SUBJECT: ZONE TEXT AMENDMENT: PROJECTS SPANNING

COMMERCIAL AND RESIDENTIAL ZONE DISTRICTS

PREPARED BY: PLANNING AND DEVELOPMENT SERVICES DEPARTMENT

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## STATEMENT ON THE SUBJECT

On January 23, 2017, the City Council directed staff to bring forward a zone text amendment that addresses development that spans both commercial and residential zone districts. The Council item identified the following concerns with this type of development:

- Maintaining neighborhood livability and the integrity of existing residential zones adjacent to commercial zone districts
- Ability to develop appropriately scaled and sustainably-designed mixed use projects that address climate change and our local ecological footprint
- Impact of larger buildings on residential buildings' solar access

Existing regulations for projects that span both commercial and residential districts allow legally combined sites to be developed as one property, with setbacks only required at the outer extents of the combined site property lines, with buildings permitted to cross district boundaries. Buildings are required to meet all other standards applicable to each district, including height and density standards.

The Council's recommendation was to require projects spanning commercial and residential districts to be developed as though the lots were not being tied, with separate buildings meeting all development standards of each zone district (i.e. setbacks, height, density, open space, parking, loading, etc.). The zone text amendment would also require that any bonuses, incentives, and/or concessions be applied to each building within their individual zone district. Council's recommendation would result in elimination of any efficiency created by combining parcels for one development site. It would also limit certain sites from redevelopment that need additional land area to make underground parking and/or circulation work on the site. The lack of transfer of bonuses would be stifled by new state law that allows certain density bonus incentives to be transferred to commercial properties.

The following is zone text amendment language that would facilitate the Council's recommendation:

## Council Recommendation:

19.04.040 Zoning District Regulations.

C. Standards for Parcels with Multiple Zoning Districts. Where a parcel is zoned in two or more zoning districts, each portion of the parcel in a separate district shall be developed as a separate site, in compliance with the requirements of the applicable district, including density, setbacks, height, and other applicable development standards. and used in compliance with the requirements of the applicable district.

The Council also directed staff to explore alternatives, outlined below:

Alternative #1 (Recommended by Staff): Create design guidelines and standards specific to this type of project that minimizes the appearance and scale of the building so that they do not appear as a large building encompassing both commercial and residential properties. Design guidelines may include creating simple changes to requirements that provide relief from long facades and monotonous buildings, such as requirements on maximum length of unbroken building frontage, increased open space requirements, stepping down height, a maximum height of podium connections over district boundaries, or other guidelines. Staff analyzed numerous options for design guidelines and determined that the best course of action to improve open space and neighborhood compatibility would be to require side setbacks along residential streets to be built to residential front setback requirements so setbacks line up with neighboring properties. This would reduce the size of the residential development, but would also ensure that the development has a similar setback pattern to the rest of the residential portion of the neighborhood.

The following is zone text amendment language that would facilitate staff's recommendation:

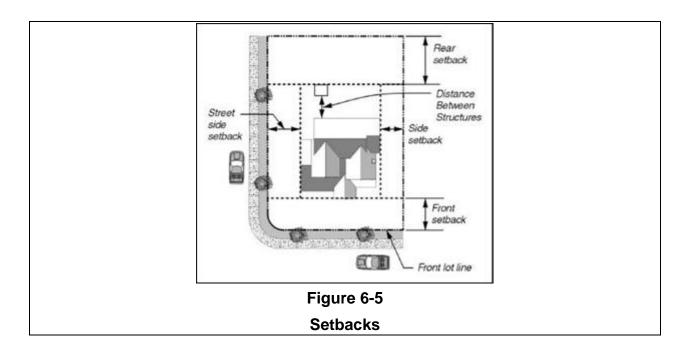
## Alternative #1:

19.04.040 Zoning District Regulations.

C. Standards for Parcels with Multiple Zoning Districts. Where a parcel is zoned in two or more zoning districts, each portion of the parcel in a separate district shall be developed and used in compliance with the requirements of the applicable district. While the entire parcel may be developed as one site, the street side yard in residential districts, where applicable, shall meet the requirements of a street front setback of the subject zone district.

19.90.020 Definitions of Specialized Terms and Phrases.

**Setback.** The distance by which a structure, parking area or other development feature must be separated from a lot line, other structure or development feature, or street centerline. Setbacks from private streets are measured from the edge of the easement. See also "Yard." Figure 6-5 (Setbacks) shows the location of front, side, street side, rear, and interior setbacks.



Alternative #2: Allow for fully subterranean parking to be constructed as single structures in both zoning districts while maintain separate buildings above grade. While this would improve efficiencies for construction of subterranean parking, limiting development above grade would limit the efficiencies created by combining lots. It would eliminate the ability for building systems to be shared, such as HVAC, etc. The following is language that would facilitate this alternative:

## Alternative #2:

19.04.040 Zoning District Regulations.

C. Standards for Parcels with Multiple Zoning Districts. Where a parcel is zoned in two or more zoning districts, each portion of the parcel in a separate district shall be developed as a separate site, in compliance with the requirements of the applicable district, including density, setbacks, height, and other applicable development standards, except that subterranean parking may be constructed with no setbacks between district boundaries and used in compliance with the requirements of the applicable district.

Alternative #3: Maintain existing regulations, with no changes. Because this requires no changes to the Zoning Ordinance, there is no proposed zone text amendment associated with this alternative. This option would provide the most flexibility in redevelopment of sites that span both residential and commercial districts. However, the creation of a side setback along a street frontage in residential districts could cause some lack of compatibility among buildings as they relate to the street.

At this time, staff requests feedback on the zone text amendment options. Staff anticipates review by the Planning Commission in August, 2018 with City Council review complete by the end of the 3<sup>rd</sup> quarter in 2018.

