



City of Seattle

Department of Planning and Development

Diane M. Sugimura, Director

MEMORANDUM

TO: Councilmember Sally Clark, Chair, COBE
Councilmember Sally Bagshaw
Councilmember Tim Burgess

FROM: Diane M. Sugimura

DATE: December 19, 2011 [corrected version]

SUBJECT: Committee Briefing: November Permits and ... Looking Back Over Four Years at COBE

A big THANK YOU to Councilmember Sally Clark for your careful guidance through the always challenging waters of land use. We knew we could always count on you to consider issues in a very thoughtful manner, understanding the complexities of the code (even incentive zoning), raising important issues, and being able to handle the toughest controversies in a calm and forthright manner, peppered with appropriate spirit and mirth. Thank you for the past four years.

Permit Activity for November

November was a relatively strong month for intake with approximately \$171 million in value coming in. Year-to-date intake value is \$1.8 billion which is slightly below last year. Issue value, however, is significantly higher than last year – \$2.1 billion compared to \$1.4 billion. The number of building permit applications this year has been 6,855 compared to 5,957 last year. Thus, although the value has remained relatively flat the number of permits needing to be reviewed and processed has increased by more than 15%* which continues to be a challenge with our current staffing levels. The number of permits issued this year is 6,615 compared with 5,820 last year.

[*corrected from the earlier version that said 13%]

In November, 34 MUP applications came in. Although MUP applications have only shown a modest increase over last year (6.25%), we have recently seen an increase in the number of EDG applications, an encouraging sign for future development.

For November, we met our targets on initial review in all categories:

- 48 hour initial review (goal = 80%): 97%
- 2 week initial review (goal = 80%): 81%
- 8 week initial review (goal = 80%): 91%
- 120-day MUP total review (goal = 80%): 73%
- 120-day construction total review (goal = 90%) 97%



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Revenues seem to have stabilized. We have some great new staff coming on to fill positions where people have retired. We continue to look at revenues and staffing needs, and hope to be able to make some decisions soon about possible limited hiring while also building back our core staffing reserves.

A Quick Review of the Past Four Years

A Summary of the Volatility in the Construction Industry

Overall, the Committee of the Built Environment has had firsthand experience with the highs and lows of the development industry. The development boom was extremely strong; the decline was very severe. It is also important, however, to look at the past four years in the context of the broader picture. Attached are graphs that illustrate what has been happening in the world of permitting since 1990. These tell a much more complete story. For example, in spite of the very significant decline we felt in recent years, we are still higher than the 1991 to 1996 period.

	2008*	2011 thru Nov. (prorated for year)	Highest Years Since 1990*
Construction Permit Applications <ul style="list-style-type: none"> • Volume • Value 	<ul style="list-style-type: none"> • 7,369 • \$3.0 billion 	<ul style="list-style-type: none"> • 6,855 (7,478) • \$1.8 billion (\$2.0) 	<ul style="list-style-type: none"> • 2006 = 9,347 • 2006 = \$3.5 billion
Construction Permits Issued <ul style="list-style-type: none"> • Volume • Value 	<ul style="list-style-type: none"> • 7,890 • \$2.7 billion 	<ul style="list-style-type: none"> • 6,615 (7,216) • \$2.1 billion (\$2.3) 	<ul style="list-style-type: none"> • 2007 = 8,865 • 2007 = \$3.4 billion
New residential units permitted	7,155	4,683 (5,620)	2007 = 9,193
Master Use Permit Applications	741	374 (408)	2007 = 1,121

*CPI adjusted

And in case you were wondering: In the past four years, the Committee has reviewed, discussed and made decisions on 34 Type IV or Type V applications. These can be some of the most challenging projects, which is why they require Council approval.

Code Violation Program Highlights

Below we highlight some of the more memorable topics that were handled by the Code Compliance Division. The team continued responding to complaints received, resolving compliance issues, as well as taking on new program development, all while seeing staff resources dwindle.

Rental Housing Regulation: A significant and ongoing project has been how to regulate rental housing to help ensure safe housing. In response to state legislative action, in 2010 Council adopted legislation as a “placeholder” on the topic. DPD was asked to obtain input from stakeholders and develop a

recommendation concerning potential licensing and mandatory inspection for rental housing. We anticipate sending our recommendation to Council early in 2012.

Roosevelt Neighborhood Enforcement Issues: Over the past four years properties owned by one couple continued to present significant community complaints and code violation findings. Since January, 2008, the Law Department filed 12 DPD code enforcement cases against these owners, which resulted in:

- 6 decrepit houses demolished at the owners' expense in lieu of money judgment
- 3 judgments (for junk storage violations) totaling \$56,295 paid by the owners
- 3 judgments (for housing code violations and non-payment of tenant relocation assistance) in the amounts of \$247,400, \$368,000, and \$50,721 have been appealed by the owners and are pending in the Court of Appeals.

New Enforcement Issues: Several topics emerged in the past several years that had not previously been significant enforcement issues, including

- bedbugs
- chickens (including "transgender hens")
- vacation rentals
- medical marijuana

Violation Complaint Volumes: The volume of violation complaints by type of issue is shown below. Construction related complaints remain at lower levels than several years ago, consistent with the drop in construction activity. The recession and its ripple effects are likely also a factor. Vacant building complaints have decreased in the past two years, somewhat counter-intuitively, given the higher level of home foreclosures and persistent problems associated with a small number of foreclosed properties.

CODE VIOLATION COMPLAINTS BY TYPE, 2006-2011

Problem Type	2008	2009	2010	2011*
Construction	1,159	994	926	871
Noise**	261	194	190	192
Housing/zoning	3,900	3,701	3,454	3,110
Housing	434	461	456	464
Unfit bldg/premises	5	3	2	3
Vacant building	263	250	198	219
Vegetation overgrowth***	1,498	1,221	1,332	1,048
Land Use/Zoning (incl. shoreline)	1,700	1,766	1,466	1,376
Landlord/tenant service calls	1,833	2,662	3,729	3829
Tenant Relocation	623	699	846	1173
Rental housing (eviction, emergency order, illegal unit)	607	1,077	1,844	1999
Other	603	886	1,039	657
TOTAL	7,153	7,551	8,299	8002

* 2011 data as of Nov. 29, 2011.

** Noise complaint response is handled in the Operations Division.

*** Vegetation inspection response was reduced in 2011 as a result of staff reductions.

The increase in landlord/tenant workload reflects increased calls about residential tenant evictions. These calls are related to a short list of projects involving challenging tenant populations (e.g., the Downtowner Apartments). The decrease in calls on other topics reflects reduced responsiveness to queries about state landlord/tenant law due to staff reduction.

Enforcement Litigation Overview: Most violation cases are resolved administratively. Those that require legal action to resolve involve 5 to 7% of DPD violation cases. As of November, it appears that the volume of cases referred by DPD and closed by Law, will be slightly lower than the prior three years. The expected decrease in referrals most likely reflects reduced DPD staff levels.

Summary of DPD Code Enforcement Civil Cases

Year	# cases referred for legal action	# cases closed after legal action
2008	140	113
2009	164	164
2010	148	133
2011*	105	103

*2011 data as of November.

A summary of payments collected via joint DPD and Law Department efforts in resolving enforcement lawsuits for the past four years is shown below:

Settlements and Other Payments

2008	\$130,265
2009	\$253,722
2010	\$135,832
2011*	\$106,101

*2011 data as of November.

Highlights from Planning

The following are highlights of some of the most significant issues that worked their way through the Committee:

- Street Food: Activated our streets and encouraged entrepreneurialism for budding chefs and hot dog vendors.
- North Lot: Allowed the long-awaited development of the North Lot to be developed for housing, office and retail, helping to invigorate Pioneer Square and the broader city.
- Multifamily Rewrite: Updated the City’s Multifamily zoning code to reflect current community values, growth challenges, and improved design of new housing.
- Neighborhood Planning: The City initiated a process for updating and implementing plans in neighborhoods that have seen or will see significant investment and change since plans were adopted ten years ago. The coming of light rail and changing demographics play a significant role in what is important for these communities and how they might change in the coming years. To date neighborhood plans that have been updated include Othello, North Beacon Hill and Mt. Baker. Neighborhood Plan updates in process include Broadview/Bitter Lake/Haller Lake, and Rainier Beach.

- **Backyard Cottages:** Some of the benefits that can come from backyard cottages are increased affordable housing alternatives and improved housing choices; and enhanced home ownership by helping homeowners to remain in their homes and close to family as their circumstances change (aging, growing family, etc.). This concept adds housing supply in single family neighborhoods while protecting local low-density residential character.
- **Incentive Zoning Program:** Introduced innovative tool for spurring the development of affordable housing by linking it to increased development potential.
- **Pike Pine Amendments:** Approved changes to development rules in the Pike Pine Corridor on Capitol Hill to encourage new development that respects and conserves existing buildings and features that define the character of the neighborhood. This is an important part of helping to maintain one of Seattle's premiere nightlife and alternative arts and entertainment scenes, and compact residential neighborhood.
- **West Seattle Triangle:** Approved zoning changes and street improvements that will re-define and enhance the gateway to West Seattle, recognizing its key location particularly due to the coming of Bus Rapid Transit. The goal is to reconnect West Seattle's commercial destinations in the Triangle with the neighboring Junction business area.

Others:

- Roosevelt Rezone
- South Lake Union Urban Center Neighborhood Plan
- Living Building Pilot
- Transitional Encampments
- Authorization of a Development Agreement for Sound Transit Property Redevelopment
- Interim Use of Vacant Property Near Light Rail Stations
- Design Guidelines for Northgate, Uptown, Queen Anne
- View Protection at Jefferson Park and Maple Leaf
- Downtown Bonus Program Revisions
- And many more ...

Department Administration ... Facts You've Always Wanted to Know

Informational Technology:

- Developed and Implemented Electronic Plan Review
- Conducted External Web Usability Study to guide Web Redesign
- Developed and Implemented Land Use Billing System
- Implemented IT Governance process to prioritize IT projects with demonstrated value to department and public
- Greatly reduced hardware, software and consultant spending while improving efficiencies
- On-time Delivery of Changes to Systems required due to code revisions

Personnel:

- In 2008, conducted 73 hiring processes
- And, unfortunately ... between April 2009 and July 2010, processed five rounds of layoffs reducing funded positions from a high of 450 to a low of 300, which resulted in approximately 90 employee layoffs

Race and Social Justice Initiative:

- Conducted mandatory training for managers in Basic Anti-Racism, RSJI skills building, and Equity Toolkit application.
- Revised DPD hiring policy to require RSJI training for applicant screeners and interviewers
- Revised OOC policy prior to City policy change to require position postings and application process
- Offered the well-attended “DPD Talks” series focusing on areas that would apply to work of DPD staff; used as model by other departments
- Tied eligibility for merit leave to application of Equity Toolkit and other RSJI activities for merit eligible employees
- Drastically cut non-labor expenses and was still able to meet WMBE targets

Public Outreach and Engagement

Public meetings too numerous to mention, plus:

- DPD Website growth: so much information moved online we needed to re-design the site for usability
 - Additional online information includes Design Review and MUP plans
 - Added social media: Blog “Building Connections,” Facebook, Twitter, RSS feeds
 - Online surveys and videos
- Translated materials related to landlord/tenant rules, land use compliance, trade licensing, Livable South Downtown, Comp Plan, Neighborhood Planning as well as emergency tags (red-yellow-green)
- Working with Department of Neighborhoods, introduced the POL (planning outreach liaison) model of community engagement to reach out to communities that have traditionally not been involved in community discussions. The concept uses the trusted advocate model for outreach and interpretation for public meetings for Neighborhood Planning, Livable South Downtown, Comprehensive Plan, Yesler Terrace
- Added Customer Service Manager, also serving as the business, arts and industrial permit liaison