

**Equitable Development
Zoning Code Changes**

Director's Report

SEPA DRAFT

March 2023



Seattle
Office of Planning &
Community Development

CONTENTS

Introduction	2
Background	3
Stakeholder engagement.....	3
Proposal.....	4
Analysis.....	7
Case studies	11
Recommendation.....	13

INTRODUCTION

The Office of Planning and Community Development (OPCD) proposes a suite of Land Use Code amendments that would remove regulatory barriers facing equitable development projects. These code changes would support anti-displacement projects, including those funded by the City's Equitable Development Initiative (EDI), by simplifying and removing uncertainty from the permitting process and updating code language to provide clarity and consistency for the types of activities these projects tend to include.

In 2016, the City established EDI to address financial barriers to equitable development. Since then, dozens of community-led projects have received funding, but many continue to face regulatory hurdles that thwart, complicate, delay, and add cost to these projects. One reason for this is the types of uses these projects often include. In addition to affordable housing, many EDI projects combat displacement through inclusion of community gathering space, arts and cultural space, civic and educational programming, and other community uses. These activities generally align most closely with the Land Use Code definition of a "community center," a type of small institution permitted in residential zones only as a conditional use. Conditional uses are subject to several requirements and limits beyond the standards for other uses, like additional setbacks, dispersion requirements, and a discretionary approval process that adds time and cost.

The proposed legislation would address these specific land use barriers that many EDI applicants and grantees are currently facing. This legislation would:

- Allow community centers and libraries as institution uses permitted outright in Neighborhood Residential zones rather than requiring a conditional use permit that adds time, cost, and uncertainty for applicants
- Modify the amount of off-street parking required for community centers and libraries
- Define and provide standards for "community farms" as a type of institution allowed outright in residential zones
- Modify the definition of "community club or center" to better reflect the types of activities and programming commonly included in EDI projects and increase predictability in the permitting process
- Allow community centers to include certain accessory commercial uses, subject to limits, to let these institutions provide additional community services and generate revenue that supports the nonprofit organization
- For institutions in LR zones, apply setback requirements consistent with uses permitted outright zone rather than larger setback requirements

The proposed legislation is part of an Equitable Development Zoning (EDZ) effort that OPCD has undertaken in partnership with equitable development stakeholders. This report summarizes the genesis of the EDZ work, documents the engagement process and the input that has shaped this proposal, and provides detail on the intent and likely outcomes of each proposed code change described above.

BACKGROUND

Historical context

Land use regulation has its origins in segregation, exclusion, and disinvestment. Throughout history, people of color were systematically deprived of access to housing, land security, homeownership, and development. Early examples in our region include the colonization of Coast Salish territory, laws that barred Black and Indigenous people from residing in Washington and Seattle, and the forced incarceration of Japanese and Japanese-American people during World War II. In the 20th century, racially restrictive covenants and redlining prohibited people of color from living in most Seattle neighborhoods and accessing loans to pursue homeownership. Once ruled unconstitutional, these explicitly racist practices gave way to facially race-neutral zoning, land use, and growth management frameworks with both intended and unintended harm outcomes for communities of color. In recent decades, urban growth and development pressures have resulted in gentrification that displaces communities of color. As Seattle's current economic and population boom drives housing and land prices upward, cultural communities struggle to remain in place, maintain cultural anchors, and flourish.

Barriers to equitable development

To address this legacy of historical exclusion and disinvestment, the City has prioritized equitable development through Comprehensive Plan policy, Equitable Development Monitoring Program, and EDI investments in community-led anti-displacement projects. Despite this commitment, City regulations often impede, complicate, and add costs for the projects that EDI funds. Many of Seattle's current land use rules were not developed with equitable development outcomes in mind. As a result, the City's land use regulations may be hindering the progress towards a more equitable future.

EDI-funded projects face various challenges beyond securing funding: finding a suitable development site the organization can afford; contending with zoning that limits allowed uses and may not accommodate the project vision; navigating a complex regulatory process. This is especially true when a project requires a conditional use approval or contract rezone, which introduce uncertainty, complexity, additional requirements, and higher costs. These barriers are more challenging for smaller BIPOC-led organizations — which are often focused on a specific purpose or mission and undertaking development for the first time — compared to larger, established developers with resources and specialized real estate expertise.

For these reasons, collaboration, technical assistance, and regulatory reform are critical to the success of EDI-funded projects. In 2020, OPCD began EDZ to identify ways to align City land use regulation more closely with its equitable development goals. The proposed legislation is a first phase in implementing EDZ strategies that would remove barriers to equitable development projects. The legislation focuses on targeted code issues that recent and current EDI stakeholders have identified. Future actions will address other land use and zoning challenges facing equitable development projects.

STAKEHOLDER ENGAGEMENT

The proposal is informed by several rounds of engagement with EDI stakeholders from 2020 to the present. In late 2020 and early 2021, OPCD met with a group of people engaged in community development and connected to EDI projects for early conversations about how land use regulations were affecting equitable development objectives and how the City might address these issues. As part of the 2022 and 2023 EDI funding rounds, applicants were asked if they had experienced or anticipated facing land use barriers with their projects and would be open to discussing these issues with staff. OPCD staff working on EDZ then interviewed those self-identified applicants to discuss their projects,

identify the land use and zoning issues they may face, and discuss potential solutions. OPCD staff interviewed 21 applicants across the two funding rounds.

This initial engagement identified several themes about the challenges facing EDI projects:

- A range of City regulations related to land use and development commonly create challenges for EDI projects
- Sites available and affordable to community organizations who have applied for or received EDI funding often have zoning that does not accommodate their proposed uses, and sites with more flexible zoning are scarce, more costly, and harder to acquire
- The permitting process is complex, costly, and uncertain, especially for projects that involve conditional uses and for community organizations undertaking development for the first time
- The complexity of permitting and the competitiveness of the real estate system together favor larger, experienced developers and investors with specialized expertise over small, often BIPOC-led organizations

In spring 2022, OPCD convened a stakeholder group of practitioners and community leaders who had been or are currently involved in equitable development projects and who have experience in development, architecture, community organizing, anti-displacement work, and arts and cultural space. This stakeholder group included Donald King, Grace Leong, Gregory Davis, Inye Wokoma, Keith Tucker, Leah Martin, Rizwan Rizwi, Slayman Appadolo, Tara Lawal, Willard Brown, and Yordanos Teferi. This group has met roughly once a month since June 2022 to guide the direction of OPCD's EDZ work and advise specifically on the components of the proposed legislation. The group discussed OPCD's draft proposal for code changes in its first two meetings in June and July 2022. Staff then presented and discussed an updated proposal in January 2023. Based on their experience carrying equitable development projects through the permitting process, the stakeholders identified the proposed code changes as valuable short-term reforms to help EDI projects succeed. The group discussed and made recommendations on further land use strategies that would help equitable development projects, like support through the permitting process, expedited permitting, and alternative development standards. OPCD continues to work with the stakeholders to explore and develop proposals for these additional strategies.

PROPOSAL

Based on the direction from EDI stakeholders over the last two years, OPCD proposes to amend several provisions of the Land Use Code (Seattle Municipal Code Title 23) to remove regulatory hurdles to equitable development projects. The proposed code changes would simplify, streamline, and increase the predictability of the permitting process for uses that EDI-funded projects typically include. The following sections summarize each proposed code change.

Allow community centers and libraries outright in Neighborhood Residential zones

In Neighborhood Residential zones, certain uses are permitted as of right and others as conditional uses. Certain institutions are allowed only as conditional uses and are subject to various additional provisions, including a dispersion requirement, additional setback requirements, and a discretionary permit review process. The proposed legislation would modify the list of principal uses permitted outright in Section 23.42.006 to allow community centers that do not include shelter services and libraries as uses allowed without a conditional use review. (Community centers that include shelter services would remain a conditional use subject to all existing requirements and processes.) This change would provide a simpler, shorter, and more predictable permitting process for EDI projects that include

activities that align with the use definitions for community center and library. These uses would no longer be required to locate at least 600 feet from any other institution in a residential zone, which can limit the sites available for equitable development projects. They would be subject to the height, floor area, lot coverage, and yard requirements of the zone.

Modify the amount of off-street parking required for community centers and libraries

Parking standards for institutions are established in Section 23.54.015. The proposal would modify the requirements for community centers and libraries as follows:

Use	Minimum parking required
Community clubs, and community centers not owned and operated by SPR	1 space for each 80 square feet of floor area of all auditoria and public assembly rooms ((not)) containing fixed seats; plus ((1 space for every 8 fixed seats for floor area containing fixed seats; or if no auditorium or assembly room,)) 1 space for each 350 square feet ((, excluding ball courts)) of all other indoor areas
Libraries	1 space for each 80 square feet of floor area of all auditoria and public meeting rooms <u>containing fixed seats</u> ; plus 1 space for each 500 square feet of floor area ((, excluding auditoria and public meeting rooms)) of all other areas

Stakeholder input and staff research suggest that the existing parking requirements exceed the actual daily parking needs of many community centers. The high number of spaces required can limit the amount of site area available for other programming and services, foreclose outdoor activity spaces, and increase impervious surfaces. The propose would reduce the requirement to match more closely what research suggests is a reasonable amount for these uses based on actual project needs.

Define and provide standards for “community farms”

The proposal would add a new definition for “community farm” as a type of institution in Section 23.84A.018 as follows:

“Community farm” means an institution in which land and related structures managed by a nonprofit organization are used primarily to grow and/or harvest plants for food, educational, cultural, or ecological restoration purposes, or animals are kept in accordance with Section 23.42.052. Activities may include but are not limited to indoor and outdoor classes and events, food processing and preparation, community programs and gatherings, and the sale of plants, harvested or prepared food, ornamental crops, and animal products such as eggs or honey but not including the slaughtering of animals or birds for meat.

Like community centers and libraries, community farms would be allowed outright in NR zones. The following parking requirements would apply:

Use	Minimum parking required
Community farms	<u>1 space plus 1 space for each 10,000 square feet of site area, or 10 spaces, whichever is greater</u>

Community centers and other nonprofits are occasionally centered around mission-driven agricultural uses that aim to improve health and food access outcomes. These projects often include food and agricultural education and seek to provide culturally relevant foods and eating practices to their communities. Several EDI applicants and grantees are pursuing projects related to urban agriculture. City codes currently lack a use type category that adequately encompasses the multifaceted nature of community farms, making it difficult for these community-oriented agricultural uses to arise and flourish. Instead, these projects typically must apply as an “urban farm” or “community garden,” neither

which allows the specific mix of uses and programming needed for these community-driven projects. Urban farms are allowed only as accessory uses, not principal uses, requiring them to find a principal use to be accessory to. Urban farms are also subject to provisions, like standards for size and required proximity to a principal use, that are aimed more at for-profit entities. Community gardens are allowed as principal uses but cannot sell produce or plants, which community-oriented farms may wish to do to generate revenue that supports their operation and mission. Allowing community farms as a principal use would make it allow for nonprofits to utilize parcels across the city that are challenging for typical development due to the size, location, or access issues.

The proposed definition of “community farm” would resemble “community garden” but allow the sale of produce. It would be permitted outright as a principal use in NR zones. Like “community center” use, it would require operation and management by a nonprofit. A minimum parking requirement would ensure space for one or more employees is provided along with parking spaces for deliveries, loading and unloading, customers, and community members attending events, commensurate with the size of the community farm. All development standards of the zone would apply, meaning any structures created as part of the community farm would be subject to the same height, size, coverage, and siting standards as any other permitted use (like housing).

Modify the definition of “community club or center”

The proposal would amend the definition of “community club or center” as a type of institution use in Section 23.84A.018 as follows:

“Community club or center” means an institution used for athletic, social, civic, cultural, artistic, or recreational purposes, operated by a nonprofit organization, and open to the general public on an equal basis. Activities in a community club or center may include, but are not limited to, classes and events sponsored by nonprofit organizations, community programs for the elderly, social gatherings, educational programming, gardens, art exhibits, and other similar activities.

As discussed earlier, several recent and current EDI-funded projects have been permitted or are in the process of being permitted under as a community center use. The proposed modification would better align the definition with the types of activities these projects typically include, like spaces geared toward cultural and artistic programming, community gathering space, and outdoor uses. These amendments expand language that is used to describe (but not limit) the activities allowed as a community club or community center use.

Allow community centers to include certain accessory commercial uses

The proposal would modify the definition of “community center” to stipulate that certain commercial activities are allowed as accessory uses, as follows:

“Community center” means a community club or center use, providing direct services to people on the premises rather than carrying out only administrative functions, that is open to the general public without membership. Community centers may include accessory commercial uses including but not limited to commercial kitchens and food processing, craft work and maker spaces, cafes, galleries, co-working spaces, health clinics, office spaces, and retail sales of food and goods.

This change would provide flexibility for these institutions to include commercial spaces as part of the overall community center programming that could expand the financial opportunities available to the nonprofit that operates the community center and provide permanent or pop-up spaces for small, local businesses. It could also support more walkable and complete communities by allowing retail and services to be integrated throughout neighborhoods. As an accessory use, these commercial uses would

have to be incidental to the principal use, which would serve to limit its scale within a project and require a relationship between the commercial use and the activities of the community center programming.

Modify setback requirements for institutions in LR zones

Community centers, libraries, and other institutions in Lowrise Multifamily zones are currently subject to additional setback requirements beyond the standards for uses permitted outright (like housing).

Established in 23.45.570.F, these standards add complexity and can constrain site design and configuration. The proposal would amend this subsection to provide setbacks more consistent with the setbacks required for uses permitted outright.

ANALYSIS

Permit review

Because the proposed changes would not apply exclusively to projects funded by EDI, or even projects understood to constitute “equitable development” regardless of their funding, but rather to all projects permitted as community centers or libraries, staff considered whether they could have unintended consequences by removing regulatory barriers for projects that are less aligned with equitable development outcomes. As defined in Section 23.84A, both types of institutional uses provide public services. Community centers must be operated by a nonprofit, and libraries provide literary and other material for use but generally not for sale. These components of the use definition provide constraints on the number and type of projects likely to benefit from the proposal beyond the intended focus on equitable development projects.

We also sought to gauge how often permits for community center and library uses are issued overall. We analyzed all records since 2012 categorized in City permitting data as an “institution” or “community center” use, since both terms sometimes appear as the primary use category. The produced a dataset of 284 permit applications. Only a subset of the permits were issued or completed, and many were expired, but we analyzed the full dataset to produce a high-end estimate of the number of permits issued during this period. We reviewed the project description and/or plan sets for each permit to determine 1) the type of activity was proposed (new construction, addition/alteration, change of use, temporary or interim use, etc.) and 2) the type of institution involved (community center, school, university, medical facility, religious facility, etc.). Because the proposal would modify permitting requirements only in Neighborhood Residential zones, we sought to gauge how often these small institutions are permitted in this zone (albeit as a conditional use) as well as how common they are citywide as an indicator of overall production.

Of the 284 permits analyzed overall, 45 were for new construction (16 percent), 134 were additions or alterations (47 percent), 36 were for a change of use (13 percent), and 63 were for temporary or interim uses (22 percent). This suggests that most permits for institution uses do not involve new buildings. In terms of the specific types of uses involved each permit, 43 were for “community center” uses (15 percent) and 10 were for “library” uses (four percent), the two categories of institutions affected by the proposed change.¹ For context, one-third of permits were for development related to a school, college, or university; five percent were for childcare facilities, and five percent were for religious facilities.

Permits for transitional encampments or shelters related to the City’s homelessness response comprised 26 percent of the dataset (74 permits). Most of these were for temporary or interim use permits (59 permits). A transitional encampment on property owned or controlled by a religious

¹ We categorized community centers operated by Seattle Parks and Recreated separately from other community centers.

organization is currently an allowed use in all zones per Section 23.42.054, and a transitional encampment is allowed as an interim use on any site in all zones per Section 23.42.056. The proposed legislation would make no changes to the policies and requirements for transitional encampments. Shelters have occasionally permitted as part of community centers.² The proposed legislation would make no changes to the policies and requirements for these shelters and would continue to require a conditional use permit for community centers that include shelter services. Only community centers that do not include shelter services would be allowed outright in NR zones.

When filtered to Neighborhood Residential zones, the dataset includes 40 permits. More than half (21 permits) are related to schools. None is related to a library. The following five are related to community center uses. Two of these projects (representing the three highlighted permits) are EDI grantees and discussed below as case studies.

Record number	Project address	Applicant name	Project description in permitting records	Application date
6596636-CN	2000 MLK Jr Way S		Construct alterations to the Seattle Parks Amy Yee Tennis Center, per plans. Mechanical included this permit	10/26/2017
3035572-LU	911 24th Ave	Wa Na Wari Renovation	Land use application to change the use of a single-family dwelling unit to institution (community center). No change to parking.	2/28/2020
6752281-CN	911 24th Ave	Wa Na Wari Renovation	Construct alterations for accessibility improvements to community arts center [Wa Na Wari], per plan.	12/30/2020
3036192-LU	5959 39th Ave S	Cham Refugee Community Center	Land use application to allow a 2-story institution (community center and religious facility). Two existing single family dwelling units to remain. All other buildings to be demolished. Parking for 62 vehicles proposed.	6/2/2020
6838706-CN	4649 Sunnyside Ave N	Good Shepherd Center	Voluntary seismic retrofit for institutional building [GOOD SHEPHERD CENTER], per plan.	10/23/2021

In sum, the number of permit applications for community center and library uses citywide over roughly a decade is relatively small (53 permits), and only 13 of those permits were for new construction, with the remainder involving additions or alterations, a change of use, or some other land use or development activity. Likewise, since 2012 only 40 permit applications were submitted in NR zones for all institution uses, only a handful were related to the types of institutions affected by the proposed legislation. Together, these data points suggest that the proposal could provide important benefits for EDI projects that follow this permitting path and would not have a widespread or frequent effect in NR zones overall.

Exhibit 1 below shows the location of Neighborhood Residential (NR and RSL) and Lowrise (LR) zones affected by the proposal. Exhibit 2 shows the location of permits since 2012 for community center and other institution use by zone category, as discussed above.

² Shelters are included in the definition for “Human services use,” a use prohibited in Neighborhood Residential zones.

Exhibit 1: Location of zones affected by the proposed code changes

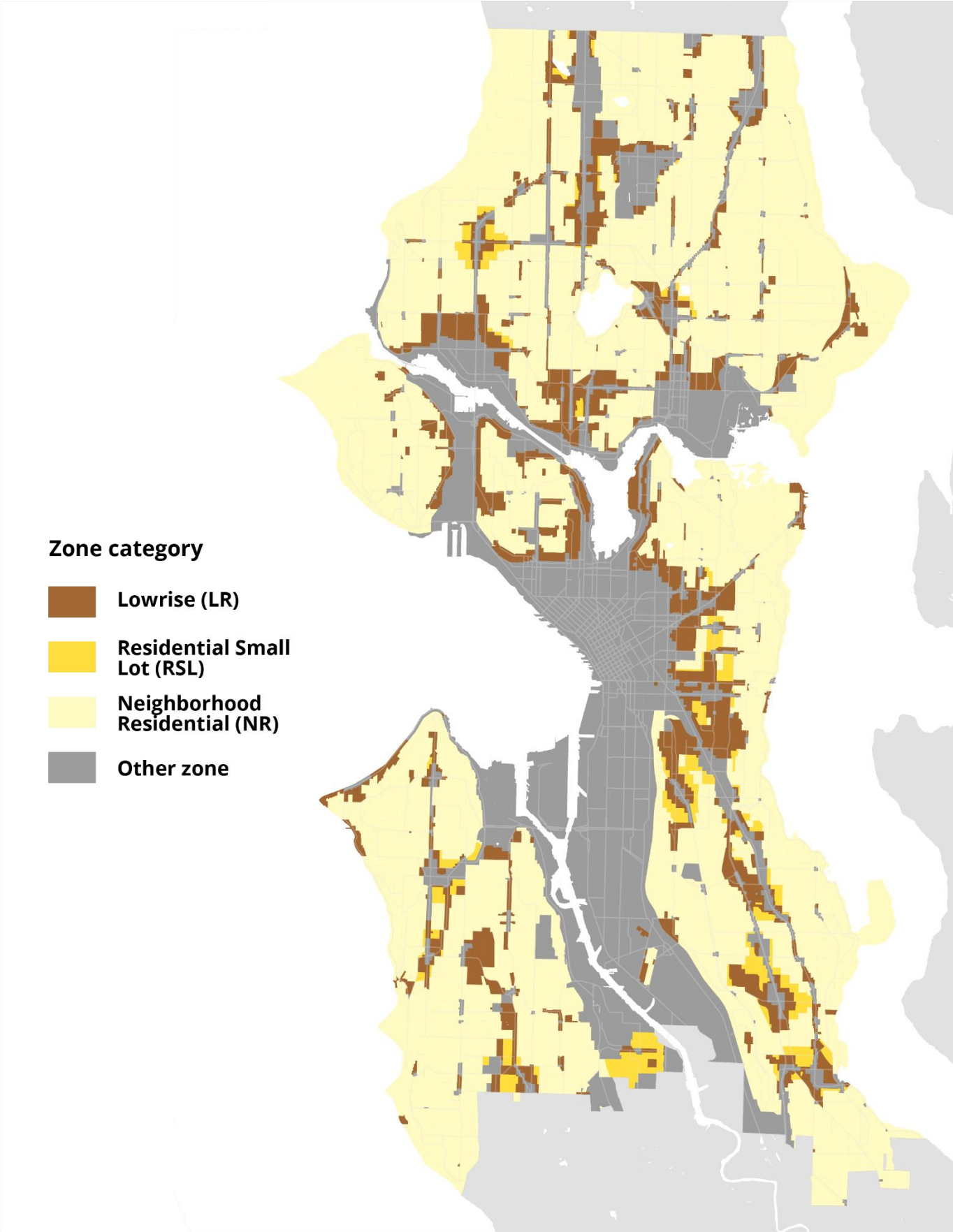
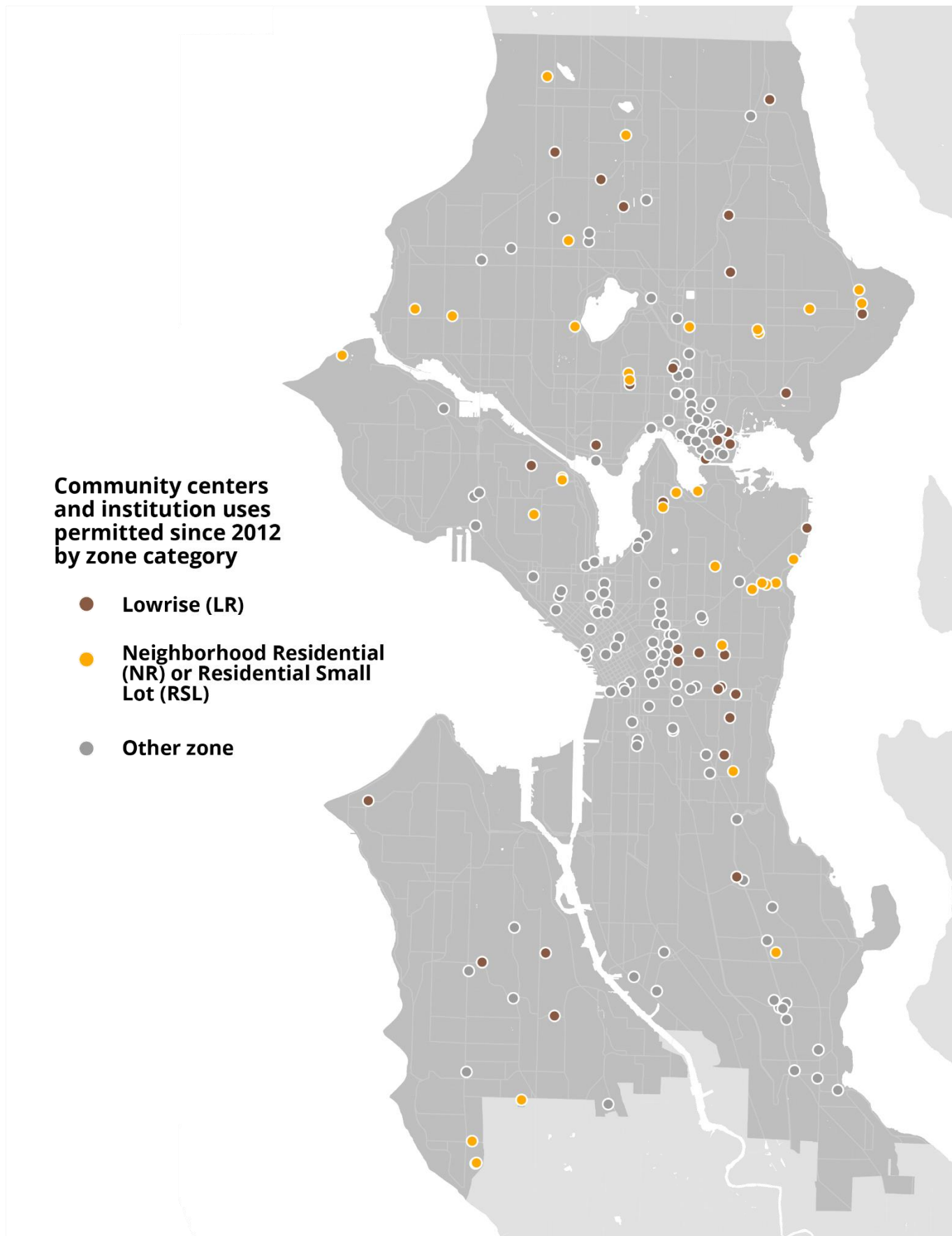


Exhibit 2: Permits since 2012 for community center use or other institution use



Comprehensive Plan consistency

The proposed legislation is generally consistent with and would support City goals and policies related to anti-displacement strategies and small institutions, as documented in the Comprehensive Plan:

LU G2 Provide zoning and accompanying land use regulations that

- allow a variety of housing types to accommodate housing choices for households of all types and income levels;
- support a wide diversity of employment-generating activities to provide jobs for a diverse residential population, as well as a variety of services for residents and businesses; and
- accommodate the full range of public services, institutions, and amenities needed to support a racially and economically diverse, sustainable urban community.

LU 2.4 Limit nonresidential uses in residential zones to those necessary or highly compatible with the function of residential neighborhoods.

LU 3.1 Regulate public facilities and small institutions to promote compatibility with other developments in the area.

LU 3.2 Allow public facilities and small institutions to depart from development standards, if necessary to meet their particular functional requirements, while maintaining general design compatibility with the surrounding area's scale and character. Require public facilities and small institutions to adhere to zoned height limits, except for spires on religious institutions. Consider providing greater flexibility for schools in recognition of their important role in the community.

LU 3.3 Allow standards to be modified for required off-street parking associated with public facilities and small institutions based on the expected use and characteristics of the facility and the likely impacts on surrounding parking and development conditions, and on existing and planned transportation facilities in the area.

LU 3.4 Avoid clusters of public facilities and small institutions in residential areas if such concentrations would create or further aggravate parking shortages, traffic congestion, and noise in the area.

LU 3.5 Allow nonconforming public facilities and small institutions to expand or make structural changes, provided these alterations comply with the zone's development standards and do not increase the structure's nonconformity.

CASE STUDIES

Recent and current EDI-funded projects provide instructive examples of the types of projects that could be affected by the proposed changes.

Wa Na Wari

Wa Na Wari is a Black cultural space project located in a structure formerly used as a detached residence in a Residential Small Lot (RSL) zone in the Central Area. Wa Na Wari provides space for art exhibits, performances, workshops, community gatherings focused on sustaining the cultural identify of Seattle’s Black community. To convert the house to a community center use, the nonprofit had to obtain a change of use permit and an administrative conditional use permit. The project involved only interior renovations and no new construction or expansion of the existing structures on the lot. City permit review concluded that the proposal had no adverse negative impacts and no mitigation was required. Wa Na Wari is located within 600 feet of two existing institution uses (a church and a school), but since it would be sited within an existing structure the permit review concluded that impacts would be minor. The organization incurred permitting fees of almost \$10,000 to obtain the change of use and conditional use permit.



Nurturing Roots

Founded in 2016, Nurturing Roots is a nonprofit community farm in Beacon Hill focused on healthy food choices and creating community through gardening. Their work brings community together through volunteer opportunities, hosting various events, and partnering with local restaurants to support food and environmental justice, food access, education, and reengaging people and environment. As an urban farm, the project could not be permitted as a standalone project and had to be permitted as an accessory use to the adjacent church. This arrangement between property owners and projects can create challenges for future permitting needed for expansion, repairs, and desired uses on site.



Cham Community Center

The Cham Refugee Community proposes to build a community center in the Rainier Valley for the Cham Diaspora and other underserved immigrants and refugees and communities of color as an anchor in the tide of gentrification and displacement. The project would include a community gathering space, a learning facility that hosts ESL and computer literacy classes, and affordable housing and commercial space. accommodates and celebrates the rich heritage, cultural values and needs of this welcoming and hospitable community. Much of the project site had to be devoted to 62 surface parking spaces required for the proposed community center use. But for this requirement, the organization would have been able to expand their community gathering space. Under the proposal, the project would be required to have 14 parking stalls, allowing more of the site to be used for community facilities or open space, instead of parking lot.



Estelita's Library

Estelita's Library is a small library, gathering space, and cultural space project located in the Central District. When paired with setback requirements, the small size and trapezoidal shape of the lot made typical residential or commercial development challenging. The founders partnered with a local nonprofit to design and construct a 225-square-foot building to provide community space and a deck with an accessible entrance ramp. Due to regulations and permitting challenges, the project had to be permitted as a kiosk and was later reestablished as a library (institution use) after completing a more complex administrative conditional use process required since the project could not meet setback and dispersion requirements. This project illustrates the permitting challenges that face innovating community-driven projects on highly constrained sites. While this proposed code changes do not address the specific issues Estelita's Library encountered due to site constraints, it does aim to enable more small, community-driven projects by simplifying the permitting process and reducing regulatory hurdles.



RECOMMENDATION

OPCD recommends adoption of the proposed Land Use Code amendments. The proposal responds directly to the experience of many EDI-funded projects that have faced hurdles navigating land use policies and permitting processes and reflects guidance from stakeholders with expertise in equitable development work. While they do not address all challenges that community-led anti-displacement projects must overcome, the proposed code changes are a worthwhile first step towards greater alignment of land use regulation and equitable development.