu of all or part of the~~
21 ~~performance option, an applicant may pay to the City \$21.68 per square foot of gross bonus~~
22 ~~residential floor area. On July 1, 2014, and on the same day annually thereafter the))~~ The in-lieu
23 payment amount in ((this)) subsection ((23.58A.014.C.1.b)) 23.58A.014.C.1.a shall

1 automatically adjust once each calendar year starting in 2024 by an amount in proportion to the
2 change, for the period since the previous adjustment, in the Consumer Price Index, All Urban
3 Consumers, Seattle-Tacoma-Bellevue, WA, All Items (1982-84 = 100), as determined by the
4 U.S. Department of Labor, Bureau of Labor Statistics, or successor index(~~(, from the time the in-~~
5 ~~lieu payment was established or last adjusted)~~)).

6 2. Timing of payments. Cash payments shall be made prior to issuance and as a
7 condition to issuance of any permit after the first building permit for a development and before
8 any permit for any construction activity other than excavation and shoring is issued, unless the
9 applicant elects in writing to defer payment. If the applicant elects to defer payment, then the
10 issuance of any certificate of occupancy for the development shall be conditioned upon payment
11 of the full amount of the cash payment determined under this Section 23.58A.014, plus an
12 ~~((interest factor))~~ inflation adjustment equal to that amount multiplied by the increase, if any, in
13 the Consumer Price Index, All Urban Consumers, ~~((West Region))~~ Seattle-Tacoma-Bellevue,
14 WA, All Items (1982-84=100), as published monthly, from the last month prior to the date when
15 payment would have been required if deferred payment had not been elected, to the last month
16 for which data are available at the time of payment. If the index specified in this subsection
17 23.58A.014.C.2 is not available for any reason, the Director shall select a substitute cost of living
18 index. In no case shall the ~~((interest factor))~~ inflation adjustment be less than zero.

19 3. Deposit and use of payments. Cash payments in lieu of affordable housing shall
20 be deposited in a special account established solely to support the development of housing for
21 income-eligible households as defined in this Chapter 23.58A. Earnings on balances in the
22 special account shall accrue to that account. The Director of Housing shall use cash payments
23 and any earnings thereon to support the development of housing for income-eligible households

1 in any manner now or hereafter permitted by RCW 36.70A.540. Uses of funds may include the
2 City's costs to administer housing for income-eligible households, not to exceed ten percent of
3 the payments into the special account. Housing for income-eligible households funded wholly or
4 in part with cash payments shall be located within the Seattle city limits.

5 * * *

6 Section 44. Section 23.58A.024 of the Seattle Municipal Code, last amended by
7 Ordinance 124919, is amended as follows:

8 **23.58A.024 Bonus non-residential floor area for affordable housing and child care**

9 A. Scope; general rule. This Section 23.58A.024 applies to bonus non-residential floor
10 area for affordable housing and child care allowed on lots for which applicable sections of this
11 Title 23 expressly refer to this Chapter 23.58A. To obtain bonus non-residential floor area for
12 affordable housing and child care, the applicant may use the performance option, the payment
13 option, or a combination of these options, in accordance with this Section 23.58A.024 and
14 subject to the provisions of the zone.

15 B. Performance option for housing

16 1. Amount of affordable housing. An applicant using the housing performance
17 option shall provide affordable housing units with ~~((a gross floor))~~ total net unit area, measured
18 according to subsection 23.86.007.B, at least equal to 15.6 percent of gross bonus non-residential
19 floor area ~~((obtained through the performance option))~~ achieved according to this subsection
20 23.58A.024.B.

21 2. Agreement. The City and the affordable housing owner shall enter into an
22 agreement specifying the affordable housing requirements under this subsection 23.58A.024.B.
23 This agreement shall be executed and recorded prior to issuance and as a condition to issuance of

any permit after the first building permit for the development ~~((using))~~ that includes the bonus non-residential floor area and before any permit for any construction activity other than excavation and shoring for the development is issued. If the first building permit is issued for the structural frame for the structure that includes affordable housing according to this Section 23.58A.024 and such structure is acquired by a new owner to provide low-income housing, the agreement(s) according to this subsection 23.58A.024.B.2 and subsection 23.58A.024.B.6.b may be released at the sole discretion of the Director of Housing.

3. Duration. Affordable housing shall serve only income-eligible households for a minimum period of 50 years from the ~~((later of the date when the agreement between the housing owner and the City is recorded, or the))~~ date when a certificate of occupancy is issued, or if no certificate of occupancy is required the date of the final building permit inspection, for the affordable housing ~~((becomes available for occupancy as determined by the City))~~.

4. Unit size and distribution. Affordable housing shall be provided in a range of sizes comparable to those units that are available to other residents. To the extent practicable, the ~~((number of bedrooms in))~~ affordable housing units must be in the same proportion as ((the number of bedrooms in)) total units ((within the entire)) in the development in terms of size and configuration. The affordable units shall generally be distributed throughout the development and have substantially the same functionality as the other units in the development.

5. Additional standards for rental housing~~((For rental housing:))~~

a. ~~((monthly))~~ Monthly rent, including basic utilities, shall not exceed 30 percent of the applicable income limit for the affordable housing unit, all as determined by the Director of Housing, for a minimum period of 50 years~~((; and))~~ .

1 b. ~~((the housing owner shall submit a report to the Office of Housing~~
2 ~~annually that documents how the affordable housing meets the terms of the recorded~~
3 ~~agreement.))~~ Periodically as may be required by the Director of Housing, but no less than
4 annually, the owner of the affordable housing shall submit to the Office of Housing a written
5 report demonstrating compliance with and housing outcomes of this Section 23.58A.024. The
6 report shall include information and supporting documentation as required and in a form
7 prescribed by the Office of Housing, and it must be verified upon the owner's oath or
8 affirmation. The Director of Housing is authorized to assess a late fee of \$50 per day, which shall
9 accrue until the report is submitted, starting 14 days from the date the Office of Housing notifies
10 the owner of the affordable housing that the report is overdue.

11 c. The owner of the affordable housing shall pay the Office of Housing an
12 annual fee of \$190 per affordable housing unit for the purpose of monitoring compliance
13 according to this Section 23.58A.024. No more than once each calendar year starting in 2024, the
14 Office of Housing may adjust the fee provided any increase is proportional to or less than the
15 change, for the time period since the previous fee adjustment, in the Consumer Price Index, All
16 Urban Consumers, Seattle-Tacoma-Bellevue, WA, All Items (1982-1984=100), as determined by
17 the U.S. Department of Labor, Bureau of Labor Statistics, or successor index.

18 6. Additional standards for ~~((owner-occupied))~~ ownership housing((-))
19 ~~((For owner-occupied housing, the initial sale price of the unit and~~
20 ~~subsequent sale prices upon resale of))~~ a. Initial and resale prices for the affordable housing unit
21 ~~((during the 50-year affordability period))~~ shall be restricted to an amount determined by the
22 Director of Housing to be affordable to an income-eligible household((-, such that the annualized
23 housing payment)) for the unit does not exceed 35 percent of the annual income of an income-

1 ~~eligible household, adjusted by the household size expected to occupy the unit based on the~~
2 ~~number of bedrooms. The method to determine the sale price of the unit, subject to approval by~~
3 ~~the Director of Housing, includes mortgage principal and interest payments as calculated by~~
4 ~~prevailing interest rates, real estate taxes, insurance, homeowner association dues and any other~~
5 ~~housing cost deemed reasonable by the Director of Housing, and requirements relating to down-~~
6 ~~payment amount and homebuyer contributions)).~~ The Office of Housing will establish by rule the
7 formula for calculating maximum affordable prices for initial sales and resales to allow modest
8 growth in homeowner equity while maintaining long-term affordability for future buyers.

9 b. The affordable housing unit shall be subject to recorded instruments
10 satisfactory to the Director of Housing providing for limits on sale and resale prices ((on any
11 resale consistent with the affordability restriction on the same basis)) according to Section
12 23.58A.004 for a minimum period of 50 years.

13 c. Periodically as may be required by the Director of Housing, but no less
14 than annually, the applicant or third-party stewardship entity, as applicable, shall submit to the
15 Office of Housing a written report demonstrating compliance with and housing outcomes of this
16 Section 23.58A.024. The report shall include information and supporting documentation as
17 required and in a form prescribed by the Office of Housing, and it must be verified upon the
18 owner's oath or affirmation. The Director of Housing is authorized to assess a late fee of \$50 per
19 day, which shall accrue until the report is submitted, starting 14 days from the date the Office of
20 Housing notifies the owner of the affordable housing that the report is overdue.

21 d. The owner of each ownership affordable housing unit shall pay to the
22 Office of Housing or third-party stewardship entity, as applicable, an annual fee payable in 12

1 equal payments for purposes of monitoring compliance with this Section 23.58A.024. The fee
2 shall be established by the Director of Housing by rule.

3 7. Additional standards for on-site performance. If the affordable housing is
4 provided within the development ~~((using))~~ that includes the bonus non-residential floor area, the
5 affordable housing shall be completed and ready for occupancy at or before the time when a
6 certificate of occupancy is issued for any chargeable floor area in the development ~~((using))~~ that
7 includes the bonus non-residential floor area, and as a condition to any right of the applicant to
8 such a certificate of occupancy.

9 8. Additional standards for off-site performance. If the affordable housing is not
10 provided within the development ~~((using))~~ that includes the bonus non-residential floor area, it
11 may be provided off-site according to the following standards:

12 a. ~~((Developments that use))~~ If the development that includes bonus non-
13 residential floor area is within the South Lake Union Urban Center ~~((shall provide))~~ , the off-site
14 affordable housing must be located within the South Lake Union Urban Center or within one
15 mile of the development ~~((using))~~ that includes the bonus non-residential floor area and no more
16 than 0.25 mile from the South Lake Union Urban Center boundary. ~~((Outside))~~ If the
17 development that includes bonus non-residential floor area is outside of the South Lake Union
18 Urban Center, the ~~((applicant shall demonstrate to the satisfaction of the Director of Housing that~~
19 ~~the))~~ off-site affordable housing ~~((is located))~~ must be in Seattle city limits, in priority order, (1)
20 within the same urban center or village as the development ~~((using the bonus residential floor~~
21 ~~area or))~~ , (2) within one mile of the development ~~((using the bonus non-residential floor area or~~
22 ~~that it is infeasible for the off-site affordable housing to be located within this area. If the~~
23 ~~affordable housing is not located within the same urban center or village as the development~~

1 ~~using the bonus residential floor area or within one mile of the development using the bonus non-~~
2 ~~residential floor area, it shall be located either:~~

3 ~~1) within the Seattle city limits and)) , (3) within 0.5 mile of a light~~
4 ~~rail or bus rapid transit station((; or~~

5 ~~2) if the applicant demonstrates that providing the affordable~~
6 ~~housing in such a location is also infeasible, then the Director of Housing may allow the~~
7 ~~affordable housing to be provided in the city within the Seattle city limits and)) , or (4) within~~
8 ~~0.25 mile of a bus or streetcar stop.~~

9 b. The applicant shall provide to the City an irrevocable letter of credit, or
10 other sufficient security approved by the Director of Housing, prior to and as a condition of
11 issuance of any permit after the first building permit for the development ~~((using the))~~ that
12 includes bonus nonresidential floor area and before any permit for construction activity other
13 than excavation and shoring is issued, unless completion of the affordable housing has
14 ~~((already))~~ been documented to the satisfaction of the Director of Housing and the affordable
15 housing is subject to recorded restrictions satisfactory to the Director of Housing. The letter of
16 credit or other security shall be in an amount equal to the payment option amount calculated
17 according to provisions in subsection 23.58A.024.D, plus an amount equal to interest on such
18 payment. The Director of Housing is authorized to adopt, by rule, terms and conditions of such
19 security including the amount of security and rate of annual interest, conditions on which the
20 City shall have a right to draw on the letter of credit or other security, and terms should the City
21 become entitled to realize on any such security.

1 c. Any failure of the affordable housing to satisfy the requirements of this
2 subsection 23.58A.024.B shall not affect the right to maintain or occupy the bonus nonresidential
3 floor area if the Director of Housing certifies to the Director that either:

4 1) ~~((the))~~ The applicant has provided the City with a letter of credit
5 or other sufficient security pursuant to subsection 23.58A.024.B.8.b; or

6 2) ~~((there))~~ There have been recorded one or more agreements or
7 instruments satisfactory to the Director of Housing providing for occupancy and affordability
8 restrictions on affordable housing with the minimum floor area determined under this Section
9 23.58A.024, all affordable housing has been completed, and the affordable housing is on a
10 different lot from the bonus nonresidential floor area or is in one or more condominium units
11 separate from the bonus ~~((development))~~ nonresidential floor area under condominium
12 documents acceptable to the Director of Housing.

13 d. Unless and until the Director of Housing certifies as set forth in
14 subsection 23.58A.024.B.8.c, it shall be a continuing permit condition, whether or not expressly
15 stated, for each development obtaining bonus nonresidential floor area based on the provision of
16 housing to which this Section 23.58A.024 applies, that the affordable housing shall be
17 maintained in compliance with the terms of this Section 23.58A.024 and any applicable
18 provisions of the zone, as documented to the satisfaction of the Director of Housing.

19 ~~((9. Limits on subsidies for affordable housing~~

20 a. ~~Except as allowed in subsection 23.58A.014.B.9.b and~~
21 ~~23.58A.014.B.9.c, no bonus nonresidential floor area may be earned by providing affordable~~
22 ~~housing if:~~

1 1) ~~Any person is receiving or will receive with respect to the~~
2 ~~affordable housing any charitable contributions or public subsidies for housing development or~~
3 ~~operation, including, but not limited to, tax exempt bond financing, tax credits, federal loans or~~
4 ~~grants, City of Seattle housing loans or grants, county housing funds, and State of Washington~~
5 ~~housing funds; or~~

6 2) ~~The housing is or would be, independent of the requirements for~~
7 ~~the bonus nonresidential floor area and Chapter 5.73, subject to any restrictions on the income of~~
8 ~~occupants, rents or sale prices.~~

9 b. ~~For the purpose of this subsection 23.58A.024.B.9, the qualification for~~
10 ~~and use of property tax exemptions pursuant to Chapter 5.73, or any other program implemented~~
11 ~~pursuant to RCW 84.14, does not constitute a subsidy and any related conditions regarding~~
12 ~~incomes, rent or sale prices do not constitute restrictions.~~

13 c. ~~As an exception to subsection 23.58A.024.B.9.a.1, the Director of~~
14 ~~Housing may allow the building or buildings in which the affordable housing is located to be~~
15 ~~financed in part with subsidies based on the determination that:~~

16 1) ~~the total amount of affordable housing is at least 300 net~~
17 ~~residential square feet greater than the amount otherwise required through the performance~~
18 ~~option under this Section 23.58A.024;~~

19 2) ~~the public benefit of the affordable housing, as measured~~
20 ~~through an economic analysis, exceeds the amount of the payment in lieu that would otherwise~~
21 ~~be paid by at least the value of any subsidies; and~~

22 3) ~~the subsidies being allowed would not be sufficient to leverage~~
23 ~~private funds for production of the affordable housing, under restrictions as required for the~~

1 ~~performance option, without additional City subsidy in an amount greater than the payment in-~~
2 ~~lieu amount that would otherwise be paid.))~~ 9. Affordable housing; no other restrictions. The
3 affordable housing units provided according to this Section 23.58A.024 and restricted units
4 provided for any other reason, including but not limited to a property tax exemption or loans and
5 grants, must be different units.

6 10. ~~((Fees shall be paid by the applicant and owner of affordable housing to the~~
7 ~~Seattle Department of Construction and Inspections and the Office of Housing as specified under~~
8 ~~Section 22.900G.015.))~~ The applicant for a project that includes bonus floor area according to
9 this Section 23.58A.024 shall pay housing review fees according to Section 22.900G.015.

10 * * *

11 D. Payment option

12 1. Amount of payments. The amount of the in lieu payment made at the time
13 specified in subsection 23.58A.024.D.2 shall be based on the payment amount that is in effect
14 when vesting of a Master Use Permit occurs under Section 23.76.026.

15 a. ~~((Except as provided in subsection 23.58A.024.D.1.b, in))~~ In lieu of all
16 or part of the performance option for affordable housing, an applicant may provide a cash
17 contribution to the City of ~~(((\$18.75))~~ \$33.31 per ~~((gross))~~ square foot of gross bonus
18 nonresidential floor area, if the Director of Housing determines that the payment achieves a
19 result equal to or better than providing the low-income housing on-site and the payment does not
20 exceed the approximate cost of developing the same number and quality of housing units that
21 would otherwise be developed. In lieu of all or part of the performance option for child care, the
22 applicant may provide a cash contribution to the City of ~~(((\$3.25))~~ \$5.76 per ~~((gross))~~ square foot
23 of gross bonus nonresidential floor area to be used for child care facilities, to be administered by

the Human Services Department. Cash payment amounts shall automatically adjust according to subsection 23.58A.024.D.1.b.

~~((b. Affordable housing and child care in the South Lake Union Urban Center.~~

~~1) In lieu of all or part of the performance option for affordable housing an applicant may provide a cash contribution to the City for affordable housing according to the following schedule:~~

~~a) From the effective date of Council Bill 117603 to December 31, 2013, \$20.82 per gross square foot of bonus nonresidential floor area;~~

~~b) From January 1, 2014 to June 30, 2014, \$22.88 per gross square foot of bonus nonresidential floor area;~~

~~c) July 1, 2014 to June 30, 2015, the sum of \$24.95 per gross square foot of bonus nonresidential floor area plus the product of \$24.95 per gross square foot of bonus nonresidential floor area times the 2013 annual average change in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma metropolitan area, All Items (1982-84 = 100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index; and~~

~~d) On July 1, 2015 and on the same day annually thereafter the in-lieu payment amount in this subsection 23.58A.024.D.1.b.1 shall automatically adjust in proportion to the change in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma metropolitan area, All Items (1982-84 = 100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index, from January 1, 2014, or the time the in-lieu payment was last adjusted, whichever is later.~~

2) ~~In lieu of all or part of the performance option for child care, an applicant may provide a cash contribution to the City to be used for child care facilities, to be administered by the Human Services Department, according to the following schedule:~~

a) ~~From the effective date of Council Bill 117603 to December 31, 2013, \$3.61 per gross square foot of bonus nonresidential floor area;~~

b) ~~From January 1, 2014 to June 30, 2014, \$3.97 per gross square foot of bonus nonresidential floor area;~~

c) ~~July 1, 2014 to June 30, 2015, the sum of \$4.32 per gross square foot of bonus nonresidential floor area plus the product of \$4.32 per gross square foot of bonus nonresidential floor area times the 2013 annual average change in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma metropolitan area, All Items (1982-84=100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index; and~~

d) ~~On July 1, 2015 and on the same day annually thereafter the in-lieu payment amount in this subsection 23.58A.024.D.1.b.2 shall automatically adjust in proportion to the change in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma metropolitan area, All Items (1982-84=100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index, from January 1, 2014, or the time the in-lieu payment was last adjusted, whichever is later.))~~

b. The in lieu cash contribution amounts for affordable housing and child care shall automatically adjust once each calendar year starting in 2024 by an amount in proportion to the change, for the time period since the previous adjustment, in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bellevue, WA, All Items (1982-1984=100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index.

2. Timing of payments. Cash payments shall be made prior to issuance and as a condition to issuance of any permit after the first building permit for a development ~~((using the))~~ that includes bonus nonresidential floor area and before any permit for any construction activity other than excavation and shoring is issued.

3. Deposit and use of payments. Cash payments in lieu of affordable housing and child care facilities shall be deposited in special accounts established solely to support the development of housing for income-eligible households and child care facilities. Earnings on balances in the special accounts shall accrue to those accounts.

a. The Director of Housing shall use cash payments in lieu of affordable housing and any earnings thereon to support the development of housing for income-eligible households in any manner now or hereafter permitted by RCW 36.70A.540. Uses of funds may include the City's costs to administer the housing for income-eligible households, not to exceed ~~((40))~~ ten percent of the payments into the special accounts. Housing for income-eligible households funded wholly or in part with cash payments shall be located within the Seattle city limits.

b. The Human Services Director shall use cash payments in lieu of child care and any earnings thereon to support the development or expansion of child care facilities within 0.5 mile of the development using the bonus nonresidential floor area, or in another location, consistent with an applicable voluntary agreement, where the child care facility addresses the additional need created by that development. Child care facilities supported with cash payments may be publicly or privately owned, and if privately owned shall be committed to long-term use as child care under such agreements or instruments as the Human Services Director deems appropriate. The Human Services Director shall require that child care facilities

supported with cash payments and their operators satisfy applicable licensing requirements, and may require compliance with other provisions applicable to child care facilities provided under the performance option, with such modifications as the Human Services Director deems appropriate.

* * *

Section 45. Section 23.58A.042 of the Seattle Municipal Code, last amended by Ordinance 125432, is amended as follows:

23.58A.042 Transferable development potential (TDP) and rights (TDR)

* * *

B. General standards for sending lots

1. TDP calculation. The maximum amount of TDP floor area that may be transferred from a sending lot is the amount by which the residential floor area allowed under the ~~((base floor area ratio (FAR)))~~ base FAR, or floor area that could be allowed under the base residential height as determined by the Director if no base residential floor area exists, exceeds the sum of:

- a. Any nonexempt floor area existing on the sending lot; plus
- b. Any TDP or TDR previously transferred from the sending lot.

2. TDR calculation. The maximum amount of TDR floor area that may be transferred from a sending lot is the amount by which the non-residential floor area allowed under the base FAR of the sending lot exceeds the sum of:

- a. Any nonexempt floor area existing on the sending lot; plus
- b. Any TDP or TDR previously transferred from the sending lot.

3. Floor area limit after transfer. After TDP or TDR is transferred from a sending lot, the total amount of residential and non-residential floor area that may then be established on the sending lot, other than floor area exempt from limits on floor area under the provisions of the zone, shall be as follows:

a. The amount of residential floor area that may be established shall be the base residential floor area, or floor area that could be allowed under the base residential height as determined by the Director if no base residential floor area exists, plus any net amount of TDP previously transferred to that lot, minus the total of the existing nonexempt floor area on the lot and the amount of TDP or TDR transferred from the lot; and

b. The amount of non-residential floor area that may be established shall be the base non-residential floor area, plus any net amount of TDR previously transferred to that lot, minus the total of the existing nonexempt floor area on the lot and the amount of TDP or TDR transferred from the lot.

* * *

E. Standards for housing TDR sending lots

1. Housing on lots from which housing TDR is transferred shall be rehabilitated to the extent required to provide decent, sanitary, and habitable conditions, in compliance with applicable codes, and so as to have an estimated minimum useful life of at least 50 years from the time of the TDR transfer, as approved by the Director of Housing. If housing TDR is proposed to be transferred prior to the completion of work necessary to satisfy this subsection 23.58A.042.E, the Director of Housing may require, as a condition to such transfer, that security be deposited with the City to ensure the completion of such work.

2. ~~((The housing units on a lot from which housing TDR is transferred, and that are committed to affordable housing))~~ Restricted units provided as a condition to ~~((eligibility of the lot as a TDR sending site,))~~ transfer of development rights shall be generally comparable in their average size and quality of construction to other ~~((housing))~~ units in the same structure, in the judgment of the Director of Housing, after completion of any rehabilitation or construction undertaken in order to qualify as a TDR sending lot.

3. For transfers of housing TDR, the owner of the sending lot shall execute and record an agreement, with the written consent of all holders of encumbrances on the sending lot, unless such consent is waived by the Director of Housing for good cause, to provide for the maintenance of the required housing on the sending lot for a minimum of 50 years. Such agreement shall commit to limits on rent and occupancy consistent with the definition of housing TDR site and acceptable to the Director of Housing.

* * *

Section 46. Section 23.58B.010 of the Seattle Municipal Code, last amended by Ordinance 125233, is amended as follows:

23.58B.010 Intent for implementation

Section 1 of ~~((Council Bill 118854))~~ Ordinance 125233 provides a statement of intent for implementation of this Chapter 23.58B that generally addresses the Council's intent as to an initial implementation phase of this Chapter 23.58B, the setting and changing of payment and performance amounts during that initial implementation phase, review of ~~((program performance))~~ outcomes, the amendment of payment and performance amounts after the initial implementation phase, and the establishment of additional processes for modifying dimensional development standards and/or payment and performance amounts.

Section 47. Section 23.58B.020 of the Seattle Municipal Code, last amended by Ordinance 125791, is amended as follows:

23.58B.020 Applicability and general requirements

* * *

C. ~~((Commercial development is exempt from the requirements according to this Chapter 23.58B if the structure containing commercial uses also contains floor area in residential use that is publicly funded and/or has received an allocation of federal low income housing tax credits, and is subject to a regulatory agreement, covenant, or other legal instrument recorded on the property title and enforceable by The City of Seattle, Washington State Housing Finance Commission, State of Washington, King County, U.S. Department of Housing and Urban Development, or other similar entity as approved by the Director of Housing, (1) which restricts at least 40 percent of the residential units to occupancy by households earning no greater than 60 percent of median income, and controls the rents that may be charged, for a minimum period of 40 years, or (2) which restricts at least 40 percent of the residential units to be sold to households earning no greater than 80 percent of median income, for a minimum period of 50 years. The sale price for sales subsequent to the initial sale shall be calculated to allow modest growth in homeowner equity while maintaining long term affordability for future buyers. All buyers of such an ownership unit subsequent to the initial sale shall be households with incomes no greater than 80 percent of median income at initial occupancy.))~~ Exemption. Low-income housing that includes floor area in commercial use is exempt from the requirements of this Chapter 23.58B.

D. Relationship to incentive zoning. Where the provisions of the zone refer to this Chapter 23.58B and where bonus non-residential floor area or extra non-residential floor area

may be achieved according to the provisions of the zone and/or Chapter 23.58A, the following provisions apply:

1. All requirements to provide ~~((low-income housing, or))~~ affordable housing ~~((as defined in Chapter 23.58A, for achieving))~~ to gain bonus non-residential floor area or extra non-residential floor area according to the provisions of the zone and/or Chapter 23.58A shall be satisfied solely by compliance with this Chapter 23.58B.

2. Any non-housing requirements for achieving bonus non-residential floor area or extra non-residential floor area shall be satisfied according to the provisions of the zone and/or Chapter 23.58A.

Section 48. Section 23.58B.025 of the Seattle Municipal Code, last amended by Ordinance 125233, is amended as follows:

23.58B.025 Permit documentation

A. General

1. For any development to which this Chapter 23.58B applies, the Master Use Permit application and the first building permit application that includes the structural frame for the structure shall include the following:

a. The amount of the cash contribution to be provided for affordable housing impact mitigation, if the applicant elects the payment option according to Section 23.58B.040.

b. The total ~~((square feet))~~ net unit area, measured according to subsection 23.86.007.B, of ((housing required to be)) MHA-C units provided according to subsection 23.58B.050.A(~~(, measured as net unit area,))~~ and a proposal for MHA-C ~~((housing))~~ units

1 ~~((meeting the))~~ that satisfy requirements ~~((according to))~~ of subsections 23.58B.050.B and
2 23.58B.050.C, if the applicant elects the performance option according to Section 23.58B.050.

3 2. Any requests for modifications according to Section 23.58B.030, including all
4 supporting materials required for a decision on such requests, shall be included in the Master Use
5 Permit application, or in the first building permit application that includes the structural frame
6 for the structure if no Master Use Permit is required.

7 3. The Director shall, as a Type I decision and in consultation with the Director of
8 Housing, determine:

9 a. The amount of the cash contribution according to subsection
10 23.58B.040.A, if the applicant elects the payment option according to Section 23.58B.040;

11 b. The total ~~((square feet))~~ net unit area, measured according to subsection
12 23.86.007.B, of ~~((housing required to be provided))~~ MHA-C units according to subsection
13 23.58B.050.A~~((measured as net unit area,))~~ and compliance of the proposal for MHA-C
14 ~~((housing))~~ units with the requirements ~~((according to))~~ of subsections 23.58B.050.B and
15 23.58B.050.C, if the applicant elects the performance option according to Section 23.58B.050;
16 and

17 c. Any modification according to subsection 23.58B.030.B.

18 4. The Director shall, as a special exception according to Chapter 23.76,
19 ~~((Procedures for Master Use Permits and Council Land Use Decisions,))~~ in consultation with the
20 Director of Housing, determine any modification according to subsection 23.58B.030.C or
21 subsection 23.58B.030.D.

5. Substitution of ~~((units of MHA-C housing))~~ MHA-C units according to subsection ~~((23.58B.050.B.1.e))~~ 23.58B.050.B.15 shall require a separate review and approval by the Director in consultation with the Director of Housing.

6. The applicant for a project subject to this Chapter 23.58B shall pay housing review fees according to Section 22.900G.015.

B. ~~((Timing 1.))~~ Issuance of Master Use Permit. Prior to issuance of a Type II Master Use Permit, the applicant shall provide the following:

~~((a.))~~ 1. The amount of the cash contribution required according to subsection 23.58B.040.A, if the applicant elects the payment option according to Section 23.58B.040;

~~((b.))~~ 2. If the applicant elects the performance option according to Section 23.58B.050:

~~((1.))~~ a. The total square feet of housing required to be provided according to subsection 23.58B.050.A, measured as net unit area;

~~((2.))~~ b. A proposal for MHA-C housing meeting the requirements ~~((according to))~~ of subsections 23.58B.050.B and 23.58B.050.C;

~~((3.))~~ c. A draft agreement according to subsection ~~((23.58B.050.B.1.q))~~ 23.58B.050.B.17; and

~~((4.))~~ d. A draft developer's agreement according to subsection ~~((23.58B.050.B.2.e))~~ 23.58B.050.C.3, if applicable.

~~((2. Building))~~ C. Issuance of building permit. Prior to issuance of the first building permit that includes the structural frame for the structure ~~((containing the development))~~ to which this Chapter 23.58B applies, the applicant shall provide the following:

1 ~~((a-))~~ 1. If the applicant elects to comply with this Chapter 23.58B through the
2 payment option according to Section 23.58B.040:

3 ~~((1))~~ a. Final plans that include the structural frame for the structure
4 showing the calculation of the amount of the cash contribution required according to subsection
5 23.58B.040.A; and

6 ~~((2))~~ b. Documentation from the Director of Housing of receipt of
7 payment of the cash contribution required according to subsection 23.58B.040.A.

8 ~~((b-))~~ 2. If the applicant elects to comply with this Chapter 23.58B through the
9 performance option according to Section 23.58B.050:

10 ~~((1))~~ a. Final plans that include the structural frame for the structure that:

11 ~~((a))~~ 1) Include the calculation of total square feet of housing
12 required to be provided according to subsection 23.58B.050.A and actual square feet of MHA-C
13 housing to be provided, measured as net unit area; and

14 ~~((b))~~ 2) Demonstrate compliance of the proposal for MHA-C
15 housing with the requirements ~~((according to))~~ of subsections 23.58B.050.B and 23.58B.050.C;

16 ~~((2))~~ b. The executed and recorded agreement required according to
17 subsection ~~((23.58B.050.B.1.g))~~ 23.58B.050.B.17;

18 ~~((3))~~ c. Documentation of issuance of the first building permit that
19 includes the structural frame for the structure that includes the MHA-C housing, if the MHA-C
20 housing is located in a different structure than the structure ~~((containing the development))~~ to
21 which this Chapter 23.58B applies;

22 ~~((4))~~ d. The executed developer's agreement required according to
23 subsection ~~((23.58B.050.B.2.e))~~ 23.58B.050.C.3, if applicable; and

~~((5))~~ e. Documentation from the Director of Housing of receipt of the letter of credit required according to subsection ~~((23.58B.050.B.2.d))~~ 23.58B.050.C.4, if applicable.

((e-)) 3. The applicant may change its election between performance and payment prior to issuance of the first building permit that includes the structural frame for the structure, provided the applicant changing its election shall obtain any necessary approvals affected by the change in election. Review and approval of a change in election between performance and payment is a Type I decision, unless the requested change affects a modification according to subsection 23.58B.030.C or subsection 23.58B.030.D.

Section 49. Section 23.58B.040 of the Seattle Municipal Code, last amended by Ordinance 125792, is amended as follows:

23.58B.040 Mitigation of impacts – ((payment)) Payment option

* * *

B. Deposit and use of cash contributions

1. Cash contributions shall be deposited by the Director of Housing in a special account established solely for preservation and production of housing affordable for renter households with incomes no higher than 60 percent of median income and for owner households with incomes no higher than 80 percent of median income. Earnings on balances in the special account shall accrue to that account.

2. Use of cash contributions shall support the preservation and production of renter-occupied housing within Seattle, or the preservation and production of ~~((owner-occupied))~~ ownership housing within Seattle, as follows. Rental housing supported by the cash contributions shall be rent- and income-restricted to serve households with incomes no higher than 60 percent

1 of median income for a minimum period of 50 years, with an expectation of ongoing
2 affordability. At least ~~((5))~~ five percent of total cash contributions on a yearly basis shall be
3 dedicated to capital expenditures for development of ~~((owner-occupied))~~ ownership housing.
4 ~~((Dedicated funds may be committed over multiple years based on the availability of eligible~~
5 ~~projects. Owner-occupied))~~ Ownership housing supported by the cash contributions shall be
6 priced to serve and sold to households with incomes no higher than 80 percent of median
7 income, with resale restrictions for a minimum period of 50 years, with an expectation of
8 ongoing affordability.

9 3. For purposes of determining the location for use of cash contributions, the City
10 shall consider the extent to which the housing advances the following factors:

- 11 a. Affirmatively furthering fair housing choice;
- 12 b. Locating within an urban center or urban village;
- 13 c. Locating in proximity to frequent bus service or current or planned light
14 rail or streetcar stops;
- 15 d. Furthering City policies to promote economic opportunity and
16 community development and addressing the needs of communities vulnerable to displacement;
17 and
- 18 e. Locating near developments that generate cash contributions.

19 4. Each cash contribution shall be expended within five years of collection. Any
20 cash contribution not so expended shall be refunded with any interest required by law.

21 Section 50. Section 23.58B.050 of the Seattle Municipal Code, last amended by
22 Ordinance 126685, is amended as follows:

23 **23.58B.050 Mitigation of impacts – ~~((performance))~~ Performance option**

A. Performance option

1. An applicant complying with this Chapter 23.58B through the performance option shall provide total ~~((square feet of housing))~~ net unit area, measured according to subsection 23.86.007.B, of MHA-C units meeting the standards of subsection 23.58B.050.B, ~~((measured as net unit area, calculated by multiplying))~~ equal to at least the percentage calculation amount per square foot according to Table A or Table B for 23.58B.050 and Map A for 23.58B.050, as applicable, multiplied by the total square feet of chargeable floor area in commercial use, or gross floor area in commercial use that is not underground if there is no FAR limit in the underlying zone, as follows:

a. Including chargeable floor area in commercial use in the following:

- 1) A new structure;
- 2) An addition to a structure;
- 3) A change of use from residential use to commercial use; or
- 4) Any combination of the above; and

b. Excluding chargeable floor area in commercial use as follows:

- 1) The first 4,000 gross square feet of street-level commercial uses;
- and
- 2) Street-level commercial uses along a designated principal pedestrian street in a Pedestrian designated zone.

2. If the calculation according to subsection 23.58B.050.A.1 yields fewer than three MHA-C units ~~((of housing required to meet the standards of subsection 23.58B.050.B,))~~ using a conversion factor for unit size as determined by the Director, the applicant shall either

round up to three units or provide a cash contribution using the payment option according to subsection 23.58B.040.A.

* * *

B. ~~((Performance standards 1.))~~ General performance standards. All MHA-C ~~((housing))~~ units shall meet the following standards:

~~((a.))~~ 1. Duration. The obligation to provide MHA-C ~~((housing))~~ units shall be for a minimum period of 75 years from the date of issuance of the certificate of occupancy, or if a certificate of occupancy is not required, from the date of the final building permit inspection, for the MHA-C ~~((housing))~~ units; provided that, in the case of demolition of a structure containing both MHA-C ~~((housing))~~ units provided according to this Section 23.58B.050 and units provided to comply with Chapter 23.58C through the performance option according to Section 23.58C.050, the obligation to provide MHA-C ~~((housing))~~ units shall last no longer than the time specified according to subsection 23.58C.050.B.1.b.1.

~~((b.))~~ 2. Tenure. MHA-C ~~((housing))~~ units shall be rental housing for eligible households according to subsection ~~((23.58B.050.B.1.f))~~ 23.58B.050.B.6.

~~((c.))~~ 3. Rent limits. Monthly rent for MHA-C ~~((housing))~~ units shall not exceed 30 percent of 60 percent of median income or, in the case of any unit with net unit area of 400 square feet or less, 30 percent of 40 percent of median income. For purposes of this subsection ~~((23.58B.050.B.1.e))~~ 23.58B.050.B.3, “monthly rent” includes a utility allowance for heat, gas, electricity, water, sewer, and refuse collection, to the extent such items are not paid for tenants by the owner, and also includes any recurring fees that are required as a condition of tenancy.

~~((d.))~~ 4. Type. MHA-C ~~((housing))~~ units shall be dwelling units, except for accessory dwelling units or detached accessory dwelling units.

1 ~~((e-))~~ 5. Comparability. MHA-C ~~((housing))~~ units shall be comparable to the other
2 dwelling units to be developed in terms of the following:

3 ~~((1))~~ a. Number and size of bedrooms and bathrooms;

4 ~~((2))~~ b. Net unit area measured as square feet;

5 ~~((3))~~ c. Access to amenity areas;

6 ~~((4))~~ d. Functionality; and

7 ~~((5))~~ e. Term of the lease.

8 ~~((f-))~~ 6. Eligible households. MHA-C ~~((housing))~~ units shall serve only:

9 ~~((1))~~ a. At initial occupancy by a household:

10 ~~((a))~~ 1) For a unit with net unit area of 400 square feet or less,
11 households with incomes no higher than 40 percent of median income; or

12 ~~((b))~~ 2) For a unit with net unit area of greater than 400 square
13 feet, households with incomes no higher than 60 percent of median income.

14 ~~((2))~~ b. At the time of annual certification according to subsection
15 ~~((23.58B.050.B.1.m))~~ 23.58B.050.B.13:

16 ~~((a))~~ 1) For a unit with net unit area of 400 square feet or less,
17 households with incomes no greater than 60 percent of median income;

18 ~~((b))~~ 2) For a unit with net unit area of greater than 400 square
19 feet, households with incomes no greater than 80 percent of median income.

20 ~~((g. Public subsidy. If any public subsidy, including the Multifamily Housing~~
21 ~~Property Tax Exemption authorized by Chapter 5.73 and chapter 84.14 RCW, is used for a~~
22 ~~development containing MHA-C housing, and as a condition of the public subsidy income levels~~
23 ~~of occupants and the rents that may be charged for any units in the development are restricted,~~

1 ~~the units provided to comply with this Chapter 23.58B shall be different units than the units that~~
2 ~~are subject to such restrictions as a condition of the public subsidy.))~~ 7. Affordable housing; no
3 other restrictions. The MHA-C units and restricted units provided for any other reason, including
4 a property tax exemption or loans and grants, must be different units.

5 ((h.)) 8. Time of completion. Except as provided according to subsection
6 ((23.58B.050.B.2.d)) 23.58B.050.C.4, MHA-C ((housing)) units shall be completed and ready
7 for occupancy at or before the time when a final ((Certificate of Occupancy)) certificate of
8 occupancy is issued for the development mitigating impacts according to this Chapter 23.58B,
9 and shall be a condition to any right of the applicant to such ((Certificate of Occupancy))
10 certificate of occupancy.

11 ((i.)) 9. Age of construction; distribution. MHA-C ((housing)) units shall be newly
12 constructed and shall be generally distributed throughout the residential portion of the
13 development.

14 ((j.)) 10. Affirmative marketing. MHA-C ((housing)) units shall be affirmatively
15 marketed to attract eligible households from all racial, ethnic, and gender groups in the housing
16 market area of the property, particularly to inform and solicit applications from households who
17 are otherwise unlikely to apply for housing in the development. Proposed marketing efforts shall
18 be submitted to the Office of Housing for review and approval. Records documenting affirmative
19 marketing efforts shall be maintained and submitted to the Office of Housing upon request.

20 ((k.)) 11. Reporting. ((At such times)) Periodically as may be ((authorized))
21 required by the Director of Housing, but no less than annually, ((and for as long as the agreement
22 according to subsection 23.58B.050.B.1.q remains in effect,)) the owner of the MHA-C housing
23 shall submit to the ((Director)) Office of Housing a written report((, verified upon oath or

1 ~~affirmation by the owner,))~~ demonstrating compliance with and housing outcomes of
2 this Chapter 23.58B. The ~~((written))~~ report shall ~~((state, at a minimum, the occupancy and~~
3 ~~vacancy of each unit of MHA-C housing, the monthly rents charged for each MHA-C housing~~
4 ~~unit, and the income and size of each household occupying the MHA-C housing. The Director of~~
5 ~~Housing may require other documentation to ensure compliance with this subsection~~
6 ~~23.58B.050.B and any agreement according to subsection 23.58B.050.B.1.q, including but not~~
7 ~~limited to documentation of rents, copies of tenant certifications, and documentation supporting~~
8 ~~determinations of tenant income (including employer's verification or check stubs), and other))~~
9 include information and supporting documentation ~~((necessary to track program outcomes and~~
10 ~~the demographics of households served. The first annual report shall include documentation of~~
11 ~~issuance of the certificate of occupancy, or if a certificate of occupancy is not required, the date~~
12 ~~of final building permit inspection, for the MHA-C housing))~~ as required and in a form
13 prescribed by the Office of Housing, and it must be verified upon the owner's oath or
14 affirmation. The Director of Housing is authorized to assess a late fee of \$50 per day, to accrue
15 starting 14 days from the date the Office of Housing notifies the owner of the MHA-C housing
16 that the report is overdue, until the report is submitted.

17 ~~((1.))~~ 12. Limitation on charges. Fees charged to eligible households upon move-in
18 or transfer within a development containing MHA-C ~~((housing))~~ units shall be limited to a
19 reasonable level to be established by the Director of Housing by rule. No tenant of a rental unit
20 may be charged fees for income verifications or reporting requirements related to this Chapter
21 23.58B.

22 ~~((m.))~~ 13. Annual certification, third party verification

1 ~~((1))~~ a. The owner of the structure(s) that includes the MHA-C
2 ~~((housing))~~ units shall obtain from each tenant, no less than annually, a certification of household
3 size and annual income in a form acceptable to the ~~((City))~~ Director of Housing. The owner shall
4 examine the income of each tenant household according to 24 CFR 5.609, with guidance from
5 the HUD Occupancy Handbook 4350.3, Chapter 5. The owner also shall examine the income
6 and household size of any tenant at any time when there is evidence that the tenant's written
7 statement was not complete or accurate. If so requested by the City, the owner shall obtain such
8 certifications and/or examine incomes and household sizes at any other times upon reasonable
9 advance notice from the City. The owner shall maintain all certifications and documentation
10 obtained according to this subsection ~~((23.58B.050.B.1.m))~~ 23.58B.050.B.13 on file for at least
11 six years after they are obtained, and shall make them available to the City for inspection and
12 copying promptly upon request.

13 ~~((2))~~ b. The owner of the structure that includes the MHA-C ~~((housing))~~
14 units shall attempt to obtain third party verification whenever possible to substantiate income at
15 each certification, which shall include contacting the individual income source(s) supplied by the
16 household. The verification documents shall be supplied directly to the independent source by
17 the owner and returned directly to the owner from the independent source. In the event that the
18 independent source does not respond to the owner's faxed, mailed, or emailed request for
19 information, the owner may pursue oral third party verification. If written or oral third party
20 documentation is not available, the owner may accept original documents (pay stubs, W-2, etc.)
21 at the discretion of the Director of Housing and shall document why third party verification was
22 not available. At the discretion of the Director of Housing, the owner may accept tenant self-
23 certifications after the initial income verification and first annual recertification.

1 ~~((#-))~~ 14. Annual fee. The owner of the structure that includes the MHA-C
2 ~~((housing))~~ units shall pay the Office of Housing an annual fee of ~~(((\$150))~~ \$190 per ~~((unit-of))~~
3 MHA-C ~~((housing))~~ unit for the ~~((purposes))~~ purpose of monitoring compliance with the
4 requirements ~~((according))~~ of to this Section 23.58B.050. ~~((On March 1, 2017, and on the same~~
5 ~~day each year thereafter, the annual fee shall automatically adjust in proportion to the annual~~
6 ~~change for the previous calendar year (January 1 through December 31)))~~ No more than once
7 each calendar year starting in 2024, the Office of Housing may adjust the fee provided any
8 increase is proportional to or less than the change, for the time period since the previous fee
9 adjustment, in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bellevue, WA,
10 All Items (1982-84((-))=((-))100), as determined by the U.S. Department of Labor, Bureau of
11 Labor Statistics or successor index.

12 ~~((e-))~~ 15. Over-income households; unit substitution. If, based on any
13 certification, a previously eligible household occupying ~~((a unit-of))~~ an MHA-C ~~((housing))~~ unit
14 is determined to be ineligible due to exceeding the income limits according to subsection
15 ~~((23.58B.050.B.1.f))~~ 23.58B.050.B.6, the owner of the development containing the MHA-C
16 ~~((housing))~~ units shall, through the process according to subsection 23.58B.025.A.5, designate a
17 comparable substitute ~~((unit-of))~~ MHA-C ~~((housing))~~ unit within the development, as approved
18 by the Director of Housing, as soon as such a unit becomes available, and upon such designation
19 the requirements ~~((according to))~~ of this subsection 23.58B.050.B and subsection 23.58B.050.C
20 shall transfer to the substitute unit. All of the ((comparable)) rental units in the development that
21 contains the MHA-C ((housing)) units shall be considered as potential ((comparable)) substitute
22 replacement units. Upon such determination that a previously eligible household is ineligible, the
23 owner shall promptly give the ineligible household notice of such determination and notice that

1 the requirements ~~((according to))~~ of this subsection 23.58B.050.B and subsection 23.58B.050.C
2 shall transfer to a substitute MHA-C unit when such unit becomes available. Upon the transfer of
3 the requirements, the owner shall give the ineligible household six months' notice prior to any
4 rent increase.

5 ~~((p-))~~ 16. Maintenance, insurance. MHA-C ~~((housing))~~ units, and the development
6 in which the MHA-C ~~((housing is))~~ units are located, shall be maintained by the owner in decent
7 and habitable condition, including the provision of adequate basic appliances. The owner shall
8 keep the MHA-C ~~((housing))~~ units, and the development in which the MHA-C ~~((housing is))~~
9 units are located, insured by an insurance company licensed to do business in the state of
10 Washington and reasonably acceptable to the City, against loss by fire and other hazards
11 included with broad form coverage, in the amount of 100 percent of the replacement value.

12 ~~((q-))~~ 17. Agreement. The City and the owner of the structure(s) that include the
13 MHA-C ~~((housing))~~ units shall enter into an agreement specifying the requirements ~~((according~~
14 ~~to))~~ of this Section 23.58B.050. The agreement shall be recorded on the title of the property on
15 which the MHA-C ~~((housing is))~~ units are located. The requirements specified in the agreement
16 shall be consistent with final plans for the MHA-C ~~((housing))~~ units. If the first building permit
17 is issued for the structural frame for the structure that includes affordable housing according to
18 this Chapter 23.58B and such structure is acquired by a new owner to provide low-income
19 housing, the agreement according to this subsection 23.58B.050.B.17 may be released at the sole
20 discretion of the Director of Housing.

21 ~~((r-))~~ 18. Casualty

22 ~~((1-))~~ a. If ~~((a unit of MHA-C housing))~~ an MHA-C unit is destroyed or
23 rendered unfit for occupancy by casualty, the owner of the MHA-C ~~((housing))~~ unit shall,

1 through the process according to subsection 23.58B.025.A.5, designate a comparable substitute
2 ~~((unit of MHA-C housing))~~ MHA-C unit within the development, as approved by the Director of
3 Housing, as soon as such unit becomes available, which the tenant household of the ~~((unit of~~
4 ~~MHA-C housing))~~ MHA-C unit affected by casualty shall be allowed to move into, and upon
5 such designation the requirements ~~((according to))~~ of subsection 23.58B.050.B shall transfer to
6 the substitute unit.

7 ~~((2))~~ b. If any casualty loss results in the loss of ~~((the unit or units of~~
8 ~~MHA-C housing))~~ one or more MHA-C units for a period of one year or more, the duration
9 according to subsection 23.58B.050.B.1.a shall be automatically extended beyond the original
10 term hereof for a period equal to the period of time for which the ~~((unit or units of MHA-C~~
11 ~~housing))~~ MHA-C units are not in service and no comparable ~~((units of MHA-C housing))~~
12 MHA-C units have been provided and placed in service within the development.

13 ~~((2.))~~ C. Additional performance standards. In addition to meeting the standards in
14 subsection 23.58B.050.B~~((1))~~, MHA-C ~~((housing))~~ units located on a site other than the same lot
15 as the development required to mitigate affordable housing impacts according to this Chapter
16 23.58B shall meet the following additional standards:

17 ~~((a.))~~ 1. Equal or better mitigation. The applicant shall demonstrate to the
18 satisfaction of the Director of Housing that affordable housing impact mitigation provided
19 through the performance option on a site other than the same lot as the development required to
20 mitigate affordable housing impacts according to this Chapter 23.58B is equal to or better than
21 mitigation provided through performance on the same lot.

1 ~~((b-))~~ 2. Location. MHA-C ~~((housing))~~ units provided on a site other than the
2 same lot as the development required to mitigate affordable housing impacts according to this
3 Chapter 23.58B shall be located:

4 ~~((1-))~~ a. Within the same urban center or urban village as the development
5 required to mitigate affordable housing impacts according to this Chapter 23.58B; or

6 ~~((2-))~~ b. Within one mile of the development required to mitigate
7 affordable housing impacts according to this Chapter 23.58B if such development is located
8 outside of an urban center or urban village.

9 ~~((e-))~~ 3. Developer's agreement. If the owner of the development required to
10 mitigate affordable housing impacts according to this Chapter 23.58B is not the owner of the
11 MHA-C ~~((housing))~~ units, then in addition to the agreement required according to subsection
12 ~~((23.58B.050.B.1.q))~~ 23.58B.050.B.17, the owner of the development required to mitigate
13 affordable housing impacts according to this Chapter 23.58B and the owner of the MHA-C
14 ~~((housing))~~ units shall execute a developer's agreement, acceptable to the Director of Housing,
15 allowing the exclusive use of the MHA-C ~~((housing))~~ units to satisfy the requirements
16 ~~((according to))~~ of this Chapter 23.58B in return for necessary and adequate financial support to
17 the development of ~~((that MHA-C housing))~~ the MHA-C units.

18 ~~((d-))~~ 4. Letter of credit

19 ~~((1-))~~ a. If the MHA-C ~~((housing is))~~ units are located on a site other than
20 the same lot as the development required to mitigate affordable housing impacts according to this
21 Chapter 23.58B, the owner of the development required to mitigate affordable housing impacts
22 according to this Chapter 23.58B shall provide to the Director of Housing an irrevocable bank

1 letter of credit, approved by the Director of Housing, in the amount according to subsection
2 23.58B.040.A.

3 ~~((2))~~ b. The Director of Housing may draw on the letter of credit one year
4 after the date of issuance of the certificate of occupancy, or, if a certificate of occupancy is not
5 required, the final building permit inspection, for the development required to mitigate affordable
6 housing impacts according to this Chapter 23.58B if the certificate of occupancy or final building
7 permit inspection for the MHA-C ~~((housing))~~ units has not been issued on or before that date.

8 The owner of the development required to mitigate affordable housing impacts according to this
9 Chapter 23.58B shall also pay an amount equal to the interest on the cash contribution, at the rate
10 equal to the prime rate quoted by Bank of America, or its successor, plus three percent per
11 annum, from the date of issuance of the first building permit that includes the structural frame for
12 the development required to mitigate affordable housing impacts according to this Chapter
13 23.58B.

14 ~~((3))~~ c. If and when the City becomes entitled to draw on any letter of
15 credit, the Director of Housing may take appropriate steps to do so, and the amounts realized, net
16 of any costs to the City, shall be used in the same manner as cash contributions according to
17 subsection 23.58B.040.B.

18 Section 51. Section 23.58B.060 of the Seattle Municipal Code, last amended by
19 Ordinance 125233, is amended as follows:

20 **23.58B.060 Definitions**

21 Definitions in this Chapter 23.58B supersede any definitions of the same terms in Chapter
22 23.84A and Section 23.58A.004 for the purposes of provisions of this Chapter 23.58B, unless
23 otherwise specified in this Chapter 23.58B.

“Affordable housing” means dwelling units affordable to households with a range of incomes no higher than 80 percent of median income.

“MHA-C ((housing)) unit” means ((housing)) a restricted unit provided to comply with Chapter 23.58B through the performance option according to Section 23.58B.050.

Section 52. Section 23.58C.020 of the Seattle Municipal Code, enacted by Ordinance 125108, is amended as follows:

23.58C.020 ((Definition)) Definitions

For purposes of this Chapter 23.58C, unless otherwise specified in this Chapter 23.58C, the term “unit” refers to a principal dwelling unit((, ~~except an accessory dwelling unit or detached accessory dwelling unit;~~)) (i.e., not an accessory dwelling unit), live-work unit((;)) , or congregate residence sleeping room. A unit that is a restricted unit provided to comply with this Chapter 23.58C through the performance option may be referred to as an “MHA-R unit.”

Section 53. Section 23.58C.025 of the Seattle Municipal Code, last amended by Ordinance 125791, is amended as follows:

23.58C.025 Applicability and general requirements

* * *

C. ~~((Exemptions. Development is exempt from the requirements of this Chapter 23.58C if it receives public funding and/or an allocation of federal low-income housing tax credits, and is subject to a regulatory agreement, covenant, or other legal instrument recorded on the property title and enforceable by The City of Seattle, Washington State Housing Finance Commission, State of Washington, King County, U.S. Department of Housing and Urban Development, or other similar entity as approved by the Director of Housing, (1) which restricts at least 40 percent of the residential units to occupancy by households earning no greater than 60 percent of median~~

1 ~~income, and controls the rents that may be charged, for a minimum period of 40 years, or (2)~~
2 ~~which restricts at least 40 percent of the residential units to be sold to households earning no~~
3 ~~greater than 80 percent of median income, for a minimum period of 50 years. The sale price for~~
4 ~~sales subsequent to the initial sale shall be calculated to allow modest growth in homeowner~~
5 ~~equity while maintaining long term affordability for future buyers. All buyers of such an~~
6 ~~ownership unit subsequent to the initial sale shall be households with incomes no greater than 80~~
7 ~~percent of median income at initial occupancy.)) Exemption. Low-income housing is exempt~~
8 ~~from the requirements of this Chapter 23.58C.~~

9 D. Relationship to incentive zoning. Where the provisions of the zone refer to this
10 Chapter 23.58C and where bonus residential floor area or extra residential floor area may be
11 achieved according to the provisions of the zone and/or Chapter 23.58A, the following
12 provisions apply:

13 1. All requirements to provide ~~((low income or moderate income housing, or))~~
14 ~~affordable housing ((as defined in Section 23.58A.004, for achieving))~~ to gain bonus residential
15 floor area or extra residential floor area according to the provisions of the zone and/or Chapter
16 23.58A shall be satisfied solely by compliance with this Chapter 23.58C.

17 2. Any non-housing requirements for achieving bonus residential floor area or
18 extra residential floor area shall be satisfied according to the provisions of the zone and/or
19 Chapter 23.58A.

20 3. Extra residential floor area achieved in HR zones by transfer of development
21 potential, providing neighborhood open space, or providing a neighborhood green street setback
22 according to ~~((Section))~~ subsection 23.45.516.B.2 shall be excluded from the gross floor area of
23 the development for purposes of ~~((Section))~~ subsection 23.58C.040.A.1 and ~~((the))~~ any units

1 contained in such extra floor area shall be excluded from the total number of units in the
2 structure for purposes of ~~((Section))~~ subsection 23.58C.050.A.1.

3 Section 54. Section 23.58C.030 of the Seattle Municipal Code, last amended by
4 Ordinance 125291, is amended as follows:

5 **23.58C.030 Permit documentation**

6 A. General

7 1. For any development to which this Chapter 23.58C applies, the Master Use
8 Permit application and the first building permit application that includes the structural frame for
9 the structure shall include the following:

10 a. If the applicant elects the payment option, the amount of the required
11 cash contribution according to subsection 23.58C.040.A;

12 b. If the applicant elects the performance option, the number of MHA-R
13 units required to be provided according to subsection 23.58C.050.A, the amount of any cash
14 contribution according to subsection 23.58C.050.A.3.b, and a proposal for MHA-R units that
15 meet the requirements ~~((according to))~~ of subsection 23.58C.050.C; and

16 c. If the applicant seeks relief according to Sections 23.48.231 or
17 23.49.039 or seeks a modification according to subsection 23.58C.035.B or subsection
18 23.58C.035.C, the earliest application according to this subsection 23.58C.030.A.1 shall include
19 requests for such relief or modifications including all supporting materials required for a decision
20 on the requests.

21 2. The Director shall, as a Type I decision and in consultation with the Director of
22 Housing, determine:

1 a. If the applicant elects to comply with this Chapter 23.58C through the
2 payment option according to Section 23.58C.040, the amount of the cash contribution;

3 b. If the applicant elects to comply with this Chapter 23.58C through the
4 performance option according to Section 23.58C.050, the number of MHA-R units that shall
5 meet the requirements ~~((according to))~~ of subsection 23.58C.050.C, the amount of any cash
6 contribution according to subsection 23.58C.050.A.3.b, and the compliance of the proposal
7 ~~((required according to subsection 23.58C.030.A.1.b with the))~~ for MHA-R units that satisfy
8 requirements ~~((according to))~~ of subsection 23.58C.050.C; and

9 c. Any modification according to subsection 23.58C.035.B.

10 3. The Director shall, as a special exception according to Chapter 23.76,
11 Procedures for Master Use Permits and Council Land Use Decisions, in consultation with the
12 Director of Housing, determine any modification according to subsection 23.58C.035.C.

13 4. The final plans that include the structural frame for the structure shall
14 demonstrate compliance with the requirements ~~((according to))~~ of Section 23.58C.040 or Section
15 23.58C.050 and state the ongoing requirements ~~((according to))~~ of Section 23.58C.050.

16 5. If the applicant elects to comply with this Chapter 23.58C through the
17 performance option according to Section 23.58C.050, the requirements ~~((according to))~~ of
18 Section 23.58C.050 shall be considered terms of the first building permit that includes the
19 structural frame for the structure.

20 6. Unit substitution according to subsection 23.58C.050.C.6.f and conversion to
21 ownership housing according to subsection 23.58C.050.C.6.i shall require a separate review and
22 approval by the Director in consultation with the Director of Housing.

1 7. The applicant for a project subject to this Chapter 23.58C shall pay housing
2 review fees according to Section 22.900G.015.

3 B. ~~((Timing 1.))~~ Issuance of Master Use Permit. Prior to the issuance of a Type II Master
4 Use Permit, the applicant shall provide the following:

5 ~~((a.))~~ 1. If the applicant elects the payment option, the amount of the required cash
6 contribution according to subsection 23.58C.040.A; or

7 ~~((b.))~~ 2. If the applicant elects the performance option, the number of units
8 required to be provided according to subsection 23.58C.050.A, the amount of any cash
9 contribution according to subsection 23.58C.050.A.3.b, a proposal for units that meet the
10 requirements ~~((according to))~~ of subsection 23.58C.050.C, and a draft agreement according to
11 subsection 23.58C.050.E.

12 ~~((2- Building))~~ C. Issuance of building permit. Prior to issuance of the first building
13 permit that includes the structural frame for the structure, the applicant shall provide the
14 following:

15 ~~((a.))~~ 1. If the applicant elects to comply with this Chapter 23.58C through the
16 payment option according to Section 23.58C.040:

17 ~~((1.))~~ a. Final plans that include the structural frame for the structure
18 showing the calculation of the amount of the required cash contribution according to subsection
19 23.58C.040.A; and

20 ~~((2.))~~ b. Documentation from the Director of Housing of receipt of
21 payment of the required cash contribution according to subsection 23.58C.040.A; or

22 ~~((b.))~~ 2. If the applicant elects to comply with this Chapter 23.58C through the
23 performance option according to Section 23.58C.050:

1 ((1)) a. Final plans that include the structural frame for the structure that:

2 ((a)) 1) Include the calculation of the number of units required to
3 be provided according to subsection 23.58C.050.A;

4 ((b)) 2) Demonstrate compliance with the requirements
5 ((according to)) of Section 23.58C.050 and state the ongoing requirements ((according to)) of
6 Section 23.58C.050; and

7 (I) 3) Include the calculation of the amount of any cash
8 contribution according to subsection 23.58C.050.A.3.b;

9 ((2)) b. Documentation from the Director of Housing of receipt of
10 payment of any cash contribution according to subsection 23.58C.050.A.3.b; and

11 ((3)) c. The executed and recorded agreement required according to
12 subsection 23.58C.050.E.

13 ((e)) 3. The applicant may change its election between performance and payment
14 prior to issuance of the first building permit that includes the structural frame for the structure,
15 provided that an applicant changing its election shall obtain any necessary approvals affected by
16 the change in election. Review and approval of a change in election between performance and
17 payment is a Type I decision, unless the requested change affects a modification according to
18 subsection 23.58C.035.C.

19 Section 55. Section 23.58C.040 of the Seattle Municipal Code, last amended by
20 Ordinance 126157, is amended as follows:

21 **23.58C.040 Affordable housing – ((payment)) Payment option**

22 * * *

23 B. Use of cash contributions

1 1. The Director of Housing shall be authorized to accept all cash contributions on
2 behalf of the City. Cash contributions shall be deposited by the Director of Housing in a special
3 account and shall be used for purposes authorized by RCW 36.70A.540. Earnings on balances in
4 the special account shall accrue to that account. At least ~~((5))~~ five percent of total cash
5 contributions on a yearly basis shall be dedicated to support ownership housing. ~~((Dedicated~~
6 ~~funds may be committed over multiple years based on availability of eligible projects.))~~

7 2. Income levels

8 a. Rental housing supported by cash contributions shall be rent- and
9 income-restricted to serve households with incomes no greater than 60 percent of median income
10 for a minimum period of 50 years, with an expectation of ongoing affordability.

11 b. Ownership housing supported by cash contributions shall be priced to
12 serve and sold to households with incomes no greater than 80 percent of median income for a
13 minimum period of 50 years, with an expectation of ongoing affordability.

14 3. Location. For purposes of determining the location for use of cash
15 contributions, the City shall consider the extent to which the housing supported by cash
16 contributions advances the following factors:

17 a. Affirmatively furthering fair housing choice;
18 b. Locating within an urban center or urban village;
19 c. Locating in proximity to frequent bus service or current or planned light
20 rail or streetcar stops;

21 d. Furthering City policies to promote economic opportunity and
22 community development and addressing the needs of communities vulnerable to displacement;
23 and~~((;))~~

e. ~~((locating))~~ Locating near developments that generate cash contributions.

Section 56. Section 23.58C.050 of the Seattle Municipal Code, last amended by Ordinance 126509, is amended as follows:

23.58C.050 Affordable housing – ~~((performance))~~ Performance option

A. Performance amount

1. An applicant complying with this Chapter 23.58C through the performance option shall provide, as part of the units to be developed in each structure, a number of units that meet the requirements according to subsection 23.58C.050.C calculated by multiplying the percentage set aside according to Table A or Table B for 23.58C.050 and Map A for 23.58C.050, as applicable, by the total number of units to be developed in each structure, excluding units in a domestic violence shelter.

2. If the number of units that meet the requirements according to subsection 23.58C.050.C calculated according to subsection 23.58C.050.A.1 equals less than two, the applicant shall:

a. Round up to two units; or

b. Provide one principal dwelling unit that meets the requirements according to subsection 23.58C.050.C that is three bedrooms or larger, as determined by the Director of Housing.

3. If the number of units that meet the requirements according to subsection 23.58C.050.C calculated according to subsection 23.58C.050.A.1 equals two or more and includes a fraction of a unit, the applicant shall:

a. Round up to the nearest whole unit; or

b. Round down to the nearest whole unit and pay a cash contribution for the fraction of a unit not otherwise provided, calculated by multiplying the payment calculation amount per square foot according to Table A or Table B for 23.58C.040 and Map A for 23.58C.050, as applicable, by the total gross floor area to be developed as measured according to subsection 23.58C.040.A.1, multiplying that product by the fraction of a unit not provided, and dividing the resulting number by the total number of units required to be provided based on the calculation according to subsection 23.58C.050.A.1. Use of cash contributions according to this subsection 23.58C.050.A.3.b shall be governed according to subsection 23.58C.040.B.

4. When the applicant elects to comply with this Chapter 23.58C through the performance option for a development that contains multiple structures and the calculation according to subsection 23.58C.050.A.1 results in fractions of units in more than one structure, the Director may, as a Type I decision in consultation with the Director of Housing, allow such fractions of units to be combined, provided:

a. If the sum of the combined fractions of units calculated according to this subsection 23.58C.050.A.4 equals fewer than two, the applicant shall:

1) Round up to two units; or
2) Provide one principal dwelling unit that meets the requirements according to subsection 23.58C.050.C that is three bedrooms or larger, as determined by the Director of Housing;

b. If the sum of the combined fractions of units calculated according to this subsection 23.58C.050.A.4 equals two or more and includes a fraction of a unit, the applicant shall:

1) Round up to the nearest whole unit; or

2) Round down to the nearest whole unit and pay a cash contribution for the fraction of a unit not otherwise provided, calculated according to subsection 23.58C.050.A.3.b; and

c. The construction of the structure(s) containing the units that meet the requirements according to subsection 23.58C.050.C shall be completed at the same time or at an earlier time than completion of construction of other structures in the development containing units.

* * *

B. Duration. The obligation, as to a structure that includes units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B, to provide units that meet the requirements ~~((according to))~~ of subsection 23.58C.050.C in the amount required according to subsection 23.58C.050.A, subject to any applicable modifications, shall last:

1. If rental MHA-R units are provided to comply with this Chapter 23.58C:

a. For a period of 75 years from the date of certificate of occupancy or, if a certificate of occupancy is not required, from the date of the final building permit inspection, for the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B, or

b. Until such earlier time when:

1) The structure is demolished, or its use is changed, so as to eliminate all of the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B in that structure, and the requirements ~~((according to))~~ of subsection 23.58C.050.C.6.j are met; or

2) All of the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B in the structure are converted to ownership housing, and the requirements ~~((according to))~~ of subsection 23.58C.050.C.6.i are met; or

2. If ownership MHA-R units are provided to comply with this Chapter 23.58C, for a period of 75 years from the date of certificate of occupancy or, if a certificate of occupancy is not required, from the date of the final building permit inspection, for the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B.

C. Performance requirements. ~~((Units))~~ MHA-R units provided to comply with this Chapter 23.58C through the performance option shall meet the following requirements:

1. Distribution. ~~((Units provided through the performance option))~~ MHA-R units shall be generally distributed throughout each structure in the development containing units.

2. Comparability ~~((Units provided through the performance option))~~ MHA-R units shall be comparable to the other units to be developed in terms of the following:

a. Status as a principal dwelling unit, live-work unit, or congregate residence sleeping room;

b. Number and size of bedrooms and bathrooms;

c. Net unit area measured ~~((by square feet))~~ according to subsection 23.86.007.B;

d. Access to amenity areas;

e. Functionality; and

f. Term of the lease.

3. Eligible households. ~~((Units provided through the performance option))~~ MHA-R units shall serve only:

a. At initial occupancy by a household:

1) For a rental MHA-R unit with net unit area of 400 square feet or less, households with incomes no greater than 40 percent of median income;

2) For a rental MHA-R unit with net unit area of greater than 400 square feet, households with incomes no greater than 60 percent of median income;

3) For an ownership MHA-R unit, households with incomes no greater than 80 percent of median income, and that meet a reasonable limit on assets. The Director of Housing shall establish by rule the method to establish a reasonable limit on assets.

b. At the time of annual certification according to subsection 23.58C.050.C.6.c:

1) For a rental MHA-R unit with net unit area of 400 square feet or less, households with incomes no greater than 60 percent of median income;

2) For a rental MHA-R unit with net unit area of greater than 400 square feet, households with incomes no greater than 80 percent of median income.

4. Affirmative marketing. ~~((Units provided through the performance option))~~
MHA-R units shall be affirmatively marketed to attract eligible households from all racial, ethnic, and gender groups in the housing market area of the property, particularly to inform and solicit applications from households who are otherwise unlikely to apply for housing in the development. Proposed marketing efforts shall be submitted to the Office of Housing for review and approval. Records documenting affirmative marketing efforts shall be maintained and submitted to the Office of Housing upon request.

5. ~~((Public subsidy. If any public subsidy, including the Multifamily Housing Property Tax Exemption authorized by Chapter 5.73 and chapter 84.14 RCW, is used for a~~

~~development containing units provided through the performance option on the same lot as the development required to comply with this Chapter 23.58C, and the public subsidy operates through subjecting some of the units in the development to restrictions on the income levels of occupants and the rents or sale prices that may be charged, the units provided to comply with this Chapter 23.58C shall be different units than the units that are subject to such restrictions as a condition of the public subsidy.)) Affordable housing; no other restrictions. The MHA-R units and restricted units provided for any other reason, including a property tax exemption or loans and grants, must be different units.~~

6. Additional requirements for rental units provided through the performance option

a. Rent levels. Monthly rent for MHA-R units shall not exceed 30 percent of 60 percent of median income or, in the case of rental units with net unit area of 400 square feet or less, 30 percent of 40 percent of median income. For purposes of this subsection 23.58C.050.C.6.a, “monthly rent” includes a utility allowance for heat, gas, electricity, water, sewer, and refuse collection, to the extent such items are not paid for tenants by the owner, and any recurring fees that are required as a condition of tenancy.

b. Limitation on charges. Fees charged to eligible households upon move-in or transfer within the development shall be limited to a reasonable level to be established by the Director of Housing by rule. No tenant of a rental MHA-R unit may be charged fees for income verifications or reporting requirements related to this Chapter 23.58C.

c. Annual certification, third party verification

1) The owner of the ~~((rental unit))~~ structure that includes the MHA-R units shall obtain from each tenant, no less than annually, a certification of household

1 size and annual income in a form acceptable to the City. The owner shall examine the income of
2 each tenant household in accordance with 24 CFR 5.609, with guidance from the HUD
3 Occupancy Handbook 4350.3, Chapter 5. The owner also shall examine the income and
4 household size of any tenant at any time when there is evidence that the tenant's written
5 statement was not complete or accurate. If so requested by the City, the owner shall obtain such
6 certifications and/or examine incomes and household sizes at any other times upon reasonable
7 advance notice from the City. The owner shall maintain all certifications and documentation
8 obtained according to this subsection 23.58C.050.C.6.c.1 on file for at least six years after they
9 are obtained, and shall make them available to the City for inspection and copying promptly
10 upon request.

11 2) (~~Owners of rental units~~) The owner of the structure that
12 includes MHA-R units shall attempt to obtain third party verification whenever possible to
13 substantiate income at each certification, which shall include contacting the individual income
14 source(s) supplied by the household. The verification documents shall be supplied directly to the
15 independent source by the owner and returned directly to the owner from the independent source.
16 In the event that the independent source does not respond to the owner's faxed, mailed, or
17 emailed request for information, the owner may pursue oral third party verification. If written or
18 oral third party documentation is not available, the owner may accept original documents (pay
19 stubs, W-2, etc.) at the discretion of the Director of Housing and shall document why third party
20 verification was not available. At the discretion of the Director of Housing, the owner may
21 accept tenant self-certifications after the initial income verification and first annual
22 recertification.

1 d. Reporting. ~~((At such times))~~ Periodically as may be ~~((authorized))~~
2 required by the Director of Housing, but no less than annually, the owner of the ~~((rental unit))~~
3 structure that includes the MHA-R units shall submit to the ~~((Director))~~ Office of Housing a
4 written report~~((, verified upon oath or affirmation by the owner,))~~ demonstrating compliance
5 with and housing outcomes of this Chapter 23.58C. The report shall include information and
6 supporting documentation as required and in a form prescribed by the Office of Housing, and it
7 must be verified upon the owner's oath or affirmation. ~~((The written report shall state, at a~~
8 ~~minimum, the occupancy and vacancy of each rental unit, the monthly rent charged for the unit,~~
9 ~~and the income and size of the household occupying the unit. The Director of Housing may~~
10 ~~require other documentation to ensure compliance with this subsection 23.58C.050.C, including~~
11 ~~but not limited to documentation of rents, copies of tenant certifications, documentation~~
12 ~~supporting determinations of tenant income (including employer's verification or check stubs),~~
13 ~~and other documentation necessary to track program outcomes and the demographics of~~
14 ~~households served. The first annual report shall include documentation of issuance of the~~
15 ~~certificate of occupancy or final building permit inspection for the rental unit.))~~ The Director of
16 Housing is authorized to assess a late fee of \$50 per day, ~~((to))~~ which shall accrue until the report
17 is submitted, starting 14 days from the date the Office of Housing notifies the owner of the
18 ~~((rental unit))~~ structure that includes the MHA-R units that the report is overdue~~((, until the~~
19 ~~report is submitted))~~.

20 e. Annual fee. The owner of the ~~((rental unit))~~ units shall pay the Office of
21 Housing an annual fee of ~~(((\$150))~~ \$190 per ~~((rental))~~ MHA-R unit for the ~~((purposes))~~ purpose
22 of monitoring compliance with the requirements ~~((according to))~~ of this Section 23.58C.050.
23 ~~((On March 1, 2017, and on the same day))~~ No more than once each calendar year ~~((thereafter))~~

1 starting in 2024, the Office of Housing may adjust the fee provided any increase is proportional
2 to or less than the change, for the time period since the previous fee adjustment, ((annual fee
3 shall automatically adjust in proportion to the annual change for the previous calendar year
4 (January 1 through December 31))) in the Consumer Price Index, All Urban Consumers, Seattle-
5 Tacoma-Bellevue, WA, All Items (1982-1984((-))=((-))100), as determined by the U.S.
6 Department of Labor, Bureau of Labor Statistics or successor index.

7 f. Over-income households; unit substitution. If, based on any
8 certification, a previously eligible household occupying a rental unit provided through the
9 performance option is determined to be ineligible due to exceeding the income limits according
10 to subsection 23.58C.050.C.3.b, the owner of the development to which this Chapter 23.58C
11 applies shall, through the process according to subsection 23.58C.030.A.6, designate a
12 comparable substitute rental unit within the development, as approved by the Director of
13 Housing, as soon as such a unit becomes available, and upon such designation the requirements
14 ~~((according to))~~ of this subsection 23.58C.050.C shall transfer to the substitute unit. Upon such
15 determination that a previously eligible household is ineligible, the owner shall promptly give the
16 ineligible household notice of such determination and notice that the requirements ~~((according~~
17 ~~to))~~ of this subsection 23.58C.050.C will transfer to a substitute unit when such unit becomes
18 available. Upon the transfer of the requirements, the owner shall give the ineligible household six
19 months' notice prior to any rent increase.

20 g. Maintenance, insurance. ~~((Rental units provided through the~~
21 ~~performance option))~~ MHA-R units, and the structure in which they are located, shall be
22 maintained by the owner in decent and habitable condition, including the provision of adequate
23 basic appliances. The owner shall keep such units, and the structure in which they are located,

insured by an insurance company licensed to do business in the state of Washington and reasonably acceptable to the City, against loss by fire and other hazards included with broad form coverage, in the amount of 100 percent of the replacement value.

h. Casualty

1) If a rental unit provided through the performance option is destroyed or rendered unfit for occupancy by casualty that does not affect all of the other units in the development to which this Chapter 23.58C applies, the owner of the development shall, through the process according to subsection 23.58C.030.A.6, designate a comparable substitute rental unit within the development, as approved by the Director of Housing, as soon as such a unit becomes available, which the tenant household of the unit affected by casualty shall be allowed to move into, and upon such designation the requirements ~~((according to))~~ of this subsection 23.58C.050.C shall transfer to the substitute unit.

2) If all of the units in the development to which this Chapter 23.58C applies are substantially destroyed by casualty, including by earthquake or fire, the requirements ~~((according to))~~ of this subsection 23.58C.050.C shall terminate.

i. Conversion to ownership housing. If all of the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B in a structure are converted to ownership housing, including through a conversion to condominiums, prior to 75 years from the date of certificate of occupancy or, if a certificate of occupancy is not required, from the date of the final building permit inspection, for the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B:

1) The owner of the development shall, at the time of such conversion, either pay to the City a payment in lieu of continuing affordability or convert the

rental ~~((units provided through the performance option))~~ MHA-R units to ownership ~~((units provided through the performance option))~~ MHA-R units, as follows:

a) Where a payment in lieu of continuing affordability is made, the amount of the payment shall be equal to the amount of the cash contribution according to subsection 23.58C.040.A that would have been required ~~((at the time of))~~ as a condition to issuance of the first building permit that includes the structural frame for the structure if the applicant had elected the payment option, adjusted ~~((for each calendar year following issuance of that permit))~~ in proportion, for the time period between the date of issuance of such building permit and the proposed payment date, to the annual increase in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma- Bellevue, WA, Shelter (1982-1984 = 100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics or successor index, multiplied ~~((times))~~ by the percentage in Table C for 23.58C.050 that corresponds to the number of years that the rental ~~((units provided through the performance option))~~ MHA-R units satisfied the requirements ~~((according to))~~ of this subsection 23.58C.050.C. The City shall use the payment to support ~~((continued))~~ long-term housing affordability in The City of Seattle consistent with applicable statutory requirements.

Table C for 23.58C.050

Payment in lieu of affordability calculation percentages for conversion to ownership housing

| Number of years ((units provided through performance option)) <u>rental MHA-R units</u> satisfied the requirements ((according to)) <u>of</u> subsection 23.58C.050.C | Percentage |
|--|-------------------|
| Less than 7.5 | 100% |
| Between 7.5 and 15 | 95% |
| Between 15 and 22.5 | 90% |
| Between 22.5 and 30 | 85% |
| Between 30 and 37.5 | 80% |
| Between 37.5 and 45 | 75% |
| Between 45 and 52.5 | 65% |
| Between 52.5 and 60 | 55% |

| | |
|---------------------|-----|
| Between 60 and 67.5 | 40% |
| Between 67.5 and 75 | 20% |

b) Where rental ~~((units provided through the performance option))~~ MHA-R units are converted to ownership ~~((units provided through the performance option))~~ MHA-R units, the converted units shall meet the requirements of subsections 23.58C.050.C.1 through 23.58C.050.C.5 and subsection 23.58C.050.C.7.

2) If the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B are in multiple structures, conversion to ownership housing of such units in an individual structure shall not be a basis for reducing the number of rental ~~((units provided through the performance option))~~ MHA-R units in the other structures.

~~((3))~~ 3. If a rental unit provided through the performance option is converted to a condominium, the owner shall comply with the requirements ~~((according to))~~ of Section 22.903.030 and Section 22.903.035, the requirement of RCW ~~((Chapter 64.34.440(2)))~~ 64.34.440(2) to offer to convey the unit to the tenant who leases the unit, and any other applicable requirements.

j. Demolition or change of use

1) If the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B are in a single structure and the structure is demolished, or its use is changed, prior to 75 years from the date of certificate of occupancy or, if a certificate of occupancy is not required, from the date of the final building permit inspection, for the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B, so as to eliminate all of the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B in that structure, the owner of the development shall pay to the City a

1 payment in lieu of continuing affordability for each rental unit provided through the performance
2 option that is eliminated, as follows:

3 a) The payment shall be based on the difference between
4 the monthly restricted rent according to subsection 23.58C.050.C.6.a for each rental unit
5 provided through the performance option that is eliminated and the average monthly rent of a
6 comparable unit according to subsection 23.58C.050.C.2 that is not subject to rent and income
7 restrictions and is located in the same payment and performance area as shown on Map A for
8 23.58C.050, multiplied by the typical number of months between demolition of multifamily
9 housing on a property and completion of redevelopment of a property in the zone in which the
10 eliminated rental unit is located, not to exceed 30 months. The Director shall by rule establish an
11 appropriate methodology and inputs for determining the payment amount in particular zones.

12 b) The City shall use the payment to support ~~((continued))~~
13 ongoing housing affordability in The City of Seattle, including but not limited to providing rental
14 assistance to the tenants of rental ~~((units provided through the performance option))~~ MHA-R
15 units that were eliminated.

16 2) If the units to whose development this Chapter 23.58C applies
17 according to subsection 23.58C.025.B are in multiple structures and an individual structure is
18 demolished, or its use is changed, prior to 75 years from the date of certificate of occupancy or,
19 if a certificate of occupancy is not required, from the date of the final building permit inspection,
20 for the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B,
21 so as to eliminate all of the units to whose development this Chapter 23.58C applies according to
22 subsection 23.58C.025.B in the individual structure, the owner of the development shall:

1 a) Except as provided according to subsection
2 23.58C.050.C.6.j.2.b, pay to the City a payment in lieu of continuing affordability according to
3 subsection 23.58C.050.C.6.j.1.a for each rental unit provided through the performance option
4 that is eliminated; or

5 b) If a rental unit that is eliminated resulted from the
6 combination of fractions of units according to subsection 23.58C.050.A.4, designate, subject to
7 review by the Director in consultation with the Director of Housing, a comparable substitute
8 rental unit within the other structures to replace each such unit that is eliminated or, if such
9 designation is not possible, pay to the City a payment in lieu of continuing affordability
10 according to subsection 23.58C.050.C.6.j.1.a.

11 c) Demolition or change of use of an individual structure
12 shall not be a basis for reducing the number of rental (~~((units provided through the performance~~
13 ~~option))~~ MHA-R units in the other structures and any comparable substitute rental units shall be
14 in addition to any existing rental (~~((units provided through the performance option))~~ MHA-R
15 units in the other structures.

16 7. Additional requirements for ownership units provided through the performance
17 option

18 a. Affordable sale price; down payment. The initial sales price for an
19 ownership unit provided through the performance option shall be an amount according to which
20 total ongoing housing costs do not exceed 35 percent of 65 percent of median income, in order to
21 allow for equity growth for individual homeowners while maintaining affordability for future
22 buyers. The Director of Housing shall establish by rule the method for calculating the initial sales
23 price including standard assumptions for determining upfront housing costs, including the down

1 payment, and ongoing housing costs, which shall include mortgage principal and interest
2 payments, homeowner's insurance payments, homeowner or condominium association dues and
3 assessments, and real estate taxes and other charges included in county tax billings. The Director
4 of Housing may establish a maximum down payment amount for eligible households at initial
5 sale of an ownership unit. The applicant for ~~((the))~~ a development to which this Chapter 23.58C
6 applies shall be responsible for any costs incurred in the initial sale of an ownership unit
7 necessary to ensure compliance with this Chapter 23.58C, including but not limited to marketing
8 to eligible households, income verification, buyer education, and verification of buyer financing.

9 b. Affordable resale price. For an ownership unit provided through the
10 performance option, the sale price for sales subsequent to the initial sale shall be calculated to
11 allow modest growth in homeowner equity while maintaining long-term affordability for future
12 buyers. All buyers of an ownership unit subsequent to the initial sale shall be households with
13 incomes no greater than 80 percent of median income at initial occupancy. The Director of
14 Housing shall by rule:

15 1) Establish the method for calculating the resale price and may
16 establish a maximum down payment amount for eligible households at resale,

17 2) Establish specific requirements for documents ensuring
18 affordability requirements are met at resale, and

19 3) Provide for recovery of reasonable administrative costs.

20 c. Other restrictions. An eligible household purchasing an ownership unit
21 provided through the performance option, either at initial sale or resale, shall:

1 1) Occupy the unit as its principal residence for the duration of its
2 ownership and shall not lease the unit, unless the Director of Housing approves a limited short-
3 term exception, and

4 2) Comply with all other ~~((program))~~ rules established by the
5 Director of Housing as necessary to maintain the long-term viability of the MHA-R unit. Such
6 rules may include, but are not limited to, refinancing approvals and debt limits; limits on credit
7 for capital improvements at the time of resale; requirements for basic maintenance, inspections,
8 and compliance procedures; minimum insurance requirements; obligations to provide
9 information regarding compliance when and as requested; and fees to cover the full costs of
10 calculating the maximum sales price at resale, marketing to eligible households, and screening
11 and selecting eligible households to purchase the unit at resale.

12 d. Annual fee. The owner of the ownership unit shall pay the Office of
13 Housing an annual fee, payable in 12 equal payments, for the ~~((purposes))~~ purpose of monitoring
14 compliance with the requirements ~~((according to))~~ of this Section 23.58C.050. The initial fee
15 shall be established by the Director of Housing by rule. ~~((On March 1, 2017, and on the same~~
16 ~~day))~~ No more than once each calendar year ((thereafter)) starting in 2024, the ((annual fee shall
17 automatically)) Office of Housing may adjust ((in proportion to the annual change for the
18 previous calendar year (January 1 through December 31))) the fee provided any increase is
19 proportional to or less than the change, for the time period since the previous fee adjustment, in
20 the Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bellevue, WA, All Items
21 (1982-1984 = 100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics
22 or successor index.

1 e. Ongoing stewardship. Either (~~prior to or subsequent to~~) before or after
2 the initial sale, the Director of Housing is authorized to designate an agency or organization with
3 sufficient capacity, as approved by the Director of Housing, to perform ongoing stewardship and
4 management functions for ownership (~~(units provided through the performance option)~~) MHA-R
5 units, including but not limited to the following:

- 6 1) Calculating maximum sale prices;
- 7 2) Marketing sales to eligible households;
- 8 3) Screening, educating, and selecting eligible households;
- 9 4) Approving buyer financing; and
- 10 5) Managing successive resales to eligible households.

11 f. Periodically as may be required by the Director of Housing, but no less
12 than annually, the applicant or third-party stewardship entity, as applicable, shall submit to the
13 Office of Housing a written report demonstrating compliance with and housing outcomes of this
14 Section 23.58C.050. The report shall include information and supporting documentation as
15 required and in a form prescribed by the Office of Housing, and it must be verified upon the
16 owner's oath or affirmation. The Director of Housing is authorized to assess a late fee of \$50 per
17 day, which shall accrue until the report is submitted, starting 14 days from the date the Office of
18 Housing notifies the owner of the affordable housing that the report is overdue.

19 8. Additional requirements for units provided through the performance option on
20 a site other than the same lot as the development required to comply with this Chapter
21 23.58C(~~(÷)~~)

22 a. Equal or better – comparability of units. The applicant shall demonstrate
23 to the satisfaction of the Director of Housing that (~~(units provided through the performance~~

option)) MHA-R units on a site other than the same lot as the development required to comply with this Chapter 23.58C are equal to or better than ((~~units provided through performance~~)) MHA-R units on the same lot.

b. Location. ((~~Units provided through the performance option~~)) MHA-R units on a site other than the same lot as the development required to comply with this Chapter 23.58C shall be located in a Lowrise or RSL zone. In addition, units shall be located:

1) Within the same urban center or urban village as the development required to comply with this Chapter 23.58C; or

2) Within ((~~one~~)) 1 mile of the development required to comply with this Chapter 23.58C if such development is located outside of an urban center or urban village.

c. Tenure. ((~~Units provided through the performance option~~)) MHA-R units on a site other than the same lot as the development required to comply with this Chapter 23.58C shall be ownership units and shall comply with all additional requirements for ownership units according to subsection 23.58C.050.C.7.

d. Public subsidy. If any public subsidy is used for a development, and the public subsidy operates through subjecting units in the development to restrictions on the income levels of occupants and the rents or sale prices that may be charged, the development shall not be eligible to provide units through the performance option according to subsection 23.58C.050.C.8.

e. Developer's agreement. If the owner of the development required to comply with this Chapter 23.58C is not the owner of the ((~~units provided through the performance option~~)) MHA-R units, then in addition to the agreement required according to subsection 23.58C.050.E, the owner of the development required to comply with this Chapter

23.58C and the owner of the ~~((units provided through the performance option))~~ MHA-R units shall execute a developer's agreement, acceptable to the Director of Housing, allowing the exclusive use of the ~~((units provided through the performance option))~~ MHA-R units to satisfy the requirements ~~((according to))~~ of this Chapter 23.58C in return for necessary and adequate financial support to the development of those ~~((units provided through the performance option))~~ MHA-R units.

f. Letter of credit

1) If the ~~((units provided through the performance option))~~ MHA-R units are located on a site other than the same lot as the development required to comply with this Chapter 23.58C, the owner of the development required to comply with this Chapter 23.58C shall provide to the Director of Housing an irrevocable bank letter of credit, approved by the Director of Housing, in the amount according to subsection 23.58C.040.A.

2) The Director of Housing may draw on the letter of credit one year after the date of issuance of the certificate of occupancy, or, if a certificate of occupancy is not required, the final building permit inspection, for the development required to comply with this Chapter 23.58C if the certificate of occupancy or final building permit inspection for the ~~((units provided through the performance option))~~ MHA-R units has not been issued on or before that date. The owner of the development required comply with this Chapter 23.58C shall also pay an amount equal to the interest on the cash contribution, at the rate equal to the prime rate quoted by Bank of America, or its successor, plus three percent per annum, from the date of issuance of the first building permit that includes the structural frame for the development required to comply with this Chapter 23.58C.

3) If and when the City becomes entitled to draw on any letter of credit, the Director of Housing may take appropriate steps to do so, and the amounts realized, net of any costs to the City, shall be used in the same manner as cash contributions according to subsection 23.58C.040.B.

D. Enforcement. The requirements ~~((according to))~~ of this Section 23.58C.050 shall be terms of the building permit according to subsection 23.58C.030.A.5. In addition to any other remedies available to the City, the City is authorized to enforce such permit terms using the procedures of Chapter 23.90.

E. Agreement. If the applicant elects to comply with this Chapter 23.58C through the performance option, the City and the property owner of the development to which this Chapter 23.58C applies shall enter into an agreement specifying the requirements ~~((according to))~~ of this Section 23.58C.050. The agreement shall be recorded on the title of the property on which that development is located. The requirements specified in the agreement shall be consistent with the final plans. If the first building permit is issued for the structural frame for the structure that includes affordable housing according to this Chapter 23.58C, and such structure is acquired by a new owner to provide low-income housing that also satisfies the requirements of subsection 23.58C.040.B, the agreement according to this subsection 23.58C.050.E may be released at the sole discretion of the Director of Housing.

Section 57. Section 23.66.100 of the Seattle Municipal Code, last amended by Ordinance 123589, is amended as follows:

23.66.100 Creation of district, legislative findings and purpose

A. During the ~~((City))~~ city of Seattle's relatively brief history, it has had little time in which to develop areas of consistent historical or architectural character. It is recognized that the

1 Pioneer Square area of Seattle (~~((contains))~~) has many of these rare attributes and consequently is
2 an area of great historical and cultural significance. Further, the regional sports stadiums,
3 constructed in and near the Pioneer Square area, and the traffic and activities that they generate
4 have resulted in adverse impacts upon the social, cultural, historic, and ethnic values of the
5 Pioneer Square area. To preserve, protect, and enhance the historic character of the Pioneer
6 Square area and the buildings therein; to return unproductive structures to useful purposes; to
7 attract visitors to the City; to avoid a proliferation of vehicular parking and vehicular-oriented
8 uses; to provide regulations for existing on-street and off-street parking; to stabilize existing
9 housing, and encourage a variety of new and rehabilitated housing types for (~~((all income~~
10 ~~groups))~~) people of all incomes; to encourage the use of transportation modes other than the
11 private automobile; to protect existing commercial vehicle access; to improve visual and urban
12 relationships between existing and future buildings and structures, parking spaces and public
13 improvements within the area; and to encourage pedestrian uses, there is established as a special
14 review district, the Pioneer Square Preservation District. The boundaries of the District are
15 shown on Map A for 23.66.100 and on the Official Land Use Map.

16 * * *

17 C. Reasons for (~~((Designating))~~) designating the Pioneer Square Preservation District(~~((:))~~)

18 1. Historic (~~((Significance))~~) significance. The Pioneer Square Preservation District
19 is unique because it is the site of the beginning of The City of Seattle. The area also retains much
20 of the original architecture and artifacts of its early history. The District has played a significant
21 role in the development of Seattle, the Puget Sound region and The State of Washington. It was
22 the first location of industry, business, and homes in early Seattle and the focus of commerce and
23 transportation for more than a half-century.

1 2. Architectural (~~((Significance))~~) significance. As a collection of late nineteenth
2 and early twentieth-century buildings of similar materials, construction techniques and
3 architectural style, the District is unique, not only to the City but to the country as well. Most of
4 the buildings within the District embody the distinctive characteristics of the Late Victorian
5 style. Many buildings are the work of one architect, Elmer H. Fisher. For these and other
6 reasons, the buildings combine to create an outstanding example of an area that is distinguishable
7 in style, form, character, and construction representative of its era.

8 3. Social (~~((Diversity))~~) diversity. The District represents an area of unique social
9 diversity where people (~~((from many income levels and social strata))~~) with a wide range of
10 incomes live, shop, and work. It is an area (~~((in which social services, including missions,))~~) with
11 market-rate housing as well as low-income housing, emergency shelters, and (~~((service agencies~~
12 ~~exist))~~) human services.

13 4. Business (~~((Environment))~~) environment. The District is an area of remarkable
14 business diversity. The street level of the area north of S. King Street is pedestrian-oriented, with
15 its storefronts occupied primarily by specialty retail shops, art galleries, restaurants, and taverns.
16 The upper floors of buildings in the historic core are occupied by professional offices, various
17 types of light manufacturing, and housing for persons (~~((of many income groups))~~) with a wide
18 range of incomes. The area south of S. King Street includes the stadium's north parking lot, a
19 number of structures occupied by light manufacturing and warehousing use, and several
20 structures converted to office, residential, and mixed use. The stadium's north parking lot may be
21 redeveloped to accommodate a mix of uses, including a substantial amount of housing. The
22 ongoing restoration and sensitive rehabilitation of many District structures, combined with
23 proposed compatible new construction, will continue to enhance the District's economic climate.

1 5. Educational (~~(Value)~~) value. The restoration and preservation of the District
2 will yield information of educational significance regarding the way of life and the architecture
3 of the late nineteenth(~~(-)~~)century as well as adding interest and color to the City. Restoration of
4 the District will preserve the environment that was characteristic of an important era of Seattle's
5 history.

6 6. Geographic (~~(Location)~~) location. The District is uniquely situated adjacent to
7 Seattle's waterfront, the central business district, the International District, and sports stadium
8 and exhibition center facilities.

9 Section 58. Section 23.66.310 of the Seattle Municipal Code, last amended by Ordinance
10 123589, is amended as follows:

11 **23.66.310 Union Station Corridor goals and objectives**

12 The Union Station Corridor is that area bounded by Yesler Way, Fifth Avenue South, Airport
13 Way South, and Fourth Avenue South. The City, in cooperation with King County Metro, local
14 property owners and the affected community, formulated a strategy for the redevelopment of the
15 Union Station Corridor in coordination with the Downtown Transit Project. Specific objectives
16 for a Planned Community Development in the Union Station Corridor include the following:

17 A. Preservation. The historic Union Station structure should be retained and rehabilitated
18 with consideration given to a mix of private and public uses.

19 B. Uses. Development in the Corridor should incorporate a mix of uses, such as office,
20 housing, hotel, and retail uses in conformance with its International District zoning and the
21 regulations of the International Special Review District. Retention of (~~(existing)~~) low-income
22 housing should be given a high priority. Consideration should be given to the inclusion of public
23 open space and public uses serving the community.

* * *

Section 59. Section 23.70.008 of the Seattle Municipal Code, enacted by Ordinance 126519, is amended as follows:

23.70.008 Permitted and prohibited uses

A. Residential uses. Mobile homes~~((;))~~ and mobile home parks((;)) that meet the requirements of subsection 23.70.010.A and ((low-income housing meeting)) housing that meets the requirements of ((this Chapter 23.70)) subsection 23.70.010.B are permitted outright. All other residential uses are prohibited.

* * *

Section 60. Section 23.70.010 of the Seattle Municipal Code, enacted by Ordinance 126519, is amended as follows:

23.70.010 Development standards for residential uses

A. Mobile homes and mobile home parks

1. In addition to the development standards in this Chapter 23.70, mobile homes and mobile home parks are subject to the development standards in Chapter 22.904.

2. The maximum height for residential structures is 30 feet. The height limit exceptions and additions of the LR zones pursuant to Section 23.45.514 apply.

3. Setbacks and separations. Setbacks shall be from mobile home park lot lines as follows:

a. Minimum of 5 feet from any street lot line; and

b. Minimum of 5 feet from any lot line abutting a single-family zone.

B. ~~((Low-income housing, Low-income housing))~~ Housing and right of first offer requirements. Housing on a site that is owned by a government entity, non-profit, or religious

organization(~~(, and meeting)~~) and that meets the requirements of this Chapter 23.70 ~~((are))~~ is subject to the development standards of the underlying zone. ~~((In the event that low income housing is provided by a religious organization, the density bonuses under Section 23.42.055 apply, but low income housing must comply with the))~~ The affordability requirements pursuant to this subsection 23.70.010.B shall apply in the event of a conflict with affordability requirements upon which alternative development standards are conditioned according to Section 23.42.055, if applicable.

~~((1. Affordability requirements))~~

~~((a-))~~ 1. Eligible households. Except as provided in subsection ~~((23.70.010.B.1.e))~~ 23.73.010.B.5 , all dwelling units or congregate residence sleeping rooms shall serve only:

~~((1))~~ a. For rental units, households with incomes no greater than 60 percent of median income~~((, adjusted by household size))~~.

~~((2))~~ b. For ownership units, households with incomes no greater than 80 percent of median income~~((, adjusted by household size))~~.

~~((b-))~~ 2. Duration. The obligation to provide dwelling units or congregate residence sleeping rooms meeting the requirements of this subsection 23.70.010.B shall last for a period of 75 years from the date of the certificate of occupancy or, if a certificate of occupancy is not required, from the date of the final building permit inspection for the development to which this subsection 23.70.010.B applies.

~~((e-))~~ 3. Affordable rent. Monthly rent shall not exceed 30 percent of 60 percent of median income. ~~((For purposes of this subsection 23.70.010.B, "monthly rent" includes a utility allowance for heat, gas, electricity, water, sewer, and refuse collection, to the extent such items~~

are not paid for tenants by the owner, and any recurring fees that are required as a condition of tenancy.

~~4.))~~ 4. Affordable sale price

~~((4))~~ a. Affordable price—~~((initial))~~ Initial sales. The initial affordable sale price must be an amount in which total ongoing housing costs do not exceed 30 percent of 80 percent of median income. The Director of Housing will establish by rule the method for calculating the initial sale price including standard assumptions for determining upfront housing costs, including the down payment, and ongoing housing costs, which must include mortgage principal and interest payments, homeowner's insurance payments, homeowner or condominium association dues and assessments, and real estate taxes and other charges included in county tax billings. The Director of Housing may establish by rule a maximum down payment amount.

~~((2))~~ b. Affordable price—~~((resales))~~ Resales. Eligible households for purchase of an ownership unit subsequent to the initial sale must have incomes no greater than 80 percent of median income at initial occupancy. The Office of Housing will establish by rule the formula for calculating maximum affordable prices for sales subsequent to the initial sale to allow modest growth in homeowner equity while maintaining long-term affordability for future buyers.

~~((e-))~~ 5. Right of first offer, replacement housing, and initial rent and affordable sales price for current residents~~((r))~~

~~((4))~~ a. The property owner shall affirmatively offer eligible households of residents of the mobile home park, at the time the relocation report and plan required by Section 22.904.410 is submitted, a replacement unit in the ~~((low-income))~~ housing development according to this subsection 23.70.010.B, relocation housing while the ~~((low-income))~~ housing

development is under construction, and financial relocation assistance. Financial relocation assistance shall be provided regardless of whether eligible households accept a replacement unit.

((2)) b. For rental units for eligible households of residents of the mobile home park at the time the relocation report and plan required by Section 22.904.410 is submitted, the replacement unit must be equivalent in size to the mobile home in which the resident formerly lived and, notwithstanding the requirements of subsection ((~~23.70.010.B.1.e~~)) 23.70.010.B.3, the affordable monthly rent, while the resident is a tenant of the development, shall be no greater than 30 percent of 40 percent of median income, adjusted for household size, or one-third of a residents' monthly income, whichever is less. ((~~For purposes of this subsection 23.70.010.B, "monthly rent" includes a utility allowance for heat, gas, electricity, water, sewer, and refuse collection, to the extent such items are not paid for tenants by the owner, and any recurring fees that are required as a condition of tenancy.~~)) Affordable rent subsequent to the resident being a tenant of the development is determined pursuant to subsection ((~~23.70.010.B.1.e~~)) 23.70.010.B.3.

((3)) c. For ownership units for eligible households of residents of the mobile home park at the time the relocation report and plan required by Section 22.904.410 is submitted, the initial affordable sale price must be an amount in which total ongoing housing costs do not exceed 30 percent of 40 percent of median income. The Director of Housing will establish by rule the method for calculating the initial sale price including standard assumptions for determining upfront housing costs, including the down payment, and ongoing housing costs, which must include mortgage principal and interest payments, homeowner's insurance payments, homeowner or condominium association dues and assessments, and real estate taxes and other charges included in county tax billings. The Director of Housing may establish by rule a

maximum down payment amount. Affordable resale prices are determined pursuant to subsection ((23.70.010.B.1.d.2)) 23.70.010.B.4.b.

d. Agreement. As a condition of building permit issuance for a development according to this subsection 23.70.010.B, the property owner and the City must enter into an agreement in a form acceptable to the City that includes housing covenants consistent with this subsection 23.70.010.B and the final plan set approved by the Department. The agreement must be recorded on the title of the property on which the low-income housing development is located.

6. For purposes of this Section 23.70.010, "monthly rent" includes a utility allowance for heat, gas, electricity, water, sewer, and refuse collection, to the extent such items are not paid for tenants by the owner, and any recurring fees that are required as a condition of tenancy.

Section 61. Section 23.72.002 of the Seattle Municipal Code, enacted by Ordinance 118624, is amended as follows:

23.72.002 Purpose and intent((;))

The purpose of this ((chapter)) Chapter 23.72 is to implement the Sand Point amendments to the Comprehensive Plan by regulating land use and development within the Sand Point Overlay District in order to integrate the property into the city of Seattle as a multi-purpose regional center that provides:

A. Expanded opportunity for recreation, education, arts, cultural, and community activities;

B. Increased public access to the shoreline and enhanced open space and natural areas;

C. Opportunities for ((affordable)) low-income housing and community and social services with a special priority for addressing the needs of homeless families; and

D. Expanded opportunity for low-impact economic development uses which could provide employment and services for residents of the property and for the broader community.

Section 62. Section 23.72.010 of the Seattle Municipal Code, last amended by Ordinance 126509, is amended as follows:

23.72.010 Development standards

* * *

D. New structures. Demolition of existing structures and construction of new structures in the Sand Point Overlay District are permitted if in compliance with the following provisions and if consistent with the Sand Point Historic Properties Reuse and Protection Plan, dated April 1998, as documented by a letter from the State Historic Preservation Officer certifying that the proposal is consistent with the Plan:

1. Any new structure shall be located on and limited to the footprint of a structure that existed on the site as of July 18, 1997, except for:

a. ~~((an))~~ An indoor and outdoor tennis center to be located within Subarea B as depicted on Map A for 23.72.004~~((;))~~ ;

b. ~~((affordable))~~ Low-income housing ~~((structures))~~ to be located within ~~((L3))~~ LR3 zoned portions of the overlay district~~((;))~~ ; and

c. ~~((dry))~~ Dry boat storage.

2. In determining the footprint of structures existing on July 18, 1997, interior courtyards enclosed by three or more building walls at least 10 feet in height may be included as part of the footprint.

3. Except for a proposed new tennis center in Subarea B, for which the height limit is 45 feet, and except for any new structure used for nonmotorized dry boat storage, for

which the height limit is 15 feet, the height limit of a new structure is the greater of the height limit of the underlying zone or the height of the structure that existed on the same site as the new structure as of July 18, 1997.

* * *

Section 63. Section 23.73.010 of the Seattle Municipal Code, last amended by Ordinance 125791, is amended as follows:

23.73.010 Floor area limits outside the Conservation Core

* * *

B. Exceptions to floor area limit

1. A 15 percent increase in the floor area limit is permitted for projects that meet the following conditions:

a. The project retains all the character structures existing on the lot, unless a departure is approved through the design review process to allow the removal of a character structure based on the provisions of subsection 23.41.012.B; and

b. The project includes uses that contribute to the area's recognized character as an arts district, including performing arts space or artist-studio dwellings that typically have design requirements such as nonstandard floor-to-ceiling heights that reduce the total amount of usable floor area in a structure; or

c. A minimum of 50 percent of the total gross floor area of the project is ~~((housing that is affordable to and occupied by "income-eligible households," as defined in Section 23.58A.004, and is subject to recorded covenants approved by the Director that ensure that the housing remains available to these households for a minimum of 50 years))~~ moderate-income units; or

d. Through the design review process a determination is made that including one or more of the following features offsets the increase in the bulk of the project and allows for a design treatment that achieves the intent of the neighborhood design guidelines better than adhering to the floor area limit that would apply without the exception:

1) A landscaped courtyard that is visible from the sidewalk and located primarily at street level on a street that is not a principal pedestrian street;

2) A through-block pedestrian corridor that connects parallel streets bounding the project, consistent with the neighborhood design guidelines; or

3) Open space at locations that support the gateway and open space concepts promoted in the neighborhood design guidelines.

2. Retaining character structures on a lot. A 25 percent increase in the floor area limit established in subsection 23.73.010.A is permitted for a project that retains all the character structures on the same lot according to the provisions in Section 23.73.015, unless a departure is approved through the design review process to allow the removal of a character structure based on the provisions of subsection 23.41.012.B. Any increase in floor area permitted according to this subsection 23.73.010.B.2 shall not be combined with any other increase in floor area permitted according to subsection 23.73.010.B.1 or 23.73.010.B.3.

3. A 25 percent increase in the floor area limit is permitted on a lot that qualifies as a receiving site for a project that adds floor area through the use of TDP as permitted by Section 23.73.024, provided that the amount of floor area added through the use of TDP is equivalent to at least 0.25 FAR, as calculated for the receiving site. Any increase in floor area permitted according to this subsection 23.73.010.B.3 shall not be combined with any other increase in floor area permitted according to subsection 23.73.010.B.1 or 23.73.010.B.2.

* * *

Section 64. Section 23.73.016 of the Seattle Municipal Code, enacted by Ordinance 123776, is amended as follows:

23.73.016 Amenity area

A. Amenity area is not required for structures existing as of April 1, 2000 that are repaired, renovated, or structurally altered to the extent permitted by the development standards of the Land Use Code, provided that street-facing facades are retained and 50 percent or more of the gross floor area is retained.

B. Amenity area is not required for ~~((new construction of affordable housing that meets the following:~~

~~1. At least 40 percent of the units are rented to households at annual rents not exceeding 30 percent of 60 percent of the median income; and~~

~~2. The applicant demonstrates compliance with these income criteria for the life of the building))~~ low-income housing.

C. ~~((Existing residential uses that meet the amenity area requirements of Section 23.47A.024 may eliminate amenity))~~ Amenity area~~((, provided they comply with subsections 23.73.016.B.1 and B.2))~~ in existing low-income housing may be removed.

Section 65. Section 23.75.020 of the Seattle Municipal Code, last amended by Ordinance 124378, is amended as follows:

23.75.020 Definitions

A. Scope and applicability

1. General rule. The terms set forth in quotation marks in this Section 23.75.020, when used in this Chapter 23.75, have the meanings set forth unless the context otherwise requires.

2. Definitions in Chapter 23.84A. For purposes of this Chapter 23.75, definitions in this Chapter 23.75 supersede any definitions of the same terms in Chapter 23.84A.

B. Defined terms

* * *

"Affordable housing" means ~~((housing))~~ replacement units, 60% AMI units, and 80% AMI units, not existing as of January 1, 2012, ~~((committed to be provided to meet the conditions to increase))~~ provided to achieve increased residential floor area under Table A for 23.75.085. For purposes specific to affordable housing, references in this Chapter 23.75 to "household" mean a "family" according to 24 CFR Section 5.403 or successor provision, and each family's "income" is determined according to 24 CFR Section 5.609 or successor provision, unless otherwise approved in writing by the Director of Housing.

"Replacement unit" means one of the first 561 new or renovated ~~((housing))~~ units constructed in the Yesler Terrace redevelopment area, to be occupied by or reserved for Yesler Terrace residents who must relocate due to demolition and construction or households with incomes at initial occupancy no higher than 30 percent of median income~~((, as defined in Section 23.84A.025, at the time of initial occupancy by the household))~~, subject to ~~((the term of and commitment to affordability in))~~ requirements of subsection ~~((23.75.085.C.2))~~ 23.75.085.D.

* * *

1 "~~((60 percent of MI))~~ 60% AMI unit" means a dwelling unit ~~((of affordable housing,))~~
2 other than a replacement unit or ~~((80 percent of MI))~~ 80% AMI unit, to be occupied by or
3 reserved solely for households with incomes at initial occupancy no higher than 60 percent of
4 median income~~((, as defined in Section 23.84A.025, at the time of initial occupancy by the~~
5 ~~household)), subject to ((the term of and commitment to affordability in)) requirements of~~
6 subsection ~~((23.75.085.C.2))~~ 23.75.085.D.

7 "~~((80 percent of MI))~~ 80% AMI unit" means a dwelling unit ~~((of affordable housing,))~~
8 other than a replacement unit or ~~((60 percent of MI))~~ 60% AMI unit, to be occupied by or
9 reserved solely for households with incomes at initial occupancy no higher than 80 percent of
10 median income~~((, as defined in Section 23.84A.025, at the time of initial occupancy by the~~
11 ~~household)), subject to ((the term of and commitment to affordability in)) requirements of~~
12 subsection ~~((23.75.085.C.2))~~ 23.75.085.D.

13 Section 66. Section 23.75.085 of the Seattle Municipal Code, last amended by Ordinance
14 125603, is amended as follows:

15 **23.75.085 Residential floor area limits; affordable housing incentive ~~((program))~~**

16 A. Purpose. The provisions of this Section 23.75.085 are intended to implement an
17 affordable housing incentive ~~((program))~~ as authorized by RCW 36.70A.540.

18 B. Findings. Pursuant to the authority of RCW 36.70A.540, the City finds that:

19 1. The phased redevelopment of the properties in the MPC-YT zone addresses the
20 need for increased residential development to achieve local growth management and housing
21 policies; and

22 2. The terms of the affordable housing incentive ~~((program))~~ in this Section
23 23.75.085 ~~((take into account))~~ recognize that, ~~((federal funding is expected for housing that will~~

1 ~~replace existing public housing and that will serve households with incomes, at the time of initial~~
2 ~~occupancy by the household, at or below 30 percent of median income, but that))~~ for affordable
3 housing not receiving federal subsidies, the higher income levels specified ~~((in the definitions of~~
4 ~~"60 percent of MI unit" and "80 percent of MI unit" in this Chapter 23.75))~~ for 60% AMI units
5 and 80% AMI units, rather than the level stated for rental housing units in the definition of "low-
6 income households" in RCW 36.70A.540, are needed to address local housing market
7 conditions.

8 C. ~~((Residential floor area limits 1.))~~ The aggregate residential floor area limit for built
9 and permitted development on all lots within the MPC-YT zone is established in Table A for
10 23.75.085 and subject to the following conditions:

11 ~~((a.))~~ 1. The aggregate residential floor area limit is increased in stages, referred to
12 as "tiers," when affordable housing is provided in accordance with the terms of this Section
13 23.75.085 in amounts sufficient to satisfy the conditions for the next tier according to Table A
14 for 23.75.085.

15 ~~((b.))~~ 2. The Tier 1 limit is the base, so no affordable housing needs to be
16 provided in order for aggregate residential floor area to reach the Tier 1 limit.

17 ~~((c.))~~ 3. If the total amount of constructed or permitted floor area reaches the
18 applicable tier limit, but affordable housing production conditions have not been satisfied, no
19 further building permits for residential floor area may be issued except for replacement units,
20 ~~((60 percent of MI))~~ 60% AMI units, or ~~((80 percent of MI))~~ 80% AMI units. In counting total
21 permitted residential floor area, projects with expired or cancelled permits shall not be included.

22 ~~((d.))~~ 4. After the maximum residential floor area allowed has been increased to
23 Tier 4, no Master Use Permit for a development including residential floor area shall be issued

unless the development application includes a number of ~~((80 percent of MI))~~ 80% AMI units equal to 4.5 percent of the total number of ~~((dwelling))~~ units in the application that are not either replacement units or ~~((60 percent of MI))~~ 60% AMI units.

Table A for 23.75.085

Maximum floor area limits for residential uses

based on affordable housing production ¹

| | Affordable housing production conditions for the Yesler Terrace redevelopment area (cumulative) to increase maximum floor area limit to the next tier | Maximum residential floor area allowed in the MPC-YT zone |
|--------|--|---|
| Tier 1 | • 187 replacement units | 1,400,000 square feet |
| (base) | • 80 60% ((of MI)) <u>AMI</u> units | |
| | • A number of 80% ((of MI)) <u>AMI</u> units equal to 4.5 percent of ((all housing)) <u>total</u> units completed to date in the MPC-YT zone in accordance with ((23.75.085.D)) <u>subsection 23.75.085.F</u> , other than replacement units and 60% ((of MI)) <u>AMI</u> units ((:)) | |
| Tier 2 | • 374 replacement units | 2,750,000 square feet |
| | • 160 60% ((of MI)) <u>AMI</u> units | |
| | • A number of 80% ((of MI)) <u>AMI</u> units equal to 4.5 percent of ((all housing)) <u>total</u> units completed to date in the MPC-YT zone in accordance with ((23.75.085.D)) <u>subsection 23.75.085.F</u> , other than replacement units and 60% ((of MI)) <u>AMI</u> units ((:)) | |
| Tier 3 | • 561 ((Replacement)) <u>replacement</u> units | 3,350,000 square feet |
| | • 290 60% ((of MI)) <u>AMI</u> units | |
| | • A number of 80% ((of MI)) <u>AMI</u> units equal to 4.5 percent of ((all housing)) <u>total</u> units completed to date in the MPC-YT zone in accordance with ((23.75.085.D)) <u>subsection 23.75.085.F</u> , other than replacement units and 60% ((of MI)) <u>AMI</u> units ((:)) | |
| Tier 4 | Not applicable | 3,950,000 square feet |

Footnotes to Table A for 23.75.085

¹ ~~((Housing))~~ Residential units existing as of January 1, 2012 ~~((does))~~ do not count toward the affordable housing production ~~((conditions))~~ requirements or the maximum residential floor area allowed.

1 ~~((2. In order to))~~ D. To count toward the conditions to a higher tier under Table A for
2 23.75.085, affordable housing shall be committed under recorded covenants or instruments,
3 acceptable to the Director of Housing, to satisfy the following requirements:

4 ~~((a.))~~ 1. Term. The affordable housing shall serve only income eligible households
5 for replacement units, ~~((60 percent of MI))~~ 60% AMI units, or ~~((80 percent of MI))~~ 80% AMI
6 units, as defined in Section 23.75.020, for a minimum of 50 years from the date when the
7 affordable housing becomes available for occupancy as determined by the Director of Housing.

8 ~~((b.))~~ 2. Affordability. Units must be committed to affordability as follows:

9 ~~((1.))~~ a. Except as permitted in subsection ~~((23.75.085.C.2.b.5))~~
10 23.75.085.D.2.e, for replacement units, monthly rent, including basic utilities, shall be as allowed
11 under the 1937 U.S. Housing Act, as amended, and agreements between the Seattle Housing
12 Authority and the U.S. Department of Housing & Urban Development (HUD) and, for City-
13 funded replacement units, agreements between the Seattle Housing Authority and ~~((the))~~ The
14 City of Seattle. Rent may increase in proportion to household income for qualifying tenants
15 provided that rent shall not exceed 30 percent of 80 percent of median income. For purposes of
16 this Section 23.75.085, Yesler Terrace residents who are eligible to return pursuant to a
17 relocation plan adopted by the Seattle Housing Authority shall be deemed to have met initial
18 occupancy requirements.

19 ~~((2.))~~ b. Except as permitted in subsection ~~((23.75.085.C.2.b.5))~~
20 23.75.085.D.2.e, for ~~((60 percent of MI))~~ 60% AMI units, monthly rent, including basic utilities,
21 shall not exceed 30 percent of 60 percent of median income.

1 ~~((3))~~ c. For ~~((80 percent of MI))~~ 80% AMI units that are rental housing,
2 monthly rent, including basic utilities, shall not exceed 30 percent of 80 percent of median
3 income.

4 ~~((4))~~ d. For ~~((80 percent of MI))~~ 80% AMI units that are offered for sale,
5 the initial sale price shall not exceed an amount determined by the Director of Housing to be
6 affordable to a household with an income, at the time of initial occupancy by the household, no
7 higher than 80 percent of median income. The unit shall be subject to recorded covenants or
8 instruments satisfactory to the Director of Housing providing for ~~((sales prices on any resales~~
9 ~~consistent with affordability requirements on the same basis))~~ limits on sale and resale prices
10 according to Section 23.75.020 and this Section 23.75.085 for at least 50 years. The Director of
11 Housing is authorized to adopt~~((7))~~ by rule~~((7))~~ the method of determining affordability, including
12 estimated monthly housing costs and requirements relating to down payment amount and
13 homebuyer contributions.

14 ~~((5))~~ e. The Director of Housing is authorized to amend covenants to
15 adjust affordability and income limits up to a maximum of 30 percent of 80 percent of median
16 income if the Director of Housing determines that:

17 ~~((a))~~ 1) In the case of replacement units, a reduction in federal
18 operating subsidies has made such funding insufficient to maintain the replacement units for
19 households with incomes at or below 30 percent of median income;

20 ~~((b))~~ 2) In the case of ~~((60 percent of MI))~~ 60% AMI units, after
21 40 years from initial occupancy of a building, rent levels are insufficient to operate and maintain
22 the units or to meet any required debt coverage ratios as required by financing;

1 ~~((e))~~ 3) The number of units with adjusted affordability has been
2 minimized to the extent practical, and

3 ~~((d))~~ 4) One or more agreements are entered into between the
4 housing owner and the Director of Housing committing the housing owner(s) to new
5 affordability and occupancy requirements effective when replacement units and/or ~~((60 percent~~
6 ~~of MH))~~ 60% AMI units are vacated and available for occupancy by new tenants.

7 ~~((e-))~~ 3. Size. If provided in a development permitted under a single master use
8 permit that includes dwelling units other than affordable housing, the average net ~~((floor))~~ unit
9 area, measured according to subsection 23.86.007.B, of the ~~((affordable housing))~~ dwelling units
10 provided to satisfy requirements of this Section 23.75.085 shall be no smaller than the average
11 net ~~((floor))~~ unit area ~~((per unit of))~~ of the total residential units in the development ~~((as a~~
12 ~~whole))~~.

13 ~~((d-))~~ 4. Location. Affordable housing must be located within the Yesler Terrace
14 redevelopment area. No more than 190 of the replacement units shall be located east of Boren
15 Avenue. A minimum of 50 replacement units shall be located in at least five of the eight blocks
16 west of Boren Avenue. When provided within a development permitted under a single master
17 use permit that includes dwelling units other than affordable housing, the affordable housing
18 shall generally be distributed throughout the development.

19 5. Reports. Periodically as may be required by the Director of Housing, but no
20 less than annually, the owner of the affordable housing shall submit to the Office of Housing a
21 written report demonstrating compliance with and housing outcomes of this Section 23.75.085.
22 The report shall include information and supporting documentation as required and in a form
23 prescribed by the Office of Housing, and it must be verified upon the owner's oath or

1 affirmation. The Director of Housing is authorized to assess a late fee of \$50 per day, which shall
2 accrue until the report is submitted, starting 14 days from the date the Office of Housing notifies
3 the owner of the affordable housing that the report is overdue. For ownership affordable housing,
4 the applicant or third-party stewardship entity, as applicable, must comply with reporting
5 requirements of this subsection 23.75.085.D.5.

6 6. Compliance monitoring fees. The owner of rental affordable housing shall pay
7 the Office of Housing an annual fee of \$190 per affordable housing unit for the purpose of
8 monitoring compliance according to this Section 23.75.085. No more than once each calendar
9 year starting in 2024, the Office of Housing may adjust the fee provided any increase is
10 proportional to or less than the change, for the time period since the previous fee adjustment, in
11 the Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bellevue, WA, All Items
12 (1982-1984=100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or
13 successor index. The owner of each ownership affordable housing unit shall pay to the Office of
14 Housing or third-party stewardship entity, as applicable, an annual fee payable in 12 equal
15 payments for purposes of monitoring compliance with this Section 23.75.085. The fee shall be
16 established by the Director of Housing by rule.

17 ~~((3-))~~ E. No ((subsidies)) other restrictions for ((80 percent of MI)) 80% AMI units;
18 exceptions

19 ~~((a. The associated covenant required in order for an 80 percent of MI unit to~~
20 ~~count toward the conditions to a higher tier under Table A for 23.75.085 must include provisions~~
21 ~~prohibiting subsidies provided for or related to that unit. For purposes of this subsection~~
22 ~~23.75.085.C.3, "subsidies" includes federal loans or grants, City of Seattle housing loans or~~
23 ~~grants, developer contributions for affordable housing made in exchange for bonus floor area in a~~

1 ~~zone other than MPC-YT, county housing funds, and State of Washington housing funds, except~~
2 ~~as provided in this subsection 23.75.085.C.3.~~

3 ~~b. Housing that is or upon completion would be subject to any restrictions~~
4 ~~on the income of occupants, rents, or sale prices, independent of requirements in this Section~~
5 ~~23.75.085 and Chapter 5.73, may not be counted as affordable housing under this Section~~
6 ~~23.75.085, except as provided in subsection 23.75.085.C.3.e.)) 1. Except as permitted in~~
7 ~~subsection 23.75.085.E.2, 80% AMI units provided according to this Section 23.75.085 must be~~
8 ~~different than restricted units provided for any other reason.~~

9 ~~((e.)) 2. For purposes of this subsection ((23.75.085.C.3)) 23.75.085.E, ((the~~
10 ~~following do not constitute a subsidy, and any related conditions regarding incomes, rents, or~~
11 ~~sale prices do not constitute restrictions)) 80% AMI units may be the same units as provided to~~
12 ~~satisfy conditions of the following subsidies:~~

13 ~~((1)) a. ((Any benefit to the developer of discounted)) Discounted land~~
14 ~~sales prices;~~

15 ~~((2)) b. ((Use of)) Washington State Housing Finance Commission bonds~~
16 ~~and 4-percent low-income housing tax credits; and~~

17 ~~((3)) c. ((The qualification for and use of property)) Property tax~~
18 ~~exemptions not to exceed 12 years pursuant to Chapter 5.73.~~

19 ~~((D.)) F. Production((-))~~

20 1. A ~~((unit of affordable housing that satisfies the conditions of subsection~~
21 ~~23.75.085.C)) replacement unit, 60% AMI unit, or 80% AMI unit shall be counted for purposes~~
22 ~~of Table A for 23.75.085 when the affordable housing is subject to recorded covenants or~~
23 ~~instruments that conform to this Section 23.75.085 and are satisfactory to the Director of~~

1 Housing in form, content, and priority. ~~((Any unit or units of housing provided as a condition to~~
2 ~~bonus floor area pursuant to any Land Use Code section other than 23.75.085 shall not be~~
3 ~~counted for purposes of Table A for 23.75.085.))~~

4 2. ~~((All dwelling))~~ units other than replacement units, ~~((60 percent of MI))~~ 60%
5 AMI units, and ~~((80 percent of MI))~~ 80% AMI units shall be counted as ~~((completed when a~~

6 ~~Master Use Permit for construction of those units has been issued, unless and until either~~

7 a. ~~the Master Use Permit decision is cancelled before the Master Use~~
8 ~~Permit is issued, or the Master Use Permit issued pursuant to such decision expires or is~~
9 ~~cancelled, without the highrise structure having been constructed; or~~

10 b. ~~a ruling by a hearing examiner or court of competent jurisdiction~~
11 ~~reversing or vacating such decision, or determining such decision or the Master Use Permit~~
12 ~~issued thereunder to be invalid, becomes final and no longer subject to judicial review))~~

13 complete upon issuance of a certificate of occupancy for the structure that includes the affordable
14 housing.

15 ~~((F.))~~ H. Rules. The Director and the Director of Housing are authorized jointly to adopt
16 rules to interpret and implement the provisions of this Section 23.75.085, in addition to rules that
17 may be adopted by the Director of Housing independently as authorized in this Section
18 23.75.085.

19 ~~((G.))~~ I. Distribution of residential floor area limits by sector. Table B for 23.75.085
20 establishes residential maximum floor area limits by sector. The sum of the sector allocations
21 exceeds the maximum established for the entire zone, but this subsection ~~((23.75.085.G))~~
22 23.75.085.I does not allow the total amount of residential floor area in all sectors combined to
23 exceed the limit in effect under Table A for 23.75.085.

* * *

~~((H.))~~ J. Floor area subject to the limits in this Section 23.75.085 is all residential gross floor area except for accessory parking and floor area in residential structures existing as of January 1, 2012.

~~((I.))~~ K. Fees. ~~((For developments that include 80 percent of MI units provided to meet affordable housing production conditions in))~~ The applicant for a project that includes 80% AMI units according to this Section 23.75.085~~((, the applicant and owner shall pay fees to the Office of Housing as specified under))~~ shall pay housing review fees according to Section 22.900G.015.

Section 67. Section 23.76.032 of the Seattle Municipal Code, last amended by Ordinance 126685, is amended as follows:

~~**((23.76.032 Expiration and renewal of Type I and II Master Use Permits**~~

~~A. Type I and II Master Use Permit expiration))~~

23.76.029 Type I and II Master Use Permit duration and expiration date

~~((I.))~~ An issued Type I or II Master Use Permit expires three years from the date a permit is approved for issuance as described in Section 23.76.028, except as follows:

~~((a.))~~ A. A Master Use Permit with a shoreline component expires pursuant to WAC 173-27-090.

~~((b.))~~ B. A variance component of a Master Use Permit expires as follows:

~~((1.))~~ 1. Variances for access, yards, setback, open space, or lot area minimums granted as part of a short plat or lot boundary adjustment run with the land in perpetuity as recorded with the King County Recorder.

~~((2.))~~ 2. Variances granted as separate Master Use Permits pursuant to subsection 23.76.004.G expire three years from the date the permit is approved for issuance as described in

Section 23.76.028 or on the effective date of any text amendment making more stringent the development standard from which the variance was granted, whichever is sooner. If a Master Use Permit to establish the use is issued prior to the earlier of the dates specified in the preceding sentence, the variance expires on the expiration date of the Master Use Permit.

~~((e.))~~ C. The time during which pending litigation related to the Master Use Permit or the property subject to the permit made it reasonable not to submit an application for a building permit, or to establish a use if a building permit is not required, is not included in determining the expiration date of the Master Use Permit.

~~((d.))~~ D. Master Use Permits with a Major Phased Development or Planned Community Development component under Sections 23.47A.007, 23.49.036, or 23.50.015 expire as follows:

~~((4.))~~ 1. For the first phase, the expiration date shall be three years from the date the permit is approved for issuance;

~~((2.))~~ 2. For subsequent phases, the expiration date shall be determined at the time of permit issuance for each phase, and the date shall be stated in the permit.

~~((e.))~~ E. Permits for uses allowed under Section 23.42.038, temporary or intermittent use permits issued pursuant to Section 23.42.040, and transitional encampment interim use permits issued under Section 23.42.056 expire on the date stated in the permit.

~~((f.))~~ F. Except as otherwise provided in this subsection ~~((23.76.032.A.1.f))~~ 23.76.029.F, Master Use Permits for development pursuant to ~~((Sections))~~ Section 23.49.180 ~~((and 23.49.181))~~ expire on the date set by the Director in the Master Use Permit decision, which date may be a maximum of 15 years from the date the Master Use Permit is approved for issuance. The Director shall consider the complexity of the project, economic conditions of the area in which the project is located, and the construction schedule proposed by the applicant in setting

the expiration date. If no expiration date is set in the Master Use Permit decision, the expiration date is three years from the date a permit is approved for issuance.

~~((1))~~ 1. In order for the Director to set the Master Use Permit expiration date, the applicant shall:

~~((a))~~ a. Submit with the application a site plan showing a level of detail sufficient to assess anticipated impacts of the completed project; and

~~((b))~~ b. Submit a proposed schedule for complying with the conditions necessary to gain the amount of extra floor area and the extra height sought for the project.

~~((2))~~ 2. The expiration date of the Master Use Permit may be extended past the expiration date set in the Master Use Permit decision or the date established in this subsection ~~((23.76.032.A.1.f))~~ 23.76.029.F if:

~~((a))~~ a. On the expiration date stated in the Master Use Permit decision, a building permit for the entire development has been issued, in which case the Master Use Permit is extended for the life of the building permit if the Master Use Permit would otherwise expire earlier, or

~~((b))~~ b. A complete application for a building permit that either is for the entire development proposed pursuant to Section 23.49.180, or is for construction to complete the entire development proposed pursuant to Section 23.49.180, is:

~~((i))~~ 1) Submitted before the expiration date of the Master Use Permit; and

~~((ii))~~ 2) Made sufficiently complete to constitute a fully complete building permit application as defined in the Seattle Building Code, or for a highrise structure regulated under Section 403 of the Seattle Building Code, made to include the complete

1 structural frame of the building and schematic plans for the exterior shell of the building, in
2 either case before the expiration date of the Master Use Permit, in which case the Master Use
3 Permit is extended for the life of the building permit issued pursuant to the application if the
4 Master Use Permit would otherwise expire earlier.

5 ~~((g.))~~ G. The permit expires earlier pursuant to Section 22.800.100.

6 ~~((h.))~~ H. The time during which the property subject to the Master Use Permit is used for
7 a transitional encampment interim use is not included in determining the expiration date of the
8 Master Use Permit.

9 **23.76.030 Type I and II Master Use Permit expiration and exceptions to expiration**

10 ~~((2.))~~ On the expiration date determined as provided in ~~((subsection 23.76.032.A.1))~~ Section
11 23.76.029, a Master Use Permit expires unless one of the conditions in this ~~((subsection~~
12 23.76.032.A.2)) Section 23.76.030 exists:

13 ~~((a.))~~ A. A building permit is issued before the expiration date, in which case the Master
14 Use Permit shall be extended for the life of the building permit.

15 ~~((b.))~~ B. A valid and fully complete application for a building permit is submitted prior to
16 the Master Use Permit expiration date and a building permit is subsequently issued. In such
17 cases, the Master Use Permit shall be extended for the life of the building permit.

18 ~~((c.))~~ C. For projects that do not require a building permit, the use has been established
19 prior to the expiration date and is not terminated prior to that date by abandonment, change of
20 use, or otherwise. In such cases the Master Use Permit expires when the use permitted by the
21 Master Use Permit is terminated by abandonment, change of use, or otherwise.

22 ~~((d.))~~ D. The Master Use Permit is renewed pursuant to ~~((subsection 23.76.032.C))~~
23 Section 23.76.032.

1 ~~((e-))~~ E. A Major Phased Development or Planned Community Development component
2 is part of the Master Use Permit, in which case subsection ~~((23.76.032.A.1.d))~~ subsection
3 23.76.029.D applies.

4 ~~((f-))~~ F. The Master Use Permit is for development subject to Section 23.49.180, in which
5 case the provisions in subsection ~~((23.76.032.A.1.f))~~ 23.76.029.F apply.

6 **23.76.031 Type I and Type II Master Use Permits' relationship to building permits**

7 ~~((B-))~~ If a Master Use Permit is issued for a project, a building permit is issued for the project,
8 and the project is constructed pursuant to the building permit:

9 ~~((1-))~~ A. Conditions of or incorporated in the Master Use Permit shall remain in effect,
10 notwithstanding expiration of the Master Use Permit pursuant to ~~((subsection 23.76.032.A))~~
11 Sections 23.76.029 and 23.76.030, until the project is demolished or until an earlier date on
12 which:

13 ~~((a-))~~ 1. The condition by its terms expires or is fully satisfied;

14 ~~((b-))~~ 2. The condition is removed through a permitting decision; or

15 ~~((c-))~~ 3. If the condition was imposed as to a specific use within the project, that
16 use is terminated; and

17 ~~((2-))~~ B. Terms of a building permit relating to requirements ~~((according to))~~ of Section
18 23.58C.050 shall remain in effect for the time period specified according to subsection
19 23.58C.050.B, notwithstanding:

20 ~~((a-))~~ 1. Expiration of the Master Use Permit according to ~~((subsection~~
21 23.76.032.A-)) Sections 23.76.029 and 23.76.030; or

22 ~~((b-))~~ 2. Any contrary provision of Title 22.

23 ~~((C. Master Use Permit renewal))~~

23.76.032 Type I and II Master Use Permit renewal

~~((1-))~~ A. Except for Major Phased Development permits, the Director shall renew issued Master Use Permits for projects that are in conformance with applicable regulations, including but not limited to land use and environmentally critical areas regulations and SEPA policies in effect at the time renewal is sought. Except as provided in subsections ~~((23.76.032.C.2 and 23.76.032.C.3))~~ 23.76.032.B and 23.76.032.C, Master Use Permit renewal is for a period of two years. A Master Use Permit shall not be renewed beyond a period of five years from the original date the permit is approved for issuance. The Director shall not renew issued Master Use Permits for projects that are not in conformance with applicable regulations in effect at the time renewal is sought.

~~((2-))~~ B. If an application for a building permit is submitted before the end of the two year term of renewal, and is subsequently issued, the Master Use Permit shall be extended for the life of the building permit.

~~((3-))~~ C. The Director may renew a Master Use Permit for the temporary relocation of police and fire stations issued pursuant to Section 23.42.040 for a period not to exceed 12 months.

~~((4-))~~ D. The Director may renew a Master Use Permit for a transitional encampment interim use issued according to subsection 23.42.056.E for additional one-year terms.

Section 68. Section 23.76.060 of the Seattle Municipal Code, last amended by Ordinance 125791, is amended as follows:

23.76.060 Expiration and extension of Council land use decisions

* * *

B. Council conditional uses and public projects~~((7-))~~

1 1. Approvals of Council conditional uses and public projects expire three years
2 from the effective date of approval unless:

3 a. Within the three year period, an application is filed for a Master Use
4 Permit, that is subsequently issued; or

5 b. Another time for expiration is specified in the Council's decision.

6 2. If a Master Use Permit is issued for a project permitted by Council approval of
7 a Council conditional use or a public project, the Council's approval of the Council conditional
8 use or public project remains in effect until the date that the Master Use Permit expires pursuant
9 to the provisions of (~~((Section 23.76.032))~~) Sections 23.76.029, 23.76.030, and 23.76.031, or until
10 the date specified by the Council, whichever is later. If a Master Use Permit is issued for a
11 project permitted by Council approval of a Council conditional use or Council approval of a
12 public project, a building permit is issued for the project, and the project is constructed pursuant
13 to the building permit, conditions required by the Council's approval of the Council conditional
14 use or the Council's approval of the public project shall remain in effect, notwithstanding
15 expiration of the Council's approval of the Council conditional use or the Council's approval of
16 the public project, until the project is demolished or until an earlier date on which:

17 a. (~~((the))~~) The condition by its terms expires;

18 b. (~~((the))~~) The condition is removed through a permitting decision; or

19 c. (~~((if))~~) If the condition was imposed as to a specific use within the
20 project, that use is terminated.

21 Section 69. Section 23.84A.002 of the Seattle Municipal Code, last amended by
22 Ordinance 125854, is amended as follows:

23 **23.84A.002 “A”**

* * *

((~~"Affordable housing." See "Housing, affordable."~~))

* * *

Section 70. Section 23.84A.016 of the Seattle Municipal Code, last amended by Ordinance 126685, is amended as follows:

23.84A.016 "H"

* * *

"Household" means a housekeeping unit consisting of any number of non-transient persons composing a single living arrangement within a dwelling unit as provided in Section 23.42.048, not otherwise subject to occupant limits in group living arrangements regulated under state law, or on short-term rentals as provided in Section 23.42.060.

~~((~~"Household, low income" means a household whose income does not exceed eighty (80) percent of median income.~~~~

~~"Household, moderate income" means a household whose income does not exceed median income.~~

~~"Household, very low income" means a household whose income does not exceed fifty (50) percent of median income.~~

~~"Housing, affordable" means a housing unit for which the occupant is paying no more than thirty (30) percent of household income for gross housing costs, including an allowance for utility costs paid by the occupant.))~~

"Housing, low-income" means ~~((housing affordable to, and occupied by, low income households))~~ a structure or structures for which:

1 1. An application for public funding for the capital costs of development or
2 rehabilitation of the structure(s) has been or will be submitted; and

3 2. Public funding is awarded prior to issuance of the first building permit that
4 includes the structural frame for each structure and is conditioned on one or more regulatory
5 agreements, covenants, or other legal instruments, enforceable by The City of Seattle, King
6 County, State of Washington, Washington State Housing Finance Commission, or other public
7 agency if approved by the Director of Housing being executed and recorded on the title of the
8 property that includes the low-income housing and such legal instruments either:

9 a. For a minimum period of 40 years, require rental of at least 40 percent
10 of the principal dwelling units (i.e., not accessory dwelling units), small efficiency dwelling
11 units, or congregate residence sleeping rooms as restricted units with rent and income limits no
12 higher than 60 percent of median income; or

13 b. For a minimum period of 50 years, require at least 40 percent of the dwelling
14 units as restricted units sold to buyers with incomes no higher than 80 percent of median income
15 at prices (initial sale and resale) to allow modest growth in homeowner equity while maintaining
16 long-term affordability for income-eligible buyers, all as determined by the Director of Housing.

17 ~~((“Housing, moderate income” means housing affordable to, and occupied by, moderate-~~
18 ~~income households.~~

19 ~~“Housing, very low income” means housing affordable to, and occupied by, very low-~~
20 ~~income households)).~~

21 * * *

22 Section 71. Section 23.84A.024 of the Seattle Municipal Code, last amended by
23 Ordinance 126682, is amended as follows:

23.84A.024 "L"

* * *

~~("Low income disabled multifamily structure." See "Multifamily structure, low income disabled." "Low income elderly multifamily structure." See "Multifamily structure, low income elderly."~~

~~"Low income elderly/low income disabled multifamily structure." See "Multifamily structure, low income elderly/low income disabled."~~

~~"Low income household." See "Household, low income.")~~

~~"Low-income housing." See "Housing, low-income."~~

~~"Low-income unit." See "Unit, low-income."~~

Section 72. Section 23.84A.025 of the Seattle Municipal Code, last amended by Ordinance 126684, is amended as follows:

23.84A.025 "M"

* * *

"Median income" means the annual median family income imputed for the Seattle area(~~as~~)) based on income limits published from time to time by the U.S. Department of Housing and Urban Development (HUD), with adjustments according to household size (~~(in a manner determined by the Director, which adjustments shall be)~~) based upon a method used by (~~(the United States Department of Housing and Urban Development)~~) HUD to adjust income limits for subsidized housing, and which adjustments for purposes of (~~(determining affordability of rents or sale prices)~~) calculating rent and sales price limits shall be based on (~~(the)~~) an average size of household (~~(considered to correspond to the size of the housing unit (one (1)))~~) of one

person for ~~((studio))~~ zero-bedroom units and ~~((one and a half (1.5)))~~ 1.5 persons per bedroom for other units~~(())~~ , all as determined by the Director of Housing.

* * *

~~(("Moderate income household." See "Household, moderate income."
"Moderate income housing." See "Housing, moderate income."))
"Moderate-income unit." See "Unit, moderate-income."~~

* * *

~~(("Multifamily structure, low income disabled." See "Multifamily residential use, low income disabled".~~

~~"Multifamily structure, low income elderly." See "Multifamily residential use, low income elderly".~~

~~"Multifamily structure, low income elderly/low income disabled." See "Multifamily residential use, low income elderly/low income disabled".~~

~~"Multifamily structure, very low income disabled." See "Multifamily residential use, very low income disabled".~~

~~"Multifamily structure, very low income elderly." See "Multifamily residential use, very low income elderly".~~

~~"Multifamily structure, very low income elderly/very low income disabled." See "Multifamily residential use, very low income elderly/very low income disabled".))~~

* * *

Section 73. Section 23.84A.030 of the Seattle Municipal Code, last amended by Ordinance 125681, is amended as follows:

23.84A.030 "P"

* * *

“Permanent supportive housing” means low-income housing that is paired with on or off-site voluntary human services to support people living with complex and disabling behavioral health or physical health conditions and experiencing homelessness or at imminent risk of homelessness prior to moving into such housing.

"Person" means any individual, partnership, corporation, association, or public or private organization of any character.

* * *

Section 74. Section 23.84A.032 of the Seattle Municipal Code, last amended by Ordinance 126685, is amended as follows:

23.84A.032 “R”

* * *

"Residential use" means any one or more of the following:

1. "Accessory dwelling unit" means one or more rooms that:

- a. Are located within a principal dwelling unit or within an accessory structure on the same lot as a principal dwelling unit;
- b. Meet the standards of Section 23.44.041, Section 23.45.545, or Chapter 23.47A, as applicable;
- c. Are designed, arranged, and intended to be occupied by not more than one household as living accommodations independent from any other household; and
- d. Are so occupied or vacant.

2. "Attached accessory dwelling unit" means an accessory dwelling unit that is within a principal dwelling unit.

1 3. "Adult family home" means an adult family home defined and licensed as such
2 by the State of Washington in a dwelling unit.

3 4. "Apartment" means a multifamily residential use that is not a cottage housing
4 development, rowhouse development, or townhouse development.

5 5. "Artist's studio/dwelling" means a combination working studio and dwelling
6 unit for artists, consisting of a room or suite of rooms occupied by not more than one household.

7 6. "Assisted living facility" means a use licensed by the State of Washington as a
8 boarding home pursuant to chapter 18.20 RCW ((Chapter 18.20)) that contains at least two
9 assisted living units for people who have either a need for assistance with activities of daily
10 living (which are defined as eating, toileting, ambulation, transfer (e.g., moving from bed to chair
11 or chair to bath), and bathing) or some form of cognitive impairment but who do not need the
12 skilled critical care provided by nursing homes. See "Assisted living unit."

13 7. "Carriage house" means a dwelling unit in a carriage house structure.

14 8. "Carriage house structure" means a structure within a cottage housing
15 development, in which one or more dwelling units are located on the story above an enclosed
16 parking garage at ground level that either abuts an alley and has vehicle access from that alley, or
17 is located on a corner lot and has access to the parking in the structure from a driveway that abuts
18 and runs parallel to the rear lot line of the lot. See also "Carriage house."

19 9. "Caretaker's quarters" means a use accessory to a non-residential use consisting
20 of a dwelling unit not exceeding 800 square feet of living area and occupied by a caretaker or
21 watchperson.

1 10. "Congregate residence" means a use in which rooms or lodging, with or
2 without meals, are provided for any number of non-transient persons not constituting a single
3 household.

4 11. "Cottage housing development" means a use consisting of cottages arranged
5 on at least two sides of a common open space or a common amenity area. A cottage housing
6 development may include a carriage house structure. See "Cottage," "Carriage house," and
7 "Carriage house structure."

8 12. "Detached accessory dwelling unit" means an accessory dwelling unit in an
9 accessory structure.

10 13. "Domestic violence shelter" means a ~~((dwelling unit))~~ structure or portion of a
11 structure managed by a nonprofit organization, which unit provides housing at a confidential
12 location and support services for victims of domestic violence.

13 14. "Floating home" means a dwelling unit constructed on a float that is moored,
14 anchored, or otherwise secured in the water.

15 15. "Low-income housing."

16 ~~((15))~~16. "Mobile home" means a structure that is designed and constructed to be
17 transportable in one or more sections and built on a permanent chassis, designed to be used as a
18 dwelling unit without a permanent foundation, and connected to utilities that include plumbing,
19 heating, and electrical systems. A structure that was transportable at the time of manufacture is
20 still considered to meet this definition notwithstanding that it is no longer transportable.

21 ~~((16))~~17. "Mobile home park" means a tract of land that is rented for the use of
22 more than one mobile home occupied as a dwelling unit.

1 ~~((17))~~18. "Multifamily residential use" means a use consisting of two or more
2 dwelling units in a structure or portion of a structure, excluding accessory dwelling units.

3 ~~((18. "Multifamily residential use, low income disabled" means a multifamily~~
4 ~~residential use in which at least 90 percent of the dwelling units are occupied by one or more~~
5 ~~persons who have a handicap as defined in the Federal Fair Housing Amendments Act and who~~
6 ~~constitute a low income household.~~

7 ~~19. "Multifamily residential use, low income elderly" means a residential use in~~
8 ~~which at least 90 percent of the dwelling units are occupied by one or more persons 62 or more~~
9 ~~years of age who constitute a low income household.~~

10 ~~20. "Multifamily residential use, low income elderly/low income disabled" means~~
11 ~~a multifamily residential use in which at least 90 percent of the dwelling units (not including~~
12 ~~vacant units) are occupied by a low income household that includes a person who has a handicap~~
13 ~~as defined in the Federal Fair Housing Amendment Act or a person 62 years of age or older, as~~
14 ~~long as the housing qualifies for exemptions from prohibitions against discrimination against~~
15 ~~families with children and against age discrimination under all applicable fair housing laws and~~
16 ~~ordinances.~~

17 ~~21. "Permanent supportive housing" means a multifamily residential use, which is~~
18 ~~paired with on or off site voluntary human services to support a person living with a complex~~
19 ~~and disabling behavioral health or physical health condition who was experiencing homelessness~~
20 ~~or was at imminent risk of homelessness prior to moving into housing:~~

21 ~~a. In which at least 50 percent of the dwelling units are occupied by~~
22 ~~households whose income at original occupancy does not exceed 30 percent of median income~~

1 ~~and the remaining dwelling units are occupied by very low income households at original~~
2 ~~occupancy;~~

3 ~~b. That receives public funding or an allocation of federal low income~~
4 ~~housing tax credits; and~~

5 ~~c. That is subject to a regulatory agreement, covenant, or other legal~~
6 ~~instrument, the duration of which is at least 40 years, recorded on the property title and~~
7 ~~enforceable by The City of Seattle, Washington State Housing Finance Commission, State of~~
8 ~~Washington, King County, U.S. Department of Housing and Urban Development, or other~~
9 ~~similar entity as approved by the Director of Housing)).”~~

10 ((22))19. "Nursing home" means a use licensed by the State of Washington as a
11 nursing home, which provides full-time convalescent and/or chronic care for individuals who, by
12 reason of chronic illness or infirmity, are unable to care for themselves, but that does not provide
13 care for the acutely ill or surgical or obstetrical services. This definition excludes hospitals or
14 sanitariums.

15 20. “Permanent supportive housing.”

16 ((23))21. "Rowhouse development" means a multifamily residential use in which
17 all principal dwelling units on the lot meet the following conditions:

18 a. Each dwelling unit occupies the space from the ground to the roof of the
19 structure in which it is located;

20 b. No portion of a dwelling unit, except for an accessory dwelling unit or
21 shared parking garage, occupies space above or below another dwelling unit;

1 c. Each dwelling unit is attached along at least one common wall to at
2 least one other dwelling unit, with habitable interior space on both sides of the common wall, or
3 abuts another dwelling unit on a common lot line;

4 d. The front of each dwelling unit faces a street lot line;

5 e. Each dwelling unit provides pedestrian access directly to the street that
6 it faces; and

7 f. No portion of any other dwelling unit, except for an attached accessory
8 dwelling unit, is located between any dwelling unit and the street faced by the front of that unit.

9 ((24))22. "Single-family dwelling unit" means a detached principal structure
10 having a permanent foundation, containing one dwelling unit, except that the structure may also
11 contain one or two attached accessory dwelling units where expressly authorized pursuant to this
12 Title 23. A detached accessory dwelling unit is not considered a single-family dwelling unit for
13 purposes of this Chapter 23.84A.

14 ((25))23. "Townhouse development" means a multifamily residential use that is
15 not a rowhouse development, and in which:

16 a. Each dwelling unit occupies space from the ground to the roof of the
17 structure in which it is located;

18 b. No portion of a dwelling unit occupies space above or below another
19 dwelling unit, except for an attached accessory dwelling unit and except for dwelling units
20 constructed over a shared parking garage, including shared parking garages that project up to 4
21 feet above grade; and

c. Each dwelling unit is attached along at least one common wall to at least one other dwelling unit, with habitable interior space on both sides of the common wall, or abuts another dwelling unit on a common lot line.

* * *

“Restricted unit.” See “Unit, restricted.”

* * *

Section 75. Section 23.84A.038 of the Seattle Municipal Code, last amended by Ordinance 126042, is amended as follows:

23.84A.038 “T”

* * *

"TDR site, DMC housing" means a lot meeting the following requirements:

1. The lot is located in a Downtown Mixed Commercial (DMC) zone;
2. Each structure to be developed on the lot has or will have a minimum of 50 percent of total gross above-grade floor area as dwelling units or congregate residence sleeping rooms committed ((to low income housing)) as restricted units affordable to and occupied by households with annual incomes no higher than 80 percent of median income for a minimum of 50 years, unless such requirement is waived or modified by the Director of the Office of Housing for good cause;
3. The lot will have above-grade gross floor area equivalent to at least 1 FAR as dwelling units or congregate residence sleeping rooms committed ((to very low income housing use)) as restricted units affordable to and occupied by households with annual incomes no higher than 50 percent of median income for a minimum of 50 years; and

1 4. The ~~((low-income housing and very low-income housing commitments on the~~
2 ~~lot comply with the standards in subsection 23.49.012.B.1.b and))~~ DMC housing TDR site
3 requirements are memorialized in a recorded agreement between the owner of ~~((such low-income~~
4 ~~and very low-income))~~ the housing and the Director of ~~((the Office of))~~ Housing.

5 "TDR site, housing" means a lot meeting the following requirements:

6 1. The lot is located in any Downtown zone except PMM, DH-1, and DH-2 zones,
7 or is located in the South Lake Union Urban Center in any SM zone with a height limit of 85 feet
8 or higher;

9 2. Each structure on the lot has a minimum of 50 percent of total gross above-
10 grade floor area as dwelling units or congregate residence sleeping rooms committed ~~((to low-~~
11 ~~income housing))~~ as restricted units affordable to and occupied by households with annual
12 incomes no higher than 80 percent of median income for a minimum of 50 years;

13 3. The lot has above-grade gross floor area equivalent to at least 1 FAR as
14 dwelling units or congregate residence sleeping rooms committed ~~((to very low-income housing~~
15 ~~use))~~ as restricted units affordable to and occupied by households with annual incomes no higher
16 than 50 percent of median income for a minimum of 50 years;

17 4. The ~~((above-grade gross floor area on the lot committed to satisfy the~~
18 ~~conditions in))~~ dwelling units or congregate residence sleeping rooms according to subsections 2
19 and 3 of this definition is ~~((contained))~~ in one or more structures existing as of July 27, 2001, and
20 the floor area was in residential use as of that date; and

21 5. The ~~((low-income housing and very low-income housing commitments on the~~
22 ~~lot comply with the standards in subsection 23.49.012.B.1.b and))~~ housing TDR site

1 requirements are memorialized in a recorded agreement between the owner of the ~~((low-income~~
2 ~~and very low-income))~~ housing and the Director of Housing.

3 "TDR site, Landmark housing" means a lot meeting the following requirements:

4 1. The lot is located in any Downtown zone except IDM, IDR, PSM, PMM, DH-
5 1, and DH-2 zones;

6 2. ~~((The lot contains))~~ A structure on the lot is a designated Landmark under
7 Chapter 25.12 and such structure will be renovated to include a minimum of 50 percent of total
8 gross above-grade floor area dwelling units or congregate residence sleeping rooms committed
9 ~~((to low-income housing))~~ as restricted units affordable to and occupied by households with
10 annual incomes no higher than 80 percent of median income for a minimum of 50 years;

11 3. The ~~((lot))~~ structure according to subsection 2 of this definition has or will have
12 above-grade gross floor area equivalent to at least 1 FAR of dwelling units or congregate
13 residence sleeping rooms committed ~~((to very low-income housing use))~~ as restricted units
14 affordable to and occupied by households with annual incomes no higher than 50 percent of
15 median income for a minimum of 50 years; and

16 4. The ~~((low-income housing and very low-income housing commitments on the~~
17 ~~lot comply with the standards in subsection 23.49.012.B.1.b and))~~ landmark housing TDR site
18 requirements are memorialized in a recorded agreement between the owner of ~~((such low-income~~
19 ~~and very low-income))~~ the housing and the Director of ~~((the Office of))~~ Housing.

20 * * *

21 Section 76. Section 23.84A.040 of the Seattle Municipal Code, last amended by
22 Ordinance 125173, is amended as follows:

23 **23.84A.040 "U"**

1 "Underground" means entirely below the surface of the earth, measured from existing or
2 finished grade, whichever is lower, excluding access.

3 "Unit, low-income" means a principal dwelling unit that, for a minimum period of at least
4 50 years, is a restricted unit affordable to and reserved solely for families with annual incomes
5 not to exceed 60 percent of median income for rental units or 80 percent of median income for
6 ownership units according to one or more regulatory agreements, covenants, or other legal
7 instruments that, as a condition to issuance of the first building permit that includes the structural
8 frame for the structure that includes the low-income unit, shall be executed and recorded on the
9 title of the property and are enforceable by The City of Seattle, King County, State of
10 Washington, Washington State Housing Finance Commission, or other public agency if
11 approved by the Director of Housing.

12 "Unit, moderate-income" means a principal dwelling unit that, for a minimum period of
13 at least 50 years, is a restricted unit affordable to and reserved solely for families with annual
14 incomes not to exceed 80 percent of median income for rental units or 100 percent of median
15 income for ownership units according to one or more regulatory agreements, covenants, or other
16 legal instruments that, as a condition to issuance of the first building permit that includes the
17 structural frame for the structure that includes the moderate-income unit, shall be executed and
18 recorded on the title of the property and are enforceable by The City of Seattle, King County,
19 State of Washington, Washington State Housing Finance Commission, or other public agency if
20 approved by the Director of Housing.

21 "Unit, restricted" means a residential unit subject to a recorded agreement with the City
22 of Seattle that limits both the unit's rent or sale price, as applicable, and eligible residents' annual
23 income at a specified percentage of median income. For purposes of each restricted unit, eligible

1 residents shall be a “family” according to 24 CFR Section 5.403 or successor provision, and the
2 family’s “annual income” shall be determined according to 24 CFR Section 5.609 or successor
3 provision, unless otherwise approved in writing by the Director of Housing.

4 * * *

5 Section 77. Section 23.86.007 of the Seattle Municipal Code, last amended by Ordinance
6 126682, is amended as follows:

7 **23.86.007 Floor area and floor area ratio (FAR) measurement**

8 * * *

9 B. Net unit area. Where development standards refer to net unit area, net unit area shall
10 ~~((include all))~~ be square feet of total floor area bounded by the inside surface of the perimeter
11 walls of the unit, as measured at the floor line. Net unit area excludes spaces shared by multiple
12 units and accessible to all building occupants such as common hallways or lobbies. Net unit area
13 includes any walls internal to the unit.

14 * * *

Section 78. 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 _____, 2023,
and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

Attachments (if any):