

**Streamlined Administrative Design Review (SDR)
Program Review and Evaluation
Planning Land Use & Sustainability Committee Briefing
June 28, 2013**

Original Goals and Targets

- **Reduce costs and time** of the ADR process – streamline
- **Simplify application** and submittal requirements
- **Provide flexibility** in application of development standards
- **Improve design quality** of townhouses
- **Improve public comment** opportunity for townhouse projects
- **Discourage micro-permitting** by lowering the threshold to 3 units
- **Improve consistency** from project to project
- Better **integrate SDR/MUP permits with BP** (building permit)
- Target process review time of **30 days for SDR**
- Target planner review hours of **16-24 total**
- Added project permitting costs of **roughly \$5,000**
- Permitting process timeline of **7.5 – 9 months total** (225 – 270 days)
- Create team of up to 5 focused SDR planners

Summary of Cost and Time Impacts of SDR

Time Impacts:

The only time impact that is clearly measurable and directly attributable to the SDR process is summarized in the second bullet – the time between SDR packet intake and SDR design guidance report issuance. However, users of the program report that SDR elongates the timeframe for pre-application steps and for the building permit process, which are a required element of other projects as well. The below times include both the applicant's time and the DPD processing times.

- Pre-Application Steps (includes Pre-Application Site Visit (PASV), addressing, applicant design time, etc.): 78 days or 2.6 months average
- **SDR Review Process** (SDR pre-sub conf. and/or intake to SDR report issue, includes noticing): 37 days or 1.2 months average
- Building Permit (BP) Review Process (BP intake to BP issuance, includes land use ie. SEPA if applicable / zoning): 146 days or 4.9 months average

Cost Impacts:

- Estimated additional architectural fees stemming from SDR: \$7,500 - \$15,000
- SDR process DPD fees: \$4,888 average
- Land holding / interest allowance for additional time attributable to SDR: \$4,000 - \$8,000

Total Costs:

- Stemming from SDR per project range: \$16,500 - \$30,000

Per Unit Cost Impacts (Translates to Housing Price Premium of SDR):

Note: This is a 'bookend' range because the project sizes vary and we are not seeking to detail the analysis down to the costs of individual development projects.

- Total SDR Attributable Costs per Housing Unit (Translates to Housing Price Premium of SDR): \$3,000 - \$10,000 cost per housing unit
- Reviewed projects are marketed in the \$450,000 - \$550,000 range
- Price premium of 0.6% to 2% can be estimated for SDR

Input from Users of the SDR Program (Project Proponents)

- Cost of additional designer fees, and time need to be considered along with permit costs
- SDR report did not substantially alter their project: impact of the SDR was minimal
- Process steps were not entirely clear to the applicant
- Expectations for SDR packets was not entirely clear
- SDR packets in most cases were very streamlined compared to full design review
- Varied levels of design attention by project designers went into SDR packets
- Substantial 'learning curve' for builders not accustomed to MUPs and Design Review
- Public comments were received on a majority of projects
- The design guidance report prepared by SDR reviewer staff was not particularly strong or directive - 'continue' language often used
- Program demands staff with appropriate skill set, background and design expertise
- Evaluation of architectural style and taste may not be appropriate for SDR

Observations on SDR Design Guidance Reports by City Staff

- SDR packets varied widely in their level of development: renderings etc.
- Adjustments were requested for half of the projects (5 of the 10): for side or rear setbacks (5); maximum facade length (2); and interior separation (1)
- Requested adjustments were always granted
- Reports provide a good record of public comment and project development
- Public comments were often on items not able to be influenced in SDR
- Reports by planners were prompt and met timeline expectations
- Projects were noticed and posted on the website due to SDR
- Reports followed traditional design review report formats

Observations on Townhouse Design Outcomes by City Staff

- Townhouse site plans and designs are generally improved over mid 2000's era
 - Not clear how much attributable to new LR code vs. SDR
 - Better street engagement, fewer autocourts, improved materials and landscaping
- Projects showed little evidence of substantial modification through SDR
- Awareness and understanding of projects by public substantially improved
- A dramatic shift to modern, international style, geometric forms is prevalent
- Several still in construction: difficult to draw complete design outcome conclusions

- Overall level of design quality and composition is good

Preliminary City Staff Findings

- Cost and time impacts of the permitting process are close to the range anticipated by DPD
- Designers / developers report substantial additional cost beyond that of the permitting process
- Cost premium is estimated at 0.6% to 2% of housing unit for sale price
- Value added of the process in terms of influencing design outcomes was minor in that project designs were not substantially altered through the process.
- Design quality of townhouse lowrise products have improved in part due to improved lowrise code including design standards
- Townhouses are becoming a smaller proportion (~20%) of LR housing since new code
- Improvements in public notice and awareness through SDR are beneficial
- Easier availability to flexibility - design 'adjustments' are beneficial
- A number of small lowrise developments may be opting to avoid SDR by building a combination of duplexes and detached single family homes instead of townhouses.

Ongoing Refinements by Program Management

DPD Design Review management and staff are continuing to evaluate and refine the SDR program. In the spring of 2013 Design Review management met with frequent users of the program and identified and began to institute program operational reforms including:

- Improved standardization of submittal requirements and program forms
- Clarification on role of the planner – communication with staff
- Additional reductions to quantity of submittal materials
- Improved consistency on granting adjustments

Preliminary DPD Conclusions

After reviewing the costs and benefits associated with the SDR program after the first 10 projects (8 completed and 2 under construction), DPD provides the following observations based on several factors. On the positive side, the SDR process made important improvements in the area of public notice and awareness of smaller scale projects. SDR also made design flexibility more available to project designers.

We also note that townhouse development is not currently as predominant a form of development as in previous years. New code standards in the lowrise zones have done much to improve site planning and design quality even without design review. The cost impacts of SDR on townhouse scale development are notable and detract from housing affordability. Influence of SDR on actual project outcomes was small. Therefore DPD identifies the following options:

Option 1: No change. Keep the program as is.

(Note: This option could be combined with elements of Option 2.)

Option 2: Shift the type of projects undergoing SDR

- Remove the mandatory requirement of 3 or more townhouse development to undergo SDR
- Retain SDR as an optional process for townhouses (as it is for other forms of LR housing)
- Retain SDR as a codified process in the land use code
- Consider application of SDR to certain micro-housing developments in all zones
- Consider future application of SDR to some larger scale projects

Next Steps: At this time, we recommend that the City retain the program for townhouse development of 3 to 8 units, continue to seek process improvements, and continue to evaluate the program as more projects are completed. Of the 37 townhouse projects in the SDR process, only 8 have been completed. We also recommend that SDR be applied to micro dwelling units of a specified scale.

**List of evaluated SDR projects
Included in first 10 project evaluation**

| Address | Project | Applicant Name |
|------------------------|----------------|-----------------------|
| 3924 S. Pearl St. | 5 Townhouses | Anne Hamilton |
| 110 N. 39th St. | 5 Townhouses | David Neiman |
| 2647 22nd Ave. W | 4 Townhouses | Paul Pierce |
| 2515 Boylston Ave. E | 6 Townhouses | Radim Blazej |
| 1909 9th Ave. W | 3 Townhouses | Bradley Khouri |
| 3438 23rd Ave. W | 4 Townhouses | Mark Haizlip |
| 3617 1st Ave NW | 5 Townhouses | Jeff Wegner |
| 1104 18th Ave | 3 Townhouses | Tiffany Bowie |
| 5947 California Ave SW | 3 Townhouses | Einar Novion |
| 1734 13th Ave S | 6 Townhouses | David Neiman |

General Timeline

Evaluated Streamlined Design Review (SDR) Projects

