



City of Seattle

Department of Planning and Development

Diane M. Sugimura, Director

MEMORANDUM

TO: Councilmember Mike O'Brien, Chair, PLUS Committee
Councilmember Tim Burgess, Vice-Chair, PLUS Committee
Councilmember Nick Licata, Member
Councilmember Sally Clark, Alternate

FROM: Diane M. Sugimura, Director

DATE: January 21, 2014

SUBJECT: DPD PLUS Committee Briefing: January 24, 2014

LOOKING BACK ON 2013; LOOKING FORWARD IN 2014

Thank you for this opportunity to provide a high level summary of 2013, an amazing year of planning and development activity in the city. And, as we look forward to the year ahead, 2014 appears to be on a similar trajectory. If you would like a more detailed discussion of any of this information, we would be glad to report back to Committee in the future.

Development Activity

Construction Permits: To say we have been busy is an understatement. As you recall, by mid-2012, we were seeing a significant upturn in development activity, and that only sped-up in 2013. Issued construction permits were valued at more than \$3 billion, a 27% increase over 2012. Intake values surpassed \$4 billion, about 65% increase over 2012. When adjusted for inflation, this represents the highest year since we have been tracking this information, back to the mid-1980s. As a comparison, the highest point pre-recession was \$3.7 billion in 2006. The intake figure is generally a good indication of 2014 and 2015 development activity ... these are the projects that have invested a significant amount of money and effort by completing their engineering drawings. Based on what we heard from applicants, some of this was also pushed by the desire to vest before the new Energy Code became effective in late December.

Master Use Permits: We continue to see an increase in Master Use Permits (MUPs) – 687 in 2013 for an average of 57 per month. This has been steadily increasing since the low of about 30 per month in 2010, but does not come close to the high in 2007 of 93 per month. MUPs are the first step of the permitting process, another indication of potential future development activity.

Residential Development: Residential development continues to be strong, but not quite as strong as last year. In 2012 we issued permits for more than 9,000 new units (net), compared with almost 7,750



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in 2013. Actual production in 2013 resulted in almost 6,300 units that were finalized (completed and received Certificate of Occupancy), the second highest annual total in the past 20 years (almost 7,000 units completed in 2009). We still have many more units issued but not finalized, or in the permitting pipeline.

Permitting Metrics: We continue to post our appointment times, each week, for ten categories of coaching, pre-submittal and intake appointments. This allows applicants to plan ahead for scheduling their appointments. We try to keep the appointments at 3-4 weeks out at the most. E-Plan (electronic plan) submittal has helped this since we are able to take in more using fewer staff resources. This also encourages applicants to use the electronic submittal, helping us to move completely to electronic plan submittal and review. As the appointment times start inching up, managers adjust staff resources, balancing intake and review times.

In terms of permit review targets, we post these monthly on our site. Below is the year end summary. Considering the workload, and the time it takes to hire up, I believe we've done a pretty good job of coming close to or meeting our initial review targets, in spite of the huge surge in applications.

- 48 hour initial review (goal = 80%): 94%
- 2 week initial review (goal = 80%): 65%; 91% within 3 weeks
- 4 week initial review green residential (goal = 80%): 64%; 96% within 5 weeks
- 6 week initial review green non-res (goal = 80%): 71%; 87% within 7 weeks
- 8 week initial review (goal = 80%): 79%; 90% within 9 weeks
- 120-day MUP total review (goal = 80%): 80%
- 120-day construction total review (goal = 90%): 95%

Looking Forward in 2014: As noted above, we anticipate development activity will continue on a similar pace in the year ahead. DPD management monitors permit activity and staff resources almost daily. We have many reports and dashboards. We are continuing to hire, as long as it appears we have a trend so we can count on future revenues. We continue to encourage applicants to move to E-Plan (currently at about 70%), and we continue to look for ways to make improvements to our permitting systems. We have been working with the Chamber, and are in the midst of planning several stakeholder meetings to discuss process improvements, per Council's SLI. Mayor Murray seeks a permitting process that is predictable and consistent, clear and understandable, recognizing that delays and complexities can translate to added costs and time. His goal is a process that is effective and responsive, without sacrificing appropriate review and oversight.

In the midst of all of this, the department is also working on upgrading its outdated permit system. Our current Hansen system is end-of-life technology and DPD has new emerging business needs that require major enhancements to our permitting system. We are seeking to: 1) improve user interface for external customers and provide more online access to services and information; 2) improve permit tracking and workflow systems; 3) improve alignment with our electronic plan (E-Plan) submission and review program; 4) allow more use of mobile field technology for inspections; and 5) provide property and building data to inform those processes, as well as DPD's long-range planning functions.

We are also continuing the work on the Retrofit Policy for Unreinforced Masonry Buildings (URM). Our objective is to help protect the general public, to help maintain important historic and character buildings in our older neighborhoods, and to make the city more economically resilient. Based on

recommendations and discussions with our advisory group, we have a draft proposal for the retrofit requirement, and are currently engaged in public outreach with communities that would be most affected by such a program (such as Pioneer Square, Chinatown/International District, Ballard, Capitol Hill, Columbia City). A significant and as yet unresolved issue is financing. City Council has provided funding for consultant services for a cost-benefit analysis and financing options; the report is to be ready very soon.

Code Compliance

We continue to be very busy in this area as well – managing caseloads efficiently, gaining compliance voluntarily whenever possible, and making some organizational adjustments to address staff reductions made during the recession.

We primarily have a complaint-based system. In the past year, we received almost 10,000 complaint calls, and more than 3,000 on-line submittals, plus written requests. This resulted in almost 5,000 service requests. After investigating, 43% or 2140 became violation cases, for which we pursue voluntary, or if necessary, enforced compliance. In terms of types of cases, weeds and vegetation cases have been down significantly since 2010, when we changed our enforcement approach due to cuts in staff. That is, if there appears to be a hazardous condition, such as overgrown vegetation forcing people to walk in the street, or a tree blocking a stop sign, we will investigate and follow-up with an enforcement action. However, when there is not a hazardous condition, we send out a notice to the owner indicating that we received a complaint, and instructing them on compliance. In terms of increases, we've seen more in the areas of the housing code, and relocation / eviction.

We fielded many questions related to rent increases, the Tenant Relocation Assistance Ordinance (TRAO), and similar concerns. This is likely due to all the development activity, both new and major rehabilitation of housing. There were 169 TRAO payments, totaling \$253,669, up from 100 payments in 2012. The section also fielded many questions about rent increases and worked with a wide range of property owners to ensure they knew the requirements for giving proper notice about rent increases.

Some highlights of compliance activity in 2013, include:

- Emergency Orders: In the month of December, DPD inspectors responded to 23 calls that were potential emergency situations, including lack of heat or water, sewer breaks, and incomplete structural repairs. In December of the prior year, only 4 such calls came in.
- Vacant Buildings: These enforcement actions can be particularly challenging when the property is in the process of foreclosure or has been abandoned by the mortgage holder. It is sometimes difficult to ascertain who has the authority to respond to correction notices and take action to address the problems. Since April 2013, our vacant building inspector has been working with a private company called Compliance Connections that acts as a point of contact for both governments and lending institutions or servicers to address problems with buildings in foreclosure, at no cost to the government agency. With their assistance, our inspector has been able to identify and contact the responsible lending institutions on 94 properties to date.
- Junk and Debris: DPD can take action to clean-up problem properties when the owner cannot or will not take action; a court order is needed. In 2013, we obtained 8 orders to clear properties of dangerous levels of junk and debris; 6 have been completed and two are pending.
- Marijuana: Since mid-2011, DPD has received complaints on about 24 marijuana businesses, 7 of these in 2013. While complaints prior to 2013 were primarily related to dispensaries, we are starting to see more complaints about grow or production facilities.

- Fire Safety – The Louisa Hotel in Chinatown/International District: The Mayor asked departments to provide a coordinated response to address the public safety issues first, and then provide assistance to the property owners and displaced business owners to help them in the recovery process. In addition to the Fire Department response, DON (neighborhood and historic preservation), DPD (building safety and access), SDOT (closure of alley and sidewalks), SPU (access to waste receptacles in the alley), and CL (power) were at the site almost immediately. Since then, DON, OED and DPD have formed an interdepartmental point-of-contact team to assist the owners with the future of the structure and site, and provide technical assistance for the street level businesses.

RRIO – Program Roll-out in 2014: Much work was done in 2013 to establish the standards, fees, processes, the technology system, broad outreach, etc. This has been a huge undertaking for a complex new proactive inspection program. Working with the stakeholders has continued to be very helpful. Earlier this month, Councilmembers also received a briefing document (attached) that describes the current status of the program. While the technology system is taking longer than anticipated, we are still on track to meet the first deadline for registration, July 1, 2014.

On Water Residences (“Houseboats”): This has been a challenging and contentious issue. At this time, I am pleased to say, I believe we have made significant progress. We continue to work with stakeholders on the draft Director’s Rule (DR) that is to clarify the requirements of the existing Shoreline Code in terms of on water residences, often referred to as “houseboats.” We’ve worked closely with the state Department of Ecology to make sure we are consistent with the state guidelines; we’ve also worked with state Department of Natural Resources. We will soon be posting responses to the many questions received. In addition, last week we met with some key stakeholders to discuss the latest revisions to the DR. It was a good meeting. We will publish the official draft DR shortly.

City Planning

The Planning division continues making good progress on a very large and ever-expanding work program. Attached is the 4th Quarter 2013 report, which provides an update on key projects, and an updated work plan for 2014, moving into 2015.

Some of the major activities that continue into 2014 include the Comprehensive Plan Major Update; area planning and community development activities in the University District, Uptown, Ballard, 23rd and Union/Cherry/Jackson, and some exciting implementation activities in Rainier Beach. Multiple topics of legislation will be coming before this Committee, including in the coming few months – small lots in Single Family zones, micro-housing, Mt. Baker rezoning, Waterfront amendments and the update to the Living Building Challenge ordinance. All community efforts use the Innovative Outreach and Public Engagement Toolkit, and incorporate significant effort to reach out to traditionally underrepresented communities.

Department Hiring

DPD’s very small Human Resources unit has been extremely busy. In 2013, we completed 125 appointments, which included 40 promotions, 34 new hires, 32 temporary positions, and 19 out-of-class opportunities; we currently have 23 recruitments in process. We anticipate the number of recruitment processes will continue to remain high in 2014 due to turnover, promotional opportunities and increased volumes in permitting activity. The great majority of these positions have been in the Operations division; however, all the other divisions have had some turnover and a few new positions

as well. In 2013, DPD also hired a person specifically to manage Public Disclosure Requests, acknowledging the time and effort required to respond adequately to the many PDA requests that come to the department.

RSJI Activities

RSJI principles continue to play an important part in our day-to-day work, whether review of our policies and procedures for potential for disparate impacts, use of “plain language” for our website and documents, or promotional and hiring processes. To date 46% of our workforce has been trained to conduct or be members of hiring processes using RSJI principles. Internally, our “DPD Talks!” series have been very well attended. The most recent one, “Cracking the Codes: The System of Racial Inequity” has been very well-received with requests for further sessions. So far, we have had 135 people attend the three sessions, including 121 from DPD and 14 from other departments. We have scheduled a fourth session due to requests for another session. In terms of WMBE goals, we reached 24% for purchasing, although our goal was 35%; we have, however, significantly surpassed our 12% consulting goal by reaching 23%.

Attachments:

- RRIO Update, January 14, 2014
- City Planning 4Q 2013 Report to Council, December 30, 2013
- RSJI Briefing Memo, October 4, 2013