

**CITY OF SEATTLE**

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

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

..title

AN ORDINANCE relating to land use and zoning; adding a new Chapter 23.58C of the Seattle Municipal Code (SMC) to establish the framework for mandatory housing affordability for residential development; and amending subsections 23.40.020.A, 23.76.006.B, and 23.76.032.B, Sections 23.90.002 and 23.90.015, and subsection 23.90.018.C of the SMC.

..body

WHEREAS, in May 2013 the City Council adopted Resolution 31444, which established a work program for reviewing and potentially modifying the City’s affordable housing incentive programs; and

WHEREAS, according to Resolution 31444, the City Council commissioned reports examining national best practices for increasing the availability of affordable housing to identify new strategies for Seattle; and

WHEREAS, in September 2014 the City Council adopted Resolution 31546, in which the Council and Mayor proposed that a Seattle Housing Affordability and Livability Agenda (HALA) Advisory Committee be jointly convened by the Council and the Mayor to evaluate potential housing strategies; and

WHEREAS, the HALA Advisory Committee provided final recommendations to the Mayor and City Council on July 13, 2015; and

WHEREAS, the HALA Advisory Committee recommended extensive citywide upzoning of residential and commercial zones and, in connection with such upzones, implementation of a mandatory inclusionary housing requirement for new construction residential development and commercial linkage fees for new construction commercial development; and

1 WHEREAS, the HALA Advisory Committee recommended that the mandatory inclusionary  
2 housing requirement offer developers the option of building affordable housing or  
3 making a cash contribution to fund preservation and production of affordable housing,  
4 and that the requirement be implemented upon approval of extensive citywide upzoning  
5 of residential and commercial zones; and

6 WHEREAS, in November 2015 the City Council adopted Resolution 31612, stating the  
7 Council’s intent to make changes to zoning and land use regulations to implement a  
8 mandatory inclusionary affordable housing program for residential development  
9 recommended by the HALA Advisory Committee and the Mayor; and

10 WHEREAS, the City has the authority to require mandatory housing affordability for residential  
11 development according to its police power; and

12 WHEREAS, a mandatory housing affordability requirement for residential development is one of  
13 many actions the City intends to undertake to implement the Comprehensive Plan’s goals  
14 and policies for housing affordability; and

15 WHEREAS the Countywide Planning Policies, as ratified by the King County Council, provide  
16 that jurisdictions may consider a full range of programs, from optional to mandatory, that  
17 will assist in meeting the jurisdiction’s share of the countywide need for affordable  
18 housing; and

19 WHEREAS, one of the City’s planning goals under the Growth Management Act, chapter  
20 36.70A RCW, is to make adequate provision for the housing needs of all economic  
21 segments of the city; and

22 WHEREAS, the Affordable Housing Incentives Program Act, RCW 36.70A.540, authorizes and  
23 encourages cities to enact or expand affordable housing incentive programs providing for

1 the development of low-income housing units through development regulations or  
2 conditions on rezoning or permit decisions, or both; and

3 WHEREAS, according to the Affordable Housing Incentives Program Act, jurisdictions may  
4 establish a minimum amount of affordable housing that must be provided by all  
5 residential developments in areas where increased residential development capacity has  
6 been provided; and

7 WHEREAS, to facilitate implementation of a mandatory housing affordability requirement for  
8 residential development as recommended by the HALA Advisory Committee, the City  
9 Council deems it advisable to promptly adopt the governing framework for such a  
10 program; and

11 WHEREAS, the July 13, 2015, Statement of Intent for Basic Framework for Mandatory  
12 Inclusionary Housing and Commercial Linkage Fee (commonly referred to as the “Grand  
13 Bargain”) states that the mandatory housing affordability requirements for residential and  
14 commercial development should achieve a projected production level by 2025 of no less  
15 than 6,000 units of housing affordable to households with incomes no greater than 60  
16 percent of median income, and that, if the projected production level falls below the  
17 target, all parties agree to develop and consider options to achieve the agreed-upon  
18 production target; and

19 WHEREAS, this ordinance provides a framework by which residential development in areas  
20 receiving increases in residential development capacity will be required to provide  
21 affordable housing, as authorized by RCW 36.70A.540; NOW, THEREFORE,

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

2 Section 1. The Council expresses the following intent as to implementation of Seattle  
3 Municipal Code Chapter 23.58C:

4 A. Initial implementation

5 1. The Council intends that the initial implementation phase of Seattle Municipal  
6 Code Chapter 23.58C will consist of:

7 a. An increase in residential development capacity for all zones in the  
8 Downtown and South Lake Union Urban Centers except the Downtown Harborfront 1 (DH-1),  
9 International District Mixed 75-85 (IDM 75-85), Pike Market Mixed (PMM), Pioneer Square  
10 Mixed (PSM), Seattle Mixed 85/65-160 (SM 85/65-160), Seattle Mixed 85-240 (SM 85-240),  
11 and Commercial 2-40 (C2-40) zones, to be enacted no later than September 2016;

12 b. Zone-wide increases in residential development capacity in all  
13 Neighborhood Commercial (NC), Commercial (C), Seattle Mixed (SM), Lowrise (LR), Midrise  
14 (MR), and Highrise (HR) zones, and zoning changes to increase the residential development  
15 capacity of lands zoned single-family within designated Urban Villages and Urban Centers,  
16 outside the Downtown and South Lake Union Urban Centers, to be enacted no later than  
17 September 2017; and

18 c. Increases in residential development capacity through rezones of any  
19 portions of the University District that are upzoned in accordance with the University District  
20 urban design framework process.

21 2. Setting initial payment and performance amounts

22 a. Payment and performance amounts are not included in Chapter 23.58C  
23 in this Council Bill \_\_\_\_\_. Payment and performance amounts for particular zones will be

1 added to Tables A and B for 23.58C.040 and Tables A and B for 23.58C.050 at the time  
2 development capacity is increased in those zones during the initial implementation phase  
3 according to subsection A.1 of this section.

4                   b. The Council recognizes that, after Chapter 23.58C is amended to  
5 include payment and performance amounts for particular zones, additional amendments to the  
6 payment and performance amounts provided in Chapter 23.58C for those zones may be needed  
7 during the initial implementation phase according to subsection A.1 of this section to further the  
8 target production level of no less than 6,000 affordable units for households with incomes no  
9 higher than 60 percent of median income over a ten-year period described in the July 13, 2015,  
10 Statement of Intent for Basic Framework for Mandatory Inclusionary Housing and Commercial  
11 Linkage Fee. Such amendments could include changes to the payment and performance amounts  
12 in Tables A and B for 23.58C.040 and Tables A and B for 23.58C.050, and adding amounts for  
13 additional zones or portions of zones in connection with rezones of specific subareas such as  
14 portions of the University District. The Council intends that amendments during the initial  
15 implementation phase be preceded by a robust stakeholder engagement process including  
16 representatives of the for-profit and non-profit development sectors who participated in the July  
17 13, 2015, Statement of Intent for Basic Framework for Mandatory Inclusionary Housing and  
18 Commercial Linkage Fee.

19                   B. Amendment of payment and performance amounts

20                   1. Ongoing review. The Council directs that, during the first six months of 2018  
21 and annually after July 1, 2018, the Director of the Seattle Department of Construction and  
22 Inspections (SDCI) and Director of Housing shall report on the performance of the mandatory  
23 affordable housing program provided in Chapter 23.58C, including the amount of payments

1 collected under the payment option, the number of units produced with such payments, and the  
2 number of units constructed through the performance option. Units produced under the  
3 mandatory housing affordability program provided in Chapter 23.58C shall be measured as net  
4 new units. Existing rent- and income-restricted affordable units demolished for development  
5 subject to the program are subtracted from the target production.

6           2. Post-initial implementation phase review. Except as provided according to  
7 subsection B.3 of this section, the Council intends that, after the completion of the initial  
8 implementation phase according to subsection A.1 of this section, amendments to the payment  
9 and performance amounts in Tables A and B for 23.58C.040 and Tables A and B for 23.58C.050  
10 shall be consistent with the following provisions:

11                   a. Amendments may be considered if:

12                                   1. After five years from the effective date of the ordinance  
13 introduced as Council Bill \_\_\_\_\_, there is a failure to meet expectations for program  
14 performance;

15                                   2. There are significant positive or negative changes in real estate  
16 development market conditions;

17                                   3. There is a need to adjust the relationship between the amounts  
18 for the payment option according to Section 23.58C.040 and the performance option according  
19 to Section 23.58C.050; or

20                                   4. None of the preceding criteria is met and ten years have elapsed  
21 since the completion of the initial implementation phase according to subsection A.1 of this  
22 section.

1                                   b. If amendments are considered according to subsection B.2.a of this  
2 section, the Mayor and Council shall appoint a Technical Review Committee whose membership  
3 includes appropriate stakeholder representation, including representatives of the for-profit and  
4 non-profit development sectors and members of community-based groups, and shall provide the  
5 Committee with clear objectives to be accomplished by a revision of the payment and  
6 performance amounts in Chapter 23.58C.

7                                   c. If appointed, the Technical Review Committee shall recommend  
8 amendments to the payment and performance amounts in Tables A and B for 23.58C.040 and  
9 Tables A and B for 23.58C.050. The Mayor shall consider the Technical Review Committee's  
10 recommendations and shall transmit them to the Council along with any recommendation by the  
11 Mayor for amendments.

12                               3. Amendments concurrent with increased capacity. In conjunction with any  
13 increase in residential development capacity other than those increases in development capacity  
14 identified according to subsection A.1 of this section, the Council will apply Chapter 23.58C to  
15 the zones in which capacity is increased and may amend Tables A and B for 23.58C.040 and  
16 Tables A and B for 23.58C.050 for those zones in which capacity is increased.

17                               C. Process for modifications of development standards

18                               1. The Council intends that, at the time reference to Chapter 23.58C is made in the  
19 provisions of a zone, Land Use Code changes will be adopted providing a process by which the  
20 Director of SDCI would be authorized to modify certain dimensional development standards to  
21 ensure that, in most cases, utilization of the increased development capacity is not prohibited by  
22 development standards. The provisions for such modification of development standards are not  
23 included in Chapter 23.58C in this Council Bill \_\_\_\_\_, but placeholders for references to

1 such provisions are included in this Council Bill \_\_\_\_\_ by using the language “[CODE  
2 SECTION RESERVED].”

3           2. To enable development of such Land Use Code changes, the Director of SDCI  
4 shall report on which development standards, if any, might be appropriate for modification in  
5 particular zones and the extent to which modifications might be allowed from particular  
6 standards.

7           3. If there are cases in which a portion of the increased development capacity  
8 cannot be used because of a development standard from which a modification is not available or  
9 is not granted, and not because of decisions of the applicant, the Council intends that any  
10 development standard modification process will provide for a reduction of the payment and/or  
11 performance amounts. The expectation is that the number of cases where development standards  
12 would preclude use of some of the additional capacity, such that payment and/or performance  
13 amounts would be reduced, would be limited. Specific provisions for such modification of  
14 payment and/or performance amounts are not included in Chapter 23.58C in this Council Bill  
15 \_\_\_\_\_, but a placeholder for such provisions is included in this Council Bill \_\_\_\_\_  
16 as subsection 23.58C.035.B.

17           4. The intent is that the need for the provisions described in this subsection C for  
18 modification of development standards and payment and/or performance amounts will be  
19 reevaluated after five years from the effective date of the ordinance introduced as Council Bill  
20 \_\_\_\_\_ and that these provisions ultimately will be phased out.



1 Section 2. A new Chapter 23.58C is added to Division 2, Authorized Uses and  
2 Development Standards, within Subtitle III, Land Use Regulations, of Title 23 of the Seattle  
3 Municipal Code as follows:

4 **Chapter 23.58C Mandatory Housing Affordability for Residential Development**

5 **23.58C.005 Intent for implementation**

6 Section 1 of the ordinance introduced as Council Bill \_\_\_\_\_ provides a statement  
7 of intent for implementation of this Chapter 23.58C that generally addresses the Council’s intent  
8 as to an initial implementation phase of this Chapter 23.58C, the setting and changing of  
9 payment and performance amounts during that initial implementation phase, review of program  
10 performance, the amendment of payment and performance amounts after the initial  
11 implementation phase, and the establishment of additional processes for modifying dimensional  
12 development standards and/or payment and performance amounts.

13 **23.58C.010 Purpose**

14 The purpose of this Chapter 23.58C is to implement an affordable housing incentive  
15 program authorized by RCW 36.70A.540, as it may be amended, as well as by other authority.

16 **23.58C.015 Scope of chapter**

17 This Chapter 23.58C contains requirements that apply only where provisions of the zone  
18 refer to this Chapter 23.58C, or through the terms of a contract rezone according to Section  
19 23.34.004.

20 **23.58C.020 Definition**

21 For purposes of this Chapter 23.58C, unless otherwise specified in this Chapter 23.58C,  
22 the term “unit” refers to a dwelling unit, except an accessory dwelling unit or detached accessory  
23 dwelling unit; live-work unit; or congregate residence sleeping room.

1           **23.58C.025 Applicability and general requirements**

2           A. General. If an applicant seeks approval of a permit for development as described  
3 according to subsection 23.58C.025.B, the applicant shall comply with this Chapter 23.58C,  
4 either through the payment option according to Section 23.58C.040 or the performance option  
5 according to Section 23.58C.050.

6           B. Applicability. Except as provided according to subsection 23.58C.025.C, this Chapter  
7 23.58C shall apply to development that includes units, whether such development occurs through  
8 one or more of the following:

- 9                   1. Construction of a new structure;
- 10                   2. Construction of an addition to an existing structure that results in an increase in  
11 the total number of units;
- 12                   3. Alterations within an existing structure that result in an increase in the total  
13 number of units; or
- 14                   4. Change of use that results in an increase in the total number of units.

15           C. Exemptions. Development is exempt from the requirements of this Chapter 23.58C if  
16 it receives public funding and/or an allocation of federal low-income housing tax credits, and is  
17 subject to a regulatory agreement, covenant or other legal instrument recorded on the property  
18 title and enforceable by The City of Seattle, Washington State Housing Finance Commission,  
19 State of Washington, King County, U.S. Department of Housing and Urban Development, or  
20 other similar entity as approved by the Director of Housing, which restricts at least 40 percent of  
21 the units to occupancy by households earning no greater than 60 percent of median income, and  
22 controls the rents that may be charged, for a minimum period of 40 years.

1           D. Relationship to incentive zoning. Where the provisions of the zone refer to this  
2 Chapter 23.58C and where bonus residential floor area or extra residential floor area may be  
3 achieved according to the provisions of the zone and/or Chapter 23.58A, the following  
4 provisions apply:

5                   1. All affordable housing requirements for achieving bonus residential floor area  
6 or extra residential floor area according to the provisions of the zone and/or Chapter 23.58A shall  
7 be satisfied solely by compliance with this Chapter 23.58C.

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

11           **23.58C.030 Permit documentation**

12           A. General

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

16                           a. If the applicant elects the payment option, the amount of the required  
17 cash contribution according to subsection 23.58C.040.A;

18                           b. If the applicant elects the performance option, the number of units  
19 required to be provided according to subsection 23.58C.050.A, the amount of any cash  
20 contribution according to subsection 23.58C.050.A.3.b, and a proposal for units that meet the  
21 requirements according to subsection 23.58C.050.C; and

22                           c. If the applicant seeks relief according to [CODE SECTION  
23 RESERVED] or seeks a modification according to subsection 23.58C.035.B or subsection

1 23.58C.035.C, the earliest application according to this subsection 23.58C.030.A.1 shall include  
2 requests for such relief or modifications including all supporting materials required for a decision  
3 on the requests.

4           2. The Director shall, as a Type I decision and in consultation with the Director of  
5 Housing, determine:

6                   a. If the applicant elects to comply with this Chapter 23.58C through the  
7 payment option according to Section 23.58C.040, the amount of the cash contribution;

8                   b. If the applicant elects to comply with this Chapter 23.58C through the  
9 performance option according to Section 23.58C.050, the number of units that shall meet the  
10 requirements according to subsection 23.58C.050.C, the amount of any cash contribution  
11 according to subsection 23.58C.050.A.3.b, and the compliance of the proposal required  
12 according to subsection 23.58C.030.A.1.b with the requirements according to subsection  
13 23.58C.050.C; and

14                   c. Any modification according to subsection 23.58C.035.B.

15           3. The Director shall, as a special exception according to Chapter 23.76,  
16 Procedures for Master Use Permits and Council Land Use Decisions, in consultation with the  
17 Director of Housing, determine any modification according to subsection 23.58C.035.C.

18           4. The final plans that include the structural frame for the structure shall  
19 demonstrate compliance with the requirements according to Section 23.58C.040 or Section  
20 23.58C.050 and state the ongoing requirements according to Section 23.58C.050.

21           5. If the applicant elects to comply with this Chapter 23.58C through the  
22 performance option according to Section 23.58C.050, the requirements according to Section

1 23.58C.050 shall be considered terms of the first building permit that includes the structural  
2 frame for the structure.

3 6. Unit substitution according to subsection 23.58C.050.C.6.f and conversion to  
4 ownership housing according to subsection 23.58C.050.C.6.i shall require a separate review and  
5 approval by the Director in consultation with the Director of Housing.

6 B. Timing

7 1. Master Use Permit. Prior to the issuance of a Type II Master Use Permit, the  
8 applicant shall provide the following:

9 a. If the applicant elects the payment option, the amount of the required  
10 cash contribution according to subsection 23.58C.040.A; or

11 b. If the applicant elects the performance option, the number of units  
12 required to be provided according to subsection 23.58C.050.A, the amount of any cash  
13 contribution according to subsection 23.58C.050.A.3.b, a proposal for units that meet the  
14 requirements according to subsection 23.58C.050.C, and a draft agreement according to  
15 subsection 23.58C.050.E.

16 2. Building permit. Prior to issuance of the first building permit that includes the  
17 structural frame for the structure, the applicant shall provide the following:

18 a. If the applicant elects to comply with this Chapter 23.58C through the  
19 payment option according to Section 23.58C.040:

20 1) Final plans that include the structural frame for the structure  
21 showing the calculation of the amount of the required cash contribution according to subsection  
22 23.58C.040.A; and

1                               2) Documentation from the Director of Housing of receipt of  
2 payment of the required cash contribution according to subsection 23.58C.040.A; or

3                               b. If the applicant elects to comply with this Chapter 23.58C through the  
4 performance option according to Section 23.58C.050:

5                               1) Final plans that include the structural frame for the structure  
6 that:

7   a) Include the calculation of the number of units required to  
8 be provided according to subsection 23.58C.050.A;

9   b) Demonstrate compliance with the requirements  
10 according to Section 23.58C.050 and state the ongoing requirements according to Section  
11 23.58C.050; and

12   c) Include the calculation of the amount of any cash  
13 contribution according to subsection 23.58C.050.A.3.b;

14                               2) Documentation from the Director of Housing of receipt of  
15 payment of any cash contribution according to subsection 23.58C.050.A.3.b; and

16                               3) The executed and recorded agreement required according to  
17 subsection 23.58C.050.E.

18                               c. The applicant may change its election between performance and  
19 payment prior to issuance of the first building permit that includes the structural frame for the  
20 structure, provided that an applicant changing its election shall obtain any necessary approvals  
21 affected by the change in election. Review and approval of a change in election between  
22 performance and payment is a Type I decision, unless the requested change affects a  
23 modification according to subsection 23.58C.035.C.

1           **23.58C.035 Modification of payment/performance amounts**

2           A. General

3                   1. An applicant may request a modification, according to this Section 23.58C.035,  
4 of the amount of payment required according to subsection 23.58C.040.A or the amount of  
5 performance required according to subsection 23.58C.050.A.

6                   2. An applicant requesting a modification according to subsection 23.58C.035.B  
7 shall have requested any available relief according to [CODE SECTION RESERVED], and the  
8 Director will evaluate relief according to [CODE SECTION RESERVED] before evaluating a  
9 modification according to subsection 23.58C.035.B. An applicant requesting a modification  
10 according to subsection 23.58C.035.C shall have requested any available relief according to  
11 [CODE SECTION RESERVED] and any available modification according to subsection  
12 23.58C.035.B, and the Director will evaluate relief according to [CODE SECTION  
13 RESERVED] and a modification according to subsection 23.58C.035.B before evaluating a  
14 modification according to subsection 23.58C.035.C.

15                   3. The decision on any modification according to subsection 23.58C.035.B or  
16 subsection 23.58C.035.C shall specify a per-square-foot payment amount for the development  
17 and/or a percentage of units in each structure that shall meet the requirements of subsection  
18 23.58C.050.C, as applicable, that can be applied to the final plans for the development or, in the  
19 case of a modification according to subsection 23.58C.035.C, an absolute payment amount for  
20 the development or number of units in each structure that shall meet the requirements according  
21 to subsection 23.58C.050.C along with a limitation on the degree of change in the final plans that  
22 is permissible without a redetermination of the modification.

23           B. [Reserved]

1           C. Modification based on severe economic impact

2                   1. The purpose of this subsection 23.58C.035.C is to allow the Director to modify  
3 the amount of payment required according to subsection 23.58C.040.A or the amount of  
4 performance required according to subsection 23.58C.050.A if the applicant can demonstrate  
5 facts supporting a determination of severe economic impact at such a level that a property  
6 owner's constitutional rights may be at risk.

7                   2. For purposes of this subsection 23.58C.035.C, the Director is not making a  
8 determination of the constitutional rights of a property owner, but instead is reviewing the  
9 credibility and strength of facts demonstrating severe economic impact.

10                  3. The Director may, as a special exception according to Chapter 23.76, waive or  
11 reduce the amount of payment required according to subsection 23.58C.040.A or the number of  
12 units required to meet the requirements according to subsection 23.58C.050.C if the applicant  
13 shows that application of the requirements of this Chapter 23.58C would:

14                   a. Create severe economic impact by depriving a property owner of all  
15 economically beneficial use of the property; or

16                   b. Create severe economic impact, not reaching deprivation of all  
17 economically beneficial use, but reaching the level of an undue burden that should not be borne  
18 by the property owner.

19                  4. In determining whether there is a severe economic impact reaching the level of  
20 an undue burden that should not be borne by the property owner, the Director may weigh the  
21 following nonexclusive factors:

22                   a. The severity of the economic impact caused by the application of the  
23 requirements of this Chapter 23.58C;



1                               b. The degree to which the requirements of this Chapter 23.58C were or  
2 could have been anticipated;

3                               c. The extent to which alternative uses of the property or configurations of  
4 the proposed development would alleviate the need for the requested waiver or reduction;

5                               d. The extent to which any economic impact was due to decisions by the  
6 applicant and/or property owner; and

7                               e. Other factors relevant to whether the burden should be borne by the  
8 property owner.

9                               5. The waiver or reduction may be approved only to the extent necessary to grant  
10 relief from the severe economic impact.

11                              6. A request to the Director for a modification according to this subsection  
12 23.58C.035.C shall include, at a minimum, all of the following:

13                              a. A description of the requested waiver or reduction, including the  
14 proposed payment or performance amount;

15                              b. Documentation showing that any relief available according to [CODE  
16 SECTION RESERVED] or subsection 23.58C.035.B would not eliminate the need for the  
17 requested waiver or reduction;

18                              c. The identity of the property owner and the date of the owner's  
19 acquisition of the property;

20                              d. Documentation showing the use of the property at the time of the  
21 request or, if the property is vacant at that time, the use of the property prior to commencement  
22 of vacancy;

1 e. Documentation explaining and supporting the claim of economic  
2 impact; and

3 f. Documentation showing that a different development configuration that  
4 satisfied the requirements of this Chapter 23.58C would not alleviate the need for the requested  
5 waiver or reduction.

6 7. The applicant shall provide any additional information as may be required by  
7 the Director to make a determination on the request. The applicant shall have the burden of  
8 proving by a preponderance of the evidence that a waiver or reduction authorized according to  
9 this subsection 23.58C.035.C is justified.

10 8. None of the following, standing alone and without consideration of the full  
11 range of relevant factors including those according to subsection 23.58C.035.C.4, shall be a  
12 sufficient basis for the Director to grant a waiver or reduction authorized according to this  
13 subsection 23.58C.035.C:

14 a. The fact of a decrease in property value;

15 b. The fact that a property owner is unable to utilize the full amount of any  
16 increase in residential development capacity enacted in connection with implementation of this  
17 Chapter 23.58C in the zone in which the property is located; or

18 c. The fact that any such increase in residential development capacity,  
19 combined with the requirements of this Chapter 23.58C, did not leave the property owner in a  
20 better financial position than would have been the case with no increase in residential  
21 development capacity and no application of the requirements of this Chapter 23.58C.

22 9. In any appeal to the Hearing Examiner, the parties will have an additional  
23 opportunity to make a record on the factual issues consistent with due process.

**23.58C.040 Affordable housing – Payment option**

A. Payment amount

1. An applicant complying with this Chapter 23.58C through the payment option shall provide a cash contribution to the City, calculated by multiplying the payment 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 in the development, excluding the floor area of parking located in stories or portions of stories that are underground, as follows:

a. In the case of construction of a new structure, the gross floor area in residential use and the gross floor area of live-work units;

b. In the case of construction of an addition to an existing structure that results in an increase in the total number of units within the structure, the gross floor area in residential use and the gross floor area of live-work units in the addition;

c. In the case of alterations within an existing structure that result in an increase in the total number of units within the structure, the gross floor area calculated by dividing the total gross floor area in residential use and gross floor area of live-work units by the total number of units in the proposed development, and multiplying that quotient by the net increase in units in the structure;

d. In the case of change of use that results in an increase in the total number of units, the gross floor area that changed to residential use or live-work units; or

e. Any combination of the above.

**Table A for 23.58C.040  
Payment calculation amounts:  
inside Downtown and SM-SLU zones**

<b>Zone category</b>	<b>Dollars per square foot of gross floor area according to subsection 23.58C.040.A.1</b>
[RESERVED]	[RESERVED]

1

<b>Table B for 23.58C.040</b>			
<b>Payment calculation amounts:</b>			
<b>outside Downtown and SM-SLU zones</b>			
<b>Zone category</b>	<b>Dollars per square foot of gross floor area according to subsection 23.58C.040.A.1</b>		
	<b>Low</b>	<b>Medium</b>	<b>High</b>
[RESERVED]	[RESERVED]	[RESERVED]	[RESERVED]
<i>The location of the zone, by low, medium, or high area, is as shown on Map A for 23.58C.050.</i>			

2

2. Automatic adjustments to initial payment amounts. On March 1, 2017, and on

3

the same day each year thereafter, the amounts for payment calculations according to Table A

4

and Table B for 23.58C.040 shall automatically adjust in proportion to the annual change for the

5

previous calendar year (January 1 through December 31) in the Consumer Price Index, All

6

Urban Consumers, Seattle-Tacoma-Bremerton, WA, All Items (1982-1984 = 100), as determined

7

by the U.S. Department of Labor, Bureau of Labor Statistics or successor index.

8

**B. Use of cash contributions**

9

1. The Director of Housing shall be authorized to accept all cash contributions on

10

behalf of the City. Cash contributions shall be deposited by the Director of Housing in a special

11

account and shall be used for purposes authorized by RCW 36.70A.540. Earnings on balances in

12

the special account shall accrue to that account.

13

**2. Income levels**

14

a. Rental housing supported by cash contributions shall be rent- and

15

income-restricted to serve households with incomes no greater than 60 percent of median income

16

for a minimum period of 50 years.

17

b. Ownership housing supported by cash contributions shall be priced to

18

serve and sold to households with incomes no greater than 80 percent of median income for a

19

minimum period of 50 years.

1                   3. Location. For purposes of determining the location for use of cash  
2 contributions, the City shall consider the extent to which the housing supported by cash  
3 contributions advances the following factors:

- 4                   a. Affirmatively furthering fair housing choice;
- 5                   b. Locating within an urban center or urban village;
- 6                   c. Locating in proximity to frequent bus service or current or planned light  
7 rail or streetcar stops; and
- 8                   d. Furthering City policies to promote economic opportunity and  
9 community development and addressing the needs of communities vulnerable to displacement.

10                   **23.58C.050 Affordable housing – Performance option**

11                   A. Performance amount

12                   1. An applicant complying with this Chapter 23.58C through the performance  
13 option shall provide, as part of the units to be developed in each structure, a number of units that  
14 meet the requirements according to subsection 23.58C.050.C calculated by multiplying the  
15 percentage set aside according to Table A or Table B for 23.58C.050 and Map A for 23.58C.050,  
16 as applicable, by the total number of units to be developed in each structure.

17                   2. If the number of units that meet the requirements according to subsection  
18 23.58C.050.C calculated according to subsection 23.58C.050.A.1 equals less than two, the  
19 applicant shall:

- 20                   a. Round up to two units; or
- 21                   b. Provide one dwelling unit that meets the requirements according to  
22 subsection 23.58C.050.C that is three bedrooms or larger, as determined by the Director of  
23 Housing.

1                   3. If the number of units that meet the requirements according to subsection  
2 23.58C.050.C calculated according to subsection 23.58C.050.A.1 equals two or more and  
3 includes a fraction of a unit, the applicant shall:

4                           a. Round up to the nearest whole unit; or

5                           b. Round down to the nearest whole unit and pay a cash contribution for  
6 the fraction of a unit not otherwise provided, calculated by multiplying the amount per square  
7 foot according to Table A or Table B for 23.58C.040 and Map A for 23.58C.050, as applicable,  
8 by the total gross floor area to be developed as measured according to subsection  
9 23.58C.040.A.1, multiplying that product by the fraction of a unit not provided, and dividing the  
10 resulting number by the total number of units required to be provided based on the calculation  
11 according to subsection 23.58C.050.A.1. Use of cash contributions according to this subsection  
12 23.58C.050.A.3.b shall be governed according to subsection 23.58C.040.B.

13                   4. When the applicant elects to comply with this Chapter 23.58C through the  
14 performance option for a development that contains multiple structures and the calculation  
15 according to subsection 23.58C.050.A.1 results in fractions of units in more than one structure,  
16 the Director may, as a Type I decision in consultation with the Director of Housing, allow such  
17 fractions of units to be combined, provided:

18                           a. If the sum of the combined fractions of units calculated according to this  
19 subsection 23.58C.050.A.4 equals fewer than two, the applicant shall:

20                                   1) Round up to two units; or

21                                   2) Provide one dwelling unit that meets the requirements according  
22 to subsection 23.58C.050.C that is three bedrooms or larger, as determined by the Director of  
23 Housing;

1                                    b. If the sum of the combined fractions of units calculated according to  
2 this subsection 23.58C.050.A.4 equals two or more and includes a fraction of a unit, the  
3 applicant shall:

4                                    1) Round up to the nearest whole unit; or

5                                    2) Round down to the nearest whole unit and pay a cash

6 contribution for the fraction of a unit not otherwise provided, calculated according to subsection  
7 23.58C.050.A.3.b; and

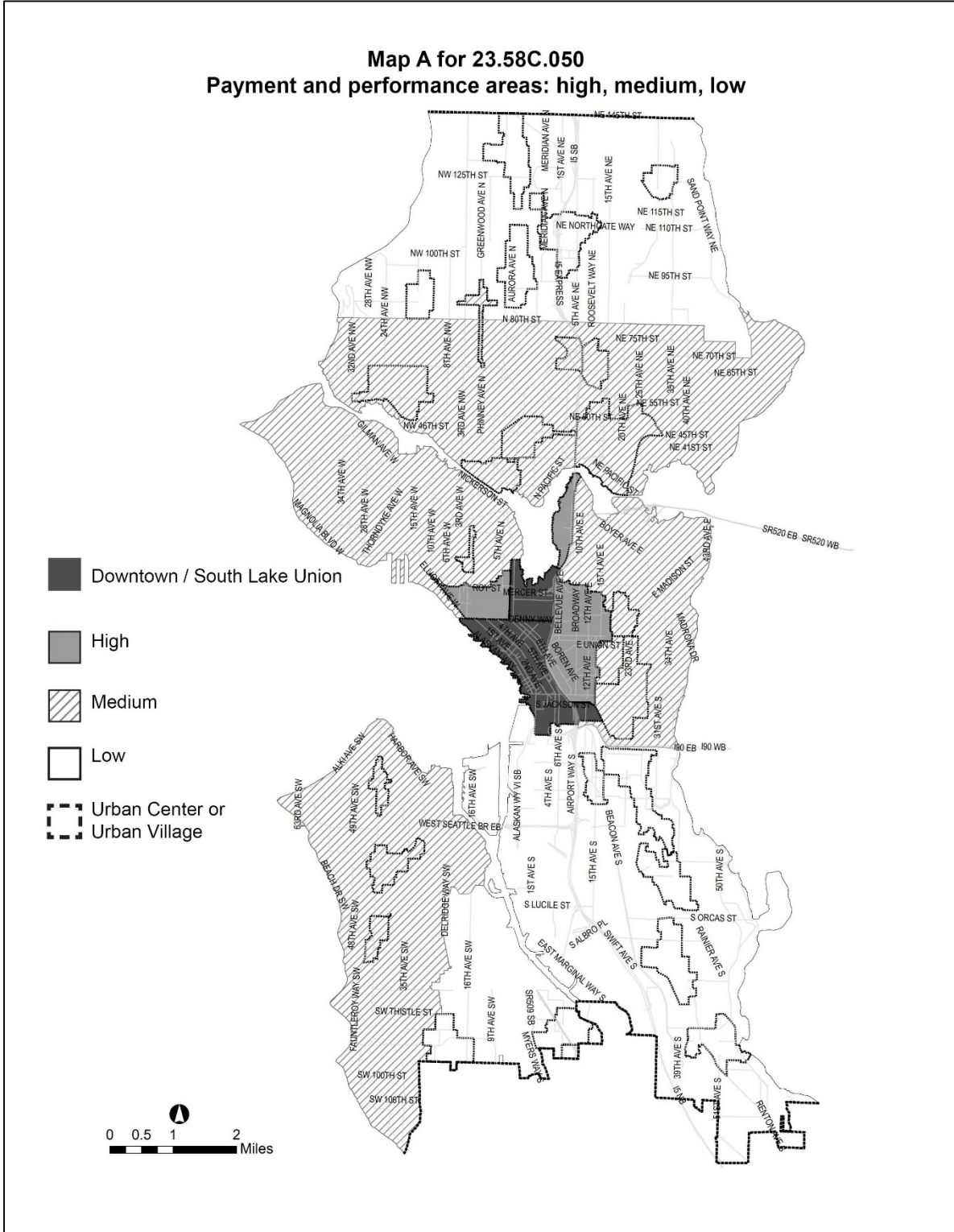
8                                    c. The construction of the structure(s) containing the units that meet the  
9 requirements according to subsection 23.58C.050.C shall be completed at the same time or at an  
10 earlier time than completion of construction of other structures in the development containing  
11 units.

<b>Table A for 23.58C.050</b>	
<b>Affordable housing to be provided (performance option): inside Downtown and SM-SLU zones</b>	
<b>Zone category</b>	<b>Percentage of total units</b>
[RESERVED]	[RESERVED]

<b>Table B for 23.58C.050</b>			
<b>Affordable housing to be provided (performance option): outside Downtown and SM-SLU zones</b>			
<b>Zone category</b>	<b>Percentage of total units</b>		
	<b>Low</b>	<b>Medium</b>	<b>High</b>
[RESERVED]	[RESERVED]	[RESERVED]	[RESERVED]
<i>The location of the zone, by low, medium, or high area, is as shown on Map A for 23.58C.050.</i>			

1  
 2

### Map A for 23.58C.050 Payment and performance areas: high, medium, and low



3



1           B. Duration. The obligation, as to a structure that includes units to whose development  
2 this Chapter 23.58C applies according to subsection 23.58C.025.B, to provide units that meet the  
3 requirements according to subsection 23.58C.050.C in the amount required according to  
4 subsection 23.58C.050.A, subject to any applicable modifications, shall last:

5                   1. If rental units are provided to comply with this Chapter 23.58C:

6                           a. For a period of 50 years from the date of certificate of occupancy or, if a  
7 certificate of occupancy is not required, from the date of the final building permit inspection, for  
8 the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B, or

9                           b. Until such earlier time when:

10                                   1) The structure is demolished, or its use is changed, so as to  
11 eliminate all of the units to whose development this Chapter 23.58C applies according to  
12 subsection 23.58C.025.B in that structure, and the requirements according to subsection  
13 23.58C.050.C.6.j are met; or

14                                   2) All of the units to whose development this Chapter 23.58C  
15 applies according to subsection 23.58C.025.B in the structure are converted to ownership  
16 housing, and the requirements according to subsection 23.58C.050.C.6.i are met; or

17                   2. If ownership units are provided to comply with this Chapter 23.58C, for a  
18 period of 50 years from the date of certificate of occupancy or, if a certificate of occupancy is not  
19 required, from the date of the final building permit inspection, for the development to which this  
20 Chapter 23.58C applies according to subsection 23.58C.025.B.

21           C. Performance requirements. Units provided to comply with this Chapter 23.58C  
22 through the performance option shall meet the following requirements:

1                   1. Distribution. Units provided through the performance option shall be generally  
2 distributed throughout each structure in the development containing units.

3                   2. Unit size, type, and term of lease

4                   a. Units provided through the performance option shall be comparable to  
5 the other units to be developed in terms of the following:

6                                   1) Status as a dwelling unit, live-work unit, or congregate  
7 residence sleeping room;

8                                   2) Number of bedrooms and bathrooms;

9                                   3) Net unit area by square feet;

10                                  4) Access to amenity areas;

11                                  5) Functionality; and

12                                  6) Term of the lease.

13                   b. The bedroom and bathroom sizes for units provided through the  
14 performance option shall be generally comparable to the bedroom and bathroom sizes for the  
15 other units to be developed.

16                   3. Eligible households. Units provided through the performance option shall serve  
17 only:

18                   a. At initial occupancy by a household:

19                                   1) For a rental unit with net unit area of 400 square feet or less,  
20 households with incomes no greater than 40 percent of median income;

21                                   2) For a rental unit with net unit area of greater than 400 square  
22 feet, households with incomes no greater than 60 percent of median income;

1   3) For an ownership unit, households with incomes no greater than  
2 80 percent of median income, and that meet a reasonable limit on assets. The Director of  
3 Housing shall establish by rule the method to establish a reasonable limit on assets.

4   b. At the time of annual certification according to subsection  
5 23.58C.050.C.6.c:

6   1) For a rental unit with net unit area of 400 square feet or less,  
7 households with incomes no greater than 60 percent of median income;

8   2) For a rental unit with net unit area of greater than 400 square  
9 feet, households with incomes no greater than 80 percent of median income.

10                                       4. Affirmative marketing. Units provided through the performance option shall be  
11 affirmatively marketed to attract eligible households from all racial, ethnic, and gender groups in  
12 the housing market area of the property, particularly to inform and solicit applications from  
13 households who are otherwise unlikely to apply for housing in the development. Proposed  
14 marketing efforts shall be submitted to the Office of Housing for review and approval. Records  
15 documenting affirmative marketing efforts shall be maintained and submitted to the Office of  
16 Housing upon request.

17                                       5. Public subsidy. If any public subsidy, including the Multifamily Housing  
18 Property Tax Exemption authorized by Chapter 5.73 and chapter 84.14 RCW, is used for a  
19 development containing units provided to comply with this Chapter 23.58C through the  
20 performance option, and the public subsidy operates through subjecting some of the units in the  
21 development to restrictions on the income levels of occupants and the rents or sale prices that  
22 may be charged, the units provided to comply with this Chapter 23.58C shall be different units  
23 than the units that are subject to such restrictions as a condition of the public subsidy.

1                   6. Additional requirements for rental units provided through the performance  
2 option

3                   a. Rent levels. Monthly rent shall not exceed 30 percent of 60 percent of  
4 median income or, in the case of rental units with net unit area of 400 square feet or less, 30  
5 percent of 40 percent of median income. For purposes of this subsection 23.58C.050.C.6.a,  
6 “monthly rent” includes a utility allowance for heat, gas, electricity, water, sewer, and refuse  
7 collection, to the extent such items are not paid for tenants by the owner, and any recurring fees  
8 that are required as a condition of tenancy.

9                   b. Limitation on charges. Fees charged to eligible households upon move-  
10 in or transfer within the development shall be limited to a reasonable level to be established by  
11 the Director of Housing by rule. No tenant of a rental unit may be charged fees for income  
12 verifications or reporting requirements related to this Chapter 23.58C.

13                   c. Annual certification, third party verification

14                   1) The owner of the rental unit shall obtain from each tenant, no  
15 less than annually, a certification of household size and annual income in a form acceptable to  
16 the City. The owner shall examine the income of each tenant household in accordance with 24  
17 CFR 5.609, with guidance from the HUD Occupancy Handbook 4350.3, Chapter 5. The owner  
18 also shall examine the income and household size of any tenant at any time when there is  
19 evidence that the tenant’s written statement was not complete or accurate. If so requested by the  
20 City, the owner shall obtain such certifications and/or examine incomes and household sizes at  
21 any other times upon reasonable advance notice from the City. The owner shall maintain all  
22 certifications and documentation obtained according to this subsection 23.58C.050.C.6.c.1 on

1 file for at least six years after they are obtained, and shall make them available to the City for  
2 inspection and copying promptly upon request.

3                   2) Owners of rental units shall attempt to obtain third party  
4 verification whenever possible to substantiate income at each certification, which shall include  
5 contacting the individual income source(s) supplied by the household. The verification  
6 documents shall be supplied directly to the independent source by the owner and returned  
7 directly to the owner from the independent source. In the event that the independent source does  
8 not respond to the owner's faxed, mailed, or emailed request for information, the owner may  
9 pursue oral third party verification. If written or oral third party documentation is not available,  
10 the owner may accept original documents (pay stubs, W-2, etc.) at the discretion of the Director  
11 of Housing and shall document why third party verification was not available. At the discretion  
12 of the Director of Housing, the owner may accept tenant self-certifications after the initial  
13 income verification and first annual recertification.

14                   d. Reporting. At such times as may be authorized by the Director of  
15 Housing, but no less than annually, the owner of the rental unit shall submit to the Director of  
16 Housing a written report, verified upon oath or affirmation by the owner, demonstrating  
17 compliance with this Chapter 23.58C. The written report shall state, at a minimum, the  
18 occupancy and vacancy of each rental unit, the monthly rent charged for the unit, and the income  
19 and size of the household occupying the unit. The Director of Housing may require  
20 other documentation to ensure compliance with this subsection 23.58C.050.C, including but not  
21 limited to documentation of rents, copies of tenant certifications, documentation supporting  
22 determinations of tenant income (including employer's verification or check stubs), and other  
23 documentation necessary to track program outcomes and the demographics of households

1 served. The first annual report shall include documentation of issuance of the certificate of  
2 occupancy or final building permit inspection for the rental unit. The Director of Housing is  
3 authorized to assess a late fee of \$50 per day, to accrue starting 14 days from the date the Office  
4 of Housing notifies the owner of the rental unit that the report is overdue, until the report is  
5 submitted.

6 e. Annual fee. The owner of the rental unit shall pay the Office of Housing  
7 an annual fee of \$150 per rental unit for the purposes of monitoring compliance with the  
8 requirements according to this Section 23.58C.050. On March 1, 2017, and on the same day each  
9 year thereafter, the annual fee shall automatically adjust in proportion to the annual change for  
10 the previous calendar year (January 1 through December 31) in the Consumer Price Index, All  
11 Urban Consumers, Seattle-Tacoma-Bremerton, WA, All Items (1982-1984 = 100), as determined  
12 by the U.S. Department of Labor, Bureau of Labor Statistics or successor index.

13 f. Over-income households; unit substitution. If, based on any  
14 certification, a previously eligible household occupying a rental unit provided through the  
15 performance option is determined to be ineligible due to exceeding the income limits according  
16 to subsection 23.58C.050.C.3.b, the owner of the development to which this Chapter 23.58C  
17 applies shall, through the process according to subsection 23.58C.030.A.6, designate a  
18 comparable substitute rental unit within the development, as approved by the Director of  
19 Housing, as soon as such a unit becomes available, and upon such designation the requirements  
20 according to this subsection 23.58C.050.C shall transfer to the substitute unit. Upon such  
21 determination that a previously eligible household is ineligible, the owner shall promptly give the  
22 ineligible household notice of such determination and notice that the requirements according to  
23 this subsection 23.58C.050.C will transfer to a substitute unit when such unit becomes available.

1 Upon the transfer of the requirements, the owner shall give the ineligible household six months'  
2 notice prior to any rent increase.

3 g. Maintenance, insurance. Rental units provided through the performance  
4 option, and the structure in which they are located, shall be maintained by the owner in decent  
5 and habitable condition, including the provision of adequate basic appliances. The owner shall  
6 keep such units, and the structure in which they are located, insured by an insurance company  
7 licensed to do business in the state of Washington and reasonably acceptable to the City, against  
8 loss by fire and other hazards included with broad form coverage, in the amount of 100 percent  
9 of the replacement value.

10 h. Casualty

11 1) If a rental unit provided through the performance option is  
12 destroyed or rendered unfit for occupancy by casualty that does not affect all of the other units in  
13 the development to which this Chapter 23.58C applies, the owner of the development shall,  
14 through the process according to subsection 23.58C.030.A.6, designate a comparable substitute  
15 rental unit within the development, as approved by the Director of Housing, as soon as such a  
16 unit becomes available, which the tenant household of the unit affected by casualty shall be  
17 allowed to move into, and upon such designation the requirements according to this subsection  
18 23.58C.050.C shall transfer to the substitute unit.

19 2) If all of the units in the development to which this Chapter  
20 23.58C applies are substantially destroyed by casualty, including by earthquake or fire, the  
21 requirements according to this subsection 23.58C.050.C shall terminate.

22 i. Conversion to ownership housing. If all of the units to whose  
23 development this Chapter 23.58C applies according to subsection 23.58C.025.B in a structure are

1 converted to ownership housing, including through a conversion to condominiums, prior to 50  
2 years from the date of certificate of occupancy or, if a certificate of occupancy is not required,  
3 from the date of the final building permit inspection, for the development to which this Chapter  
4 23.58C applies according to subsection 23.58C.025.B:

5 1) The owner of the development shall, at the time of such  
6 conversion, pay to the City a payment in lieu of continuing affordability for each rental unit  
7 provided through the performance option that is converted to ownership housing. The amount of  
8 the payment shall be the applicable amount set forth in Table C for 23.58C.050.

<b>Table C for 23.58C.050</b>
<b>Payment in lieu of affordability amounts for conversion to ownership housing</b>
[RESERVED]

9 2) If the units to whose development this Chapter 23.58C applies  
10 according to subsection 23.58C.025.B are in multiple structures, conversion to ownership  
11 housing of such units in an individual structure shall not be a basis for reducing the number of  
12 rental units provided through the performance option in the other structures.

13 3) If a rental unit provided through the performance option is  
14 converted to a condominium, the owner shall comply with the requirements according to Section  
15 22.903.030 and Section 22.903.035.

16 j. Demolition or change of use

17 1) If the units to whose development this Chapter 23.58C applies  
18 according to subsection 23.58C.025.B are in a single structure and the structure is demolished, or  
19 its use is changed, prior to 50 years from the date of certificate of occupancy or, if a certificate of  
20 occupancy is not required, from the date of the final building permit inspection, for the  
21 development to which this Chapter 23.58C applies according to subsection 23.58C.025.B, so as



1 to eliminate all of the units to whose development this Chapter 23.58C applies according to  
2 subsection 23.58C.025.B in that structure, the owner of the development shall pay to the City a  
3 payment in lieu of continuing affordability for each rental unit provided through the performance  
4 option that is eliminated, as follows:

5 a) The payment shall be based on the difference between  
6 the monthly restricted rent according to subsection 23.58C.050.C.6.a for each rental unit  
7 provided through the performance option that is eliminated and the average monthly rent of a  
8 comparable unit according to subsection 23.58C.050.C.2 that is not subject to rent and income  
9 restrictions and is located in the same payment and performance area as shown on Map A for  
10 23.58C.050, multiplied by the typical number of months between demolition of multifamily  
11 housing on a property and completion of redevelopment of a property in the zone in which the  
12 eliminated rental unit is located, not to exceed 30 months. The Director shall by rule establish an  
13 appropriate methodology and inputs for determining the payment amount in particular zones.

14 b) The City shall use the payment to support continued  
15 housing affordability in The City of Seattle, including but not limited to providing rental  
16 assistance to the tenants of rental units provided through the performance option that were  
17 eliminated.

18 2) If the units to whose development this Chapter 23.58C applies  
19 according to subsection 23.58C.025.B are in multiple structures and an individual structure is  
20 demolished, or its use is changed, prior to 50 years from the date of certificate of occupancy or,  
21 if a certificate of occupancy is not required, from the date of the final building permit inspection,  
22 for the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B,

1 so as to eliminate all of the units to whose development this Chapter 23.58C applies according to  
2 subsection 23.58C.025.B in the individual structure, the owner of the development shall:

3 a) Except as provided according to subsection  
4 23.58C.050.C.6.j.2.b, pay to the City a payment in lieu of continuing affordability according to  
5 subsection 23.58C.050.C.6.j.1.a for each rental unit provided through the performance option  
6 that is eliminated; or

7 b) If a rental unit that is eliminated resulted from the  
8 combination of fractions of units according to subsection 23.58C.050.A.4, designate, subject to  
9 review by the Director in consultation with the Director of Housing, a comparable substitute  
10 rental unit within the other structures to replace each such unit that is eliminated or, if such  
11 designation is not possible, pay to the City a payment in lieu of continuing affordability  
12 according to subsection 23.58C.050.C.6.j.1.a.

13 c) Demolition or change of use of an individual structure  
14 shall not be a basis for reducing the number of rental units provided through the performance  
15 option in the other structures and any comparable substitute rental units shall be in addition to  
16 any existing rental units provided through the performance option in the other structures.

17 7. Additional requirements for ownership units provided through the performance  
18 option

19 a. Affordable sale price; down payment. The initial sales price for an  
20 ownership unit provided through the performance option shall be an amount according to which  
21 total ongoing housing costs do not exceed 35 percent of 65 percent of median income, in order to  
22 allow for equity growth for individual homeowners while maintaining affordability for future  
23 buyers. The Director of Housing shall establish by rule the method for calculating the initial sales

1 price including standard assumptions for determining upfront housing costs, including the down  
2 payment, and ongoing housing costs, which shall include mortgage principal and interest  
3 payments, homeowner's insurance payments, homeowner or condominium association dues and  
4 assessments, and real estate taxes and other charges included in county tax billings. The Director  
5 of Housing may establish a maximum down payment amount for eligible households at initial  
6 sale of an ownership unit. The applicant for the development to which this Chapter 23.58C  
7 applies shall be responsible for any costs incurred in the initial sale of an ownership unit  
8 necessary to ensure compliance with this Chapter 23.58C, including but not limited to marketing  
9 to eligible households, income verification, buyer education, and verification of buyer financing.

10                   b. Affordable resale price. For an ownership unit provided through  
11 the performance option, the sale price for sales subsequent to the initial sale shall be calculated to  
12 allow modest growth in homeowner equity while maintaining long-term affordability for future  
13 buyers. All buyers of an ownership unit subsequent to the initial sale shall be households with  
14 incomes no greater than 80 percent of median income at initial occupancy. The Director of  
15 Housing shall by rule:

16                               1) Establish the method for calculating the resale price and may  
17 establish a maximum down payment amount for eligible households at resale,

18                               2) Establish specific requirements for documents ensuring  
19 affordability requirements are met at resale, and

20                               3) Provide for recovery of reasonable administrative costs.

21                   c. Other restrictions. An eligible household purchasing an ownership unit  
22 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 Director  
5 of Housing as necessary to maintain the long-term viability of the unit. Such rules may include,  
6 but are not limited to, refinancing approvals and debt limits; limits on credit for capital  
7 improvements at the time of resale; requirements for basic maintenance, inspections, and  
8 compliance procedures; minimum insurance requirements; obligations to provide information  
9 regarding compliance when and as requested; and fees to cover a portion of the 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 of \$600 for the purposes of monitoring compliance with the requirements  
14 according to this Section 23.58C.050. On March 1, 2017, and on the same day each year  
15 thereafter, the annual fee shall automatically adjust in proportion to the annual change for the  
16 previous calendar year (January 1 through December 31) in the Consumer Price Index, All  
17 Urban Consumers, Seattle-Tacoma-Bremerton, WA, All Items (1982-1984 = 100), as determined  
18 by the U.S. Department of Labor, Bureau of Labor Statistics or successor index.

19   e. Ongoing stewardship. Either prior to or subsequent to the initial sale,  
20 the Director of Housing is authorized to designate an agency or organization with sufficient  
21 capacity, as approved by the Director of Housing, to perform ongoing stewardship and  
22 management functions for ownership units provided through the performance option, including  
23 but not limited to the following:

- 1 1) Calculating maximum sale prices;
- 2 2) Marketing sales to eligible households;
- 3 3) Screening, educating, and selecting eligible households;
- 4 4) Approving buyer financing; and
- 5 5) Managing successive resales to eligible households.

6 D. Enforcement. The requirements according to this Section 23.58C.050 shall be terms of  
7 the building permit according to subsection 23.58C.030.A.5. In addition to any other remedies  
8 available to the City, the City is authorized to enforce such permit terms using the procedures of  
9 Chapter 23.90.

10 E. Agreement. If the applicant elects to comply with this Chapter 23.58C through the  
11 performance option, the City and the property owner of the development to which this Chapter  
12 23.58C applies shall enter into an agreement specifying the requirements according to this  
13 Section 23.58C.050. The agreement shall be recorded on the title of the property on which that  
14 development is located. The requirements specified in the agreement shall be consistent with the  
15 final plans.

16 Section 3. Subsection 23.40.020.A of the Seattle Municipal Code, which section was last  
17 amended by Ordinance 124895, is amended as follows:

18 **23.40.020 Variances**

19 A. Variances may be sought from the provisions of Subtitle III, Divisions 2, 3, and 4 of  
20 this Title 23, except for the establishment of a use that is otherwise not permitted in the zone in  
21 which it is proposed, for a structure height in excess of that shown on the Official Land Use Map  
22 or in excess of a height limit established in Chapter 23.75, from the provisions of subsection  
23 23.55.014.A, or from the provisions of Chapter 23.52, Chapter 23.58A, (~~and~~) Chapter

1 ((~~23.52B~~)) 23.58B, and Chapter 23.58C. Applications for prohibited variances shall not be  
2 accepted for filing.

3 \* \* \*

4 Section 4. Subsection 23.76.006.B of the Seattle Municipal Code, which section was last  
5 amended by Ordinance 124895, is amended as follows:

6 **23.76.006 Master Use Permits required**

7 \* \* \*

8 B. The following decisions are Type I:

9 1. Determination that a proposal complies with development standards;

10 2. Establishment or change of use for uses permitted outright, interim use parking  
11 under subsection 23.42.040.G, uses allowed under Section 23.42.038, temporary relocation of  
12 police and fire stations for 24 months or less, transitional encampment interim use, ((~~and~~))  
13 temporary uses for four weeks or less not otherwise permitted in the zone, and renewals of  
14 temporary uses for up to six months, except temporary uses and facilities for light rail transit  
15 facility construction and transitional encampments;

16 3. The following street use approvals:

17 a. Curb cut for access to parking whether associated with a development  
18 proposal or not;

19 b. Concept approval of street improvements associated with a  
20 development proposal, such as additional on-street parking, street landscaping, curbs and gutters,  
21 street drainage, sidewalks, and paving;

22 c. Structural building overhangs associated with a development proposal;

23 d. Areaways associated with a development proposal;

- 1                   4. Lot boundary adjustments;
- 2                   5. Modification of the following features bonused under Title 24:
  - 3                   a. Plazas;
  - 4                   b. Shopping plazas;
  - 5                   c. Arcades;
  - 6                   d. Shopping arcades;
  - 7                   e. Voluntary building setbacks;
- 8                   6. Determinations of Significance (determination that an environmental impact  
9 statement is required) for Master Use Permits and for building, demolition, grading, and other  
10 construction permits (supplemental procedures for environmental review are established in  
11 Chapter 25.05, Environmental Policies and Procedures), except for Determinations of  
12 Significance based solely on historic and cultural preservation;
- 13                   7. Discretionary exceptions for certain business signs authorized by subsection  
14 23.55.042.D;
- 15                   8. Waiver or modification of required right-of-way improvements;
- 16                   9. Special accommodation pursuant to Section 23.44.015;
- 17                   10. Reasonable accommodation;
- 18                   11. Minor amendment to Major Phased Development Permit;
- 19                   12. Determination of public benefit for combined lot development;
- 20                   13. Streamlined design review decisions pursuant to Section 23.41.018 if no  
21 development standard departures are requested pursuant to Section 23.41.012, and design review  
22 decisions in an MPC zone if no development standard departures are requested pursuant to  
23 Section 23.41.012;

1 14. Shoreline special use approvals that are not part of a shoreline substantial  
2 development permit;

3 15. Determination that a project is consistent with a planned action ordinance,  
4 except as provided in subsection 23.76.006.C;

5 16. Decision to approve, condition, or deny, based on SEPA policies, a permit for  
6 a project determined to be consistent with a planned action ordinance;

7 17. Modification of mitigation amounts under Section 23.58B.040 or Section  
8 23.58B.050 pursuant to subsection 23.58B.025.B.2; ~~((and))~~

9 18. Determination of requirements according to subsections 23.58C.030.A.2.a and  
10 23.58C.030.A.2.b;

11 19. Determination of modifications according to subsection 23.58C.035.B; and

12 20. Other Type I decisions.

13 \* \* \*

14 Section 5. Subsection 23.76.032.B of the Seattle Municipal Code, which section was last  
15 amended by Ordinance 124873, is amended as follows:

16 **23.76.032 Expiration and renewal of Type I and II Master Use Permits**

17 \* \* \*

18 B. If a Master Use Permit is issued for a project, a building permit is issued for the  
19 project, and the project is constructed pursuant to the building permit ~~(( $\tau$ ))~~ ;

20 1. ~~((conditions))~~ Conditions of or incorporated in the Master Use Permit shall  
21 remain in effect, notwithstanding expiration of the Master Use Permit pursuant to subsection  
22 23.76.032.A, until the project is demolished or until an earlier date on which:

23 ~~(( $\dagger$ ))~~ a. The condition by its terms expires or is fully satisfied;





1 D. It is a violation of this Title 23 to misrepresent any material fact in any application,  
2 plans, or other information submitted to obtain any land use authorization.

3 E. It is a violation of this Title 23 for anyone to fail to comply with the requirements  
4 of this Title 23.

5 F. It is a violation of this Title 23 for any person to construct or use any structure or  
6 portion thereof in a manner contrary to a permit term related to Chapter 23.58C.

7 Section 7. Section 23.90.015 of the Seattle Municipal Code, enacted by Ordinance  
8 122407, is amended as follows:

9 **23.90.015 Order of the Director ((=))**

10 A. Where review by the Director has been conducted pursuant to Section 23.90.014,  
11 the Director shall issue an order of the Director containing the decision within ~~((fifteen~~  
12 ~~(=15)))~~ 15 days of the date that the review is completed and shall cause the same to be mailed  
13 by regular first class mail to the person or persons named on the notice of violation and, if  
14 possible, mailed to the complainant.

15 B. Unless a request for review before the Director is made pursuant to Section  
16 23.90.014, the notice of violation shall become the order of the Director.

17 C. ~~((Because civil actions to enforce Title 23 SMC are brought in Seattle Municipal~~  
18 ~~Court pursuant to Section 23.90.018, orders))~~ Orders of the Director issued under this  
19 ~~((chapter))~~ Chapter 23.90 are not subject to judicial review pursuant to chapter 36.70C RCW,  
20 except for orders of the Director involving compliance with permit terms related to Chapter  
21 23.58C.

1 Section 8. Subsection 23.90.018.C of the Seattle Municipal Code, which section was last  
2 amended by Ordinance 124919, is amended as follows:

3 **23.90.018 Civil enforcement proceedings and penalties**

4 \* \* \*

5 C. Civil actions to enforce this Title 23 shall be brought exclusively in Seattle Municipal  
6 Court except for violations of permit terms related to Chapter 23.58C or as otherwise required by  
7 law or court rule. The Director shall request in writing that the City Attorney take enforcement  
8 action. The City Attorney shall, with the assistance of the Director, take appropriate action to  
9 enforce this Title 23. In any civil action filed pursuant to this ~~((chapter))~~ Chapter 23.90, the City  
10 has the burden of proving by a preponderance of the evidence that a violation exists or existed.  
11 The issuance of the notice of violation or of an order following a review by the Director is not  
12 itself evidence that a violation exists.

13 \* \* \*

14 Section 9. The provisions of this ordinance are declared to be separate and severable and  
15 the invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this  
16 ordinance, or the invalidity of the application thereof to any person or circumstance, shall not  
17 affect the validity of the remainder of this ordinance or the validity of its application to other  
18 persons or circumstances.

1 Section 10. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2016, and  
5 signed by me in open session in authentication of its passage this  
6 \_\_\_\_ day of \_\_\_\_\_, 2016.

7  
8 \_\_\_\_\_  
9 President \_\_\_\_\_ of the City Council

10  
11 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2016.

12  
13 \_\_\_\_\_  
14 Edward B. Murray, Mayor

15  
16 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2016.

17  
18 \_\_\_\_\_  
19 Monica Martinez Simmons, City Clerk

20  
21 (Seal)