

**Overview and Initial Issues Identification
Department of Planning and Development**

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Date Prepared: 10/17/2013

Expenditures/Revenues

	2014 Endorsed Budget	2014 Proposed Budget	% Change Endorsed to Proposed
Expenditures by BCL			
Annual Certification and Inspection	4,159	4,125	-1%
Code Compliance	4,849	5,675	15%
Construction Inspections	14,547	14,656	1%
Construction Permit Services	18,623	16,110	-16%
Department Leadership*	0	0	-
Land Use Services	6,157	12,606	51%
Planning	6,416	6,831	6%
Process Improvement and Technology	2,095	4,016	48%
Total Expenditures	56,847	64,019	11%
Total FTEs	397.25	399.75	1%
Revenues			
General Subfund	9,831	10,410	6%
Other Revenue Sources	50,847	56,664	10%
Total Revenues	60,678	67,054	10%

-Dollar amounts in millions rounded to the nearest 1,000.

* Expenditures are allocated to other BCLs.

Introduction:

The 2014 proposed Department of Planning and Development (DPD) budget includes an increase of approximately \$579,000 (6%) in General Fund contribution over the 2014 endorsed budget. DPD's proposed budget would provide authority for 399.75 Full Time Equivalent (FTE) employees in 2014. This includes restored funding for permit review staff that were laid-off during the recession. Increased expenditures and revenues primarily reflect a proposed internal reorganization, increased permit volumes, and related permit review and regulatory activity.

This memo discusses four potential issues under assessment that may lead to creation of greensheets or statements of legislative intent for later rounds of Council budget deliberations, identifies three additional issues that are currently under assessment, and discusses the proposed reorganization and the DPD fee bill proposed as part of the budget.

Identified Issues:

- 1. Planning Division Work Program and Council Priorities** – *Should the Council continue to ensure resources for Council-generated initiatives through some budgetary action?*

In the 2013 adopted budget the Council included Statement of Legislative Intent (SLI) 49-1-A-1 that directed DPD to develop a multi-year work program that could be used as a shared tool by the Council and Mayor to prioritize resources among projects, the funding for which is appropriated in the Planning Budget Control Level (BCL). Among other things, the Planning BCL appropriates funds for development of policy and regulations that are incorporated into the Comprehensive Plan, the Land Use Code, and other policy and regulatory documents that govern development of the built environment. Consistent with SLI 49-1-A-1, the Planning Division Director reports quarterly on work program development and briefs the Planning Land Use and Sustainability Committee on proposed new projects. The work program submitted with the third quarter SLI response is attached.

The work program SLI approach 1) allows the Council to periodically monitor the Planning Division's work program development to ensure that it is consistent with Council priorities, 2) gives the Council an opportunity to provide input on mid-year work program changes, and 3) creates a forum for the Mayor and the Council to arrive at shared priorities. If issues emerge for the Mayor and Council during the year, those initiatives can be considered with a better understanding as to what the trade-offs might be among existing priorities.

In the past the Council has imposed a proviso on a portion of the General Subfund appropriation in the Planning BCL to ensure that resources are available for Council-generated priorities. That proviso has been on as much as 20% of the adopted General Subfund appropriation in the Planning BCL. The proviso is lifted by ordinance after the Council has identified initiatives that require DPD staff support. Alternatively, the Council could impose a proviso limiting appropriations to fund work on a specific project or projects. In 2014 the proposed budget would appropriate approximately \$5 million in General Subfund to the Planning BCL.

Options:

- Approve a SLI that requires quarterly reporting on the Planning Division's work program.
- Impose a proviso on some portion of the General Subfund appropriation in the Planning BCL for Council-generated initiatives.
- Approve the budget as proposed.

2. Updating the South Lake Union Alternative Transportation Impact Mitigation Program – *Should the Council add revenue and increase expenditure authority to update the South Lake Union Alternative Transportation Impact Mitigation Program?*

In May the Council passed [Resolution 31449](#) as a companion resolution to the South Lake Union rezone ordinance. Resolution 31449 sets out the Council’s intent to fund an update to the project list and fees for the South Lake Union alternative transportation mitigation program.

Since 2004 there has been an optional State Environmental Policy Act (SEPA) based alternative transportation mitigation program operating in South Lake Union. Under this program, a developer can opt to make a mitigation payment based on the square footage of a proposed use as an alternative to project-level SEPA review for transportation impacts. The program is based on a 2004 area-wide transportation study of South Lake Union. The program identifies infrastructure projects that are eligible for expenditure of fee revenue and has primarily generated revenue for improvements to the Mercer corridor. In a February briefing to the South Lake Union Special Committee, the Seattle Department of Transportation (SDOT) estimated that the program had conditioned payment of \$11.7 million from projects inside and outside the South Lake Union Urban Center that would generate trips passing through the Urban Center.

In February 2011, DPD issued the Draft Environmental Impact Statement (DEIS) for the South Lake Union rezone. The Final EIS (FEIS) was issued in April 2012. The DEIS and FEIS identify infrastructure projects that would help mitigate the transportation impacts of development that may occur under the new South Lake Union zone designations. However, the cost estimation work needed to add these projects to the mitigation program and update its associated fee structure has not been done. Unless and until the program and fee structure are updated, the City may forego opportunities to collect fees based on a mitigation program that is scaled to the actual impact of future development in South Lake Union.

DPD and SDOT estimate that the total cost, in General Subfund, of updating the program would be approximately \$212,000, which includes:

- \$80,000 for a DPD consultant to update project lists, estimate project costs, and calculate a proposed fee;
- \$42,000 for a .25 FTE Planning and Development Sr. position, which could be either permanent or sunset, at DPD to review consultant deliverables, update Director’s Rules, and train DPD regulatory staff; and
- \$90,000 for SDOT policy and planning, capital projects, and traffic operations staff to coordinate with DPD, review consultant deliverables and participate in modeling and cost estimating activities.
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Options:

- a. Add .25 FTE, either permanent or sunset, and \$212,000 in General Subfund

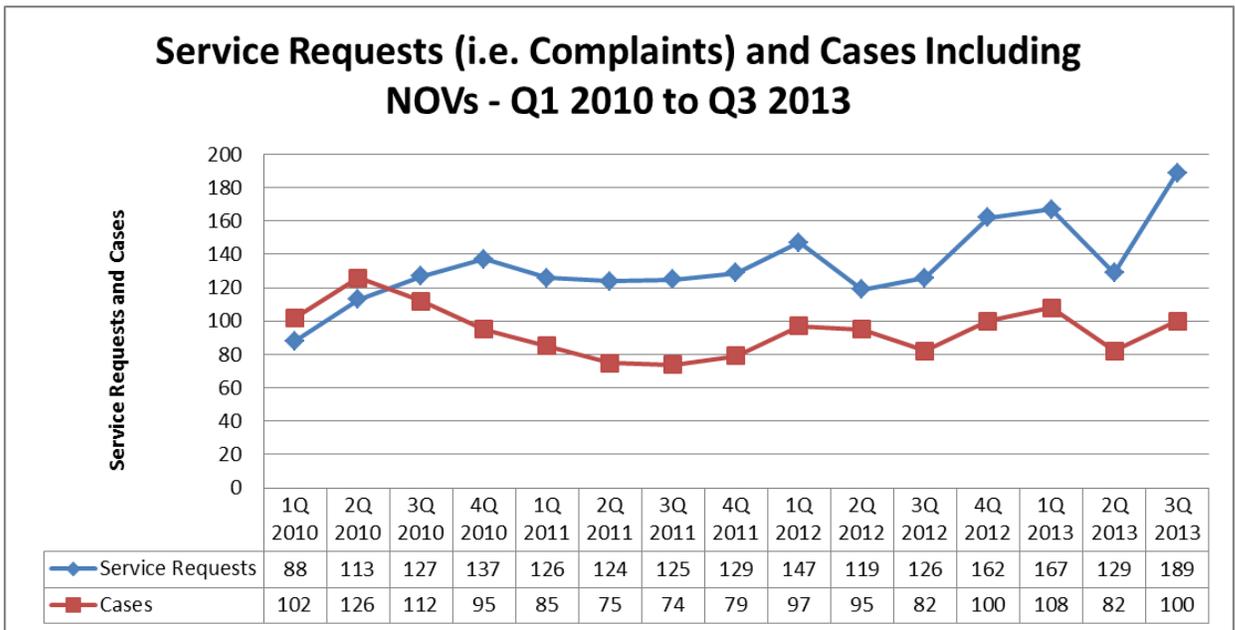
to the DPD and SDOT budget to update the South Lake Union Alternative Transportation Impact Mitigation Program.

- b. Approve the budget as proposed.

3. Housing / Zoning Inspector Supervisory Span of Control – Should the Council add a supervising housing / zoning inspector?

DPD’s Code Compliance Program responds to housing and zoning complaints, seeks voluntary compliance from owners found to have violated the Code, and support enforcement actions against non-compliant owners. The program employs ten inspectors, who respond to and investigate complaints, and one supervisor. Previously, the program employed two supervisors to achieve a narrower span of control. However, one supervisor position was eliminated during the recession.

Since 2010, housing and zoning complaints have increased by 8% and 10% a year for the years 2010-2011 and 2011-2012, respectively. Similarly, after a decline through the third quarter of 2011, the number of open cases and Notices of Violation (NOVs) have increased. Trends in cases slightly lag trends in service requests due to the interval between an initial investigation and opening a case.



DPD indicates that the addition of another Supervising Housing and Zoning Inspector would help level the supervisory workload, shorten the time to resolve open cases, and could result in other customer service improvements. The fully loaded cost of a Housing and Zoning Inspector Supervisor is \$146,195.

Options:

- a. Add \$ 146,195 in General Subfund and one FTE Housing and Zoning

- Supervisor to DPD's budget.
- b. Approve the budget as proposed.

4. Charles Street Yard Visioning – *Should the Council add \$30,000 to fund a visioning process for repurposing the Charles Street Yard?*

The proposed budget includes a \$30,000 General Subfund add to DPD in 2014 for consultant services to help develop a community-generated vision for the City-owned Charles Street Yard that includes housing, services, and open space. A \$70,000 General Subfund appropriation would follow in 2015 to continue the work.

The Charles Street Yard is under the jurisdiction of the Department of Finance and Administrative Services. The City uses the site for a variety of purposes including materials storage, maintenance of city vehicles, dispatch for SDOT and Seattle Public Utility crews, and maintenance space for the First Hill streetcar. A map showing the Charles Street Yard is attached.

The City has established procedures for the disposition of City property, which are set out in [Procedures for the Evaluation of the Reuse and Disposal of the City's Real Property](#). These procedures set out a classification system for designating City property. Classifications range from Fully Utilized Municipal Property to Surplus Property. The Charles Street Yard is currently classified as a Fully Utilized Municipal Property. Moreover, these procedures prescribe development of a public involvement plan that is approved by Council for "complex" decision involving the disposition of excess property. By definition a decision is "complex" when the estimated fair market value of a property exceeds \$1 million. The King County assessed value for the Charles Street Yard is approximately \$20 million.

A visioning process that precedes or supplements the normal procedures outlined for disposition of City property could create an unreasonable expectation for reuse and redevelopment, particularly when the property is currently fully utilized and may not be eligible for recategorization to excess property.

Options:

- a. Cut \$30,000 for Charles Street Yard visioning from DPD's proposed budget.
- b. Impose a proviso on DPD's budget limiting use of appropriations for Charles Street Yard visioning until the property has been categorized as excess and a public involvement plan has been approved by Council.
- c. Approve the budget as proposed.

Potential Issues Under Assessment:

- *Permitting assistance for Seattle School District Building Excellence (BEX) levy projects.* In February 2013, Seattle voters approved the Seattle School District's

Building Excellence IV capital levy. The levy will raise approximately \$695 million over its life for new school construction, renovations, seismic retrofits, and other projects. The District must apply for permits and receive permissions for construction from a variety of City departments including SDOT, DPD and the Department of Neighborhoods. Staff is assessing whether there are budgetary interventions that could facilitate the permitting process.

- *Outreach for implementation of the Rental Registration and Inspection Ordinance (RRIO) program and seismic retrofits for Unreinforced Masonry (URM) buildings in the Chinatown / International District.* The proposed budget appropriates \$150,000 to Finance General to support culturally-specific outreach to communities in the Chinatown International District and elsewhere related to program requirements for the RRIO program and URM retrofits. Staff is assessing whether the proposed appropriation should be appropriated to a specific department's budget. In addition, Councilmember Conlin is proposing a proviso that would direct \$80,000 to a Community Outreach Pilot Project proposed by the Seattle Chinatown International District Public Development Authority.
- *Resources for updating land use regulatory incentive programs.* Through the first quarter supplemental budget ordinance the Council appropriated \$200,000 to the Legislative Department and \$85,000 to DPD to fund consultant resources to, among other things, conduct economic analyses, review best practices, and update nexus studies for the City's land use regulatory incentive programs. These programs allow developers to access bonus floor area in exchange for the provision of affordable housing, childcare, public open space, and the purchase of transferable development rights. Since passage of the first quarter supplemental budget ordinance some Councilmembers have expressed the desire to expand the scope of the childcare bonus. Additionally, the Supreme Court's decision in *Koontz v. St. Johns River water Management District* may require additional analyses for program expansions or modifications. Staff is assessing whether additional resources may be needed for the update of the land use regulatory incentive programs.

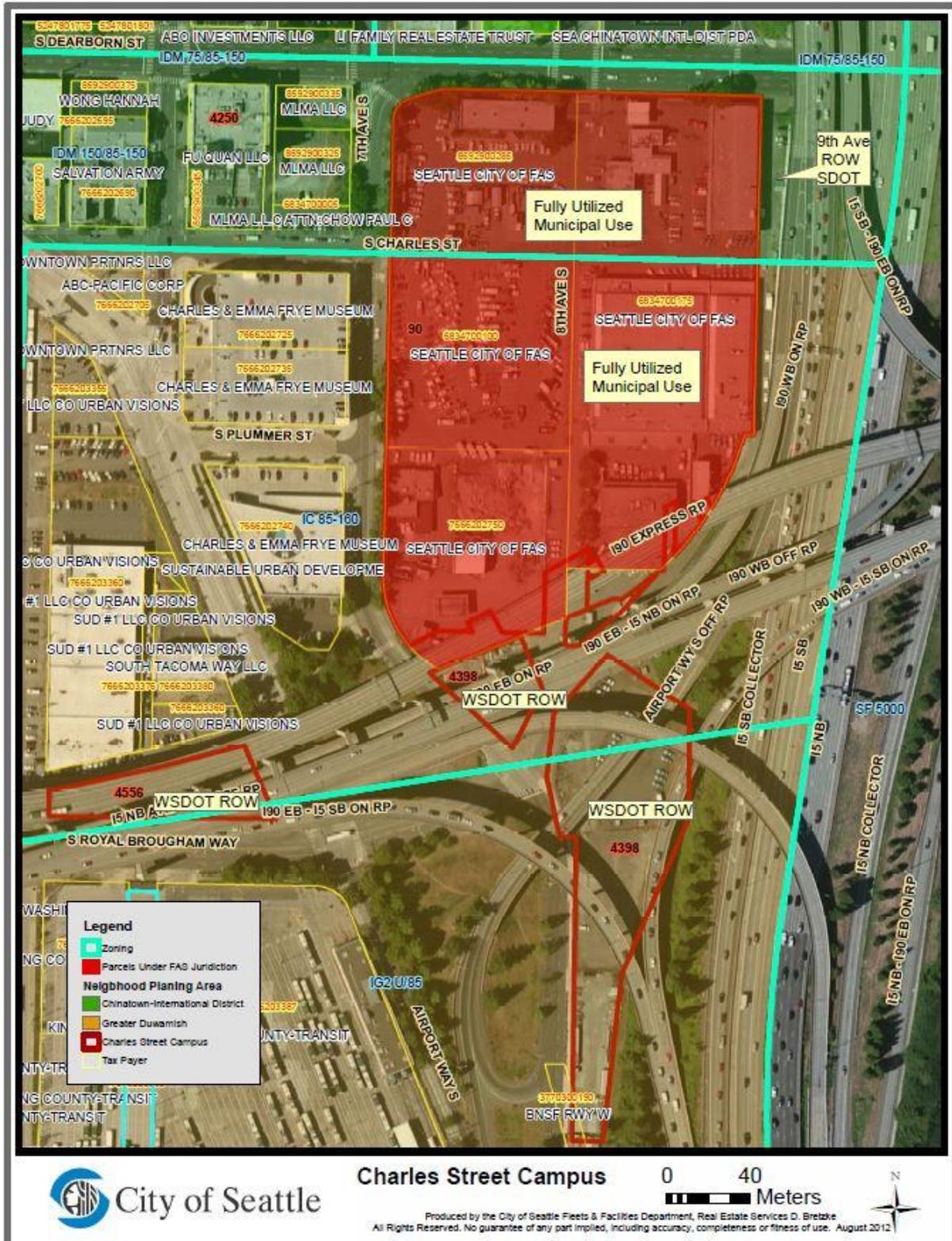
Other Changes that Do Not Warrant Analysis as "Issues":

- *Operations Division Reorganization* – The proposed budget contemplates an internal reorganization of the Operations Division. The Operations Division is primarily responsible for DPD's regulatory functions including permit review, permit issuance, and inspections. The reorganization will require reallocation of appropriation authority across BCLs and a one-time, non-General Fund appropriation of \$250,000 for space reconfiguration.
- *DPD Fee Bill* – The proposed budget includes a bill that would add fees for the RRIO program to DPD's Fee subtitle. Fees are designed for full cost recovery of DPD's regulatory functions and would not increase General Fund revenue.

Attachment 1: Charles Street Yard

Attachment 2: DPD 3rd Quarter Work Program

Attachment 1: Charles Street Yard



Attachment 2: Work Program, Q3, 2013

DPD City Planning Division (Working DRAFT)

Work Plan 2013-2015

Revised 09/27/13

Legend:

O	Ordinance	Complete
R	Resolution	Underway
On Appeal		Due Date or Milestone
On Hold		Scope tbd
		Ongoing

Programs and Projects	Origin	Project Manager	FY 2013				FY 2014				FY 2015				Deliverable	Comments		
			FTE	1Q	2Q	3Q	4Q	FTE	1Q	2Q	3Q	4Q	FTE	1Q			2Q	3Q
A. Core Planning Functions			10.85					10.35						10.35				
1. Design Commission		Jenkins	3.00					3.00						3.00				Statutory public project design review
2. Planning Commission		Wilson	2.50					2.50						2.50				Statutory advisory public policy review; LRRP
3. GIS Services		Pettyjohn	1.00					1.00						1.00				Buildable lands data; development capacity & growth mapping
4. Demographics		Canzoneeri	1.00					1.00						1.00				Demographic Information Systems & Citywide forecasting services
5. Division Administration		Skelton	3.00					2.50						2.50				Division Management and Administrative Support
6. Major Institution Monitoring		Clowers	0.25					0.25						0.25				Monitor Major Institution compliance with Master Plan & TMP
6. State Legislation Monitoring		Skelton	0.10					0.10						0.10				Monitor legislature and work with OIR to represent DPD/City interests
B. Area Planning and Urban Design Work Program			8.65					10.05						7.45				
a. Broadway UDF & TOD	C 30774	Murdock	1.00														UDF & Leg.	Develop Urban Design Framework; complete Development Agreement
b. Roosevelt Guidelines	O 123094	Wentlandt	0.20														Rezoning	Rezoning complete; Design Guidelines in Dev. With community.
c. Greenwood Rezone	O 123094	Clowers	0.20														Rezones	Analysis of neighborhood recs; pending Hearing Examiner decision on appeal
d. Wedgwood		Kofoed	0.05					0.10									Legislation	Assistance w/design guidelines and zoning analysis
e. SLU Rezone/Follow-up/Design Guidelines		Holmes	0.50					0.50									Legislation	SLU Follow-up, including Design Guidelines
f. Georgetown Zoning Review	R 31026	Holmes	0.25					0.25									Rezoning	Review zoning and land use in neighborhood and adj. industrial areas
g. U District Urban Design Framework		LaClergue	2.00					2.00						2.00			UDF & Rezone	Urban Center and Station Area Plan, UDF, Zoning Analysis
h. Interbay		Carroll	1.00					0.25									Rezoning	Coordinate with SDOT HCT corridor(s) review/define possible land use changes
i. Northgate	Grant	Clowers	0.75					0.50									Rezoning/DA	Development agreement for transit oriented dev. @ Lt. rail stn.
j. Lake City Urban Design Framework		Sheehy	0.75					1.25						1.25			Rezoning	Evaluate zoning options for large lot redevelopment
k. Uptown Urban Design Framework		Murdock	1.50					1.50						2.00			UDF & Rezone	Analysis of land use and zoning from Uptown to So. Lake Union
l. Pike/Pine		Meier	0.25														Legislation	Amendments to Conservation Overlay District and Design Guidelines
m. Belltown		Meier						0.50									Legislation	Review and update neighborhood zoning
n. Ballard Urban Design Framework			0.20					1.50						1.75			Legislation	Urban Design analysis and possible land use and zoning amendments
o. Urban Design Framework Dev and Review		Wentlandt	0.20					0.20						0.20			Plan	Participate in the review and development of multiple UDFs
p. Street Master Planning		Wentlandt	0.20					0.30						0.30			ROW Manual	Development of street master plans for incorporation into ROWIM
q. N'borhood Design Guidelines		Bicknell	0.20					0.20						0.20			Legislation	N. Rainier, Eastlake, Capitol Hill, Wedgwood
r. Green street planning and design		Wentlandt	0.20					0.30						0.30			Rule	Plan for development of a designated Green Street
s. SR 520		Bicknell	0.20														Resource	Resource for project team in the review and approval of design
C. Community Development Work Program			4.70					4.10						1.50				
a. Little Saigon		Liu	0.25					0.25									Action Plan	Actions to support community development objectives
b. Mt. Baker	R 31204 / Q 122700	Bicknell	0.20					0.05									Legislation	Rezones and text amendments to implement Plan updates
c. Broadview/Bitter Lake/Haller Lake		Goldberg	1.00					0.05									Legislation	UDF, rezones, text amendments
d. Rainier Beach Action Plan		Scully	1.00					0.75									Coordination	Supporting local community in implementing action plan.
e. Chinatown/Charles St.		Liu	0.05					0.25						0.25			UDF	Community vision for the re-use of the City's Charles Street Yard
f. Delridge		Liu						0.50						0.50			Legislation	Zoning, streetscape and urban design review

DPD City Planning Division (Working DRAFT)

Work Plan 2013-2015

Revised 09/27/13

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			FTE	1Q	2Q	3Q	4Q	FTE	1Q	2Q	3Q	4Q	FTE	1Q		
g. 23rd and Union/Cherry/Jackson		Hu	1.50				0.75		*						Legislation	Analysis of neighborhood environment to encourage re-investment
i. Multicultural Community Center		Liu	0.50				0.50				*				Coordination	Support development of community center
o. I-go Station/Rainier Avenue Corridor		Liu					0.50					0.25		*	Rezoning	Evaluate and update corridor land use and transportation
j. TOD Implementation		Moore	0.20				0.50					0.50			Coordination	Coordinate actions to support TOD in station areas around the city
D. Center City Work Program			2.25				2.25					2.25				
a. Center City Project Management		Johnson	0.50				0.50					0.50			Coordination	Center City livability and urban design initiatives
b. Pioneer Square		Johnson	0.20				0.20					0.20			Legislation	Liaison w/community in revitalizing PS
c. Yesler Terrace Interagency Coordination	SHA	Johnson	0.05				0.05					0.05			Coordination	City participation in Yesler Terrace re-development
d. Central Waterfront Committee	R 31264j	Foster	0.50				0.50					0.50			Coordination	Staff Committee; manage public outreach & reports to Council and Mayor
e. Waterfront / Center City Framework	R 31264j	Foster/Meier	1.00				1.00					1.00			Coordination	Development of a Framework Plan for waterfront and public spaces
E. Comprehensive Plan Work Program			1.70				3.70					3.70				
a. Comprehensive Plan Annual Amendments	GMA	Carroll	0.30				0.30					0.30			CP Amends	On-going annual amendments to Comp Plan
b. Comprehensive Plan Update	GMA	Hauger	1.00				3.00					3.00		*	CP Amends	Update of Comprehensive Plan mandated by state GMA
c. Regional Coordination	GMA	Hauger	0.30				0.30					0.30			Ongoing	Regional coordination under the Growth Management Act
d. Infrastructure Coordination		Staley	0.10				0.10					0.10			Process	Align infrastructure needs w/growth and for Capital Depts. to work together
F Land Use Policy Work Program			9.80				7.15					4.25				
1. Land Use			7.80				3.70					1.25				
a. DMIC Industrial protections	MOU	Hauger	1.00				0.50		*						Legislation	Consider protections for industrial uses in light of Arena proposal
b. Stadium Area Overlay District	MOU	Johnson	1.00				0.50		*						Legislation	Eval provisions of overlay to enhance visitor experience around stadia
c. Urban Agriculture		Staley	0.10				0.05								Policy	Addresses code obstacles to urban ag; urban ag. IDT
d. Citywide Design Guidelines		Pennucci	0.20				*								Legislation	Updates Citywide Design Guidelines for MF and Comm Buildings
e. Incentive Zoning Review & Evaluation	R31104	Staley	1.00				0.50		*						Legislation	Reevaluate incentive zoning structure and pursue simplification
f. Regional LCLIP		Staley	0.50												Legislation	Establish program for TDR from rural County to South Lake Union
g. Wall Signs		Clowers	0.20				*								Legislation	To address abuses of City Sign Regulations for off-premises signs
h. Planned Development/Talaris		Wentlandt	0.25												Legislation	Proposal to address innovative development of large site
i. Industrial Development Districts		Carroll	0.10												Legislation	Encourage Industrial uses to locate or expand in MIC
j. Design Review Eval and Amends		Bicknell	0.50				0.50		*						Legislation	Eval DR Program to improve outcomes and promote efficiencies.
k. Major Phased Development		Goldberg	0.25				*								Legislation	Amendments to vesting to remain consistent with intent of the process
l. Historic Theater Bonus		Meier	0.20				*								Legislation	Evaluate further opportunities to support preservation of historic theaters DT
m. Omnibus		Mills	0.25				0.25			*		0.25		*	Legislation	Annual bundled Code amendments
n. Coordinated Street Furniture		Holmes	0.20				0.20		*						Legislation	Amendments to allow advertising in row to fund infrastructure
o. Small Lot Development		Mckim	0.20				*								Legislation	Interim and permanent regulations governing building on small lots in SF
p. P zone designations		Pennucci	0.75				0.20	*		*					Rezoning	Complete mapping where street level, single purpose housing is allowed
q. Downtown Clean-up		Kofoed	0.10				*								Legislation	Minor amendments to DT zones for consistency
r. Central Waterfront Amendments		Meier	0.20				*								Legislation	Ensures zoning is consistent with goals for redesigned waterfront

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DEPARTMENT OF PLANNING AND DEVELOPMENT

DPD City Planning Division (Working DRAFT)
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s. Living Buildings/Deep Green	R 31400	Pennucci	0.25				*	0.25				*					Legislation	Develop Seattle specific incentives for living and deep green buildings
t. Marijuana Regulations		Staley	0.20														Legislation	Develop regulations on where Marijuana business may locate in city
u. Midrise Amendments		Staley	0.10														Legislation	Amend criteria for Midrise Bonus when abutting Single Family
v. Micro-apartments		Wentlandt	0.20				*										Legislation	Examine adequacy of provisions related to new forms of housing development
w. Major Institutions		Goldberg						0.50					1.00			*	Legislation	To evaluate effectiveness of MIMP process and standards
x. Minimum Development Requirements		Pennucci	0.05				*	0.25			*						Legislation	Evaluate and propose minimum development densities in urban centers and villages
SUAC		Unassigned															Legislation	Eval SUAC process and propose amendments to streamline process
SEPA Policies		Unassigned															Legislation	Reevaluate and update Seattle's SEPA policies
Planned Developments		Unassigned															Legislation	Evaluate options to allow flexible redevelopment of large sites
C1 zones		Unassigned															Legislation	Reevaluate the purpose and criteria for automobile oriented zones
Cottage Housing		Unassigned															Legislation	Develop standards and criteria for allowing cottage developments
Signs, General		Unassigned															Legislation	Re-evaluation of Sign regulations.
Official Land Use Map		Unassigned															Legislation	Work with Law to replace current Official Land Use Map
2. Environment			2.00					3.45					3.00					
a. Shoreline Master Program Update	DOE	Glowacki	1.00					0.25		*							Legislation	Complete new SMP. Including training, Rules, and public information.
b. Shoreline Restoration Planning	DOE	Glowacki	0.10	*													Policy Plan	Part of DOE requirements for new SMP
c. Tree Protection Regs and Incentives	R 31138	Staley	0.10					0.20		*							Legislation	Dev. of incentives and regs. for trees on private property
d. Urban Forestry Commission	"	Staley	0.05					0.05					0.05				Staffing	Per Council 31138, staffing Tree Commission
e. HEP (Formerly SAMP)		Glowacki	0.10					1.00					1.00		*		Program	Alternative mitigation for freshwater & extend to marine shorelines
f. Green Shorelines	Grant	Glowacki	0.10					0.10					0.10				Incentives	Develop incentives for shoreline restoration (4 year process)
g. ECA Update		Glowacki	0.25					0.50					0.50		*		Legislation	Periodic update to Critical Areas Code
h. Duwamish Public Access Plan		Glowacki	0.10					1.00					1.00		*		Plan	Identify opportunities to focus public access and project mitigation in Duwamish
i. Stormwater and LID		Laclergue	0.10					0.25					0.25		*		Legislation	New requirements under NPDES permit process; Monitoring and reporting in 2015
j. Recovery Planning		Podowski	0.05					0.05					0.05				Policy	Plan for recovery following natural disaster
k. Transportation Support		Kofoed, et.al.	0.05					0.05					0.05				Ongoing	Review of major transportation initiatives & Environmental Documents
Planning Division FTE			37.95					37.60					29.50					