## SDCI Design Review Process Assessment of Potential Housing Price Impacts

January 2023



#### INTRODUCTION

## **Background and Purpose**

There is a long history of design review in the City of Seattle. The design review process is intended to ensure better design outcomes for development projects throughout the city.

This report serves as SDCI Response to Design Review Statement of Legislative Intent by gathering input from some stakeholders to examine reasons for potential housing price impacts.

This report does not consider or analyze the racial equity impacts of the current Design Review Program or any of proposed changes to the current program; that analysis is being done separately.

This report includes an updated evaluation of the program in the context of previous reports, 2018 Design Review Program updates and legislative shifts related to COVID-19 in 2020, as well as developer/stakeholder engagement.

A specific focus of this summary report is to advance an understanding of possible costs and benefits of the design review process and the implications for development outcomes. Community Attributes Inc. ("the consultant team") contracted with SDCI to create this assessment.

## **Organization of this Report**

The remainder of this report is organized as follows:

• **Executive Summary** provides a high-level overview of the scope of the assessment, including any known gaps in information, notable limitations in data, and the level at which different lenses of observation are represented.

- **Preliminary Findings and Implications** summarizes the key takeaways and their implications from the analysis and stakeholder engagement conducted.
- **Data Review and Analysis** highlights the current state of design review in the city and evaluates how these different elements of design review interface with market-rate and affordable development projects.
- **Comparison of Design Review in Seattle and Other Cities** evaluates design review costs in Seattle in the context of design review programs in a few peer cities. This analysis is complementary to design review in other cities with case studies, being done separately by City of Seattle staff.
- **Stakeholder Engagement** summarizes interviews conducted with stakeholders regarding the design review process and related costs.

#### EXECUTIVE SUMMARY

The scope of work for this work directed the consultant team to review available data, review outside studies of the design review process in Seattle and in other cities, and to assess the costs associated with taking a project through design review. This includes the following:

- Review and analysis of any data available from the City of Seattle, as collected by SDCI, OPCD, or other departments
- Review of any available third-party reports assessing the City of Seattle's design review process
- Review of case studies summarizing design review processes and outcomes in other cities, as compiled by SDCI staff
- Review of any available third-party reports assessing other similar design review processes in other cities, including for cities included as case studies
- Up to six (6) interviews with real estate developers with experience taking projects through the design review process in Seattle (referred to as the "stakeholders" in this report)

It is important to note that this report is subject to limitations:

- The availability of past studies and reports that form comparisons between design review programs in different cities is difficult to contextualize as design review processes vary significantly
- Specific elements of the design review process in the City of Seattle are distinct from the process in most other cities.
- Available studies do not provide a full, balanced perspective when evaluating costs and benefits.
- An inability to decouple design review from broader permitting and procedures. Stakeholders engaged were scoped to primarily represent the perspective of those with a real estate development background.
- A definitive, quantitative evaluation of costs and housing price impacts related to design review is illusive given the sample size of engaged developers and the anecdotal nature of stated costs and benefits that are subject to the biases of a limited sampling of stakeholder perspective.
- Varied perceptions of what constitutes "better/good design" or "positive design outcomes", which may differ for individuals and groups depending on their relationship to new development
- Does not quantify the time and cost associated with incomplete or unresponsive corrections and the role of the applicant in longer-than-expected processes
- The stakeholder engagement (interviewing developers familiar with Seattle's design review permit process) was not intended to provide a full balance of perspectives and instead focuses on guidance in the

scope of work to acquire insight into the costs related to the design review program

This summary report includes a qualitative assessment of the costs of the design review process and the potential impact on housing costs, considering all the data sources and analyses referenced above. The assessment will be provided to the Design Review Statement of Legislative Intent stakeholder group gathered by SDCI, to help inform their recommendations for racial equity improvements to the SDCI design review process.

## PRELIMINARY FINDINGS AND IMPLICATIONS

## **Overview of Findings**

- 1. Information presented in previous studies<sup>123</sup>, assessments of available data, findings from engaged stakeholders, and early efforts to quantify impacts indicate that there is likely to be some level of cost to projects that go through design review, but it is illusive to quantify this. This is partly because of an inability to decouple design review from broader permitting and procedures and the inability to secure hard data (such as pro forma financial statements for real development projects) related to the detailed breakdown of costs of development projects given proprietary considerations.
- 2. The types of costs that may be involved in a design review application include:
  - a. The costs for the original design by architects and engineers in preparing a packet
  - b. Prep time and meeting time to engage planners and Design Review Boards
  - c. Additional rendering and preparation given added rounds of review
  - d. Any factors that influence project timeline and associated financing debt.
- 3. Development costs that may be influenced by design review are likely to be much less significant than land/site purchase and preparation as well as construction costs associated with the availability of labor and materials (e.g., heightened shipping costs in WA state for materials that come from further away).
- 4. Although original design costs may be less for more moderately sized projects, they represent a larger share of the overall project cost and would likely yield a more sizable impact.
- 5. According to the above observations and cost-related statements given by interviewed stakeholders, the costs directly attributable to the design review process are small relative to the costs for land acquisition, labor, and materials.
- 6. If the share of project costs attributable to design review is relatively low, it is unlikely to have a significant direct influence on housing supply.
- 7. Possible cost savings if projects were not subject to design review would likely have a minimal impact on the square footage or the number of housing units than might otherwise be pursued on an individual project basis.
- 8. It is important to note that any additional costs associated with design review have to do with projects that are not pursued due to added timelines and debt burden and significant adjustments to materials, rather than directly attributing this to design review on an individual project basis. If a developer finds it

 $<sup>^{\</sup>rm 1}$  Walker Macy. (2017) Design Overlay Zone Assessment (DOZA) on behalf of the City of Portland.

<sup>&</sup>lt;sup>2</sup> Hinshaw, M., and Morris, M. (2018) Design Review: Guiding Better Development. *Planning Advisory Service, Report 591.* 

<sup>&</sup>lt;sup>3</sup> "Industry Perspective," 2021. <u>https://seattleforeveryone.org/wp-</u> <u>content/uploads/sites/5/2021/06/Seattle-Design-Review-Summary-Key-Themes-of-Interviews.pdf</u>

difficult to navigate the process, they may pursue development opportunities elsewhere.

- 9. Stakeholders interviewed by CAI offered the following recommendations to update Seattle's current design review program:
  - a. Develop a better way to involve the community than the current Early Community Outreach step
  - b. Increase technical expertise (specifically architecture and engineering) for both Boards and review staff
  - c. Remove EDG as a process step, or otherwise reduce design review process steps
  - d. Encourage departures and reward innovative designs
  - e. Reduce the number of design guidelines
  - f. Work with Department of Neighborhoods (DON) to communicate with neighborhoods, provide regular briefings about development in the community
  - g. Consider offering a pre-EDG meeting with DON/SDCI/Applicant team, to address public concerns early in the development process
  - h. Seattle should establish an open forum for community discussion about development (not technical, tied to design guidelines, or any specific development)
  - i. Work with community groups for better community engagement
  - j. Pay design review board and other board/commission members

## Data Review and Analysis Findings

- 1. Recent permit data from SDCI showed an overall increase in application activity was observed from 2018 through the early part of 2020, but the impact of both the COVID-19 pandemic and updates to the program are difficult to evaluate. Projects are likely to have been in the pipeline and observed spikes of activity may be aligned with projects hoping for construction during times of the year with drier weather.
- 2. Since 2018, only 6% of the 129 projects going through design review were in the downtown district, while outlying neighborhoods captured more of the projects COVID-19 impacts have been felt significantly in downtowns.
- 3. As summarized in the 2020 report by ECONW that was commissioned by the Downtown Seattle Association, allowances for projects to opt-in to administrative review (ADR) as a response to emergency COVID-19 legislation face perceptions among report participants in the development community who did not perceive there to be a significant difference between ADR and full design review (FDR) due to their assessment of the variable discretion individual planners exercise when evaluating projects. This report also indicated that the 2018 updates to the Design Review program resulted in process

improvements for smaller sized and affordable housing projects but did not indicate there were significant added benefits such as time or cost savings for medium to large scale projects, based on input from report participants.

4. Of the 198 projects that were eligible to go through ADR with the April 2020 emergency COVID legislation, 68 of the eligible FDR projects chose to convert to ADR under that legislation.

## Comparison of Design Review in Seattle and Other Cities Findings

- 1. Design review practices vary widely between municipalities, but the City of Seattle is generally in line with best practices to tailor the review process to development conditions with defined thresholds for different levels of review, identifying relatively clear pre-application and submittal procedures, and outlining steps in the process.
- 2. Seattle's design review process is distinct among most of its peers as it is one of only a few large U.S. cities that utilizes citizen review boards for nearly all mixed-use and commercial development.
- 3. Peer cities generally rely on staff for most design review functions.
- 4. Peer cities generally do not have the ability to establish departures from certain code standards in return for better design.
- 5. Peer cities do not usually include Early Design Guidance (or comparable review) as a design review step.
- 6. CAI reviewed past studies that indicated concerns with and some benefits of Seattle's and other design review processes. Concerns with design review boards and commissions included a perception of lack of board/commission training, consistency between boards/commissions, boards/commissions not representative of the community, boards/commissions disregarding some community input, unclear process, and board/commission requirements that were perceived to increase development costs. Benefits of design review boards and commissions included better community dialogue, boards that offer multiple informed perspectives, and a process that works well when all parties can engage (development, board, public).

## Preliminary Stakeholder Engagement Findings

The seven interview respondents ("stakeholders") recognized that the intent of the design review process has value, and its purpose is generally understood and appreciated. Most stakeholders indicate that ADR involves a thorough review of projects adherence to design guidelines as staff has time to conduct their review, while the Design Review Board is given limited time and context to evaluate projects and FDR is less well perceived as resulting in better design outcomes. These data are limited by the sample size of stakeholders interviewed, but interviewees offered the following preliminary estimates of costs incurred during the design review process:

Types of Costs

- Preparation of Master Use Permit (MUP) packet including original architectural renderings and design work (Stakeholders engaged in this project indicated this could be \$15-20,000 on a \$2 million multi-plex project to \$75,000 on a larger 75-150 unit project)
- Meeting time with planners as part of administrative review (One stakeholder in this project estimated this to be \$13-15,000)
- Subsequent revisions to original renderings (Stakeholders in this project estimated this to add \$15,000 on a \$2 million project or \$50,000 on a 75-150 unit project for each additional round of review).
- Adjustments to design and materials that impact project costs (Not estimated)

Scale and Context of Possible Costs

- Stakeholders in this project indicated that the cost to a project attributable to design review is small relative to land purchasing and construction costs, and it combines with other regulatory hurdles to influence direct costs and project timelines.
- Most respondents indicated that there is a more significant impact on moderately sized development projects with fewer than 15 units as opposed to large projects with more than 75 units.
- Respondents indicate that much of the costs relate to interest on debt to finance a development project that can range from 6% to upwards of 10% monthly and this can add up significantly if a project takes longer due to multiple rounds of review.

## Benefits and Cost Savings

• Respondents did not indicate that there is a cost savings related to design review but spoke to benefits related to a positive influence on some elements of a project design and maintaining a minimum level of good design among outside developers.

## Possible Impacts on Housing

• Respondents varied in their perspective on the possible implications on housing supply, type, and price. Though many indicated that the relatively simple administrative design review in other jurisdictions may shift housing to these locations, it is more difficult to enter a new market as a developer, and influences on project financing for both market rate and affordable housing projects can impact whether projects are pursued in the city.

Stakeholder Recommendations for Adjustments to Design Review

- 1. Develop a better way to involve the community than the current Early Community Outreach step
- 2. Increase technical expertise (specifically architecture and engineering) for both Boards and review staff
- 3. Remove EDG as a process step, or otherwise reduce design review process steps
- 4. Encourage departures and reward innovative designs
- 5. Reduce the number of design guidelines
- 6. Work with Department of Neighborhoods (DON) to communicate with neighborhoods, provide regular briefings about development in the community
- 7. Consider offering a pre-EDG meeting with DON/SDCI/Applicant team, to address public concerns early in the development process
- 8. Seattle should establish an open forum for community discussion about development (not technical, tied to design guidelines, or any specific development)
- 9. Work with community groups for better community engagement
- 10. Pay design review board and other board/commission members

## DATA REVIEW AND ANALYSIS

This data review and analysis highlights the current state of design review in Seattle, provides an overview of different elements of the design review process, evaluates how these different elements of design review interface with market-rate and affordable development projects, and assesses the number of projects advancing through design review by geography.

## **Current State of Design Review in Seattle**

Design review is the process through which the City of Seattle applies adopted design guidelines to multi-family and commercial development to ensure projects relate to the surrounding context and aesthetic quality while providing a forum for citizens and developers to collectively work toward better urban design.<sup>4,5</sup> The City of Seattle deploys these standards through a series of design guidelines at the city and neighborhood scale. Overall, these guidelines are organized around three themes: context and site, public life, and design concept. Context and site guides how a specific project interacts with the surrounding built and natural environment and assets.<sup>6</sup> Public life describes how a development impacts the community's livability, walkability, and attractiveness.<sup>7</sup> Design concept focuses on elements of a project that are "more than the sum of its parts," and are "essential components of a livable and sustainable city."<sup>8</sup> Citywide and downtown guidelines apply to all of Seattle, while eight design review districts oversee discrete guidelines applicable to 23 neighborhoods.<sup>9</sup>

Cities have deployed some form of design review dating back to the early 20<sup>th</sup> century. Seattle was one of the first cities to establish a broad-based design commission to review capital projects in 1968.<sup>10</sup> In 1972, Portland, Oregon created the first design commission that expressly reviewed private development. The City of Seattle followed suit with its neighborhood design review process in the mid-1990s.<sup>11</sup> The City most recently revised the program in 2018 to better include public input early in the process, address inequities in areas with historic redlining or impacts related to institutional racism, and modify design review thresholds, among other aims. These

<sup>8</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> "Design Review," MRSC.

<sup>&</sup>lt;sup>5</sup> "Design Review Guidelines for Downtown Development," City of Seattle.

<sup>&</sup>lt;sup>6</sup> "Design Review – Design Excellence," City of Seattle.

<sup>&</sup>lt;sup>7</sup> Ibid (See prior footnote wherever "Ibid" occurs).

<sup>&</sup>lt;sup>9</sup> "Design Review – Design Guidelines," City of Seattle.

 <sup>&</sup>lt;sup>10</sup> Hinshaw, M., and Morris, M. (2018) Design Review: Guiding Better Development.
*Planning Advisory Service, Report 591.* <sup>11</sup> Hinshaw and Morris, 2018.

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revisions included a goal to simplify and streamline the process for development, particularly affordable housing proposals.

The key components of the 2018 update included raising the threshold of projects that require more intensive review and placing more affordable housing proposals in administrative design review instead of full design review. This update also instated the requirement for all applicants to conduct community outreach before submitting permit applications.

In April 2020 and in response to state- and city-wide state-of-emergency proclamations resulting from the COVID-19 pandemic, Seattle City Council passed emergency legislation that allowed projects subject to full design review to opt into administrative design review for six-month period.<sup>12</sup> Full design review requires meetings with and input from design review boards, whereas administrative review is completely done by city staff.

<sup>&</sup>lt;sup>12</sup> Council Bill 119769, Seattle City Council, April 2020.

## **Overview of the Design Review Process**

There are five phases of Seattle's design review program for Full Design Review. They include:

- 1. **Pre-submittal and early community outreach**. This stage is intended to aid developers in submitting complete design review applications and hear community feedback early in the process. Applicants can learn more about additional city planning, permits, or zoning that apply to their project and fall outside the scope of design review, including street improvement permits or applicable incentive programs or zoning. Developers also conduct community outreach overseen by the Department of Neighborhoods that must be completed before SDCI can review a project application. This outreach ensures that developers notify the community of a project as well as provides an opportunity for the community to engage with the developer about the project that are not isolated to specific design guidelines.<sup>13</sup>
- 2. Early design guidance (EDG) review. The design review board chooses which of the City's design guidelines are the most important for the design team to address based on contextual factors and initial project programming and massing. Project designers present at least three alternative concept designs that fit with the height and density of the project and site. This step is intended to shape the design early in the development process and provide a concurrence point on significant design aspects of the project to avoid additional cost or time during the Master Use Permit.
- 3. **Master use permit (MUP) application**. The design team incorporates the findings from the EDG review and then applies for a MUP. This application includes more detailed design, which SDCI reviews for design review and any other required MUP reviews like zoning and environmental review.
- 4. **Recommendation (REC) review**. At the second design review board meeting ("Recommendation meeting"), the board determines how well the project's updated and more comprehensive design meets the priorities identified during EDG review. The board makes a recommendation to the director of SDCI, which may include departures from the land use as requested by the applicant that improve the design of the project.
- 5. **Decision**. The director issues the MUP decision after all the MUP reviews are approved, incorporating the board's recommendations. If four of the board members agree on a recommendation, the director must include those items in the decision unless they are outside the

 $<sup>^{\</sup>rm 13}$  Director's Rule 4-2018, Requirements for Early Community Outreach, City of Seattle.

purview of design review or conflict with other City requirements. Anyone may appeal a decision to the Office of the Hearing Examiner.<sup>14</sup>

Projects may undergo one of four design review paths that include:

- **No review**. Typically projects of less than 8,000 square feet of gross floor area are not required to undertake any design review process<sup>15</sup>
- Streamlined design review (SDR). Smaller projects typically over 8,000 square feet of gross floor area, like townhouses, will undertake a streamlined process in which city staff review a proposal and consider public comment. A project can go from EDG directly to building permit application.
- Administrative design review (ADR). Administrative review includes the same five phases as a full review but does not require a project to go before a Design Review Board. All project information is reviewed by and recommendations made by city staff.
- **Full design review (FDR)**. Large commercial or multi-family projects undergo a full design review of five phases.

<sup>&</sup>lt;sup>14</sup> "Design Guidelines Primer," City of Seattle.

<sup>&</sup>lt;sup>15</sup> Projects that are 5,000 to 8,000 square feet of gross floor area are subject to review if they are in a location that was rezoned from Single Family or Neighborhood Residential within a five-year period.

Exhibit 1 outlines the phases of design review a project must undergo.

Review Type	Pre- Submittal	EDG Review	MUP App.	REC Review	SDCI Decision	Example
No Design Review <sup>16</sup>	Sometimes	No	Sometimes	No	Yes, if a MUP is required	3 story building with 20 SEDU apartments
ISDR	Yes	Yes	No	No		10 Townhouses
ADR	Yes	Yes – City staff	Yes	Yes – City staff	Yes	8-story, 87- unit apartment building
FDR	Yes	Yes – Design Review Board	Yes	Yes – Design Review Board	Yes	45-story, 455 unit apartment with retail

Exhibit 1. Design Review Phases by Type of Review.

Source: City of Seattle.

The site and project character and size of a project determine the level of design review it must undertake, described in **Exhibit 2**. Certain context, scale, and special features of a project site and proposed development will trigger design review based on the size of the project area. Other projects that do not meet those site and project characteristics but meet a certain project area threshold will also be required to undergo design review.

<sup>&</sup>lt;sup>16</sup> A development may be exempt from design review, but still require a Pre-Submittal conference, MUP application, and SDCI decision.



#### Exhibit 2. Design Review Thresholds, City of Seattle

Source: City of Seattle.

Note: Projects that are 5,000 to 8,000 square feet of gross floor area are subject to review if they are in a location that was rezoned from Single Family or Neighborhood Residential within a five-year period.

## Analysis of Design Review in Seattle

Since the program was updated (July 1, 2018 up to April 28, 2020), 621 projects have undergone at least one phase of the design review process such as Early Design Guidance or Design Recommendation review (**Exhibit 3**). Close to half (46% or 283) of projects require a full design review. Nearly one-

third (198 total) require an administrative review. Of those 198 ADR projects, 35 converted from FDR to ADR under the April 2020 emergency Council legislation, a total of 8% of all ADRs.



Exhibit 3. Type of Design Review, 2018 to Present

Source: City of Seattle.

Of the eight design review districts measured during this time, the northeast district (comprised of the neighborhoods of Green Lake, Lake City North District, Northgate, Roosevelt, University, and Wallingford) accounted for 21% of all design review projects with 129 projects, as shown in **Exhibit 4**. The northwest district, which includes Ballard, Greenwood/Phinney, and Northgate, accounted for 17% of projects, and the east (Capitol Hill, Pike/Pine, and Yesler Terrace) and southeast (Mount Baker, North Beacon Hill, Othello) districts accounted for an additional 15% and 14% of projects, respectively. Projects in some of these neighborhoods must meet both Citywide and neighborhood-specific design guidelines. Only 6% of projects in Belltown must meet both Downtown and Belltown neighborhood-specific design guidelines.



#### Exhibit 4. Location of Design Review Applications, 2018 to Present

The 2018 program update ensured affordable housing developments were subject to ADR, with the option to opt into FDR. Data gathered in June 2022 showed that of the projects that had a design review milestone such as Early Design Guidance or Recommendation review between July 2018 and April 2020, only 13 affordable housing developments had an issued permit (**Exhibit 5**). This accounts for 2% of all those developments between July 2018 and April 2020. 608 of 621 total projects (98%) measured during that time were for market rate housing.

Source: City of Seattle.



# Exhibit 5. Type of Housing Development with Design Review Milestone, July 2018 to April 2020

Design review is intended for multi-family and commercial developments, which represent the most common land use of projects which undertake design review (**Exhibit 6**). The most common land use types include townhouses and mixed-use developments, accounting for 32% and 31% of projects, respectively. The next most common land uses are multi-family residential development and small efficiency or efficiency dwelling units (SEDU/EDU), accounting for a cumulative 38% of projects. Small efficiency dwelling units generally measure under 400 square feet and are included as part of a multi-unit building. SEDU/EDUs can be in the style of a micro-apartment, with a bathroom and kitchen or kitchenette in the unit, or dormitory style, in which multiple units share a bathroom, kitchen, or living space.

Source: City of Seattle.



Exhibit 6. Design Review Projects by Use Type, July 2018 to April 2020

#### Source: City of Seattle.

SDCI staff has tracked applications for design review since the program's July 2018 update through to the beginning of the COVID-19 pandemic in early 2020, shown in **Exhibit 7**. An increase in design review milestones was observed over this period, with significant spikes of activity in Spring 2019 and Winter through Spring 2020. The actual impact of the pandemic is difficult to evaluate given projects already in the pipeline and observed spikes of activity may be aligned with project planning to initiate work in anticipation of Code changes. However, the overall increase in applications may reflect increased flexibility for applicants to opt into administrative design review as part of the emergency legislation in 2020.



## Exhibit 7. Applications With a Design Review Milestone, July 2018 to April 2020

Source: City of Seattle.

Of the projects sampled as part of a recent study by SDCI requesting permits in the city between July 2018 and April 2020, 69% requested departures or adjustments and 91% of those requests were granted and 100% were granted through ADR and FDR while 56% were granted among streamlined design permits.<sup>17</sup> The largest share of these adjustments or departures related to setback and separation changes (32%) and 85% of the departures were found to have potential to increase building floor area.<sup>18</sup>

## DESIGN REVIEW AND CITY COMPARISON

This review compares the approach to design review in Seattle to identified peer cities listed in the next section. This analysis is complementary to case study work being done separately by City of Seattle staff. Ongoing work by the city to develop case studies and identify best practices may rely on more recent information and/or studies from cities not included in this report.

 <sup>&</sup>lt;sup>17</sup> City of Seattle, 2022. Memo to Land Use Committee. Attachment 2: Design Review Departures and Adjustments Summary Report.
<sup>18</sup> Ibid.

## Nationwide Design Review Commonalities

Following the 2018 Design Review Program update, stakeholders reported that the process has generally improved for smaller sized and affordable housing projects. In its 2020 review of Seattle Design Review Program, ECONorthwest interviewed local development and design professionals who largely reported that they have not experienced time or cost savings and work mostly on medium to large scale projects. Participants in that report expressed perceptions that there is not a significant time or cost savings as part of ADR in comparison to full design review (FDR) due to their assessment of the variable discretion individual planners exercise when evaluating projects.

Two independently crafted analyses of design review include case studies of Seattle's program. The first is an examination of design review nationwide and published in the American Planning Association's Planning Advisory Service Report 591.<sup>19</sup> This study outlines the foundations of design review in the United States and includes case studies of ten cities with a range of design considerations, land use demands, and regulatory frameworks. In addition to Seattle, these cities include:

- Austin, Texas
- Denver, Colorado
- Portland, Oregon
- Cleveland, Ohio
- Bellevue, Washington
- Chapel Hill, North Carolina
- Lenexa, Kansas
- Coeur d'Alene, Idaho
- Bozeman, Montana

The second is an audit of the City of Portland, Oregon's design review program completed by the consultant firm Walker Macy, in which it identifies five peer cities and conducts a comparative analysis of these and Portland's programs.<sup>20</sup> In addition to Seattle, these cities include:

- Austin, Texas
- Denver, Colorado
- Milwaukee, Wisconsin
- San Francisco, California

<sup>&</sup>lt;sup>19</sup> Hinshaw and Morris, 2018.

 $<sup>^{\</sup>rm 20}$  Walker Macy. (2017) Design Overlay Zone Assessment (DOZA) on behalf of the City of Portland.

The following section includes findings and comparative analysis of these case studies along with data and background on Seattle's design review program from additional sources.

Current design review practices vary widely between municipalities as they are typically based on a city's zoning and development history, current development needs and trends, and statutory language includes a variety of combinations of procedures, design standards, and decision-making bodies.<sup>21</sup> As a result, there is no national standard practice of design review, and cities that adopt a design review process do so in their own unique way. In a 2017 audit of Portland's design review process that examined programs in peer cities, Walker Macy found, "it does not appear that any city has a system that works perfectly; they all have flaws. But all of these cities are attempting to guide the character and quality of private development in intentional ways."<sup>22</sup>

However, there are commonalities across design review programs. According to an American Planning Association-published analysis of design review, there are six essential elements of every municipal design review program. Details of each element vary widely between jurisdictions, and there are many ways in which a jurisdiction can and should tailor its review process to its development conditions and needs. The six elements include:

- 1. **Triggering mechanisms**: project characteristics that require it to be reviewed.
- 2. **Submittal requirements**: information and items that applicants need to submit at each step.
- 3. **Preapplication**: steps or information an applicant needs to complete or acquire prior to formal application.
- 4. Review of proposal: steps involved in design review.
- 5. **Record of decision**: documentation and notice.
- 6. Appeal: administrative appeals. <sup>23</sup>

## Characteristics of Design Review in a Nearby City: Bellevue

The consultant team examined design review in one city near Seattle: Bellevue. It is important to consider context when comparing between design review procedures and outcomes among cities nearby to Seattle as they have historically faced more limited growth and permit activity and Seattle's position as the largest metropolitan city increases the complexity of

<sup>&</sup>lt;sup>21</sup> Walker Macy, 2017.

<sup>&</sup>lt;sup>22</sup> Walker Macy, 2017.

<sup>&</sup>lt;sup>23</sup> Hinshaw and Morris, 2018.

administering design review. For example, Bellevue experienced approximately 10% of the population growth of Seattle between 2010-2019. Seattle's development has all been "infill" due to geographic limitations and previous development, where Bellevue has undeveloped land. As a result, Seattle's density is approximately twice that of Bellevue's.

City of Bellevue staff conduct a professional review of development proposals for mostly commercial and high-density housing districts, as well as downtown.<sup>24</sup> There are no citizen review boards or commissions, and all final decisions are made by the director of Development Services Department. The 8-10 staff members who conduct these reviews have no other planning responsibilities, complete continuing education related to design review, have a variety of backgrounds, and are expert in dealing with developers and the community.<sup>25</sup> The public has multiple ways to provide input, including through public notice, mailings, and large on-site signs. While there was initial public pushback to the program, Hinshaw and Morris report that "much of the opposition has moved on" and that several thousand new residents "view a dense and diverse downtown as desirable."26 It has expanded its design review to 12 new zoning districts with their own design guidelines focused on transit-oriented nodes, public amenities, multi-modal transportation infrastructure, and ecological restoration. Most recently, in 2017 the City of Bellevue adopted new perimeter districts around downtown that will serve as a buffer zone to the surrounding neighborhoods.

Development stakeholders interviewed in ECONorthwest's 2020 review of Seattle's design review program reported that the City does not provide expected timelines for different stages and actions in the review process, resulting in ambiguity and longer-than-expected processes. Stakeholders cited Bellevue as a less risky and easier development process due to its clear and objective standards.<sup>27</sup> The Development Services Department publishes an annual oversight report that includes the average days and weeks to secure a permit in a variety of building types. **Exhibit 8** outlines the timeline and total projects of various development types from June 2021 to June 2022. This data focuses on the timeline for commercial projects.

#### Exhibit 8. Timeline of Development Projects, City of Bellevue, 2021-2022

		U Contraction of the second se
Total Projects	Average Days to Permit	Average Weeks to Permit
27	431	61.6

**Major Commercial Projects** 

<sup>24</sup> City of Bellevue Municipal Code Part 20.30F: Design Review.

<sup>26</sup> Ibid.

<sup>27</sup> "Industry Perspective," 2021.

<sup>&</sup>lt;sup>25</sup> Hinshaw and Morris, 2018.

Medium Commercial Projects								
Total Projects 11	Average Days to Permit 107	Average Weeks to Permit 15.2						
Minor Commercial Projects								
Total Projects 50	Average Days to Permit 224	Average Weeks to Permit 31.9						
Design Review								
Total Projects 9	Average Days to Permit 433	Average Weeks to Permit 61.9						

Source: City of Bellevue.

CAI considered examining design review in Tacoma, another city near Seattle. However, the City of Tacoma currently does not have a design review program that is comparable to City of Seattle's. Tacoma requires design review only for projects involving historic properties or properties located within designated historic districts, which could be compared to Seattle Department of Neighborhoods Historic Preservation requirements but is not comparable to Seattle's design review program.<sup>28</sup> Tacoma's review for these projects is a comparatively simple review that typically lasts for a few weeks, although some more complex projects can require additional review. Tacoma is currently undergoing the development of a general Design Review Program that it expects to launch in 2023.<sup>29</sup>

## Unique Aspects of Design Review in Seattle

The six elements of design review <sup>30</sup> are interpreted in a variety of ways among the peer cities identified in the APA and Walker Macy reports as listed in the previous section. Seattle's design review process is distinct among most of its peers as it is one of only a few large U.S. cities that utilizes citizen review boards for nearly all mixed-use and commercial development. <sup>31,32</sup> Peer cities generally rely on staff for most design review functions and do not have the ability to establish departures from certain code standards in return for better design. These reports found that most cities that use design review for private development opt for review by city staff. Seattle's peers generally rely on staff for most design review functions. As credentialed

<sup>&</sup>lt;sup>28</sup> Design Review, City of Tacoma.

<sup>&</sup>lt;sup>29</sup> Current Initiatives and Projects: Urban Design Program, City of Tacoma.

<sup>&</sup>lt;sup>30</sup> Hinshaw and Morris, 2018

<sup>&</sup>lt;sup>31</sup> Walker Macy, 2017.

<sup>&</sup>lt;sup>32</sup> "Design Review: Department Recommended Program Improvements for Public Review," Seattle Department of Construction and Inspections, March 2016.

professionals, staff has "authority to establish conditions on development proposals."  $^{\rm 33}$ 

Most design review programs also permit reviewers a high degree of discretionary authority over proposals. This approach allows "both staff and review boards to apply professional judgment, along with adopted standards and guidelines, to design review and conditions of approval."<sup>34</sup>

Early Design Guidance (EDG) is another aspect of Seattle's design review process that isn't found in other cities. Some cities have an early site plan review that may be comparable but may not include the same steps as Seattle's EDG process. The purpose of Seattle's EDG process is to "identify concerns about the site and the proposed project, receive comments from the public, review the design guidelines applicable to the site, identify guideline priorities, and explore conceptual design or siting alternatives."<sup>35</sup> Walker Macy's report calls Seattle's EDG review an effective tool to inform the development team on a specific project's design priorities and offer early direction.<sup>36</sup>

One of the other ways in which Seattle's program is different from many cities is in its design review boards' authority to recommend departures from certain code standards in return for better design. Recent analysis by the city indicated that these departures are from code sections that dictate the building envelope, highlighting how such departures have resulted in larger buildings with more potential developer profitability than permitted under a stricter code application.<sup>37</sup> It found, "allowing other modifications provides for greater flexibility and more efficient use of a building envelope. Often, there are multiple departures requested. The boards may use this to leverage higher quality public amenities and materials."<sup>38</sup>

## Perceptions of Design Review in Seattle and Other Cities

The past studies reviewed by CAI included a variety of perceptions about design review boards and commissions in Seattle and other cities.

Seattle developers interviewed by ECONorthwest reported that they experience challenges with the "unlimited" and "not-clearly defined"

<sup>&</sup>lt;sup>33</sup> Hinshaw and Morris, 2018.

<sup>&</sup>lt;sup>34</sup> Walker Macy, 2017.

 $<sup>^{35}</sup>$  Seattle Municipal Code 23.41

<sup>&</sup>lt;sup>36</sup> Hinshaw and Morris, 2018.

<sup>&</sup>lt;sup>37</sup> Memo with subject "Response to City Council Statement of Legislative Intent on Design Review" to Seattle City Council on June 30, 2022 (Page 13-18 permit sample of design review projects scheduled for Early Design Guidance or Recommendation review between July 1, 2018 and April 28, 2020). <sup>38</sup> Ibid.

discretion of Seattle's design review boards, and perceived these issues lead to additional time and unexpected costs.<sup>39</sup> Those interviewed felt that this results in an inconsistent process across boards and neighborhoods and limits the procedural guidance given from the city to the design review boards.

The Walker Macy review of the design review process in Portland found that the Design Commission, which reviews projects in the Central City, has facilitated a positive community dialogue around new development: "The Type III process has benefitted from a public discourse and the multiple, informed perspectives by citizen volunteers serving on the Design Commission."<sup>40</sup> The study also found that the process was less effective in areas outside central Portland. Specifically, the study noted that the guidelines and/or the Design Commission "apply less readily to other areas of the City that have new patterns of development or are transforming", "do not reflect the many different established neighborhoods, with their own distinct qualities, histories, demographics, and cultures", and "can be both daunting and confusing" to stakeholders or the public.

While Seattle requires a range of industry experience and community representation on design review boards, some participants interviewed with the ECONorthwest study believe that the boards are not representative of their communities.<sup>41</sup>

Interviewees for the ECONorthwest report also indicated that experience in design, development, and construction does not necessarily bound board members' review of projects to practical or essential recommendations. The report participants indicated that they receive design suggestions that are "cost prohibitive or structurally impractical," but are required to consider them in subsequent design versions.<sup>42</sup> The City clarified that the Seattle Municipal Code authority identifies Design Review authority, which prevents the Boards from going outside of the purview of Design Guidelines; they cannot discuss or consider cost or structural issues, nor base guidance or decisions on the perceive merit of the project or its programming.

Participants interviewed with the ECONorthwest study also stated that boards are sometimes perceived to be selective of community feedback and support to include in formal review. They described instances in which boards discount community support for a project or note that certain community voices are weighted differently than others.<sup>43</sup> Boards are tasked

<sup>&</sup>lt;sup>39</sup> "Industry Perspective," 2021. <u>https://seattleforeveryone.org/wp-</u> <u>content/uploads/sites/5/2021/06/Seattle-Design-Review-Summary-Key-Themes-of-Interviews.pdf</u>

<sup>&</sup>lt;sup>40</sup> Walker Macy, 2017.

<sup>&</sup>lt;sup>41</sup> "Public Statement," 2021.

<sup>&</sup>lt;sup>42</sup> "Industry Perspective," 2021.

<sup>&</sup>lt;sup>43</sup> Ibid.

with considering all design-related public comment. Community comments may go beyond design-related comments.

This feedback highlights some of the competing complaints with Seattle's design review process: sometimes applicants want the Boards to consider topics outside of design review when they perceive it as beneficial, but they do not want the Board to consider topics outside of design review when it is perceived as adding cost or time.

Instructive examples from other cities indicate that good communication around project design is a two-way street. The design review process requires timely and thorough responses from all parties: Boards/Commissions, the City, and the development team. Specifically, Walker Macy indicated that, while "regulatory tools and techniques are necessary to maintain consistency, due process and fairness[...], any system of democratic decision-making still comes down to the interaction between multiple people." More specifically:

"Although Portland has a reputation of effective local governance, design review seems be on the edge of this tipping point. This points out a need for procedural rules that provide transparency, fairness, clear expectations, and specific references to adopted decision criteria. It also requires a willingness of design and development representatives to pay attention to the perspectives of the appointed review body. Finally, all parties engaged in design review, whether staff, appointed citizens, applicants, designers, or the public, must understand what is actually on the table in for deliberation. Design review is not the only regulation guiding development; it works in concert with many other regulations, some of which are quantitatively established by law -- such as height and allowable floor area."<sup>44</sup>

<sup>&</sup>lt;sup>44</sup> Walker Macy, 2017.

#### STAKEHOLDER ENGAGEMENT

CAI requested an interview with 12 developers, including representation from affordable housing developers, large multi-family developers, and builders focused on moderately sized multi-family developments. Of these, CAI interviewed seven ("stakeholders"). Some of these 'stakeholders' are also part of the Stakeholder Group focusing on the Racial Equity Toolkit response to the Design Review Statement of Legislative Intent.

This engagement was not intended to provide a full balance of perspectives and instead focuses on guidance in the scope of work to acquire insight into the costs related to the design review program. Interviewees were asked to evaluate the City of Seattle design review program and discuss its relationship with development costs and housing outcomes. Interview questions focused on the following subjects:

- Qualitative assessments of the developer experience with the design review program, including consistency in the application as well as changes over time.
- Evaluation of the relationship between the design review process and development costs with breakdowns for different design review levels, project phases, types of costs, and prospective cost savings or wider benefits.
- Implications for development outcomes focusing on the supply of housing, comparisons with design review in other nearby cities, and outcomes for disadvantaged communities.
- Recommendations for additional information to be gathered and adjustments to the design review program that could reduce costs and ensure cost savings are realized for housing supply, affordable housing, or other community benefits.

Interview responses are listed below. The responses are summarized across all stakeholders to ensure confidentiality so that respondents could have unfiltered observations related to the program. The responses are organized into overall observations, possible impacts of design review on development costs, described benefits of the program, implications for housing, comparisons to other jurisdictions, and recommended reforms to the program.

## **Interview Responses**

#### **Overall Observations**

Respondents recognize that the intent of the design review process has value, and its purpose is generally understood and appreciated. Most respondents indicate that ADR involves a thorough review of projects adherence to design guidelines as staff has time to conduct their review, while the Design Review Board is given limited time and context to evaluate projects and FDR is less well-perceived as resulting in better design outcomes.

Some felt that the purview of design review has expanded too far, and this has made it more complex to navigate and less collaborative over time. However, there was a mixed response in evaluating adjustments over time as most respondents indicated that there are more challenges related to the inconsistency of adherence to specific design guidance and the variability in skill level or interest-specific selections of what guidance to apply among city staff. A key concern was expressed regarding how city review often will lead with opinions as opposed to adherence to design guidelines and that there has been an inconsistent application of guidance between different city planners. Some respondents expressed how early design guidance often is not consistent with the design guidelines themselves or lacks clarity that is much more difficult to carry over into the design review process. A desire for more clarity on expectations related to design features or other amenities that might benefit the community at the outset of projects is desired from multiple respondents (e.g., publicly accessible open space).

Respondents indicated the emergency legislation to allow the shift from FDR to ADR involved a significant shift alongside moving from in-person to virtual meetings. This caused additional delays and impacted applicants' understanding of how to navigate the process.

Specific Responses on Overall Observations:

- Development applicants that understand how to navigate the process are mostly able to pre-empt related timeline challenges and avoid having to revisit significant design options if they have been operating in the City of Seattle through multiple project phases. As one interviewee stated it, "design review can be a landmine for new developers."
- One respondent indicated that it is hard to make bad design better through design review and public preferences often inform the advance of design improvements more than the design review process itself.
- It is important to highlight how design review interfaces with other requirements by the city in hampering project delivery. "The city is only as good as its worst review."
- Respondents indicated that there is value in having a public process related to design and early engagement of communities in neighborhoods, but that there is a step before design review that is necessary due to the nuance and jargon related to design guidelines. The required Early Community Outreach is a step in this direction, but the inability of non-professionals to participate in the discussion makes it difficult for effective engagement and it is challenging to get

feedback from a representative group of the community as well as those facing racial or other disparities and barriers to engagement.

• Respondents perceived that the design review process to be taking more time than it did before and point to some of this being related to the requirement for additional outreach. Interviewees were supportive of the outreach meeting, but thought a large public process was unnecessary unless it is a sizable project with public plaza, art, or other impacts on the neighborhood beyond the immediate site.

## Stakeholder Perspectives on Possible Impact of Design Review on Costs

#### Direct Costs

Interviewees discussed multiple challenges in evaluating the direct costs of design review and establishing a direct dollar value or share of project costs as it is usually evaluated as part of large MUP. Respondents did indicate that packets for review are increasing in their complexity and level of visualization, and these added requirements have a cost that is passed on from architect to developer. The cost challenges described by interviewees mostly related to inconsistency in how guidance can be applied to projects and what influence that can have on a project timeline or complexity. For larger projects, design review is combined into a project reserve for broader permitting costs and fees and respondents indicated that design review costs are minimal relative to level of costs for construction and land purchasing. Costs may be more prohibitive for projects with fewer units if they face the same delays as a larger project and are unable to recoup these expenses given the rate of return on the lower number of units.

#### Interest on Debt

Interviewees indicated that monthly carrying costs can be particularly burdensome if there are multiple rounds of design review. This risk for financing lenders and the developers themselves can influence whether projects are pursued, particularly among moderate-sized projects.

#### **Project Timeline**

Many indicated that design review gets associated with the long timeline and bureaucratic hurdles of the broader permitting process across departments. However, some respondents indicated that there are specific instances where there have been multiple rounds of revised design upon which staff then direct an applicant to revert to the original design with slight adjustments.

#### Specific Responses on Costs:

#### All Projects

- One respondent outlined a scenario where the project sponsor is required to meet with a planner for 2-3 meetings, the process could cost close to \$13-15,000 for ADR. This is not a meaningful cost for larger projects. The challenge is when there are significant backlogs, and it takes 9-10 months to get a meeting scheduled.
- Others highlight how the timeline of design and construction can be impacted by project delays "yes, there is the financing issue, but you're also paying the architects. You can lose you General Contractor because they can't delay their deliverables as long as is needed. It's a whole lot of work to go back to the RFP process."
- Strict evaluations of usable materials can create additional cost. One respondent indicated that fiber cement material can be effective in the Seattle climate if detailed well, but there is a bias against certain material usage.
- Another respondent indicated that there is an assumption that developers can make significant adjustments on cost for materials or weather delays, but the finance sector has an influence on how much flexibility there is - "The normal perspective is that development can be done with lower returns, but developers are beholden to investors underwriting standards and are required to deliver projects with minimum levels of revenue return."

#### **Small-Mid-Sized Projects**

- One respondent estimated that design review could be 5-10% of a total project cost given an added 5-7-month timeline on a townhome.
- Projects can have a 10% monthly carrying cost and a full MUP through FDR could result in up to \$2M in cost if it reaches 18 months, with 4 months added on to the original timeline if appealed by an individual resident that seeks to stop the project. Every month of delay can add \$15-20,000.
- Costs associated with DR are not usually a function of what it does, but a function of time and predictability. We plan on a project timeline of 10 months for a project without design review and 15-17 months for a project with design review. We plan on it taking 5-7 months more. Costs to finance bridge loan are around \$10K per month. on an infill townhome project.

#### Larger Projects

- For a 100+ unit project there could be a 10% to 25% additional fee on top of the original design if there is a significant design change initiated in response to the city or public feedback.
- Initial architectural renderings can cost \$75,000 and monthly carrying costs can be 6% to 7% with \$50,000 for each significant round to revisit the design. An additional three to four rounds can increase project costs significantly.

## Stakeholder Perspectives on Benefits of Design Review

## Design Outcomes

Respondents indicate the DR process can be effective in maintaining a minimum level of good design, but it requires a tight adherence to the baseline guidelines at the start of a project. Interviewees also indicated that there are not enough departures from the zoning code being allowed in order to fulfill design guidelines that will yield more innovative outcomes. This is likely due to fear over what influence this might have on the broader DR process. Developers have indicated that the process has had a positive influence on some elements of a project, while there is frustration when a full redesign of a building is recommended despite applicants attempts to adhere to design guidelines.

#### Cost Savings

Conceptually, design review could lead to cost savings for individual development projects (e.g. through reduced life cycle costs, lower vacancy rates). However, respondents interviewed for this project indicated that Design Review is unlikely to bring about cost savings. One respondent indicated there may have been a case where savings could occur from engaging in an administrative review as opposed to a large public process.

## Stakeholder Perspectives on Possible Impact of Design Review on Housing

## Housing Supply

Respondents indicated that design review is stacked on to other city process that collectively can influence whether projects are pursued by developers or not. There appeared to be general agreement that the impact of design review is hardest felt among developers with moderate numbers of housing units, while larger projects can write in costs or have capacity to manage the financing and staffing needs that may shift as they are engaged in the design review process.

## Type of Housing Units

Although design guidelines do not require a size or mix of housing units, respondents indicated that the size of units can be greatly influenced by design review and there should be attention to the influence specific guidelines might have on square footage of units related to accommodating families as well as larger numbers of residents.

## Affordability

Respondents indicated that it is essential to maintain and enhance exemptions for affordable housing developers. Publicly funded projects were indicated to be tied to tight schedules and impacts to this schedule can affect available funds that can be used in advancing affordable housing projects, particularly if the process extends beyond a 12-month period. Respondents varied in their view regarding the depth of evaluations to confirm income or using alternatives to median income related to affordable housing provision in market rate housing projects. Affordable housing projects are part of a group of projects given "Priority 2" status and respondents noted that this group of projects has experienced significant backups. Such projects were exempted from design review during COVID-19 and the city indicates these backups may relate to the conversion of multiple projects from FDR to ADR and other limitation outside of design review. Respondents indicated that they will seek departure approvals to gain more units and the city has found that the departures from a strict adherence to code compliance allowed through the design review process can result in increased building size.

#### Specific Responses on Housing:

- One interviewee had a general view that design review does impact the price of housing "it absolutely increases the price of housing."
- One respondent indicated that smaller developers could face staffing constraints and pursue and deliver less projects ultimately reducing the number of housing units built within a market cycle "It's also a capacity constraint that prevents us from delivering as many units as we could, it creates and artificial supply constraint."
- Another developer indicated that design review may discourage some development in Seattle relative to its neighbors "The heightened feasibility of development in neighboring jurisdictions without such zoning or design review is likely to impact housing production negatively among those that do adopt it."
- Although design review is not the only influence, one respondent indicated that no department is really looking at whether development will not happen given the collection of regulations and codes and perception is that there is going to be a fallout where there will be very few projects coming online among more moderately sized projects and this shift might yield one less unit per project.

# Stakeholder Perspectives on Comparison to Other Jurisdictions

There appeared to be consensus among the interviewees that the design review process in Seattle is slower and does not yield the best benefit as compared to other nearby jurisdictions such as Bellevue and Shoreline that integrate design review into their administrative process. The interviewees felt that there is a core group of developers with experience in the local market that are committed to impressively designed projects and can navigate the process, while those out of town can jump in with a lack of understanding of the process and advance projects that are designed poorly. Respondents indicated that other jurisdictions rely on a prescriptive code, and it can sometimes be a challenge to update this for alternative development options, but that the process for doing this is more consistent and handled well administratively.

Specific Responses on Other Jurisdictions:

- One respondent felt that staffing and design board expertise varies, and this lack of predictability may discourage development in Seattle relative to its neighboring cities - "The individual approach by one planner as part of ADR or the culture and professional expertise on design review boards for different parts of the city as part of FDR can be inconsistent. This means that developers may gravitate toward those areas where there is a more predictable passage to approval, whether that is in or out of the City of Seattle."
- Others noted differences between Seattle and neighboring cities "There is a night and day difference in terms of having a smooth process between Seattle and nearby cities like Shoreline, and the level of good design outcomes is essentially the same."
- Another felt that the approach in neighboring jurisdictions is as effective in securing design outcomes on projects while it is easier to navigate through the process - "There is a shorter list of boxes to check in most other jurisdictions and buildings are designed that are just as beautiful and fit with community with or without design review, however, not all jurisdictions are a good steward if a particularly bad cost-cutting developer is involved."

## Stakeholder Perspectives on Recommended Reforms

## Staffing & Board

All interviewees noted that the biggest factor in improving the Design Review process relates to staffing capacity and consistency in skillset. Increases of technically trained staff in architecture and engineering are needed to handle load and complexity of projects. Some respondents indicated that the caliber of expertise represented on the design review boards needs to be improved so that they have the technical expertise to advance clear guidance. As currently structured, some respondents indicated that equally weighting well-informed professional insight alongside less technically informed perspectives can be difficult to navigate or identify clarity on requested design outcomes that meet community need.

#### Specific Responses on Staffing and Board:

• There are a lot of non-professionals that are hired to have expertise in areas where they are not well trained.

#### Process

One respondent requested removing Early Design Guidance (EDG), others advocated for reducing the steps in the design review process. This is a particular pain point for architects attempting to meet client schedules, while further delays can occur with misalignments as the design team gets further along and early review is adjusted or not communicated effectively.

Respondents spoke to encouraging departures and rewarding design innovations and creativity, particularly in urban districts facing complex constraints.

## Guidelines

Generally, there appears to be consensus that there are too many design guidelines, and it would be best to have a smaller selection of consistently applied guidelines citywide. There is disagreement as to the level that the guidelines can or should honor adjustments by district (e.g., downtown, International District, Central District, and other highly urbanized or culturally specific neighborhood needs). Some respondents recommended resolving inconsistencies in applying design guidance by establishing a clearly specified set of the key 10-15 guidelines that should be prioritized as opposed to leaving staff to hand select from the wider pool of guidelines when their merit may be less meaningful to achieve design outcomes.

#### Specific Responses on Guidelines:

- One respondent indicated that design review can result in better outcomes among sizable projects like a \$5 million project, but that has a diminishing return and can be particularly burdensome for more moderate-sized projects and the threshold for detailed review should be set to a higher number with respondents indicating this should be the gross square footage for a 10- or 16-unit project as compared to the existing threshold.
- A few respondents discussed a desire to maintain or enhance additional design and development style guidance in specific neighborhoods with commentary related to meeting culturally specific needs. Many respondents indicated that design review is not what makes a project have good design overall among developers that are experienced in the local market.

## Engagement

There is a desire to improve how engagement activities interact with design review to address community concerns earlier and ensure that the weight of a single voice is evaluated in the context of broader community input.

#### Specific Recommendations on Engagement:

- Leveraging the Department of Neighborhoods to establish quarterly briefings to the community regarding the development process to increase an understanding regarding the stage at which design review is enacted as compared to zoning and permitting of projects.
- Considering a pre-EDG meeting between the applicant, staff, and Department of Neighborhoods to address public concern at project outset. This was recommended as an addition or revision to the existing Early Community Outreach step to engage the above parties.
- Establishing a more open quorum for discussion with the community that is not as technical or specific to individual design guidelines. This recommendation was in reference to a broad need to increase residents' capacity to engage in the discussion related to design as opposed to reference to a specific applicant's project.
- Start with community engagement supported by community groups that are offering to hold meetings for previewing project designs.
- Establish design review boards and other advisory boards as paid rather than volunteer positions.