



Eastgate Land Use Code Amendments

City Council Study Session

July 24, 2017

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Meeting Objectives

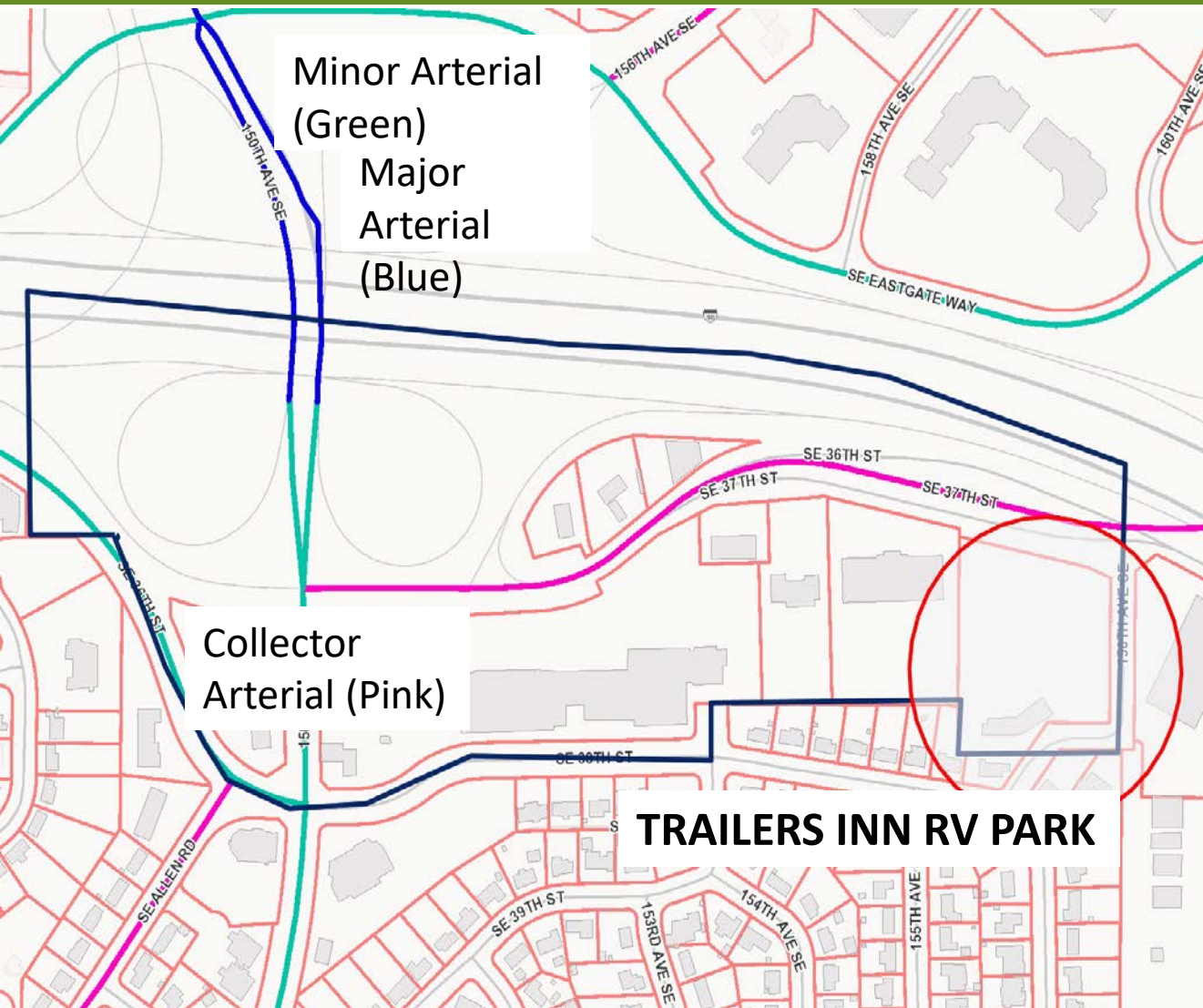
1. Complete the Eastgate LUCA Review
2. Prepare LUCA for Final Adoption in August
3. Tonight's Focus
 - Informational Item
 - Affordable Housing and MFTE
 - Action Items
 - NMU Flexibility
 - Shelter Related Topics

Action Item: Neighborhood Mixed Use Flexibility

- Council request for flexibility on ground floor uses.
- Flexibility Proposed where:
 - Use doesn't front on an arterial;
 - Access is compromised by site-specific obstacles; and
 - Use is not visible from neighborhoods, other development in the NMU, or arterial streets.
- Allows flexibility to be tailored for part or all of the building.



Action Item: Neighborhood Mixed Use Flexibility



Departure Available
during Design Review:

- 156th Ave SE
 - Non arterial street
 - Limited visibility and physical access
 - Not visible from other NMU development
- SE 37th Street
 - Arterial
 - Better visibility
 - Maintains mix of uses.

Completed Work

- Prior Council Direction Incorporated in LUCA - Attachment D
 - Low Impact Development
 - Land Use Phasing for EG-TOD
 - Flexibility to Develop Auto Dealerships
- Errata – Hospitals
 - Made consistent with Public Hearing Draft
 - Not Permitted in OLB-2 or NMU Districts
- Legislative Zoning Map - Attachment E

Action Item: Shelter Related Topics

1. Confirmation of safe injection site prohibition.
2. What is the best way to describe the use?
 - Transient Lodging – Current Use Classification
 - Permanent Emergency Shelter – Alternative
3. What is the best permit process?
 - Development Agreement
 - Conditional Use Permit
4. How should shelter-related changes be accomplished?
 - Land Use District Approach
 - Citywide Approach

Action Item: Shelter Related Topics

Permit Process Comparison

Project Review Characteristics	Development Agreement	Conditional Use Permit
Public Notice of Application	√	√
Environmental Review (SEPA)	√	√
Public Meeting(s) - held by:	City Council	City staff and applicant
Public Hearing – held by:	City Council	Hearing Examiner
Decision - made by:	City Council	Hearing Examiner
Appeal to:	Superior Court	Council for HE Decision; Superior Court for Council Decision
Council Involvement	Very Involved; Involvement broad and continuous from beginning to end	Limited involvement; Permit process delegated to staff; Council participation in appeal is narrow and prescribed.
Topics that can be addressed through approval conditions	Community Involvement Development requirements Operational requirements Mitigation	Development requirements based on existing Comprehensive Plan policies and Land Use Code provisions

Action Item: Shelter Related Topics

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Conclusions:

Summary of Direction

Next Steps



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Informational Item – Affordable Housing & Multi-Family Tax Exemption

- Council request for how land use and MFTE work together.
- Separate MFTE study underway.
- Incenting land use bonus for 70% AMI.
- RV Park-resident displacement question.



- Salem House
Central Harlem, New York City.
- Combined commercial and community facilities.
 - RKTB Architects, Inc.

Informational Item – Affordable Housing Land Use Incentive

- Council directed staff to incent the 1.0 FAR exemption at 2 market rate units per 1 affordable unit at 80% AMI. **2:1 80% AMI**
- Opportunity – Get a greater level of affordability. Include another option. **3:1 at 70% AMI**
- Same economic cost to the developer.
- Could be one or other or a combination of both.



Richardson Apartments, San Francisco

- 120 apartments
David Baker + Partners, Community Housing Partnership

Affordable Housing & Multi-Family Tax Exemption

EASTGATE NMU SAMPLE PROJECT LAND USE BONUS AND MFTE (Multifamily Tax Exemption) PROGRAM

Site Size 50,000 square feet
 Base FAR 1.0
 Bonus FAR 1.0
 Average Net Unit Size 775 square feet
 Bonus Ratio
 Affordable: 80% AMI 2:1 (2 Market rate for every affordable unit)
 Affordable: 70% AMI 3:1 (3 Market rate for every affordable unit)

	Total Units	Affordable Units		Affordable Units: Mix of Affordability Levels							
		Total	Percent *	Years 1 - 12				Years 13 +			
				80% AMI	70% AMI	60% AMI	50% AMI	80% AMI	70% AMI	60% AMI	50% AMI
Scenario A: Land Use Bonus Only (80% Median)	104	17	16.3%	17				17			
Scenario B: Land Use Bonus Only (70% Median)	104	11	10.9%		11				11		
Scenario A.1: Bonus and MFTE: Current Eastgate/DT MFTE provisions: Overlap units, no special affordability	104	21	20%		10	11		17			
Scenario A.2 Bonus and MFTE: Separate Affordable Units for Bonus and MFTEs	104	38	37%	17	10	11		17			
Scenario A.3: Bonus and MFTE: Overlap Affordable Units, increase affordability level	104	21	20%		10		11	17			

* Note: For 12 Year MFTE Program, minimum of 20% units must be affordable.

Back Up Slides

The following slides are for back up and further information, if needed. Do not present these slide unless specifically requested by the presenter. Thanks.

Phasing for EG-TOD

- No office development over 600,000 sq. ft. until 100 residential units are under construction.
- Phase 1-
 - Maximum 600,000 sq. ft. of office development
 - TOD Street with 20,000 sq. ft. of retail and services
- Phase 2 –
Minimum of 300 units of multifamily housing.

Affordability Level

- **Citywide Bonus Program:**

- ☐ Affordability Level: 80% median income
- ☐ All FAR Bonus used for affordable housing
 - e.g. For 3,000 sq ft FAR Bonus:
3,000 sq ft affordable / 0 sq ft market rate

- **Eastgate Proposal:**

- ☐ Affordability Level: 80% median income
- ☐ 1/3 FAR Bonus used for affordable housing*
 - e.g. For 3,000 sq ft FAR Bonus:
1,000 sq ft affordable / 2,000 sq ft market rate

* Based on analysis of impact on value resulting from reduced rent for affordable units compared to increased land development capacity.

Amount of Affordable Housing.

➤ Assuming a developer uses the full 1.0 FAR Bonus.

- ❑ Transit Oriented Development Land Use District (EG-TOD).
 - Approximately 11% of units will be affordable

- ❑ Neighborhood Mixed Use NMU : Base FAR: 1.0 FAR).
 - Approximately 16% of units will be affordable *

- Some cities have provisions to allow a smaller amount of affordable housing if the affordable housing units are affordable at a lower percent of median income.
 - E.g. Using assumptions for Eastgate, a ratio could be every 2 affordable units at 70% of median income equals 3 units affordable at 80% of median income. In the EG-TOD zone that could result in about 7% affordable units at 70% median, and in the NMU zone about 11% affordable units at 70% median.

Multifamily Tax Exemption Program

- Currently available in areas with the EG-TOD zone and not available in the areas with NMU zone
- Affordability Requirements in EG-TOD area:
 - 60% of Median Income: 10%
 - 70% of Median Income: 10%
- In Eastgate, MFTE program has no provision to account for potential affordability linked to Land Use FAR bonus.(i.e. Bel-Red has such provisions)

- **Duration of Affordability**
 - Rental: Life of Permitted Use
 - Ownership: 50 years or 30 years
- **Affordability Covenant**
 - Recorded against property prior to issuing building permit
 - In form approved by city
- **Designation of Affordable Units**
 - Dispersal throughout development
 - Bedroom mix comparable to overall
 - Units can have smaller square footage with limitation.
 - Tenure – same as market rate
- **Design Related**
 - Finishes –
 - Exterior: comparable to market rate
 - Interior: entry level rental or ownership

King County Affordability Guidelines: 2017

	Studio (1 Person)	1-Bedroom (2 People)	2-Bedroom (3 People)	3-Bedroom (4 People)
LOW INCOME: 50% of Median Income				

Household Income	\$33,600	\$38,400	\$43,200	\$48,000
Max. Affordable Rent**	\$840	\$960	\$1,080	\$1,200
Max. Affordable Purchase***	\$113,170	\$129,330	\$149,750	\$170,170

70% of Median Income				
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Household Income	\$47,040	\$53,760	\$60,480	\$67,200
Max. Affordable Rent**	\$1,176	\$1,344	\$1,512	\$1,680
Max. Affordable Purchase***	\$170,340	\$194,680	\$223,270	\$251,860

MODERATE INCOME: 80% of Median Income				
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Household Income	\$53,760	\$61,440	\$69,120	\$76,800
Max. Affordable Rent**	\$1,344	\$1,536	\$1,728	\$1,920
Max. Affordable Purchase***	\$198,930	\$227,350	\$260,020	\$292,700

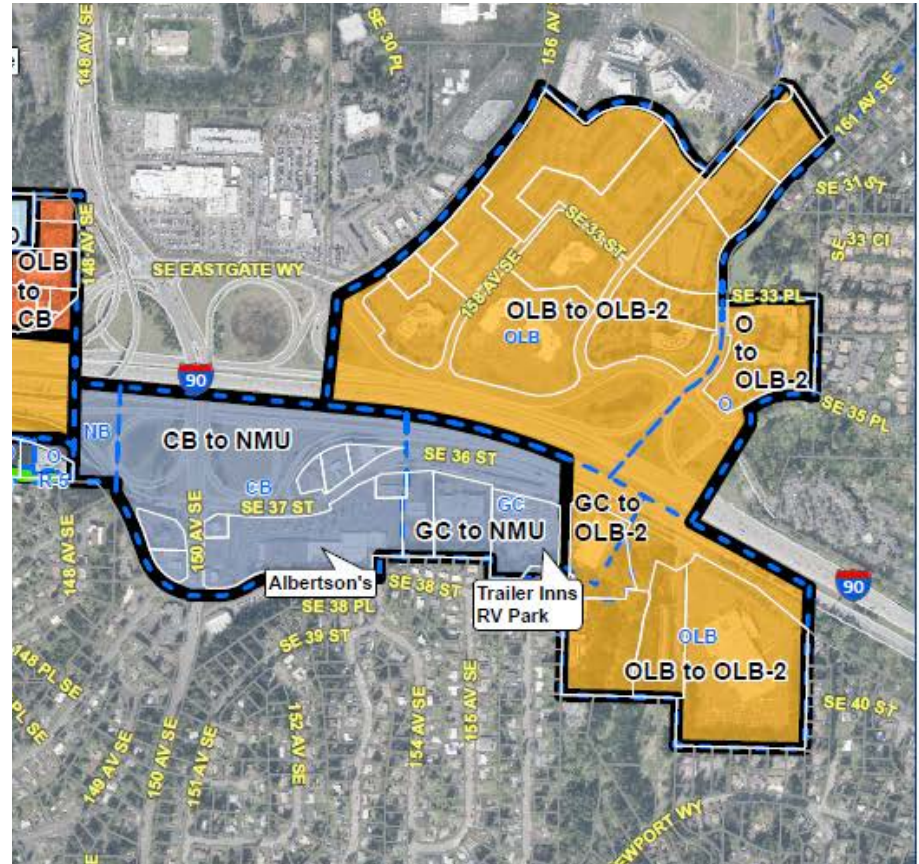
MEDIAN INCOME				
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Household Income	\$67,200	\$76,800	\$86,400	\$96,000
Max. Affordable Rent**	\$1,680	\$1,920	\$2,160	\$2,400
Max. Affordable Purchase***	\$256,110	\$292,700	\$333,540	\$374,380

Trailers Inn RV Park

Potential Development Scenario:

- 360 units mixed use development including 60 affordable units.
- **NEW:** 1.0 FAR base + 1.0 FAR Affordable Housing Exemption (2:1 Ratio, 80% AMI).
- **NEW:** 50% max. lot coverage allowed if **mixed use** and more than 50% of footprint is residential. (NB)
- **NEW:** Retain auto sales as a permitted use in NMU where zoning is currently GC.



Background-Where This Project Has Been

1. CAC Eastgate/I-90 Land Use & Transportation Study. (2010-2012)
2. City Council Approves the CAC Study. (2012)
3. Comprehensive Plan amendments completed. (2015)
4. Land Use Code Amendments
 1. Planning Commission reviews and makes recommendation. (2016)
 2. Council holds study session (Sep 2016)
 3. Council directs study of near term transportation improvements for 150th Ave SE and approves funding. (Nov 2016 and Mar 2017)
 4. Council holds study sessions to review code. (Mar 20 & Jul 10 2017)
 5. Tonight's study session. (Jul 24 2017)