

April 14, 2015

Re: Lowrise multi-family zone code corrections and housing affordability

Dear Mayor Murray and Councilmember O'Brien,

The Housing Affordability and Livability Agenda (HALA) advisory group was called together to evaluate policy options to create more affordable housing for people all along the income spectrum. As a part of our work, a subgroup determined it was important to review a pending piece of legislation – the Lowrise Multi-family Code Corrections – for potential impact on affordability. We understand the legislation might move forward before the HALA completes its work in May. Therefore, to provide input that is useful to the Mayor and Council, a subgroup of the HALA Zoning & Housing Types Work Group makes the following recommendations about this specific issue. We are pleased at the opportunity to comment through the lens of housing affordability and livability.

Background

The current lowrise multi-family zoning code was enacted in 2010. Lowrise zoning encourages a wide variety of new housing including apartments, townhouses, and rowhouses. The zones are usually located in between mixed-use commercial areas and single-family neighborhoods and they play a key role in the production of new multifamily housing. Lowrise zoning is meant to allow buildings that are 3 or 4 stories tall.

The intent of the Department of Planning and Development's (DPD) 2014 Lowrise Code Corrections project was to evaluate development outcomes in the Lowrise zones following a major update to those zones in 2010, and address unintended consequences. Some community groups commented that the first wave of buildings constructed under the new 2010 code may have used combinations of incentives to produce buildings that appeared to be larger in scale than what was expected. Community concerns were expressed about how new buildings were fitting into neighborhoods.

After reviewing built projects and conducting a stakeholder outreach process in the first half of 2014, DPD issued its recommendations for a package of code corrections on May 29, 2014 along with a Director's Report and a State Environmental Policy Act (SEPA) analysis. An appeal of the environmental analysis delayed further action until it was resolved in late October of 2014. Currently, DPD or Council staff is poised to prepare final legislation if Council would like to move this forward independent of the HALA recommendations. Our recommendations below are intended to help shape the final legislation in a way that does not negatively impact housing affordability while taking steps to address livability.

General Recommendations

Livability

We recognize that the livability of Seattle's existing residential neighborhoods is one of the City's strongest assets. To protect livability we must ensure new structures are well-designed and sensitive to their context. Therefore we support several of the proposed Lowrise Multifamily Code Corrections that would improve new buildings' design without decreasing the amount of new housing that can be built. We support some of the new prescriptive design standards. An example is the new maximum street facing façade height for the downhill side of sloping sites, which will help avoid the appearance of 5 story buildings. Most members of the subgroup recommended allowing flexibility from prescriptive design standards by either placing them in sections of the code that can be departed from through design review, or placing them in sections of the code that are only applicable to projects not undergoing design review. One member of the subgroup believed that prescriptive design standards should continue to be in the code and should apply to all projects at least until DPD's project for design review process improvements is completed.

'Clean up' Corrections

We support parts of the Lowrise Code Corrections bill that are true 'clean-up' items. With any piece of complex legislation like the 2010 major zoning update, there are likely to be items that need tweaks after first results are observed. In general we support steps to make the Land Use Code work better, since unclear codes ultimately add to the cost of new housing. An example of one such clean-up item that we support is the limitation on clerestories so they are configured appropriately as an architectural feature, not an unintended height increase.

Do Not Decrease the Supply of New Housing

We feel strongly that the Lowrise Multi-family Zones serve a critical role in providing important new housing supply that can relieve upward pressure on housing prices. A large percentage of our city's land is currently zoned Single Family or Industrial where multi-family housing is not allowed, so the multi-family zones are particularly important. Development in the lowrise zones is relatively cost effective when compared with more expensive midrise and highrise construction types. And the lowrise zones are providing a range of new housing options, from small apartments for individuals, to rowhouse and townhouse units conducive to families. For these reasons most of the group recommends not moving forward with several of the proposed Lowrise Code Corrections that would directly reduce the amount of buildable square footage in the lowrise zones. An example is the floor area ratio (FAR) exemption for a partially below grade story (daylight basement). The current version of the Lowrise Code Corrections bill would remove this exemption, which we oppose because it would effectively reduce the amount of housing that can be built.

One member of the subgroup believed that keeping the FAR exemption for a partially below grade story should be considered bonus development that could be contingent on providing rent restricted affordable housing through the incentive zoning program. (See further discussion below.)

Consider Rent-Restricted Affordable Housing Measures in Lowrise Multi-family Zones

In general we support measures to expand programs that incentivize or produce rent-restricted affordable housing units in more locations throughout the city. Currently lowrise zones (in the vast majority of cases) are not subject to the incentive zoning for affordable housing program. One member of the subgroup believed that incentive zoning for affordable housing should be considered in conjunction with the recommendation to continue allowing the partially below grade story to be exempt from the FAR calculation. The rationale for this view is that the exempted FAR could be considered extra or 'bonus' floor area since the prevalence of developments using the FAR exemption was not fully anticipated at the time of the 2010 Lowrise Code Changes according to DPD's analysis. However, while most subgroup members believed that expanding an incentive zoning or similar program to the lowrise multi-family zones is an outcome to shoot for, linking it to the relatively minor FAR exemption under consideration in the Lowrise Code Corrections bill is not the best vehicle. The majority of the group also pointed out that the housing units being produced in the partially below grade basement (and exempted from the FAR calculation) are already typically the most affordable units in a building. By this reasoning the FAR exemption for a partially below grade story is already working in part to incentivize production of relatively affordable new housing.

Specific Recommendations

For further consideration we've attached a table that reviews the specific items in the proposed Lowrise Code Corrections legislation with our recommendations and notes. Thanks again for the chance to review the Lowrise Multi-family Code Corrections legislation. We look forward to continuing our work with the HALA towards a broad and effective range of strategies by the end of May.

The following members of the HALA Zoning & Housing Types Working Group:

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Attachment: Table of specific lowrise code corrections recommendations and notes.