

URM Policy Development Committee
Transfer of Development Rights Sub-group
September 20, 2023

Attendee Name	Company Name	Job Title
Aaron Pambianco	AJP Engineering	Principal
Andrew Ellis	GLY Construction	Senior Design Engineer
Christie Parker	City of Seattle (CBO)	Fiscal and Policy Analyst
Christopher Larsen	Lee & Associates	Associate
Chuck Depew	National Development Council	Managing Senior Director
Cole Harvey	National Development Council	Graduate Fellow
Cynthia Weaver	Beneficial State Bank	VP/Relationship Manager
Dan Foley	City of Seattle - Office of Housing	Portfolio Manager - Seattle Office of Housing
Eugenia Woo	Historic Seattle	Director of Preservation Services
Greg Briggs	Holmes	Principal
Jamie Lee	Seattle Chinatown International District Preservation and Development Authority	Co-Executive Director
Jess Harris	city of seattle	green building program manager
Jim Holmes	City of Seattle	Strategic Advisor
Kenny O'Neill	Reid Middleton Inc.	Structural Engineer
Ketil Freeman	Council Central Staff	Legislative Analyst
Lachlan Foss	Bellwether Housing	Construction Manager
MaryKate Ryan	Historic South Downtown	Community Preservation Associate
Matthew Berman	Clark Construction Group	Project Engineer
Mike Lawrence	Marcus & Millichap	Investment Advisor
Moon Callison	SDCI	communications manager
Morgan Shook	ECONorthwest	Director
Naomi Lewis	City of Seattle	Policy Advisor
Nathan Rosenbaum	Manta Holdings, LLC	Owner/Founder
Yolanda Ho	City of Seattle	Legislative Analyst

The meeting started with attendee introductions and was followed by an update on SDCI's progress with the URM Retrofit technical standard and implementation of Resolution 32033.

Technical Standard

The published Draft Technical Standard allows for two methods of retrofit, the Code-Based Method or the Alternate Method. On September 19 2020, A Director's Rule ([6-2023](#)) allowing the voluntary use of the Alternate Method was adopted. This Director's Rule includes language stating that a voluntary seismic improvement on its own does not trigger Substantial Alteration designation.

A proposed resolution celebrating the success of completing the update to the Retrofit Technical Standard and guiding the next steps of SDCI's work plan has been developed. The proposed Resolution ([32111](#)) directs SDCI to develop a Voluntary Retrofit Ordinance informed by the Draft Technical Standard and to recognize URMs as retrofitted that are compliant with the Draft Technical Standard. Resolution 32111 will be voted on by the Public Safety and Human Services Committee on September 26 2023. If it passes, it will go before full Council for vote on October 10.

The long-term goal of SDCI remains establishing a mandatory URM Retrofit Ordinance. The interim step of a Voluntary URM Retrofit Ordinance will legally establish a compliance standard and will provide building owners assurance that their retrofit will be compliant with future legislation. It is the intent of SDCI to adopt the Voluntary URM Retrofit Ordinance early-to-mid 2024; it will establish a minimum seismic retrofit standard for URMs for both building owners voluntarily pursuing upgrades and for future mandatory legislation.

Implementation of Resolution 32033

To continue meeting goals of Resolution 32033, SDCI established a series of policy development working groups. These groups meet semi-regularly and SDCI uses outcomes of these meetings to inform policy decisions and development of funding resources.

- **Communications Working Group:**
Workload for this group will increase once the Voluntary Ordinance is in development. SDCI is working with AIA- Seattle URM Subcommittee to develop 3 case studies: Pioneer Square, Existing project using the Alternate Method, and Phased projects that allow tenants to remain in the building.
- **Owner and Tenant Needs Working Group:**
This group hasn't met this quarter. SDCI has been focused on development of funding resources.
- **Funding Working Group:**
 - **Grants Sub-Group- FEMA Grant Application**
 - SDCI is working on a FEMA grant application to support the funding of benefit cost analyses for 3-4 representative URM buildings. The intent is to use these BCAs to develop a retrofit reimbursement program similar to Berkeley's.
 - SDCI met with Congresswoman Jayapal to discuss the challenges associated with obtaining FEMA grants for earthquake mitigation projects. Her team is interested in developing a sign-on letter and a States Seismic Caucus to support increased funding for seismic mitigation projects.
 - **Transfer of Development Rights Sub-Group**
 - The intent of the meeting today is to scope a workshop on TDR for building owners and developers.
 - The last URM TDR Meeting discussed the concept of three TDR geographies:
 1. Contiguous Urban Centers (Downtown, First Hill/Capitol Hill, Uptown, South Lake Union)

2. Manufacturing/Industrial Centers
 3. A set of 4-5 Non-Center district areas, loosely based on Council Districts
- Questions from last meeting:
 - A meeting attendee asked about changes to City zoning. Jim Holmes with the Office of Planning and Community Development answered that any changes will likely be at a neighborhood scale and will be a result of changes to the Comprehensive Plan, which is tentatively scheduled for adoption by the end of 2024.
 - A meeting attendee asked about discussion of pricing for TDR credits: Are they going to be negotiated on a deal-by-deal basis? Or is it somehow going to be set as a fixed price in the code? This is yet to be determined. The public meetings will help inform preferences on this process and support a future Feasibility Analysis.

Scoping a URM TDR Public Meeting

- Goals:
 - Increase building owner's understanding of TDRs.
 - To be accomplished by a presentation and hands-on exercise explaining how TDRs work. King County TDR POC- Nick, may support this effort.
 - Gain insight into developer and building owner perspectives on the value of TDRs, seek reactions to:
 - How would developers go about determining what they would be willing to pay for TDR credits?
 - How would owners go about determining whether to sell? What price is needed?
 - Questions/Comments from Meeting Attendees:
 - Meeting will need to make sure a URM 101 is covered.
 - It was suggested to have a panel of people that have leveraged TDR and to explain their experience. (Nathan Rosenbaum has volunteered, he is connected with many owners who have landmarked their buildings and then proceeded to pursue other incentives).
 - Comparing and contrasting experience with TDR with buildings that may have capped values like landmark buildings with those that don't have capped values.
 - Adding perspective from historic/landmark folks could be helpful
 - Pros/cons of the exiting program to establish a baseline understanding of the program or help increase the overall knowledge of the program.
 - It was suggested that the King County Assessor be available for the meeting and that they have appraisers value the TDRs that are sold and the building that have restrictions on them. The cost analysis of the cost to cure should be withdrawn from the market value, as every little bit helps property owners. Actual market impact for buildings that are not retrofitted. At a minimum, by the time of the public meeting, we should have the Assessor's analysis of the TDRs value and

their reduction in assessed values from buildings that have sold them. (Mike Lawrence)

- The collective value of the TDR should be enough to offset the cure that's required. Whether that's increasing FAR or the assessed value or a tax incentive, wherever it is sliced, it is important to look at what could be in play.
- Outcome
 - Responses from meeting attendees would support development a URM TDR Feasibility Study
- Audience/Attendees
 - Lisa Nitze has suggested: Housing Diversity, Urban Visions, Dunn and Hobbes, LLC, Urban Villages, Lake Union Partners, Hudson Pacific Properties, Kamiak, Martin Selig, Seattle Hospitality Group, Urban Renaissance Group, Spectrum Development Solutions, Barrientos Ryan, Vulcan.
- Time and Location
 - Planning Meeting attendees have suggested holding three separate meetings at different locations throughout the city.
 - It was suggested that City Hall may not be an ideal location for a TDR meeting, a more intimate space for community property owners to ask questions is preferred. Language barriers will need to be addressed.
- Logistics:
 - Translation/Interpretation Services: Suggested to identify any engineers/architects that can support translations would be helpful. It is important that translation is intentional. SCIDPDA offered to support outreach and identifying translators.
 - A meeting attendee discussed the importance of raising awareness of the public meeting. Creating messaging and reaching out to the right people.
 - Sending out a mailer to Pioneer Square and CID with addresses from Assessors, Department of Neighborhoods, and preservation contacts. Can also leverage building improvement areas, the Ballard Alliance, local Chambers of Commerce.
 - It was suggested that mailers, an article in the Seattle Times and/or DJC would be most effective at garnering interest from attendees.
 - Moon Callison suggests coordinating through PIO with some mainstream media to get press releases developed. Could do some direct pitches to ethnic media to get some coverage, either radio spots, TV spots, or newspaper articles. Moon's team has a customer email list of 60,000 people- anyone who has ever gotten a permit through the system of the past five or six years, that can be leveraged to support this outreach.
 - Others suggested an official letter from the city
 - Meeting locations:
 - Central always sounds nice, but parking and getting to downtown can be really difficult.
 - Central Library has a nice auditorium.
 - Hosting in a URM building would make sense.

- Town Hall was suggested.
- Three meetings at different locations around the city were recommended, weeknight evenings work best.