

Housing Opportunities Zoning Amendments



Director's Report and Recommendation – SEPA Draft
Office of Planning and Community Development
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Introduction

Housing is a priority for Mayor Harrell and his administration continues to address the challenges many community members face finding a home that is affordable and available to them. His focus on affordable housing over the last four years has included many actions including the passage of the City's largest ever, \$970 million Housing Levy in 2023.

This proposed legislation would make changes to the City's land use code and zoning to support near-term investment in additional housing supply to bring more homes online sooner. The City is working to dramatically expand housing production, choice and affordability through its One Seattle Plan update and implementing zoning that will occur over the next months and year. There is also a need to increase housing production now, while broader changes make their way through the process.

The proposed legislation would amplify housing production on sites and in areas that are well-positioned to spur new housing development in the shorter term. The proposed legislation is focused on opportunity areas that have unique advantages to receive new housing production without causing any displacement pressure. The proposed legislation has strong potential to result in housing developments entering the permitting pipeline in the next one to three years. All of the proposed changes would include affordable housing through application of the City's Mandatory Housing Affordability (MHA) requirements.

This proposed legislation has six components. The package includes zoning map changes (rezones), and amendments to development standards that would create practical efficiencies for construction intending to spur stalled or potential housing developments forward.

Components of the legislation are listed below and fully described and analyzed in subsections of this report.

- **Fremont / Stone Way rezone:** Rezone land at the southern end of the Stone Way corridor in Fremont to unlock infill housing production adjacent to a cluster of major Seattle-based employers.
- **Expanded Downtown Retail Core (DRC) rezone:** Expand the area of a 2023 rezone in the center of Downtown along Union St. Rezone from the existing Downtown Retail Core (DRC) zone to the Downtown Mixed Commercial (DMC 240/290-440) zone. The change would allow residential towers where they are not allowed today and incentivize the potential conversion of several underused historic-aged office structures to housing. The action would also make minor amendments to the DMC zones concerning tower spacing and maximum floor plate size to increase feasibility of tower construction in the zone.
- **Rezone land and amend development standards to support multi-purpose redevelopment on sites with community-based uses.** Recently the City rezoned the site of the former Lake City Community Center to support higher density redevelopment with a new community center and City-funded affordable housing. This proposed legislation would expand the approach to facilitate similar mixed-use developments of sites owned by public or nonprofit actors. Such sites would be encouraged to redevelop with revitalized community facilities combined with

increased amounts of housing. The legislation would rezone areas with sites owned by charitable organizations in the Madison / Miller, Rainier Beach and University District neighborhoods, and would amend the City's Planned Community Development (PCD) regulations to make redevelopment more viable on large sites owned by nonprofit agencies, such as the Goodwill site on S. Dearborn St.

- **Remove code barriers to passive house, modular and mass timber construction.** HB 1183 passed during the 2025 State legislative session calls on cities to amend their zoning codes to remove façade modulation and upper-level setback requirements for buildings constructed using passive house, modular, or mass timber construction, and for affordable housing. Although these changes are not required for five years the proposed legislation would implement them now as a measure to spur housing production using innovative construction methods.
- **Increase height limits and modify development standards to encourage more housing in Belltown.** While most of Downtown has received major upzones in the last 25 years, zoning in Belltown has had minimal increases since 1985. Outdated zoning parameters create inefficiencies for development and may be constraining infill housing in a relatively strong housing market area. This proposed legislation would increase height limits for residential uses by 50' – 100' and make other minor adjustments to coverage and story size limits to encourage moderate scale residential towers. The changes would be in Belltown only for a 3-year time limited period until broader changes to Downtown zoning could be made following adoption of a new Downtown Subarea Plan.
- **Remove code barriers to conversion from commercial space to housing in more zones.** During 2024 the City passed legislation removing zoning barriers to the conversion of existing commercial structures to housing. That legislation focused on downtown and other zones with a lot of commercial and office uses. However, the State legislation, (HB 1042) calls on cities to remove barriers in all zones that allow housing. The proposed legislation makes technical changes to add Lowrise (LR), Residential Small Lot (RSL) and Neighborhood Residential (NR) to the list of zones that have development standards waivers for conversion of existing commercial structures to housing.

Fremont / Stone Way Rezone

Background

The area along Stone Way in the Fremont neighborhood has seen significant changes in the past decade. Previously, the Stone Way corridor had a high concentration of repair and building supply services. In the last ten years large parcel sizes, rezones, and other factors have contributed to making the corridor an attractive location for multi-story mixed use developments with dense housing. The area is a strong housing market fueled by well-paying jobs in Fremont and the University District. Most of the light industrial and building supply uses along Stone Way have relocated.

At the south end of the Stone Way corridor, two innovative Seattle-based companies in the outdoor and athletic equipment sector have established major headquarters: Brooks Running, and Evo (a mountain

bike, ski, snowboard, skate and surf supplier). The co-located companies have created a cluster of employment, knowledge, skills, and a network of interpersonal connections in the location. Beyond Seattle, Evo has expanded its physical presence to Salt Lake City and Japan. Brooks sells its running products all over the world, with most of its manufacturing taking place in Vietnam, Thailand and Mexico, while its corporate headquarters are in its building on Stone Way. Additional outdoor retailer, Black Diamond Equipment and other outdoor-oriented retailers have recently added locations in the ground floor of the buildings where Brooks and Evo are based.

The campus-like setting includes a variety of recreation facilities and services including a basement skatepark, large indoor climbing gym (Bouldering Project), equipment repair and service shops, and street level restaurants and cafes. These facilities attract visitors and patrons. Buildings are designed with a very high level of sustainability. Structures occupied by Brooks and Evo are Living Building Pilot program buildings, with cutting edge sustainability features including on-site stormwater retention and construction with mass timber materials.

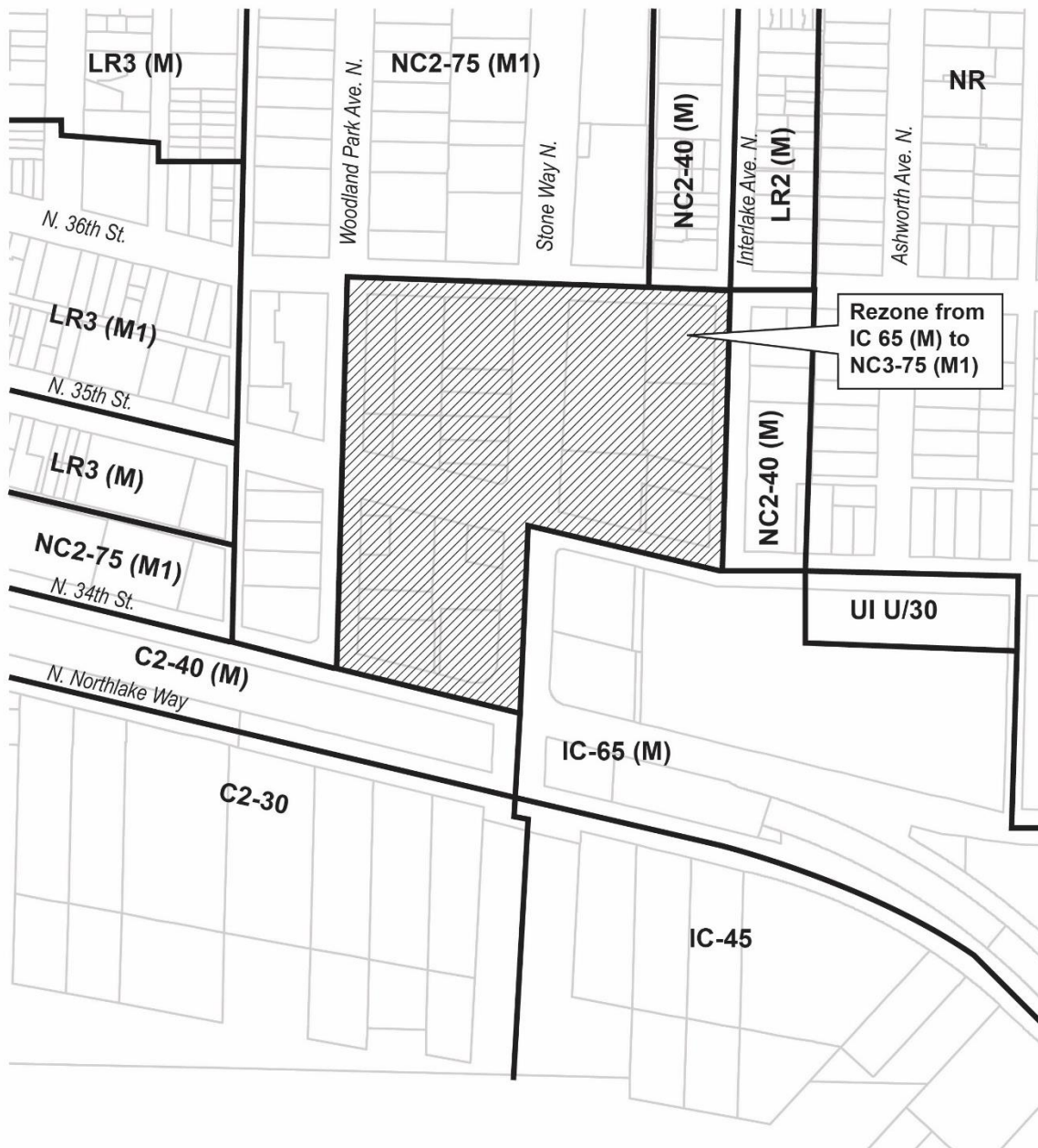
Together the companies base an estimated 1,000 employees within two contiguous city blocks, with plans for additional employment growth. The jobs span a very wide variety of income bands including executive, business and finance roles, product buyers, product design, and a wide variety of retail and service occupations.

Proposal

The proposed legislation would change the zoning map for three blocks at the south end of Stone Way, including the block of the Brooks and Evo headquarters, from the Industrial Commercial zone with a 65 foot height limit (IC-65) to the Neighborhood Commercial 3 zone with a 75 foot height limit (NC3-75). In total the proposed rezone includes 5.1 acres, consisting of 23 parcels of land in private ownership by numerous landowners. (See the map of the rezone area and context map on the following pages.)

The overall massing and scale of potential development in the existing and the proposed zones is similar. The primary effect of this change is that the existing IC zone does not allow housing, and allows lodging as a conditional use, while these uses are allowed outright in the proposed NC zone.

FREMONT / STONE WAY PROPOSED REZONE MAP



ALLOWED AND PROHIBITED USES

Both the existing and proposed zones allow a broad range of commercial uses. There are a small number of substantive differences in allowed uses as summarized in the table below.

Allowed and Prohibited Uses Existing and Proposed Zones		
	IC-65 (Existing)	NC3-75 (Proposed)
Residential Uses	Prohibited	Allowed
Lodging	Conditional Use	Allowed
General Manufacturing	Allowed	Prohibited
Heavy Manufacturing	Conditional Use	Prohibited
Outdoor Storage	Allowed	Prohibited

The overall effect of the change in allowed uses would be to allow housing and lodging uses in the new NC3-75 zone. In addition, there would be a moderate difference in allowances for manufacturing uses and outdoor storage. These uses are allowed within the IC zone – a zone intended to support mixed commercial and industrial development – but they are prohibited in the NC3 zone. Manufacturing and outdoor storage uses are not currently present in the rezone area. Further differentiation between the intended use mix in the two zones is expressed in difference in maximum size of use limits for certain categories of uses, discussed below.

HEIGHT LIMITS

The table below summarizes the differences in the height limits between the existing IC-65 zone and the proposed NC3-75 zone.

IC-65 (Existing)	NC3-75 (Proposed)
The height limit is 65 feet. Generally 4-5 stories of commercial development would typically result in the zone.	The height limit is 75 feet. Typically, a total of 6 stories of development would be built in the zone consisting of 5 stories of wood-framed construction over a story of concrete base construction.

The overall effect of the change to height limits is a moderate increase in allowable building height of 10 feet and potentially one additionally story. It is notable that development under the proposal would be the same as recent construction in the Stone Way corridor which is directly north of the site in an NC-75 zone. The existing Brooks and Evo buildings built in the area used the Living Building Pilot Program to

increase the height of those developments by 10' over the base height limit to 75'. Therefore, the increase to the height limit would be fully consistent with context.

FLOOR AREA RATIO (FAR) LIMITS

The table below summarizes the differences in the Floor Area Ratio limits between the existing IC-65 zone and the proposed NC3-75 zone.

IC-65 (Existing)	NC3-75 (Proposed)
Maximum FAR: 2.75	Maximum FAR: 5.5
Key FAR Exemptions: <ul style="list-style-type: none"> Underground stories 	

The overall effect of the zone change with respect to FAR limits is a significant increase to the maximum allowed amount of floor area. The maximum FAR limit would double from 2.75 to 5.5. This change would support a much higher density of development within a similar overall building envelope. More floors of residential development are expected under the proposed zone than the floors of commercial development that would be expected under existing zoning. The change could support new buildings with a greater amount of mass and bulk within blocks of new development, with fewer breaks in building masses for features like courtyards.

MAXIMUM SIZE OF USES

The existing IC-65 zone and the proposed NC3-75 zone both contain maximum size of use limits for certain uses. The categories of size limited uses are different between the two zones as indicated in the table below. This is a summary focusing on substantive differences, not a comprehensive list.

Summary of Maximum Size of Use Limits Existing and Proposed Zones		
	IC-65 (Existing) <i>Code maximums are for non-industrial commercial uses</i>	NC3-75 (Proposed) <i>Code maximums are for nonresidential uses</i>
Entertainment	50,000 sq. ft.	No size limit
Lodging	75,000 sq. ft.	No size limit
Office	No size limit	No size limit
General Sales & Service	50,000 sq. ft.	No size limit
Restaurants and Drinking Establishments	No size limit	No size limit

Food processing and craft work	No size limit	25,000 sq. ft.
Heavy commercial sales	No size limit	25,000 sq. ft.
Wholesale showrooms	No size limit	25,000 sq. ft.
Warehouses	No size limit	25,000 sq. ft.
Light manufacturing	No size limit	25,000 sq. ft.

The overall effect of the zone change with respect to maximum size of use is that the existing IC zone size-limits entertainment and general sales and service uses while the proposed zone does not, and several light industrial and manufacturing uses are size-limited in the proposed zone but not the existing zone.

MANDATORY HOUSING AFFORDABILITY (MHA)

Mandatory Housing Affordability (MHA) is proposed to apply to the rezone. The existing MHA suffix is the (M) level, as the site was upzoned as part of zoning changes across the city to increase height and capacity in 2019. The proposed legislation would further upzone the property, increasing the height limit by 10 feet. The City's standard rubric is to apply an incrementally higher MHA tier when significant zoning increases are made. Therefore, the proposal would increase the affordable housing requirement from the (M) to the (M1) tier. The proposed (M1) tier would match neighboring NC zones directly west and north of the rezoned area. The change would result in changed MHA contribution amounts in new development as shown in the table below, effectively increasing the amount of affordable housing that would be required in a new development.

MANDATORY HOUSING AFFORDABILITY (MHA) REQUIREMENTS

	Existing MHA (M) Tier		Proposed MHA (M1) Tier	
	Performance % Affordable Units	Payment \$ / Sq. Ft.	Performance % Affordable Units	Payment \$ / Sq. Ft.
Residential Development	6%	\$17.25	9%	\$26.43
Commercial Development	5%	\$9.45	8%	\$15.19
Notes: Table shows quantities for the MEDIUM cost area of the city where the rezone is located.				

Analysis

Comprehensive Plan Consistency

The proposed rezone area is within the Fremont Hub Urban Village (Proposed to be converted to the Fremont Urban Center in the One Seattle Comprehensive Plan major update). Goals and policies for Hub Urban Villages support dense mixed use development at the scale proposed, with a concentration of jobs and housing. (This report refers to the existing Seattle 2035 Plan policies because they are the effective policies at the time of this writing.) Relevant policies include:

GS 1.2 Encourage investments and activities in urban centers and urban villages that will enable those areas to flourish as compact mixed-use neighborhoods designed to accommodate the majority of the city's new jobs and housing.

GS 1.5 Encourage infill development in underused sites, particularly in urban centers and villages.

GS 1.7 Promote levels of density, mixed-uses, and transit improvements in urban centers and villages that will support walking, biking, and use of public transportation.

It is important to note that the rezone area is not within the designated Manufacturing and Industrial Center (MIC), although the existing zoning is the Industrial Commercial (IC) zone. During the 2023 Industrial and Maritime strategy process the City strengthened protections for industrial lands within MICs and limited opportunities for rezones out of industrial zones in MICs. A few areas of formerly industrial land outside of MICs were kept in industrial zoning outside of MICs, but the stronger policy protections for industrial uses and zoning do not apply to these.

Compatibility

There is a very high degree of compatibility between the proposed rezone to a NC-75 zone and adjacent areas. The zone would match the NC-75 zones immediately to the north and west of the rezone area along Stone Way. A major structure within the rezone area and another one immediately south of the rezone area is already built to the 75 foot height limit because it used the Living Building Pilot program to achieve extra height up to 75 feet. New development under the proposed zone would be very similar to other recent mixed use developments to the north in the Stone Way corridor. Transitions in scale are provided to the east because a half block of intervening NC zoning with a 40 foot height limit is in place there.

The Seattle North Transfer Station is located directly south of N. 35th St. from a portion of the rezone area. Although there are potential compatibility conflicts in cases of close proximity of residential and lodging uses to a transfer station, these potential issues are greatly mitigated by the unique and exemplary design of the North Transfer Station. The station was rebuilt and completed in 2016. The state-of-the-art and environmentally friendly facility features advanced odor and dust control and community amenities such as an education room and an outdoor play area.

Housing

The companies located in the subject area and other area landowners see potential to add a substantial quantity of infill housing development within the blocks, which would be integrated and complementary to the growing employment campus. The change would also allow lodging uses that are only allowed as a conditional use and size-limited under existing zoning. It is

anticipated that some of the homes would be amenable to workers in the general area and other members of the community seeking housing in the neighborhood. Additionally, hospitality could locate close to the company headquarters.

A rough estimate by OPCD finds that approximately 300 – 600 new homes could be expected to be constructed in the rezone area during a 20-year planning horizon. At proposed MHA levels, 9% of those homes (27 – 54) would be provided as affordable to low-income households if developers choose to provide on-site affordable units, or proceeds of \$7.5M - \$15M towards the City's affordable housing fund would be generated if they choose in-lieu payment.

Economic development

Although housing is the primary focus of this legislation, this component of the bill would also have an important economic development function. The action would support the continued growth in place by major Seattle-based employers (Brooks Running, and Evo, as well as other ancillary companies). These are examples of major employers that started in Seattle and are rooted in the city. A key principle of local economic development is business retention and expansion. Investing (in this case modifying zoning) would support the retention and growth of existing businesses, which can enhance the overall business climate and improve community vitality. Growth of a cluster of outdoor and recreation companies in the location helps workforce development and creates a climate of collaboration. Potential continued growth in the location and addition of housing would support employee retention by increasing nearby housing options, which is critical for organizational success.

Expanded Downtown Retail Core (DRC) Rezone

Background

During the summer of 2023 the City rezoned a portion of the Downtown Retail Core (DRC) zone via Ordinance 120632. The current proposal would extend the same rezone to two additional blocks along Union St. between 3rd Ave. and 5th Ave. In total the proposal would rezone # parcels and # acres of land. The intent behind the rezone of the Downtown Retail Core (DRC) zone to the Downtown Mixed Commercial (DMC) zone includes the following factors:

- **Trends in Retail.** The function and character of central downtown as a destination shopping center has declined, and the policy intent for a retail core zone that supports shopping centers is reduced.
- **Limited Investment.** In recent years, new development with housing has been more limited in the Downtown Retail Core zone compared to other nearby zones in the downtown area.
- **Residential uses.** The proposed DMC zone encourages much denser housing than the existing DRC zone and increasing housing supply in downtown is a policy goal for Seattle.

For a more complete description of intent for the proposed rezone refer to the Director's Report from summer 2023.

Office to Residential Conversion. Another supporting factor for extending the rezone is the potential to encourage conversions of underused office structures to housing. The City has taken multiple steps to encourage conversions as a strategy to increase housing supply and support downtown activation. These efforts include Ordinance 127054 which removed regulatory barriers to conversions, and Ordinance 127181 which provided a sales and use tax deferral to incentivize conversion projects.

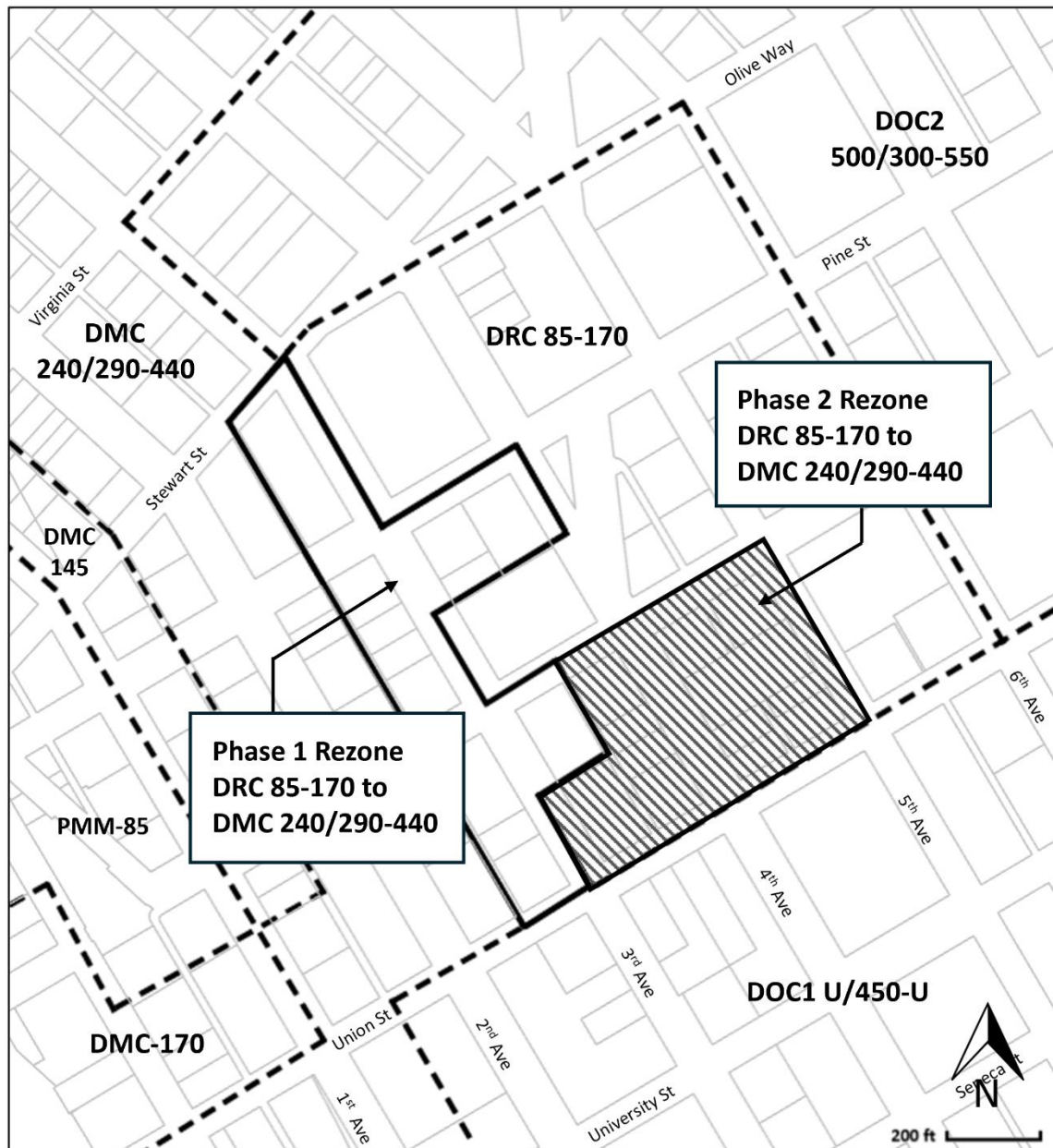
The currently proposed rezone will further support the potential for conversion of several vacant or underused office spaces in historic buildings by enhancing the potential for Transfer of Development Rights (TDR). The increase of allowable development capacity for housing would increase the amount of TDR these buildings can sell, potentially making certain conversions more economically viable. (See further discussion of TDR in the analysis section below.)

Proposal

The proposed rezone is from the DRC 85-170 zone to the DMC 240/290-440 zone. The map below shows the proposed rezone area (indicated as Phase 2) alongside the area that was similarly rezoned in the summer of 2023 (indicated as Phase 1). The 2023 legislation rezoned 11 strategically located parcels within a five-block area along 3rd Avenue. The current proposal extends the rezone area to 12 more parcel in adjacent blocks on Union St. as far east as 5th Ave.

The 2023 rezone (Phase 1) is beginning to yield results. Application materials for a development proposal on the half block of the former Kress IGA site have been submitted for a new building with two residential towers totaling about 900 homes. Property owners of the Ross building in the 2023 rezone area are currently exploring preliminary development concepts.

Downtown Retail Core Rezone Map
Currently Proposed Rezone Indicated as "Phase 2"



The following summarizes the key changes to development standards between the DRC zone and the DMC zones. Not all changes can be summarized concisely in this report. The comparison focuses on the standards that govern the scale and qualities of potential development the most.

HEIGHT LIMITS

DRC 85-170 (Existing)	DMC 240/290-440 (Proposed)
<p>The base height limit is 85 feet, except that the base height limit is 170 feet if:</p> <ul style="list-style-type: none"> • All portions of a structure above 85 feet contain only residential use; or • At least 25 percent of the gross floor area of all structures on a lot is in residential use; or • A minimum of 1.5 FAR of eating and drinking establishments, retail sales, and service or entertainment uses, or any combination thereof, is provided on the lot. 	<ul style="list-style-type: none"> • The height limit for non-residential and live-work uses is 240', the first figure after the zone designation. • For residential use, the base height limit is 290' • For residential use the maximum height is 440'. The maximum height is available to structures in residential use that use the bonus.

The overall effect of the change to height limits is that substantially taller tower structures could be built in the rezoned area. Maximum height limits would increase by 70' for commercial uses and 270' for residential uses. The change would allow a different scale of tall residential tower. Height is not the only standard that governs potential building form. Other key standards such as floor plate limits apply that govern the form of development. Height increase would be material for new infill development projects. For Landmark structures that would be preserved the primary effect is an increase in the amount of Transfer of Development Rights (TDR) that historic properties could sell. (See also analysis below.)

FLOOR AREA RATIO (FAR) AND INCENTIVE ZONING STRUCTURE

DRC 85-170 (existing)	DMC 240/290-440 (proposed)
<p>Base FAR: 3 Maximum FAR: 6 (Does not apply to residential development because residential use is exempt from FAR limits.)</p>	<p>Base FAR: 5 Maximum FAR: 8 (Does not apply to residential development because residential use is exempt from FAR limits.)</p>
<p>Bonus Floor Area (for Commercial Development) The bonus structure to build FAR above the base amount is summarized below and is the same for the existing and proposed zones except items with an * only apply to the proposed DMC zone.</p> <ul style="list-style-type: none"> • * First 0.25 increment of FAR through Regional Development Credits • 75% of bonus floor area derived from affordable housing (via MHA), and a contribution to childcare 	

<ul style="list-style-type: none"> • 25% of bonus floor area from a combination of landmark or open space TDR or downtown amenities.
<p>Key FAR Exemptions:</p> <p>The FAR exemptions are the same for most uses under the existing DRC zone, and the proposed DMC 240/290-440 zone in the rezone location because Map 1j of the downtown code applies these exemptions to a mapped area that includes the land in this proposal.</p> <ul style="list-style-type: none"> • Residential use • Uses in 23.49.009.A (required active street level uses) • Shopping atria • Childcare centers • Human service use • Museums • Performing arts theaters • Floor area below grade • Public restrooms • Major retail stores • Shower facilities for bike commuters • City facility (police, fire station)
<p>Elementary of secondary schools are exempt from FAR limits in the proposed DMC 240/290-440 zone but not the existing DRC zone.</p>

The overall effect of the zone change with respect to FAR limits is an increase to overall development capacity for commercial development. The maximum FAR limit for commercial development would increase by 33% from 6 to 8. However, in the foreseeable future new commercial/office development is not anticipated in this area. The proposed change is focused on residential development. Since residential is exempt from FAR limits in the existing and proposed zones, the scale and quantity of residential development would be controlled by other building envelope standards. The incentives to gain bonus FAR are very similar between the existing and proposed zones.

ALLOWED AND PROHIBITED USES

DRC 85-170	DMC 240/290-440
<p>All uses are allowed except for a narrow list of prohibited uses:</p> <ul style="list-style-type: none"> • Drive-in businesses • Outdoor storage; • general and heavy manufacturing uses • Solid waste management and recycling • All high-impact uses. 	<p>All uses are allowed except for a narrow list of prohibited uses:</p> <ul style="list-style-type: none"> • Drive-in businesses • Outdoor storage; • general and heavy manufacturing uses; • Solid waste management and recycling, • high-impact uses; • adult theaters and panoramas; • Flexible-use parking garages for long-term parking

The overall effect of the proposed change with respect to allowed and prohibited uses is negligible. The standards under the existing zone and the proposed zone are nearly identical.

STREET LEVEL USES AND FAÇADE REQUIREMENTS

DRC 85-170	DMC 240/290-440
<p>Active street level uses. All streets in the proposed zone change area are streets requiring active street level uses regardless of the zone by the downtown zoning chapter. 75% of the street frontage would have to be occupied by the following uses:</p> <ul style="list-style-type: none"> • General sales and services • Human services and childcare • Retail sales, major durables • Entertainment uses • Museums • Libraries • Schools* • Public atriums • Eating and drinking establishments • Arts facilities • Religious facilities • Bicycle parking <p>*Except schools are not one of the options in the DRC zone.</p>	
<p>Façade requirements</p> <ul style="list-style-type: none"> • Minimum façade height of 35' • Facades must be placed close to the sidewalk • 60% transparency requirement for ground floor façade • Limitation on blank facades 	<p>Façade requirements</p> <p>Standards are set according to the street classification, and all streets in the affected area are Class I Pedestrian Streets. The following standards apply:</p> <ul style="list-style-type: none"> • Minimum façade height of 25' • Facades must be placed close to the sidewalk • 60% transparency requirement for ground floor facades • Blank façade limits

The overall effect of the proposed change with respect to street level uses and façade requirements is negligible. The standards under the existing zone and the proposed zone are nearly identical.

TOWER SPACING, UPPER LEVEL DEVELOPMENT STANDARDS, AND FLOOR PLATE LIMITS

DRC 85-170	DMC 240/290-440
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<ul style="list-style-type: none"> 15' setback required above 85' of structure height 	<ul style="list-style-type: none"> Required tower separation is 60' for the affected area. Average residential tower floor area limit per story is 10,700 sq. ft. Maximum residential tower floor area limit per story is 11,500 sq. ft. Commercial towers are required to be modulated Maximum tower width of 120' 15' setback required above 45' on green streets
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The overall effect of the change is that taller residential structures would be allowed in the DMC zone, but they are subject to numerous controls that would limit the bulk. The development standards of the proposed DMC 240/290-440 zone would result in relatively slender tall residential towers. Under existing regulations residential structures would be lower but could have a bulkier presence since there are not floor plate or width limits under current conditions. (See examples on following pages).

AMENDMENT TO TOWER FLOOR PLATE LIMITS

In conjunction with the rezone to the DRC zone, the proposed legislation would adjust the floor plate size limits for towers in the DMC zones. Average and maximum floor plate size limits in the zones are constraining and sometimes cause development to be more expensive, because of the limit on the amount of floor area that can be provided for homes in proportional to the vertical circulation in the structure. The proposed increase is approximately 10% to both the average and maximum limit as shown below. The change is intended to create more workable floor plans that reduce inefficiency.

DMC 240/290-440 and DMC 240/290-440	Existing DMC Floor Plate Size Limits	Proposed DMC Floor Plate Size Limits
Average residential gross floor area limit per story if tower does not exceed base height limit.	10,000 sq. ft.	11,000 sq. ft.
Average residential gross floor area limit per story of a tower if height exceeds the base height limit for residential use	10,700 sq. ft.	11,800 sq. ft.
Maximum residential floor area of any story in a tower	11,500 sq. ft.	12,700 sq. ft.

The overall effect of the change is that towers in the DMC zones would be allowed to be about 10% bulkier than currently allowed. The visual effect of a 10% increase would not be readily recognizable to many observers. However, the change could lead to an incremental decrease in the perception of

lightness or slenderness to tall residential towers. Other standards limiting proliferation and spacing between towers would mitigate increased bulk effects.

PARKING

DRC 85-170	DMC 240/290-440
<ul style="list-style-type: none">• No long- or short-term parking is required in downtown zones.• Flexible-use parking garages for long-term parking are prohibited.• Flexible-use parking garages for short-term parking are allowed by conditional use.• Accessory parking garages for long- and short-term parking are allowed up to the parking maximum of 1 space per 1,000 sq. ft. of commercial floor area.	

The overall effect of the change on parking is negligible. The core standards governing parking are identical.

Analysis

Projected Development

Many factors inform whether properties will redevelop such as the goals of property owners, conditions in the regional economy, and interest rates. All sites within the proposed rezone area could be redeveloped under existing regulations in the absence of the rezone. Any increased likelihood of redevelopment must be considered relative to the potential development under existing zoning.

Sites in the rezone area are already built out to varying degrees. In general, more intensively used land and buildings that are occupied are less likely to be redeveloped, and properties with a lower scale of existing structures or vacancies are more likely to be redeveloped.

The presence of historic landmarks can limit redevelopment potential, as landmark status imposes additional regulatory constraints. However, the proposed rezone in the Downtown Retail Core is expected to support the office to residential conversion of vacant upper-floor office space in historic buildings through the viability of the Transfer of Development Rights (TDR) program. By increasing allowable development capacity, the rezone will boost the amount of development rights that landmarked properties can sell, thereby strengthening the financial incentive for their preservation. (See further discussion of TDR below).

A specific estimate of the quantity of projected housing development in the rezone area is difficult, but an order of magnitude range can be understood by identifying the candidate sites for redevelopment or conversion. The following sites in the rezone area have at least a moderate potential for redevelopment or conversion.

Candidate Sites for New Construction

- 1405 5th Ave. (5th & Union, vacant former Chase bank branch).
- 425 Pike St. (Washington Federal 5-story office structure).

Candidate Sites for Conversion of Upper Floors to Housing

- Holland/MiKen building. 1417 4th Ave. Landmark.
- Joshua Green Building. 1425 4th Ave. Landmark.
- Great Northern Building. 1404 4th Ave. Landmark.
- Liggett Building. 1424 4th Ave. Landmark.
- Vance Building. 1402 3rd Ave.

It is extremely unlikely that all or even most of these sites would develop during an intermediate time horizon of 10 years. However, for a general sense of scale, if all were developed (including conversions) OPCD estimates that an additional 900-1,200 homes could be created, which are estimated to generate \$4.8M - \$6.6M of MHA proceeds for affordable housing.

Historic Landmarks

There are four landmarks within the proposed rezone area: Joshua Green Building, 1425 4th Ave Seattle, Holland/MiKen Building, 1417 4th Ave, Seattle, The Liggett Building, 1424 4th Ave, Seattle, and Great Northern Building 1404 4th Ave, Seattle. As shown in the map below. Other structures in the proposed rezone area are historic aged but not designated as a Landmark. (Appendix 1 includes more complete description of each landmark.)

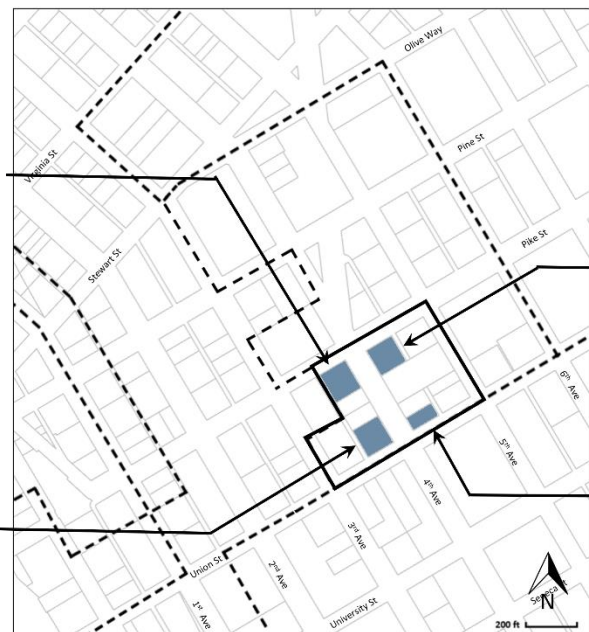
Historic Landmark Buildings in the Proposed Rezone Area



Joshua Green Building, 1425 4th Ave Seattle



Holland/MiKen Building, 1417 4th Ave, Seattle



The Liggett Building, 1424 4th Ave, Seattle



Great Northern Building 1404 4th Ave, Seattle

Seattle Landmark Protections

Seattle Municipal Chapter 25.12 governs the designation of landmarks, controls on landmarks, and limits on alteration of a designated Landmark. When a landmark is designated, the City adopts a controls and incentives ordinance that identifies the specific features of the landmark which are designated, the basis for the designation and any controls imposed on the landmark. A certificate of approval must be issued before changes can be made to individually designated City Landmarks. A Certificate of Approval is a written authorization, much like a permit.

Before a Certificate of Approval is issued a proposal is reviewed by staff, reviewed by an 11-member Landmarks Preservation Board, then decided upon by the Department of Neighborhoods Director. The Secretary of the Interior's Standards for Rehabilitation are considered by the Department of Neighborhoods and the Landmarks Preservation Board when reviewing applications for certificate of approval. Demolition of any landmark is strongly discouraged by the City's policies.

There is a review process to determine at the time of proposed development whether an object, site or improvement over 25 years old should be designated as a landmark. When development is proposed SDCI must make a referral for landmark designation for sites or objects that appear to meet criteria of landmark designation. Thresholds for this review are 20 residential units or 4,000 sq. ft. of non-residential use in downtown zones, meaning virtually all development would be subject to potential referral.

Transfer of Development Rights (TDR)

The Downtown Zoning Chapter of the Land Use and Zoning Code (SMC 23.49) promotes historic preservation through several key mechanisms, including landmark protections for buildings, and the use of Transfer of Development Rights. (The technical term for transfer of commercial development rights at issue here is "Transfer of Development Potential" (TDP), but "Transfer of Development Rights" is used in this report as a more familiar and commonly used term.)

In the area of the proposed rezone, the program allows owners of designated Seattle landmarks to sell unused development rights of commercial square footage to other properties within defined areas of downtown. This incentivizes the preservation, rehabilitation, and restoration of historic structures by enabling financial return for unused commercial development capacity. The value of these rights is determined through negotiation between the sending and receiving property owners. Once transferred, the commercial development rights remain with the receiving lot in perpetuity.

For the foreseeable future, owners of historic structures may be interested in converting underused office space in underused commercial buildings to housing. If they do, the converted buildings would not have any commercial office space in them that would count against FAR limits under zoning – referred to as "chargeable" floor area. Therefore, after the conversion, the owner of the historic structure could sell off their rights to commercial development. They could sell TDR square footage up to the amount of commercial space that would be allowed on their site by zoning - governed by the base FAR limit. The proposed rezone increases the base FAR limit from 3.0 to 5.0, increasing the commercial square footage rights that the historic building owners could sell after the conversion. The increased economic value of the future proceeds from TDR would make the decision to pursue a residential

conversion more viable. The table below illustrates how this would work using the Liggett Building as an example. In the example the amount of TDR that could be sold increases by 24,690 sq. ft.

Liggett Building at 4th and Pike Example

	Existing DRC 85-170 Zone	Proposed DMC 240/290-440
Site Area	12,210	12,210
Base FAR Limit	3.0	5.0
Commercial floor area that could be sold through transfer of development rights	36,360	61,050
Assumes a conversion to residential occurs and ground floor commercial square footage in the revitalized buildings is also exempt from chargeable FAR limits.		

Development Examples Under the Existing and Proposed Zones

For new development, the DMC 240/290-440 zone has resulted in a relatively consistent pattern of residential towers, characterized by slender upper stories and overall building heights of approximately 40 stories. This pattern is evident in several buildings located west of the proposed rezone area along 2nd Avenue. These projects demonstrate the scale and form made possible by the height limits, floor plate restrictions, and development capacity permitted in the DMC zone.

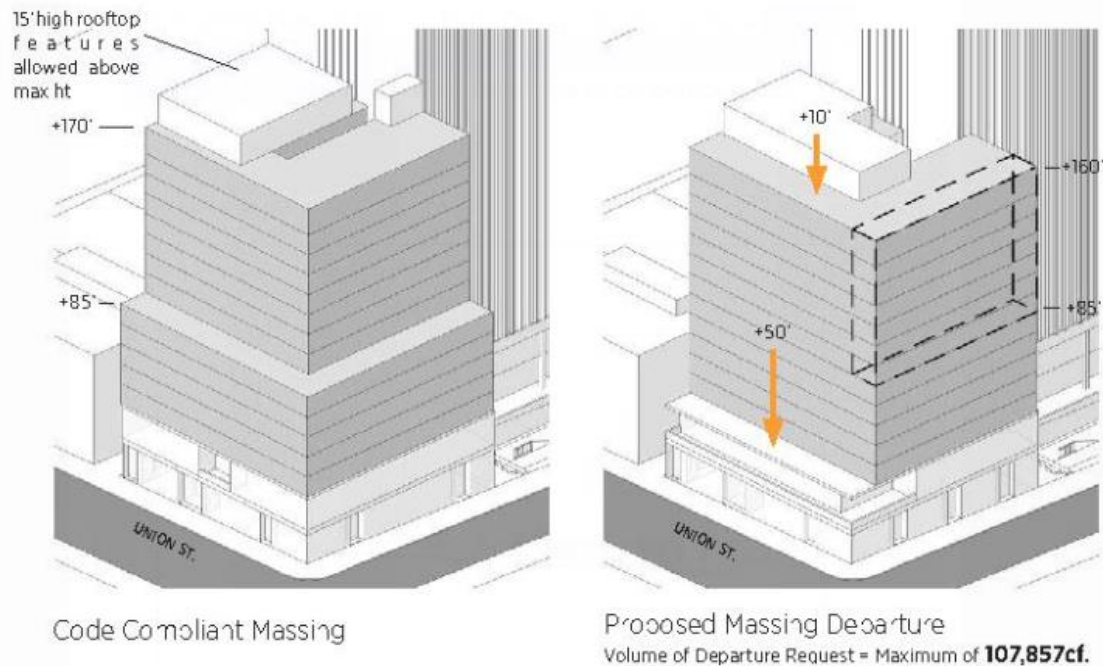
One example is a development proposal in the Commercial Core, just west of the proposed rezone area, at 1516 2nd Avenue. This project includes a 46-story, 531-unit mixed-use residential tower with ground-floor retail and parking for 268 vehicles. The scale of this development is enabled by the DMC 240/290-440 zoning, which supports greater building height and density than the existing DRC zone.

Example Development in the Proposed DMC 240/290-440 Zone



In contrast, a development proposal that is not moving forward within the Downtown Retail Core, at 5th Avenue and Union Street—within the proposed rezone area—consisted of a 15-story, 100-unit apartment building that included hotel rooms and retail space, with no parking proposed. The DRC 85-170 zoning limits the scale of development through lower height limits and fewer building form controls.

Example Development in the Existing DRC Zone



These two proposals highlight the different development patterns produced under the DRC and DMC zones. While both zones permit a wide range of uses and share similar ground-floor activation and parking standards, the key distinction lies in the scale and form of residential development. Rezoning to DMC 240/290-440 would allow significantly taller towers—with up to 270 additional feet for residential uses—and introduce form-based regulations such as tower spacing and floor plate limits that promote slender, vertical structures. These changes would support more efficient land use, greater housing production, and increased foot traffic and activity in the downtown core, particularly during evenings and weekends, while maintaining a strong pedestrian-scale environment through consistent street-level design standards.

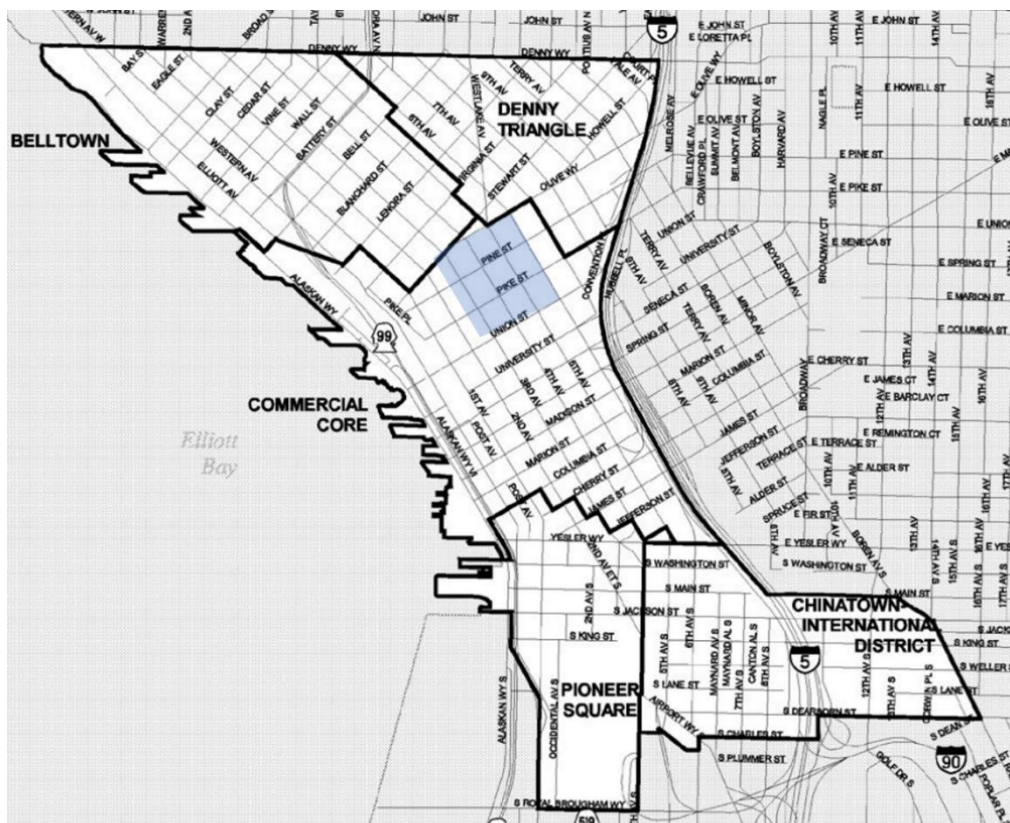
Comprehensive Plan consistency

In the City's Comprehensive Plan the Downtown Retail Core is considered to be located within the Commercial Core – one of five neighborhoods in the Downtown Urban Center. The Comprehensive Plan describes the commercial core as a major employment center, tourist and convention attraction, shopping magnet, residential neighborhood, and regional hub of cultural and entertainment activities. (The existing Seattle 2035 Comprehensive Plan is referenced here because it remains in effect at the time of this writing.)

The Comprehensive Plan intended function and guidance for the Downtown Retail Core is an Area containing major department stores and having the greatest concentration of Downtown's retail activity. The DRC land use district is intended to:

- Provide the principal center of shopping for both Downtown and the region;
- Allow uses other than retail with the general intent that they augment but do not detract from this primary function, and promote housing in the area to complement its principal retail function; and
- Maintain an active and pleasant street-level environment through development standards specifically tailored to the unique function and character of this area.

The map shows the position of the Downtown Retail Core (DRC) zone within the Comprehensive Plan's identification of downtown neighborhoods. An effect of the proposed legislation would be to extend development patterns seen in Belltown and the Denny Triangle, and associated neighborhood characteristics towards a portion of the commercial core.



Position of the DRC zone within the Downtown neighborhoods

Various Goal and Policy statements from the Plan relate to the proposed legislation. Particularly relevant goals and policies are listed below. Not every policy can be summarized or included in this report.

DT-G3 Strive to reinforce Downtown as a center of cultural and entertainment activities to foster the arts in the city, attract people to the area, create livable neighborhoods, and make Downtown an enjoyable place to be shared by all. Encourage facilities for artists to live and work in Downtown.

DT-G6 Reinforce the concentrated shopping function of the retail core; preserve the general form and scale of the area; and protect the area from high-density uses that conflict with the primary retail function. Other concentrations of retail activity should be encouraged where they already exist or where such uses are desirable to encourage an active pedestrian environment or focal point of neighborhood activity.

DT-G10 Seek to significantly expand housing opportunities in Downtown Seattle for people of all income levels, with the objectives of:

- accommodating household growth;
- preserving existing low-income units; and
- 3. developing a significant supply of affordable housing opportunities in balance with the market resulting from the growth in Downtown employment. Allow housing in all areas of the Downtown Urban Center except over water and in industrial areas, where residential use conflicts with the primary function of these areas. Target public resources, requirements imposed on new development, and private development incentives to promote the amount and type of housing development necessary to achieve Downtown neighborhood housing goals. Address the need for affordable housing through a range of strategies including both incentive-based and non-incentive-based strategies.

DT-G12 Promote public safety by encouraging conditions that contribute to a safe and friendly urban environment including: maintaining streets and open spaces as active, well-designed public places; supporting twenty-four-hour activity in a manner that minimizes conflicts among different uses; accommodating a mix of people from all income, age, and social groups; and providing for needed human services within the limits of a neighborhood's capacity to support them.

DT-LUP2 Allow a wide range of uses Downtown, consistent with the goals to maintain Downtown's regional importance, create a strong residential community, improve the physical environment, and add activity and diversity to the areas of varied character. Restrict or prohibit uses that are not compatible with the desired character and function of specific areas.

COM-P8 Seek to improve the cleanliness and safety of streets and public spaces.

The proposed legislation aims to better achieve the function of the Retail Core by continuing to support the main shopping center near Westlake but also adding substantial housing and an improved pedestrian experience. The addition of housing intended by this proposal directly relates to policies DT-G10 and G12.

Rezone land and amend development standards to support multi-purpose redevelopment on sites with community-based uses.

Background

In September of 2025 the City rezoned the vicinity of the former Lake City Community Center to support higher density redevelopment with a new community center and City-funded affordable housing. The currently-proposed legislation would expand the approach to facilitate similar mixed-use developments of several groups of properties anchored by sites owned by nonprofit actors. Such sites would be encouraged to redevelop with revitalized community facilities combined with increased amounts of housing. The rezone would present the opportunity for owners of community-based sites to partner with adjacent property owners for potential future development.

The intent of this proposal is to amplify housing production on groups of properties scattered across the city with a high likelihood of being developed with affordable housing, social housing, or equitable development uses.

Proposal

The legislation would make the following rezones. Maps are provided on the following pages.

- **Rainier Beach Light Rail Station Area.** Rezone the west half of a block bounded by MLK Jr. Way S., S. Trenton St., 42nd Ave. S., and S. Henderson St. from the Seattle Mixed Rainier Beach zone with a 55 height limit (SM-RB 55) zone to the Seattle Mixed Rainier Beach zone with a 125 foot height limit (SM-RB 125). In total this would rezone 2 and a half parcels and approximately 1.57 acres of land. The area is one block directly northwest of the Rainier Beach light rail station platform, within about 500' of the station platform.

The east half of the block is already zoned SM-RB 125 and the change would unify the zoning for the whole block. The rezone would rectify a split zone condition on the north part of the block fronting S. Trenton St. The Mt. Baker Housing non-profit development company intends to build affordable housing with community-oriented ground level uses on the split-zoned parcel, and removing the split zone would simplify the development process and increase the amount of affordable housing that could be built.

- **University District YMCA Vicinity.** Rezone the south portion of the block between 11th Ave. NE and 12th Ave. NE fronting on NE 50th St. Change the zoning of 4 properties owned by the Seattle / King County YMCA and the Low Income Housing Institute (LIHI) and the site of 10 townhouses from the Neighborhood Commercial 3 zone with a 75 height limit to the Seattle Mixed University District zone with the 75-240 height limit (SM-U 75-240). Additionally, change the zoning of four other adjacent parcels from the Midrise (MR) zone to the SM-U 75-240 zone. The

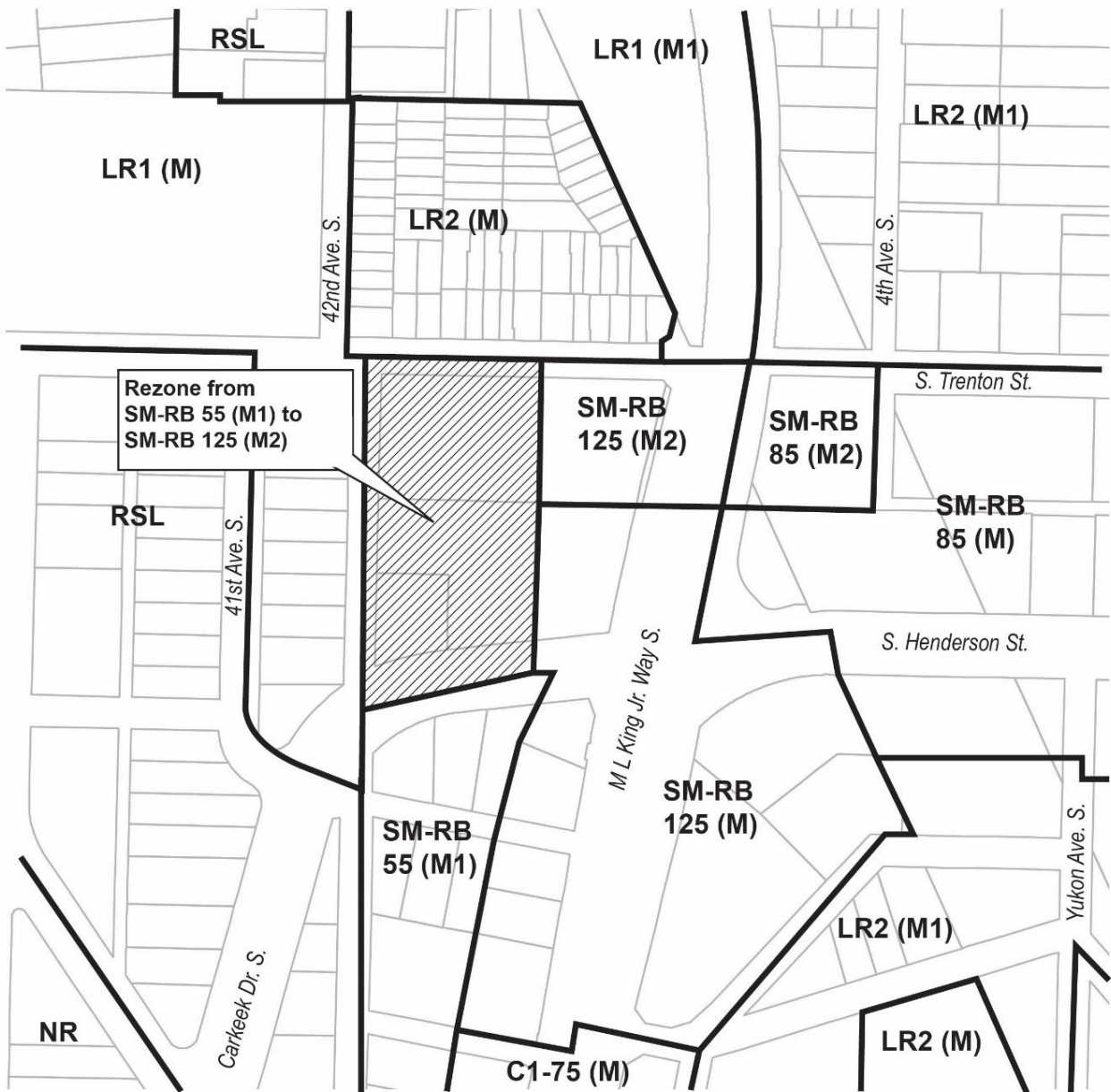
rezone would create a contiguous area of the SM-U 75-240 zone, matching the existing zone directly across NE 50th St. from the rezone area. In total, 18 parcels and 1.3 acres of land would be rezoned. The change would create a consolidated block of SM-U 75-240 zoning, which would present a strong opportunity for mixed use redevelopment of the YMCA and LIHI properties, with opportunities to coordinate such development with opportunities on adjacent property.

- **Madison / Miller YMCA Vicinity.** Rezone the property between 23rd and 24th Ave. fronting on E. Olive St. that is owned by the Seattle / King County YMCA from Lowrise 2 (LR2) to Neighborhood Commercial 2 with a 75 foot height limit (NC2-75). Additionally, rezone three adjacent parcels owned by the Ebenezer AME church from the Lowrise 3 (LR3) zone to the NC2-75 zone. In total the rezone area would consist of four parcels and 1.4 acres of land.

The proposal also would amend the City's Planned Community Development (PCD) regulations to make redevelopment more viable on large sites in any downtown zone that are owned by nonprofit agencies. Potentially relevant large properties include the Goodwill campus of sites on S. Dearborn St., but would apply to other large properties owned by non-profit agencies in downtown. PCDs are applicable to sites in downtown zones with a minimum size of 100,000 square feet. (A typical downtown full city block is approximately 84,000 sq. ft.) Three changes to the PCD regulations are proposed as follows:

- **Remove duplicative public benefit priorities for non-profit organizations.** SMC section 23.59.036.B requires a process to identify public benefit priorities for a PCD proposal prior to application for a Master Use Permit. The proposed legislation would remove the requirement if the applicant is a nonprofit 501 (c)(3) organization that is engaged in providing services to those in need, including human services, housing including affordable housing, education, job training and/or medical assistance, and the proposal under the PCD will provide direct or indirect support for this mission. Since the nonprofit would be providing such public benefits, the permit requirement to go through an identification process before application is not necessary and adds duplicative time and delay.
- **Add a phasing plan for PCDs.** The proposed legislation adds a requirement for a PCD applicant to submit a phasing plan. The phasing plan would allow for a 15 year time horizon for development before expiration of the PCD. This change is intended to give potential applicants for a PCD more certainty that they could phase their development over time, providing more incentive to undertake the PCD process.
- **Add a minor amendment process for PCDs.** The proposed legislation adds clarity to the process for making minor amendments to a PCD. The legislation sets a process for the Director of SDCI to determine minor and major amendments, and allows the SDCI Director to approve a minor amendment as a simple Type I permit decision. This proposed change gives potential applicants for PCD greater flexibility, enabling them greater confidence to pursue a PCD process.

Rainier Beach Rezone Map

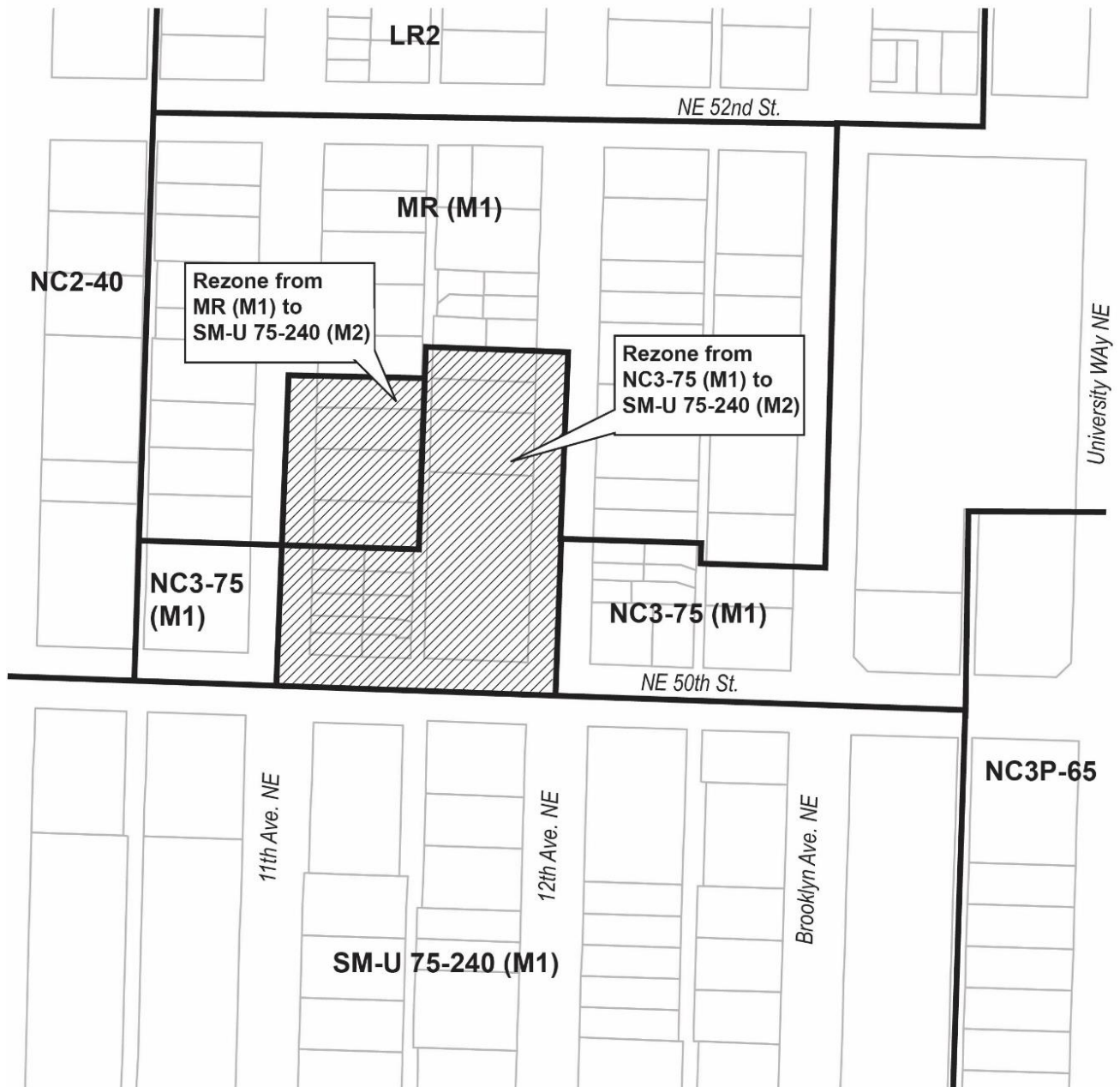


Summary of Zoning Changes – Key Development Standards
Rainier Beach Rezone

	Existing SM-RB 55	Proposed SM-RB 125
Maximum Height	55'	125'
FAR Limit	2.25 3.25 The FAR shall be increased by an amount of floor area equal to twice the amount of floor area occupied by these uses: light manufacturing; college; School, vocational, or fine arts; Food processing and craft work; Child care center; or Low-income housing.	3.75 5.75 The FAR shall be increased by an amount of floor area equal to twice the amount of floor area occupied by these uses: light manufacturing; college; School, vocational, or fine arts; Food processing and craft work; Child care center; or Low-income housing.
Allowable Uses	Residential and live-work uses are prohibited in street-level	Residential and live-work uses are prohibited in street-level
Typical New Development in the Zone	5 story buildings with commercial on ground floor, office and residential uses above	Up to 12 story buildings with commercial on ground floor, office and residential uses above

The primary effect of the proposed rezone from SM-RB 55 to SM-RB 125 is to allow greater building scale and intensity of development. Maximum height would increase from 55 feet to 125 feet, enabling structures more than twice as tall. FAR limits would rise from 2.25 to a range of 3.25–5.75. 5.75 is achievable if development incorporates community-serving uses such as child care, vocational schools, light manufacturing, and low-income housing. Allowable uses would remain largely unchanged from the existing zone, with residential and live-work prohibited at street level along designated streets, while a mix of commercial, institutional, and upper-level residential uses would continue to be permitted. As a result, the typical new development in the zone would shift from mid-rise buildings of about five stories to high-rise mixed-use projects up to twelve stories, with active street-level uses and a greater mix of housing and employment opportunities. Even with the zone change however, economic conditions could still lead to the production of midrise buildings in the location.

University District Rezone Map

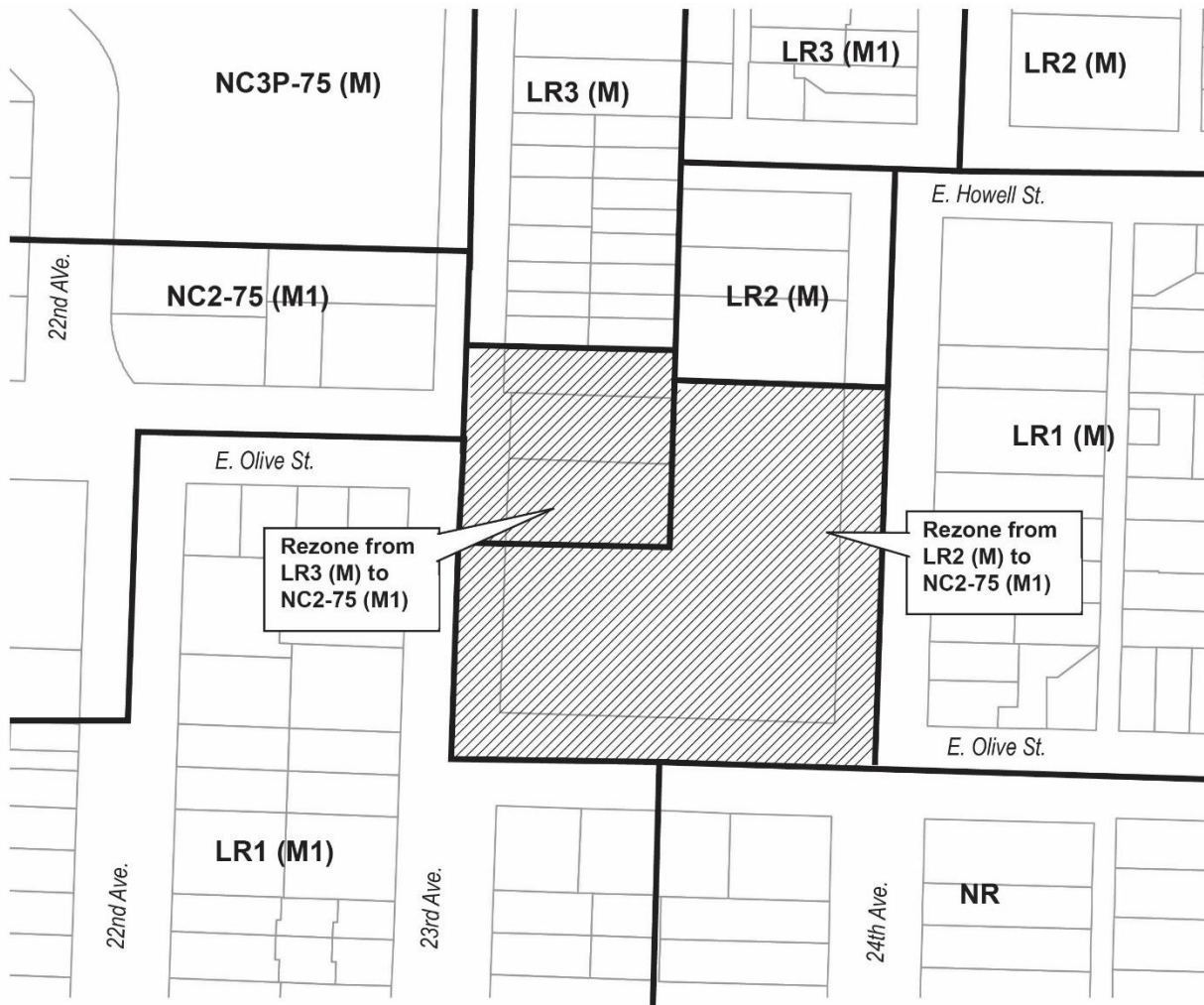


Summary of Zoning Changes – Key Development Standards
University District Rezone Area

	Existing MR Zone	Existing NC3-75	Proposed SMU 75-240
Maximum Height	80'	75'	Base of 75' for midrise structures 240' for highrise structures with bonuses
FAR Limit	4.5	5.5	Base FAR for all uses is 7 Maximum FAR for non-residential uses 10 Maximum FAR in a mixed uses development
Allowable Uses			Required street level commercial, civil, or community uses.
Typical New Development in the Zone	7- or 8-story apartment building	Mixed-use building with commercial on ground floor, housing above	Midrise or highrise buildings with commercial on ground floor, office and residential uses above

The primary effect of the proposed rezones to SMU 75-240 would be to allow taller buildings, greater floor area, and a broader mix of uses than currently permitted. Maximum height would increase from 75–80 feet in the MR and NC3-75 zones to up to 240 feet for highrise residential structures in the SMU 75-240 zone. FAR limits would expand from 4.5 in MR and 5.5 in NC3-75 to a base FAR of 4.75, with a maximum of 10 for mixed-use projects, substantially increasing development capacity. Allowable uses would continue to require street-level commercial, civic, or community uses, reinforcing an active pedestrian environment while allowing a wide range of office, residential, and other uses above. As a result, the typical new development in the zone would shift from 7- to 8-story apartment buildings or modest mixed-use projects to larger midrise and highrise mixed-use towers with commercial at the ground floor and significant residential space above. Under the proposed SM zone, maximum floor area and height above 75' is only achievable if developments provide items from the incentives menu (i.e. open space, family-sized housing etc.)

Madison Miller Rezone Map



**Summary of Zoning Changes – Key Development Standards
Madison Miller Rezone Area**

	Existing LR2	Existing LR3	Proposed NC2-75
Maximum Height	40'	50'	75'
FAR Limit	1.4 for attached and detached homes 1.6-1.8 for stacked flats	2.3	5.5
Allowable Uses			
Typical New Development in the Zone	Mostly 3- and 4- story townhouses, Some 4-story apartments	Mostly 5-story apartments, some 3-story townhouses	Mixed-use building with commercial on ground floor and residential above

The primary effect of the proposed rezone would be to allow larger and more intensive development than what is currently permitted. Maximum height would increase from 30–50 feet in the Lowrise zones to 75 feet in NC2-75. Floor Area Ratio (FAR) limits would expand from a range of about 1.4–2.3 in LR2 and LR3 to 5.5 in NC2-75. Allowable uses would also broaden, shifting from primarily residential with some institutional uses in LR2 and LR3 to a wide mix of residential, retail, office, and other commercial uses in NC2-75, encouraging mixed-use activity. Accordingly, the typical new development in the zone would change from small- to mid-scale apartments or townhouses to larger mixed-use buildings with active ground-floor commercial uses and multiple stories of housing above.

Analysis

Comprehensive Plan Consistency

Rainier Beach Light Rail Station Area.

Rainier Beach is designated as a Residential Urban Village in the Seattle 2035 Comprehensive Plan (The existing Seattle 2035 Comprehensive Plan is referenced in this section because it remains in effect at the time of this writing.) The proposal to prioritize community-serving uses and support nonprofit-led development in Rainier Beach is consistent with the Comprehensive Plan’s equity framework, which calls for pairing growth with strategies that reduce displacement risk and expand access to opportunity.

Rainier Beach is recognized in the One Seattle Plan (Mayor’s Recommended Comprehensive Plan update) as part of the City’s updated growth strategy, where “urban villages” are reclassified as Urban Centers—locations designated to accommodate meaningful residential and employment growth as well as concentrated investment in infrastructure, services, and affordability. Under this framework, Rainier Beach’s designation as an Urban Center affirms its role as a focal node for equitable growth. The proposal emphasizes community uses and nonprofit-led development. Therefore it is strongly compatible with the One Seattle Plan as it aligns with the Plan’s core values of housing affordability, equity & opportunity, and inclusive community & neighborhoods by ensuring that growth in Rainier Beach benefits current residents, supports cultural institutions, and expands access to needed amenities without increasing displacement risks.

Urban Center

Urban Village

Hub

Residential

Village with High Risk of Displacement and Low Access to Opportunity

Very Good Transit

Potential Village

Manufacturing Industrial Centers

0 0.5 1 2 Miles

N

One Seattle Comprehensive Plan Future Land Use Map

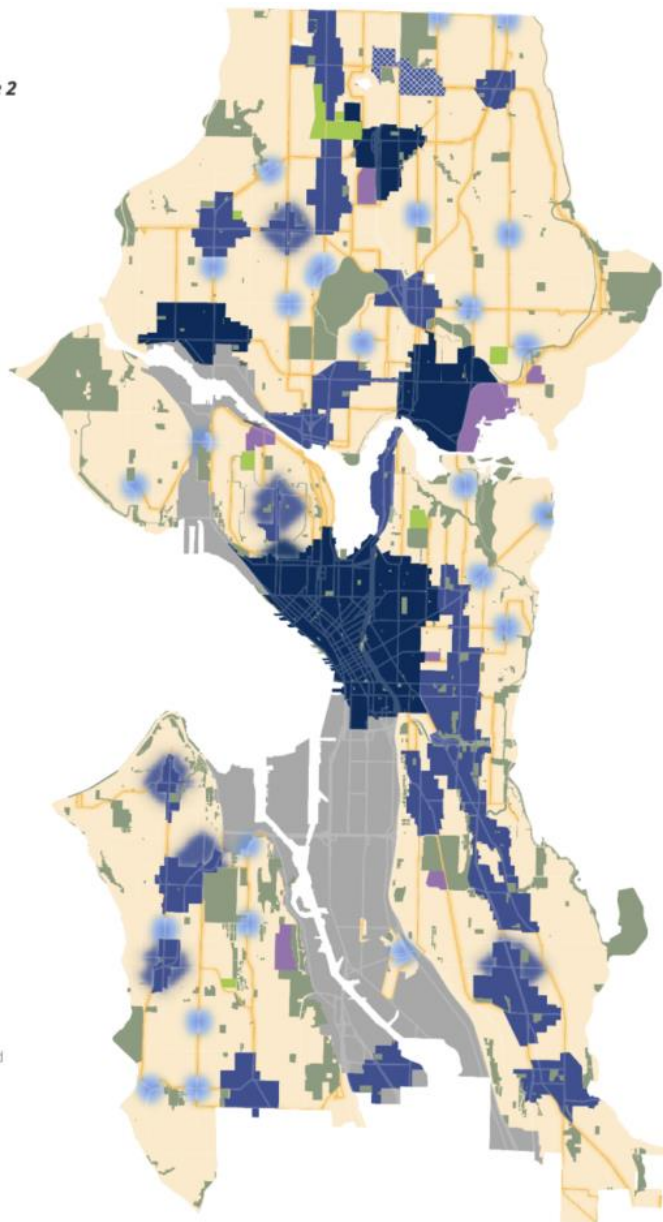
Future Land Use Map, Figure 2

Place types

-  Regional Center
-  Urban Center
-  Neighborhood Center
-  Manufacturing & Industrial Center
-  Urban Neighborhood
-  Expanded Regional or Urban Center
-  New Urban Center

Other areas

-  Industrial outside Manufacturing & Industrial Centers
-  Major Institution
-  Parks and open space
-  Cemetery
-  Frequent transit route
Frequent transit network, existing and future, along which zoning for higher density housing will be considered.



University District YMCA Vicinity

The University District is designated in the Seattle 2035 Comprehensive Plan as an Urban Center, one of the City's highest-priority areas for accommodating growth. This designation reflects the University District's unique role as a hub for education, research, employment, housing, and cultural activity anchored by the University of Washington.

The Urban Center framework directs significant housing and job growth to the University District, paired with infrastructure and transit investments that support walkability, livability, and equitable access to opportunity. The proposal is consistent with this framework by supporting additional development capacity and encouraging community-serving uses. The proposal advances Comprehensive Plan goals for fostering dense, transit-oriented neighborhoods where housing, jobs, and amenities are co-located.

In the One Seattle Plan, the University District is reclassified from an Urban Center to a Regional Center. The new designation recognizes its importance not only to Seattle, but to the entire metropolitan region as a center of education, innovation, and employment. The new designation affirms the University District's role as a regional destination for housing, jobs, services, and culture, and emphasizes the need to balance growth with investments in affordability, mobility, and community resilience. The proposal aligns directly with this updated vision by creating opportunities for nonprofit and community-based development.

Madison / Miller YMCA Vicinity

Madison/Miller is within the Residential Urban Village designation of the Seattle 2035 Comprehensive Plan. It is an area identified to accommodate moderate residential and mixed-use growth in a walkable, transit-accessible setting. The proposal is consistent with the Residential Urban Village designation, as it allows additional housing capacity, supports neighborhood-serving commercial uses, and encourages community-serving development in close proximity to transit and services.

In the One Seattle Plan, The Madison/Miller area is reclassified as an Urban Center. It acknowledges the strategic location and potential to accommodate higher levels of growth and investments. The Urban Center designation emphasizes on creating vibrant mixed-use districts with expanded housing supply, affordability strategies, mobility improvements and enhanced community amenities. The proposed rezone is consistent with this updated designation by enabling nonprofit and community-based institutions to expand and invest in the opportunity sites of YMCA and Ebenezer AME Church.

Compatibility

Rainier Beach Light Rail Station Area.

The site is one block directly northwest of the Rainier Beach light rail station platform, within about 500 feet of the station platform. The site consists of the west half of a block where the current SM-RB 55 designation creates a split-zoned condition with SM-RB 125 already mapped on the east half of the block. Unifying the zoning across the entire block to SM-RB 125 is important to simplify the development process and enable Mt. Baker Housing's planned affordable housing and community-serving ground-level uses.

This change is also compatible with the surrounding context, to the north, the area transitions to Lowrise zones developed with townhouses; to the west, LR1 parcels with older single-family homes; and to the east and south, it directly relates to existing Seattle Mixed zoning, including SM-RB 125. The unified zoning provides an appropriate step between lower-intensity residential areas and higher-intensity mixed-use development at the station, ensuring a logical and context-sensitive fit within the neighborhood fabric. The change would provide a zone transition at the 42nd Ave. S. Street right of way instead of a midblock condition.

University District YMCA Vicinity

The site consists of the south portion of the block where the proposal would rezone four properties owned by the Seattle/King County YMCA and the Low Income Housing Institute (LIHI), along with the site of 10 townhouses, from Neighborhood Commercial 3 with a 75-foot height limit (NC3-75) to Seattle Mixed University District with a 75–240 foot height limit (SM-U 75-240).

In addition, four adjacent parcels currently zoned Midrise (MR) would be rezoned to SM-U 75-240. This change would create a contiguous area of SM-U 75-240 zoning, aligning with the existing SM-U 75-240 designation directly across NE 50th Street. The change establishes a consolidated block of SM-U 75-240 zoning provides a strong opportunity for mixed-use redevelopment of the YMCA and LIHI properties, while also enabling coordinated planning and investment with adjacent parcels.

Madison / Miller YMCA Vicinity.

The proposal would rezone property between 23rd and 24th Avenues fronting on E. Olive Street, including land owned by the Seattle/King County YMCA, from Lowrise 2 (LR2) to Neighborhood Commercial 2 with a 75-foot height limit (NC2-75). Three adjacent parcels owned by the Ebenezer AME Church, currently zoned Lowrise 3 (LR3), would also be rezoned to NC2-75. In total, the rezone area encompasses four parcels covering approximately 1.4 acres. The surrounding context supports this change, as the northwest portion of the area already carries the same NC2-75 designation, while the remaining surroundings include a mix of Lowrise zones and Neighborhood Residential to the southeast, creating a transition of uses and building scales.

Housing

Each of the rezone areas would amplify the amount of housing production that could occur on and near the community-based uses by allowing a greater number of upper stories of residential construction over community-uses at ground level. The following is a general estimate of housing production that could result in an intermediate 10-year planning horizon.

For each of these areas It is unknown whether additional property in the rezone areas beyond the community-based sites (YMCA and Mt. Baker Housing) would redevelop, potentially in combination with the community-based sites. General assumptions about the total amount of land that would be redeveloped and the likely scale of potential development are made.

Rainier Beach Light Rail Station Area

OPCD estimates that an additional 200-275 homes could be created. If it was a typical market-generated development this would create an estimated \$2.8M - \$3.9M of MHA proceeds for. The actual quantity of affordable housing would probably be a lot greater since a large portion of the development would be 100% affordable. Mt. Baker Housing envisions a potential development with over 40% of homes being affordable family-sized 2 and 3 bedroom homes.

University District YMCA Vicinity

OPCD estimates that an additional 300-385 homes could be created. If it was a typical market-generated development this would create an estimated \$8M to \$11M of MHA proceeds for affordable housing. The actual quantity of affordable housing would probably be a lot greater since a large portion of the development on the YMCA site would be entirely affordable housing.

Madison / Miller YMCA Vicinity

OPCD estimates that an additional 200-240 homes could be created. If it was a typical market-generated development this would create an estimated \$4.2M to \$5.9M of MHA proceeds for

affordable housing. The actual quantity of affordable housing would probably be a lot greater since a large portion of the development on the YMCA site would be entirely affordable housing.

Remove code barriers to affordable housing, passive house, modular and mass timber construction

Background and Proposal

During the 2024-2025 State Legislative session the legislature passed bill 1183 (ESHB 1183) to “incentivize affordable and sustainable building practices through building code and development regulation reform”. The bill limits regulations cities can impose on residential development. Section 6 concerns:

- affordable housing
- construction meeting passive house requirements
- conversions to residential within existing structures
- modular construction
- mass timber construction

ESHB 1183 states that cities can’t impose upper-level setback requirements or facade modulation requirements on any of the listed types of residential development.

The currently-proposed legislation directly implements ESHB 1183 by adding an exemption into SMC 23.40 Compliance with Regulations – Exceptions, for any of the types of construction listed above from any upper-level setback and façade modulation requirement anywhere in the Seattle Municipal Code Title 23.

Although the City of Seattle is not required to implement the mandates of ESHB 1183 until 2028, the City is seeking to implement Section 6 early to reduce barriers to housing construction. Upper-level setbacks and façade modulation requirements present a unique challenge to construction using passive house methods, modular construction methods, and mass timber methods because those construction methods can’t accommodate frequent modulations due to the inherent properties of the materials and/or panels. However, these construction methods are sustainable and can result in relatively lower cost housing development in certain circumstances. Therefore, removing modulation and upper-level setback requirements will facilitate increased housing production.

Seattle’s land use code includes upper-level setback requirements in several zones including but not limited to certain Neighborhood Commercial zones, numerous downtown zones, and in some specific areas such as the Roosevelt neighborhood.

Analysis

ESHB 1183 requires that cities in Washington make the type of changes in this proposed legislation. The only aspect of this action at the city’s discretion is the timeline. OPCD is recommending that Seattle make the zoning changes earlier than required by State law – the

deadline would be in 2028. There could be some minor impact from the changes on the bulk and scale of upper levels of structures built in certain zones. Construction in mass timber or passive house standards is not yet widespread and constitutes a small percentage of buildings built today. Since the relevant types of construction and affordable housing are likely to be a small percentage of all development, the scale of impact from the change would be moderate. The practical scale of construction using mass timber or modular methods under today's conditions is generally limited to midrise buildings, although a few intermediate mass timber towers in the 12-18 story range have been built in the Pacific Northwest in the last five years. It is unlikely that mass timber towers greater than 18 stories will be constructed in the foreseeable future – meaning that the impact of the upper-level setback waiver in Seattle's downtown zones would have a moderated effect – since most tower built in downtown Seattle with conventional construction methods far exceed those heights. The primary effect of implementing section 6 of HB 1183 early is giving several potential residential development projects that are exploring the use of mass timber or passive house construction methods, including for affordable housing, a greater likelihood of moving forward to construction in the next few years.

Increase height limits and modify development standards to encourage more housing in Belltown

Background

While most of Downtown has received major upzones in the last 25 years, zoning in Belltown has had minimal increases since 1985. Outdated zoning parameters create inefficiencies for development and may be constraining infill housing in a relatively strong housing market area. This proposed legislation would increase height limits for residential uses by 50' – 100' and make other minor adjustments to coverage and story size limits to encourage moderate scale residential towers.

Proposal

This proposed legislation would make several amendments to the Land Use Code text to address zoning inefficiency and support residential development in Belltown. These amendments would apply specifically within the Belltown neighborhood and they would be for a limited time period through year 2028. The intent is to encourage development in the near term, and to allow for permanent or more comprehensive zoning updates to occur following adoption of a new Downtown Subarea Plan.

The amendments are:

- For Downtown Mixed Residential (DMR) zones with a 95' height limit, increase allowed height by 50' to a maximum of 145'.
- For Downtown Mixed Residential (DMR) zones with a 145' height limit, increase allowed height by 100' to a maximum of 245'.

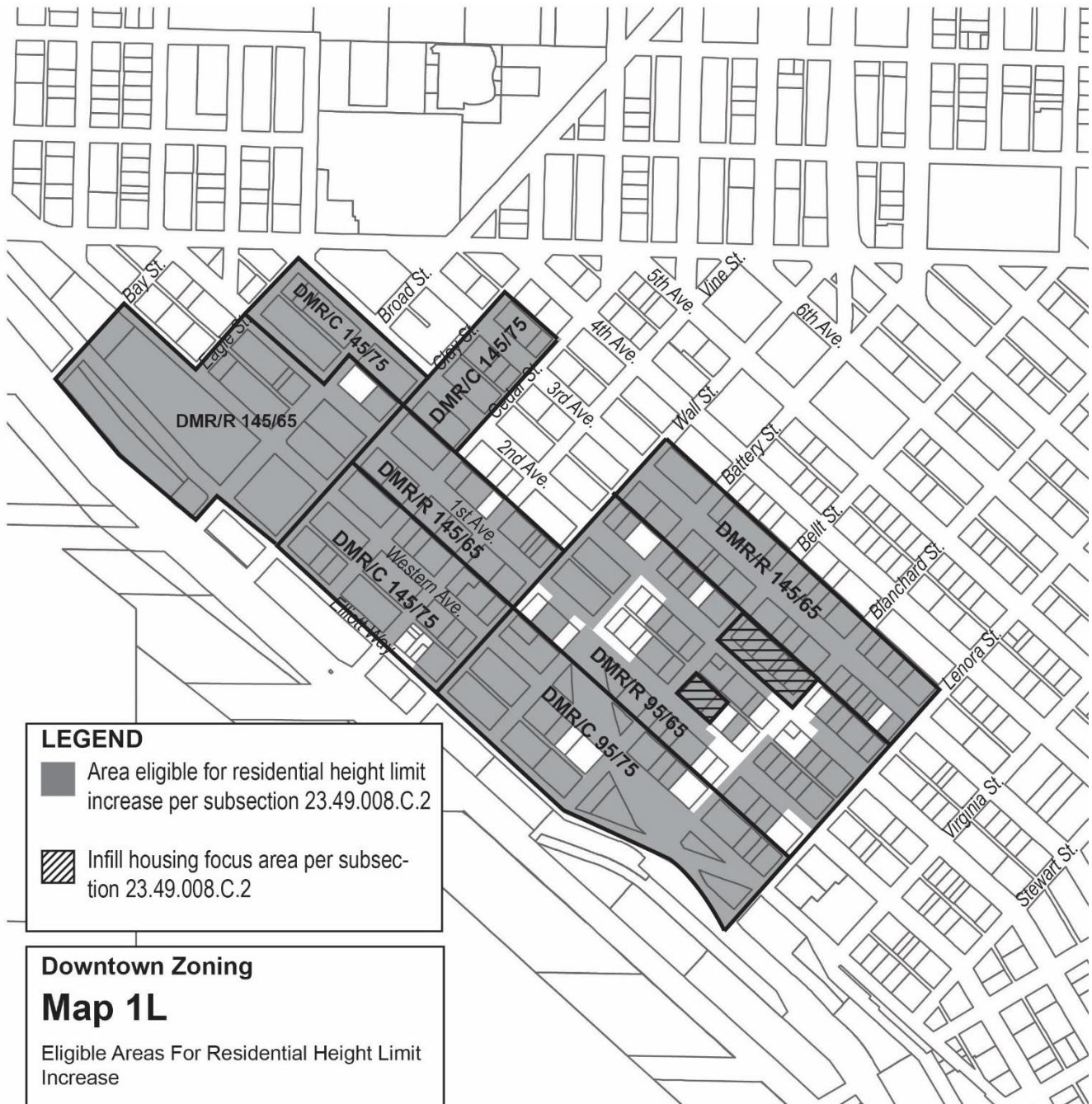
- Increase the allowed coverage limits for upper stories of buildings, above 65' by 5%.
- Increase the maximum allowed story size for buildings above 145' tall from 8,800 sq. ft. to 10,700 sq. ft.
- Exempt lodging uses from FAR limits in the DMR zone zones.

The proposal considers unique characteristics of Belltown. Belltown community members value the small shops and storefronts, unique local businesses, and the historic character of the neighborhood. Belltown is known for vibrant and active street level uses. Engagement during the City's Downtown Subarea Plan process ongoing in 2025 affirms these priorities.

To address the priorities, the proposed legislation exempts historic landmarks and other character structures from the increased height allowance. This aspect of the proposal is intended to keep the status quo for valued character structures and local businesses, and avoids the perception of an increase to development pressure on these sites. Intent is to spur potential infill development on key opportunity sites – especially vacant land and surface parking – while retaining character businesses and structures. See map on the following page. Only the sites shaded in gray are eligible for the increased height.

The legislation identifies two particularly strong candidate areas for infill housing. These are the northeast corner of Bell St. and 1st Ave., and the half block fronting onto 2nd Ave. between Bell St. and Blanchard St. These areas feature vacant land or underused structures and are well-positioned to receive revitalizing investment with dense housing. The legislation allows an extra height increase to 245' within the existing DMR/R 95/65 zone for these areas.

Eligible Area for Belltown Height Limit Increase



Analysis

Comprehensive Plan consistency

In the City's Comprehensive Plan Belltown is one of five neighborhoods in the Downtown Urban Center. The Comprehensive Plan calls to "recognize and seek to enhance the varied character of these neighborhoods and other distinctive areas within Downtown." The map on page # shows the location of Belltown within the Downtown Urban Center. The proposed legislation affects the Downtown Mixed Residential (DMR) zone. The Downtown Plan section of the Comprehensive Plan describes the intent of the DMR zone as follows:

Areas outside special review districts identified for development of a predominantly residential community in conformance with the Downtown Urban Center goals. The DMR land use district is intended to:

- *maintain areas primarily for residential use;*
- *allow nonresidential uses with the general intent that they reinforce and do not detract from the primary function of the area;*
- *promote diversity and harmony with existing development and allow a variety of housing forms through multiple height, mix of use, and density classifications;*
- *control tower development and promote a pleasant street-level environment conducive to a high-density residential neighborhood.*

A theme for the DMR zone according to the Comprehensive Plan is to maintain areas primarily for residential use. The proposed legislation increases consistency with this theme, because the proposal increases the allowance for density of residential use without expanding allowances for commercial use. The extra height allowance is only for housing.

The Downtown section of the Comprehensive Plan contains various policies concerning preservation of historic structures and enhancement of community spaces in conjunction with new development including "Provide incentives to maintain variations in building scale, create public open space, and preserve buildings and uses that are scarce public benefit resources" (DT-LUP11). The proposed legislation is consistent with this policy guidance because it exempts historic landmarks and other character structures from the eligible area for height limit increase.

The Downtown section of the Comprehensive Plan includes policies in support of an engaging and vibrant ground floor in new development including: "As appropriate for each land use district and type of street environment desired, maintain a strong relationship between buildings and the sidewalk environment through specific street-level development standards" (DT-UDP10). The importance of quality street-level configurations is further verified in the ongoing Downtown Regional Centers subarea plan process. The proposed legislation does not alter the existing Land Use Code standards concerning street level uses and development standards. The ongoing subarea plan process identified a desire for improved ground-related housing at street level in the north part of Belltown north of Wall Street. Although new standards to further this desire are not included in the SEPA draft of the proposed legislation they could be developed at a later time before City Council action and added to the bill without the potential for any further adverse environmental impacts.

General policy guidance for the Downtown Urban Center in the Comprehensive Plan calls for a dense mix of housing and jobs with excellent connections by transit. The intent of the proposed legislation (increasing residential density in moderate scale towers in the DMR zone) is consistent with the overall intent for growth and development in the Downtown Urban Center including the policies listed below.

Introduction. “Urban centers are the densest Seattle neighborhoods. They act as both regional centers and local neighborhoods that offer a diverse mix of uses, housing, and employment opportunities.”

GS 1.2 Encourage investments and activities in urban centers and urban villages that will enable those areas to flourish as compact mixed-use neighborhoods designed to accommodate the majority of the city’s new jobs and housing.

GS 1.5 Encourage infill development in underused sites, particularly in urban centers and villages.

Compatibility

The proposed legislation would allow for development that is compatible with the overall vicinity of the Belltown neighborhood and north Downtown (including Denny Triangle, Commercial Core). However, the proposed legislation could create localized incompatibilities in scale and development character within the Belltown neighborhood.

The increase to height limits for residential towers (by 50 and 100 feet) could introduce a scale of development in localized areas that is somewhat different from and larger/taller than neighboring structures. This could occur if new mixed-use towers are built on infill sites – in which case the tower portion of the new buildings in the affected areas would likely be 5-10 stories greater than structures on neighboring sites. Due to increases in the proposed legislation for floor plate size, these towers could also be incrementally wider than other existing tall structures in Belltown. This juxtaposition is not necessarily bad, since variety of scale and character is an interesting aspect of urban life, and the higher structures would provide housing opportunities. Nonetheless, the legislation would have potential to moderately increase the degree of incompatibility between new infill structures and existing built context.

With respect to allowed uses there would be no increased incompatibility because the Belltown neighborhood is already a predominantly residential area, and the proposal would further increase the residential aspect of the district.

The proposal would be compatible with broader development patterns and context in the north part of Downtown. Areas in blocks east of the affected area in Belltown already allow for and contain residential towers of equal or greater scale than would be allowed by the proposed legislation. In the nearby neighborhoods of Denny Triangle and the Commercial Core, tower heights much greater than proposed by this legislation are allowed and already exist in ample amounts.

The impact of scale incompatibility would be moderated by the fact that the proposed legislation is time-limited. There are likely to be a handful of development proposals during the 3-year effective period of the proposed height limit allowance. Following the three-year period the City may reevaluate the merits of taller towers in Belltown after conclusion of the Downtown Subarea Plan process.

Housing

The proposed legislation has the potential to increase housing production in Belltown. The proposal is intended to make new residential development incrementally more financially viable, which could spur stalled project or projects on the margins forward to development during the 3-year period. It is anticipated that these projects would be on vacant or underused development sites. It is difficult to anticipate the amount of development that would occur during the 3-year period because the economic

climate and individual decisions by property owners are unpredictable. For a rough estimate, based on available information and anecdotal conversations, OPCD estimates that about five development projects could move forward during the timeframe in an optimistic scenario. If five development projects did move forward OPCD estimates that they could yield an estimated 900 – 1,200 total housing units, which would generate \$14M - \$19.2M of MHA proceeds for affordable housing.

Remove code barriers to conversion from commercial space to housing in more zones

Background

During 2024 the City passed Ordinance 127054, removing zoning barriers to the conversion of existing commercial structures to housing. That legislation focused on downtown and other zones that contain a lot of commercial and office uses. However, the State legislation from 2024, (HB 1042) calls on cities to remove barriers in all zones that allow housing. The currently proposed legislation makes corrections to ensure zoning code barriers are removed in all housing zones including zones that don't typically contain significant commercial uses.

In addition to Ordinance 127054, in early 2025 the City also passed legislation enabling a sales and use tax deferral for conversion of underutilized commercial space to housing, Ordinance 127181. The sales and use tax deferral was made available to cities by Senate Bill 6175 (ESSB). Following these two legislative changes, the City started to receive development applications for conversion of commercial space to housing. OPCD administers the tax deferral program and to date has issued preliminary approvals to three projects located in Denny Triangle, Uptown, and Ballard, and has received numerous additional inquiries by property owners and designers about the option to convert their underutilized commercial structures to housing.

Proposal

The proposed legislation makes technical changes to existing SMC Section 23.40.080 "Conversion to residential use in an existing structure", to add Lowrise (LR), Residential Small Lot (RSL) and Neighborhood Residential (NR) zones to the list of zones that contain development standard waivers for conversion of existing commercial structures to housing. Other aspects of Section 23.40.080 are not substantively changed. The existing Section 23.40.080 waives Mandatory Housing Affordability (MHA) requirements as an incentive for conversions of existing structures to housing, and this opportunity would be extended by the proposed legislation to conversions in the LR, RSL and NR zones.

Analysis

The impact of this proposed legislation is primarily to achieve full technical compliance with State Law pursuant to HB 1042. The added zones (LR, NR, and LR) do not contain many existing commercial uses. These zones generally do not allow non-residential uses as a principal use as they are intended primarily for residential uses and development. Pending changes being reviewed during the One Seattle Comprehensive Planning process the zone would in the future allow a

greater amount of small commercial uses in corner stores. There are rare or atypical instances of commercial structures extant in the LR, NR and RSL zones. Some of these are historic-aged commercial buildings that predate modern zoning codes, many of which are non-conforming to the current zoning regulations. Therefore, the primary substantive effect of the proposed legislation would be to make existing non-conforming commercial structures in the city's low-scale residential zones more feasible for conversion to housing.

Recommendation

In consideration of the factors and information contained in this report and other information, OPCD recommends that City Council review the proposed legislation and adopt the proposed zone changes and Land Use Code text amendments. OPCD considered and balanced various policy priorities and acknowledges that the proposal could lead to changed conditions in localized areas near the opportunity sites and areas this bill directly addresses. OPCD notes that the timing of the proposed changes is more immediate than broader adjustments to growth and development patterns that are advancing in coming years through the One Seattle Comprehensive Plan update process and Regional Centers Subarea planning. The intent of forwarding this legislation now is to take short-term action to bring more housing and affordable housing online soon where tangible opportunities exist for infill housing. All of the proposed changes are consistent with the City's existing comprehensive plan for growth, including draft updates to the comprehensive plan currently being reviewed by City Council.

Appendix -1

Historic Landmark Information

There are four designated landmark buildings within the proposed rezone of the Downtown Retail Core area: Joshua Green Building, 1425 4th Ave Seattle, Holland/MiKen Building, 1417 4th Ave, Seattle, The Liggett Building, 1424 4th Ave, Seattle, and Great Northern Building 1404 4th Ave, Seattle. For reference, information is provided below about these landmarks.

Photo Credit: Joe Mabel Photos [Joe Mabel - Art and photography](#)

photo source: [www.en.wikipedia.org/wiki/Liggett_Building_\(Seattle\)](http://www.en.wikipedia.org/wiki/Liggett_Building_(Seattle))

photo source: www.joshua.greenbuilding.com

Photo credit: [Joshua Green Building](#)

Liggett Building

Address: 1424 4th Ave.

Constructed in 1927, the Liggett Building is a ten-story Gothic Revival office and retail building at the southeast corner of Fourth Avenue and Pike Street. Designed by Lawton and Moldenhour, the building was constructed with reinforced concrete and steel and clad in ivory terra cotta. Intended to support five additional stories (never built), its sculptural facade blends Tudor English and Venetian Gothic elements. A modern two-story retail base supports an eight-story office structure defined by Chicago-style windows, fluted piers, and ornate tracery. Decorative features include quatrefoil spandrels, finiaed pinnacles, and ogee arches culminating in a richly detailed parapet.



Joshua Green Building

Address: 1425 4th Ave.

Constructed in 1912, the Joshua Green Building is a ten-story retail and office structure located at the southwest corner of Fourth Avenue and Pike Street. Designed with a nearly square footprint, the building features a cream-colored terra cotta façade characterized by wide window bays framed by decorative pilasters. The facade is horizontally layered with cornices and detailed vertical piers with acanthus leaf and shield capitals, creating a balanced rhythm on both street-facing elevations. Originally featuring glass-and-metal storefronts and multi-part transom windows, the ground and second floors have since been remodeled with modern materials, obscuring some of the original design intent.



Holland/MiKen Building

Address: 1411 4th Ave.

Constructed in 1929, the 15-story Building exemplifies a transitional modernist design with subtle Art Deco and Celtic influences. Designed in an “L” shape for optimal daylight exposure, the stone-clad structure features recessed spandrels and unornamented vertical piers that gently taper at the parapet. Notable for being the tallest Seattle building at the time to be fully clad in stone, it shares architectural lineage with other R.C. Reamer-designed buildings nearby, including the Great Northern Building. The facade’s verticality and material quality convey a dignified and streamlined urban presence.



Great Northern Building

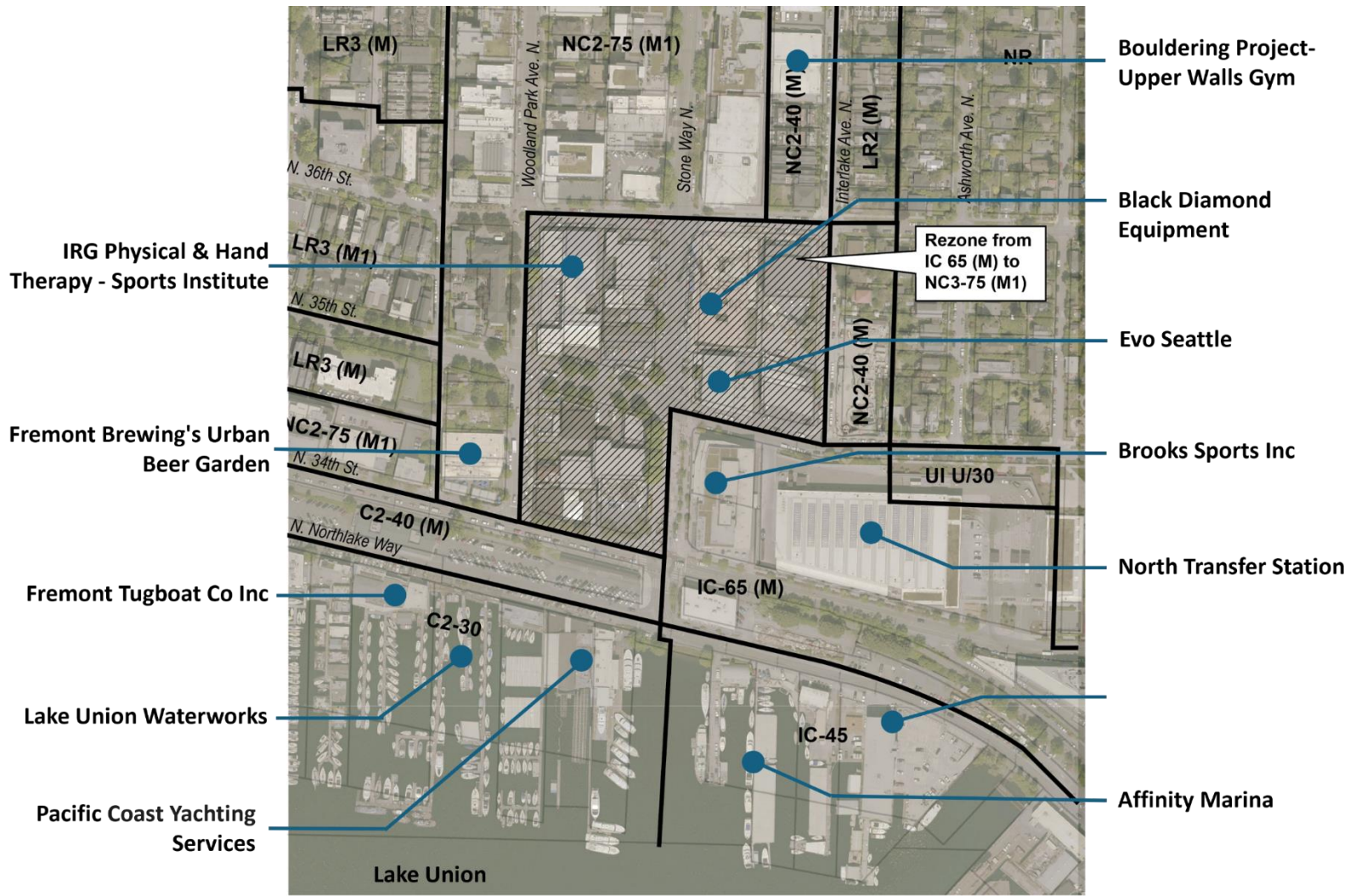
Address: 1404 4th Ave.

Completed in 1928, the four-story Great Northern Building was originally developed to house the main ticket office of the Great Northern Railroad. Designed by R.C. Reamer and noted as Seattle's earliest example of a modernistic medium-rise, the building signaled a transition from traditional Beaux-Arts ornamentation toward streamlined design. While some historic elements remain—such as floral plaster friezes—the ground floor has been significantly altered with modern windows, signage, and a bronze canopy. The building stands as a pivotal example of late 1920s architectural shifts toward simplified forms and restrained detailing.

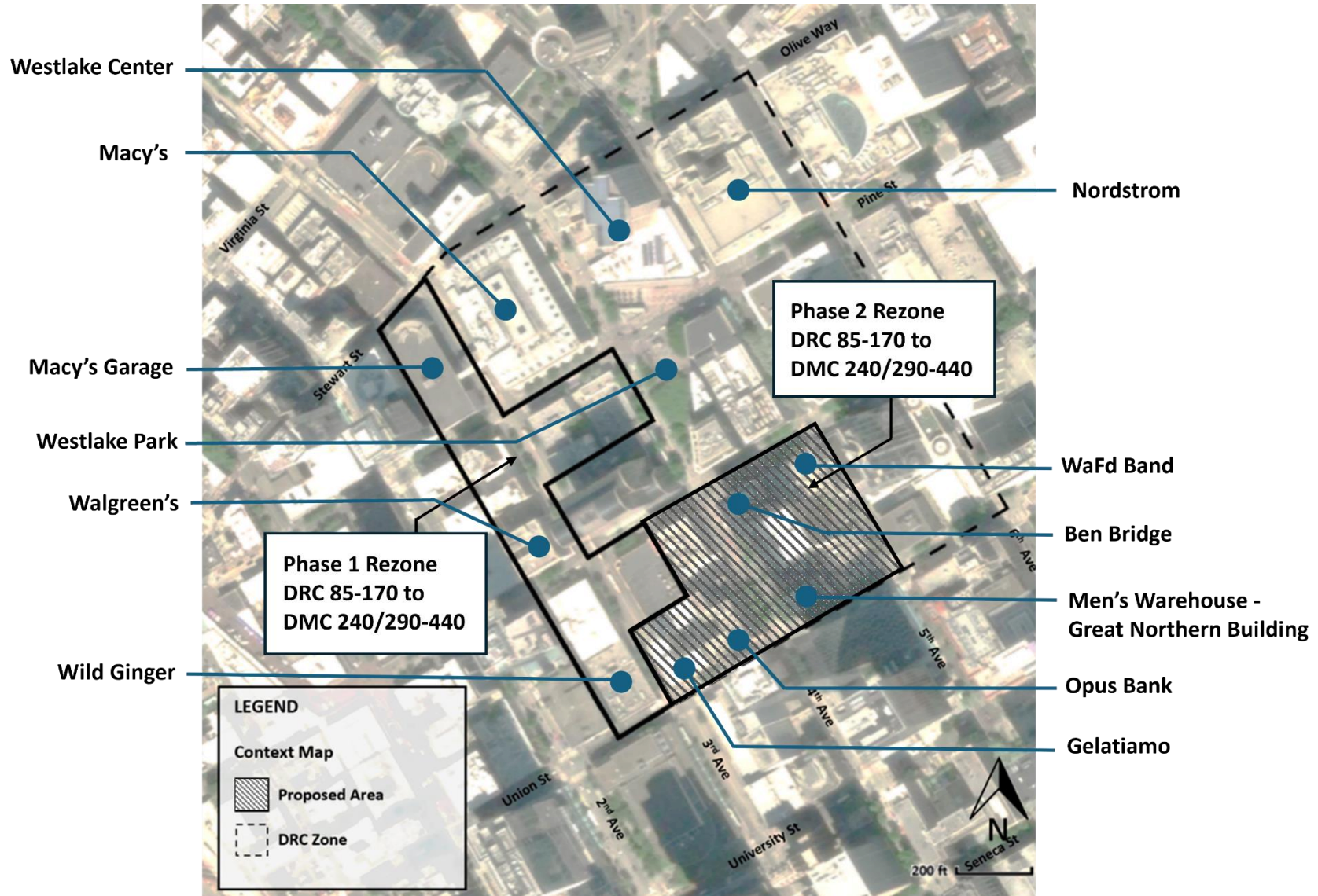


Appendix -2 Illustrative Maps of Zoning Change Areas

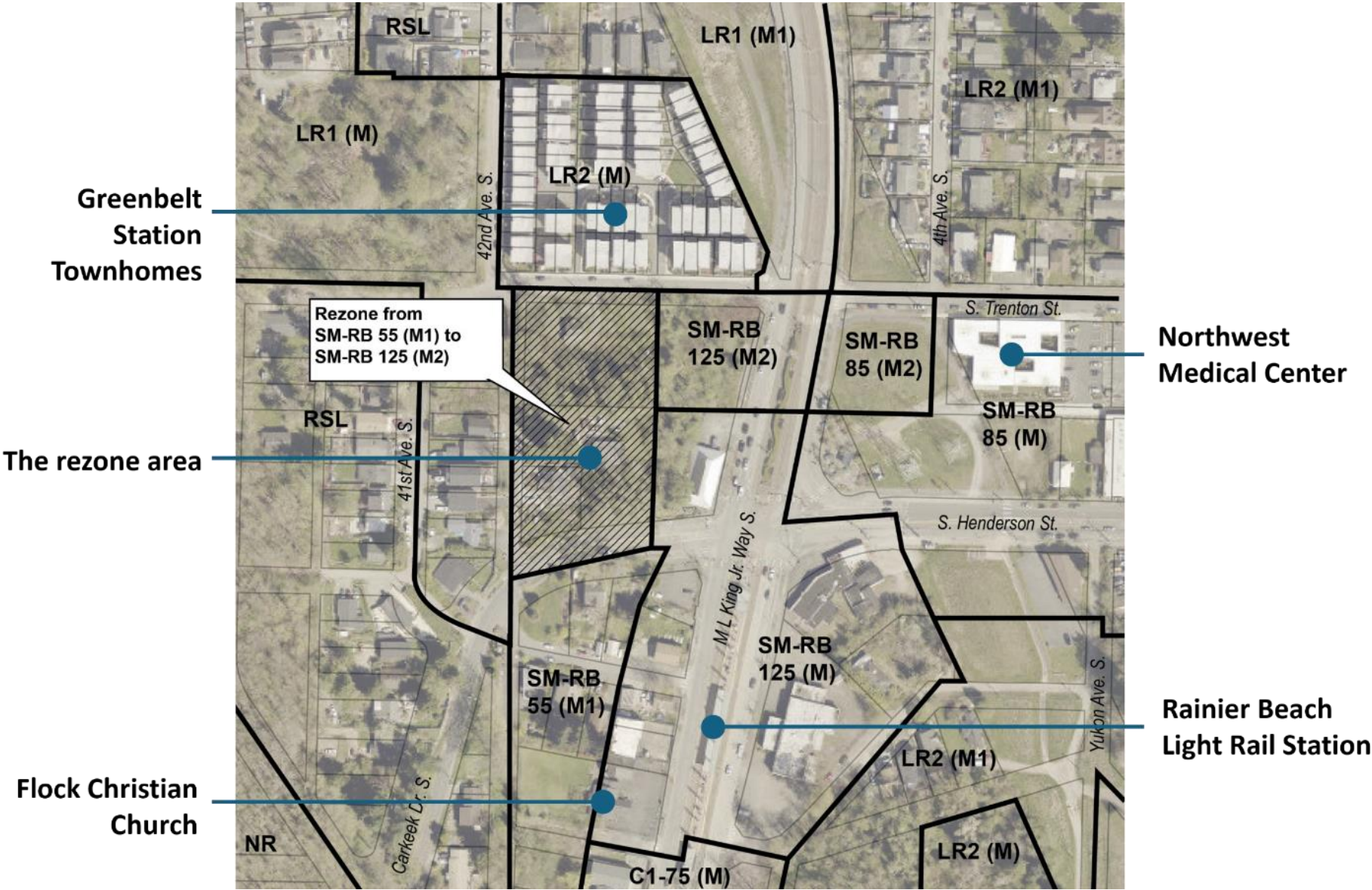
Fremont/Stone Way



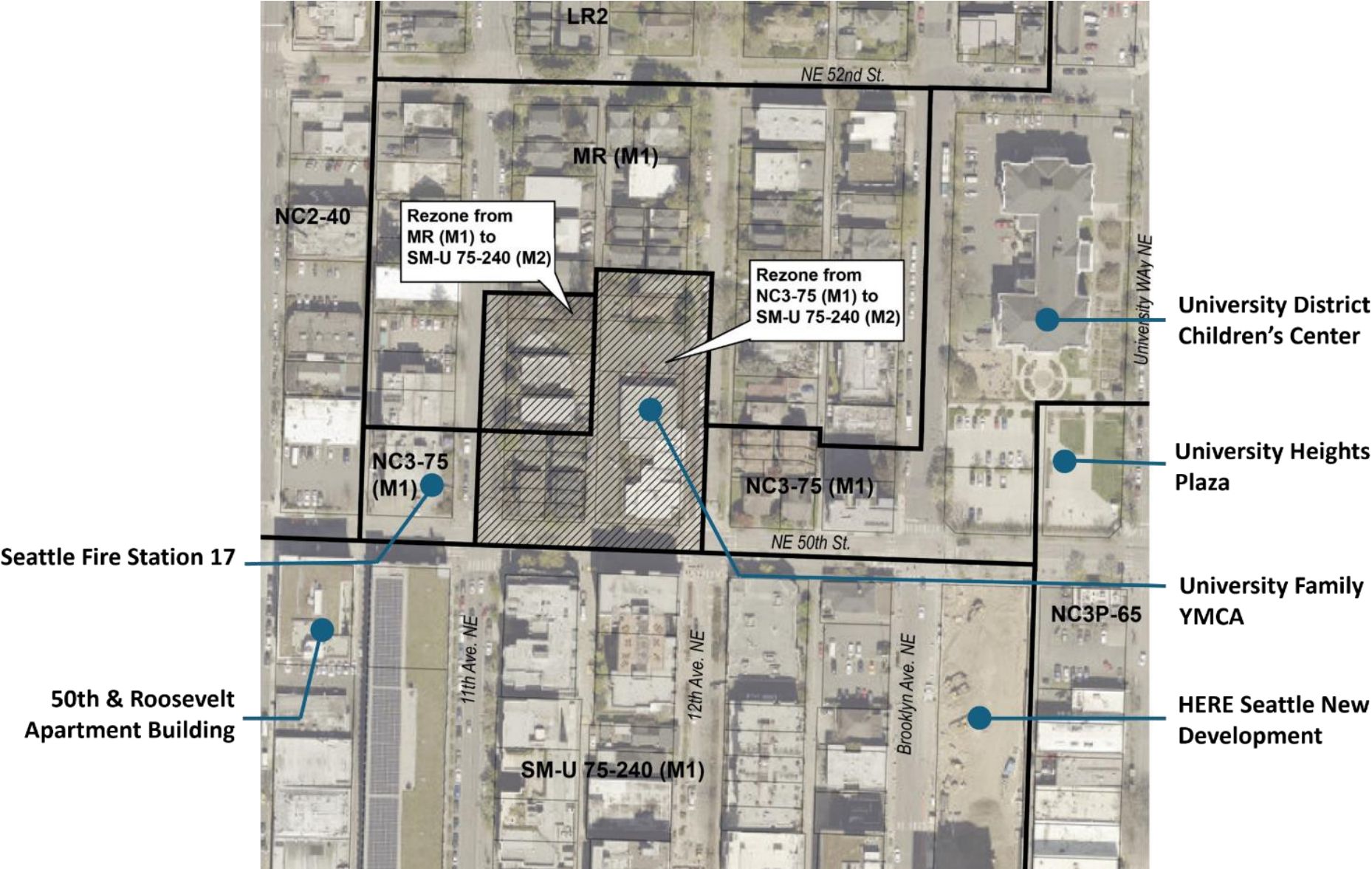
Downtown Retail Core



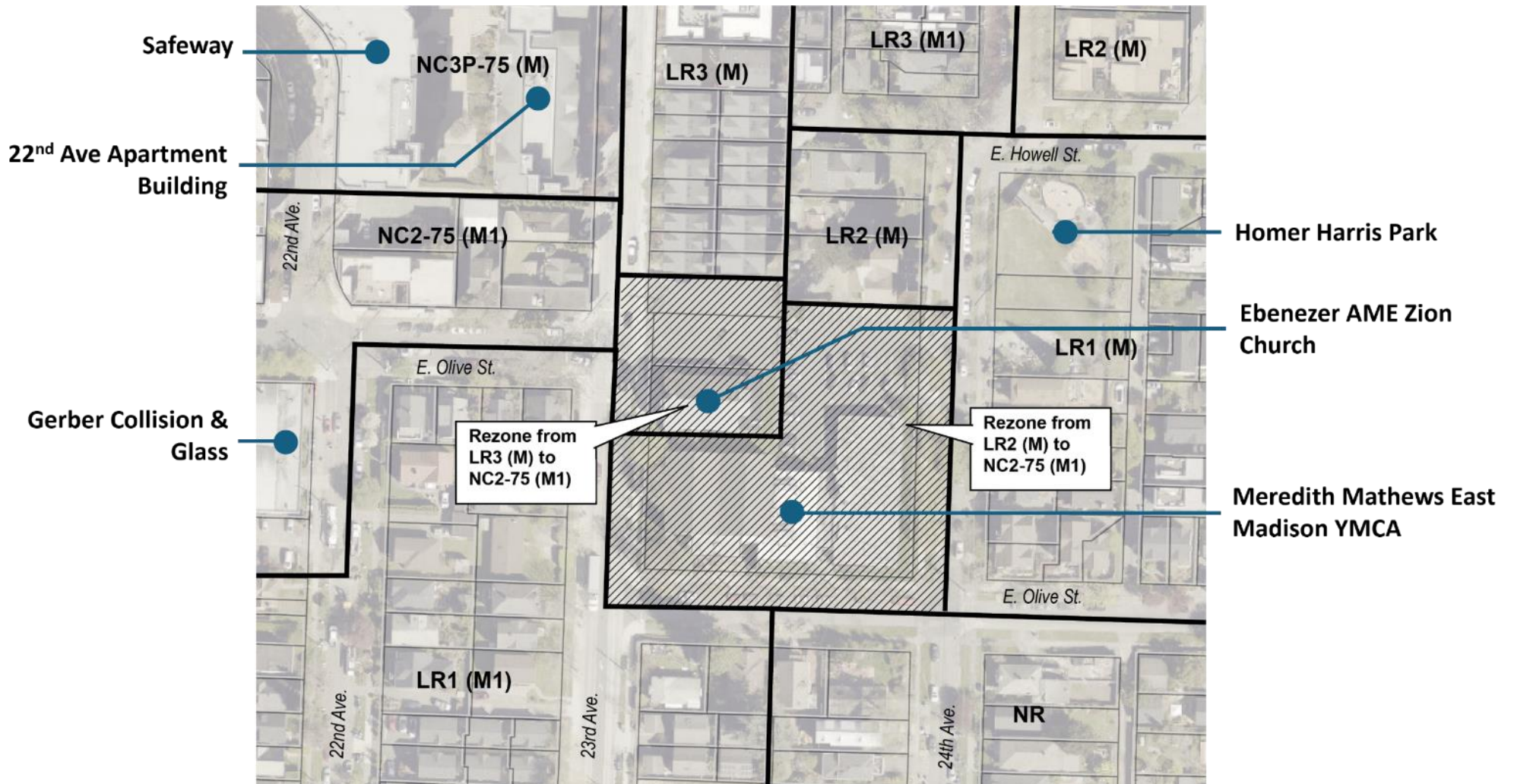
Rainier Beach



University District



Madison/ Miller



Belltown

