



City of Seattle

Office of Planning & Community Development
Rico Quirindongo, Director

CITY OF SEATTLE ANALYSIS AND DECISION

SEPA Threshold Determination for Connected Communities and Equitable Development Pilot Program

Project Sponsor:	Seattle City Council
Location of Proposal:	Commercial, Multifamily, and Neighborhood Residential Zones in Seattle
Scope of Proposal:	The proposal is a legislative action to add a new subsection to section 23.40 of the land use code for a connected community development partnership pilot program.

BACKGROUND

Proposal Description

A Seattle City Council office is proposing a term-limited, pilot program to encourage development with low to moderate income housing and neighborhood-serving equitable development uses. The proposal would add a new subsection under section 23.40 of the land use code. The pilot program would end by 2029 or after 35 qualifying projects have applied, whichever is earlier. Qualifying projects would be subject to alternate development standards providing additional allowed height, allowable floor area, exemptions from floor area calculations for certain uses, and qualifying projects would be exempt from Design Review and Mandatory Housing Affordability (MHA) requirements.

A complete description of the proposal is included in the SEPA checklist submitted. The summary below focuses on the most relevant components for evaluation of potential environmental impact.

Developments eligible for the pilot program are those that meet the following criteria.

- At least thirty percent of housing units are affordable to moderate-income households as defined by the City's Office of Housing (annual incomes not to exceed 80 percent of median for rental units or 100 percent of median income for ownership units), or housing that meets the same affordability threshold of at least thirty percent of units affordable to households with incomes no higher than 80 percent of area median income that is developed and owned by a public development authority with a focus on social housing, which is defined in the proposal.
- The development must be located on land owned or controlled by a qualifying community development organization, and must be at least 75% residential use, and must not be in a historic district except historic districts established with racially restrictive covenants.

- The application is during the eligible pilot program period of before the year 2029 or before 35 qualifying projects have applied, whichever is earlier.

Eligible developments would be subject to alternative development standards that provide increased development capacity compared to the underlying zone.

- Height limits. Height limits would be increased by 10 feet or (approximately one story) in lowrise zones; and would be increased by 25-35 feet (approximately 2 or three stories) in midrise-scale commercial and neighborhood commercial zones, and 40-50 feet (approximately 4 stories) in highrise scale zones.
- Floor Area Ratio (FAR) limits. Maximum FAR limits would be increased by approximately 30% in lowrise and commercial and neighborhood commercial zones in areas of the city that were subject to racially restrictive covenants or are eligible for the city's community preference policy, and approximately 25% in other areas.
- Neighborhood Residential and Residential Small Lot zones. Maximum lot coverage would increase by 15%, and maximum floor area ratio would increase by 0.5, and minimum front and rear setbacks would reduce to 5 feet.
- Additional FAR exemptions would be available for floor area in the development that is in two bedroom units, that is in an equitable development use defined in the proposed code section, or in a development located within ¼ mile of frequent transit.
- An ownership unit incentive provides additional flexibility for certain development standards if the development includes a home provided to a homeowner that owned the land prior to development.

Public Comment

Proposed changes to the Land Use Code require City Council approval. Opportunity for public comment will occur during future Council meetings and a public hearing. Additionally, the council office proposing the amendment conducted community meetings to receive input from representatives of affordable housing development agencies in Seattle during the fall of 2023.

ANALYSIS - OVERVIEW

The following describes the analysis conducted to determine if the proposal is likely to result in *probable significant adverse environmental impacts*. This threshold determination is based on:

- * the copy of the proposed Ordinance;
- * the information contained in the *SEPA checklist* (January 10, 2024);
- * the information contained in the urban design study attached to the SEPA checklist; and
- * the experience of OPCD analysts in reviewing similar documents and actions.

ELEMENTS OF THE ENVIRONMENT

Short -Term Impacts

As a non-project action, the proposal will not have any short-term adverse impact on the environment. No site-specific development is proposed. Future development affected

by this legislation will be reviewed under existing laws to address any short-term impacts on the environment stemming from eligible development. Existing construction codes and environmentally critical areas codes and other regulations not altered by this proposal would apply to future developments participating in the pilot program.

Long-Term Impacts

As a non-project action, the proposal is anticipated to have moderate long-term impacts on the environment in and around the locations of any development projects that participate in the pilot program. Impacts are attributable to the increased scale and intensity of development that would be likely in eligible pilot projects compared to the development that would otherwise occur in the absence of the proposal on the same sites. The overall degree of impact is limited by the pilot nature of the proposal. A maximum of 35 eligible projects could take place and it is possible that fewer than that number would manifest. The period for eligible projects to apply under the pilot expires at the end of the year 2028.

Natural Environment

The natural environment includes potential impacts to earth, air, water, plants/animals/fisheries, energy, natural resources, environmentally sensitive areas, noise, releases of toxic or hazardous materials. Adoption of the proposed legislation is not anticipated to result in more than minor adverse impacts on any of these elements of the natural environment. The proposal could increase the potential scale, density or intensity of the future development in up to 35 development projects participating in the pilot program. The increases in scale of development in those projects could include a reduction in the amount of landscaping and vegetation on sites compared to development that would occur in the absence of the proposal, which could have a very small minor effect on elements of the natural environment. However, all development proposed under the pilot program would have to comply with the City's current energy codes, stormwater drainage standards, and Environmentally Critical Areas regulations. Therefore the new construction is not expected to have an adverse effect on the environment that exceeds that of development that could occur in the absence of the proposal. Therefore it is not expected that the increase in scale of development in the pilot projects would substantially increase the profile of impacts to earth, air, water, plants/animals/fisheries, energy, natural resources, environmentally sensitive areas, noise, or releases of toxic or hazardous materials, compared to development that could occur in the absence of the proposal. Development standards governing landscaping requirements, tree planting, or green factor are not proposed for amendment.

Built Environment

The proposed legislation will have moderate adverse impacts on the built environment in and around the specific locations where potential future developments that participate in the pilot program are located. Impacts to the built environment include any impacts related to land and shoreline use, height/bulk/scale, housing, historic preservation, transportation, and public utilities. Moderate adverse impacts stemming from the proposal would result related to height/bulk/scale in and around the specific locations near potential future pilot program projects. The proposal would result in minor adverse

impacts to land use, transportation, noise and light/glare in and around the specific locations near potential future pilot program developments. The proposal would impact housing, but the impact would be positive. Below is a discussion of impacts of the proposal on aspects of the and built environment:

Land Use

The proposed legislation will have minor adverse impacts on land use, that would be confined to isolated specific locations where potential future developments that participate in the pilot program are located. The proposal does not alter the land use code's permitted uses tables so it does not change the land use classifications that are allowed on sites. The proposal would allow an expanded range of residential housing types in Neighborhood Residential zones. And the proposal allows for incrementally larger-sizes of certain land uses that are equitable development uses by way of the FAR exemption for such uses. An example of such uses that could potentially be larger under the proposal than under existing regulations are community centers or community gathering places. These changes could result in very minor incongruence between the planned land use descriptions and intent for neighborhood residential or lowrise zones. The incongruence would only be a small expansion of the type of incongruence allowed under existing regulations, and no major inconstancy with planned and expected patterns of activity and use characteristics would result. In addition, because the proposal could allow for more floor area in pilot program projects compared to under existing regulations the intensity or degree of the land use that is already allowed by existing regulations could be increased – such as more residents doing living activities, such as walking, cooking, talking and recreating in the area. Such intensification of activity could be perceived by some as an adverse impact if they experience additional noises, smells or shifts in social mores and norms compared to prior conditions. These types of changes however are a normal feature of living in an urban place and are not considered to be a significant adverse impact.

Height/Bulk/Scale

The proposed legislation alters regulations regarding height, bulk, and scale for development proposals that participate in the pilot program by providing access to alternate development standards. The alternate development standards provide for higher height limits, floor area ratio limits and other flexibilities as described above and in the SEPA checklist and are seen in the proposed ordinance. The alternative development standards have potential to result in new pilot project buildings that are notably taller, have greater massing, and cover greater portions of sites than other neighboring structures. The increases could result in pilot program structures that are notably different in character and scale than the vicinity of the surrounding neighborhood. The urban design study attached to the checklist was consulted for consideration of the general nature of the potential impact, as well as contemplation by the department of the type of developments known to be likely under the proposed alternate development standards. It is likely that moderate impacts will stem from the potential increases to height/bulk/scale, but those impacts will be isolated to the specific locations in and around pilot program developments.

The specific nature of the adverse height/bulk/scale impacts could include the following. New larger structures could appear aesthetically to be looming or bulky to neighbors, pedestrians, and residents of the area. The larger scale structures could cast shadows onto neighboring properties and sidewalks that would be incrementally larger than from development that could occur in the absence of the proposal. Larger structures could impede some views and vistas that residents or users of an area where a pilot project is located are accustomed to. Increased bulk and scale of potentially larger new structures could be perceived by some as aesthetically displeasing because of a divergence with an established consistent scale of other structures in the block or neighborhood. The height/bulk/scale impacts above will be most acute in the immediate vicinity of pilot program developments and those development will be limited to a maximum of 35, which are likely to be dispersed and distributed across the city.

Historic Preservation

As noted in the SEPA checklist the area affected by the proposal includes historic landmark structures. The proposal does not encourage demolition of a landmark structures compared to the absence of the proposal. The proposed legislation does not alter the City's historic review processes for Landmark structures or structures in a designated historic district. Those processes would continue to provide strong protection of historic resources. The proposal does not affect land in historic districts except for the historic districts that were established with racially restrictive covenants. The majority of the City's designated historic districts were not established with racially restrictive covenant. The proposed alternate development standards could increase the maximum development capacity on sites that contain a historic-aged or designated historic structure. The increase development capacity could potentially increase the pressure to redevelop those properties, which could marginally increase the risk of alteration of historic aged structures and possible degradation of historic resources. However, adaptive reuse that restores and preserves historic resources is also possible in those scenarios. In the absence of a specific development proposal or more information about specific development sites it is not possible to identify specific adverse impacts to historic resources. It must be noted that the pilot program is limited to a maximum of 35 projects total, and the likelihood of any of those projects being located on a designated historic property is minimal because the complexity of development of a historic property would likely deter eligible organizations from selecting historic properties for pilot projects. In light of the factors discussed above no adverse impact to historic resources that is more than minor is expected.

Noise, Light & Glare, Environmental Health,

Impacts discussed above concerning height/bulk/scale could also manifest as adverse impacts in the form of noise and light and glare. These impacts would only be present in and around the specific locations of potential future pilot projects. Structures that are larger than neighboring structures could emit light from windows and exterior lighting fixtures visible to neighboring properties and rights of way in quantities that are greater than those that would be possible under existing regulations. If a higher number of homes are located on a pilot program site compared to the number that would result from development under existing regulations there could be an increased amount of

noise from resident activities – such as entering and exiting the building, verbal communication, music, and access by vehicles or other methods. These types of increases to noise and light and glare could create an adverse impact in the immediate vicinity of potential pilot program developments. The increases to noise, light and glare impacts would be incremental as compared to development that could occur in the absence of the proposal, and the impacts would be in isolated locations limited to a maximum of 35 across the city. For these reasons impacts to noise and light and glare would not be more than minor.

Transportation and Parking

The proposed legislation will have minor adverse impacts on transportation and parking that would be confined to isolated specific locations where potential future developments that participate in the pilot program are located. Pilot program projects could include a greater number of residents and a greater amount of floor area in equitable development uses than would occur in potential development on the same sites in the absence of the proposal. As a result there are likely to be a greater number of trips by residents to and from the site, and there is potential for equitable development uses to attract pulses of activity by visitors and patrons. The increased trips could be vehicle trips, trips by transit or nonmotorized transportation. The impact from these trips could manifest as incremental congestion on adjacent roadways or sidewalks during peak times of activity such as commute hours. Since pilot projects are likely to be individual projects in an area these congestion impacts would only be likely if the pilot project is located on a narrow or non-arterial roadway and even in that case would not be more than minor. The vicinity of pilot projects could see an adverse impact to the availability of on-street parking if residents possess vehicles and park them on the street. A factor that mitigates the potential for impact to transportation and parking is that many of the pilot projects would be located in areas well-served by transit because eligible organizations have a preference for transit-served sites. Due to the limited pilot nature of the proposal, it is not likely that the overall magnitude of impact would be large enough to materially impact the city's transportation level of service. The type of localized transportation impacts described above would not result in more than a minor impact.

Public Services and Utilities

The proposed legislation will have minor adverse impacts on public services in and around the specific locations of potential future developments that participate in the pilot program. Pilot program projects could include a greater number of residents and a greater amount of floor area in equitable development uses than would occur in potential development on the same sites in the absence of the proposal. As a result there is likely to be an incrementally greater demand on public services such as emergency services, usage of nearby parks and opens space, libraries etc. than would occur in the absence of the proposal. The additional demand could cause a very small increases to the crowding of public spaces or the time needed to wait for service by a librarian or similar effects of an incrementally increased number of people in a localized area. However, the degree of the potential impact on services from the maximum of 35 pilot projects would not be large enough to materially affect the city's level of service. With respect to utilities the increased load on utility infrastructure from a maximum of 35

pilot projects distributed across the city would not be large enough to create a perceptible adverse impact on those systems – such as the electrical grid, or sanitary sewer system.

DECISION – SEPA

This decision was made after review by the responsible official on behalf of the lead agency of a completed environmental checklist and other information on file with the responsible department. This constitutes the Threshold Determination and form. The intent of this declaration is to satisfy the requirements of the State Environmental Policy Act (RCW 43.21C), including the requirement to inform the public agency decisions pursuant to SEPA.

- ☒ [X] Determination of Non-Significance. This proposal has been determined to not have a significant adverse impact upon the environment. An EIS is not required under RCW 43.21C.030(2)(c).
- ☐ [] Determination of Significance. This proposal has or may have a significant adverse impact upon the environment. An EIS is required under RCW 43.21C.030(2)(c).

The limited number and eligibility timeframe of the proposal factors prominently in this environmental determination. Adverse impacts to localized areas of potential pilot program projects are identified and disclosed, however these impacts are not determined to rise to the level of significant impact because they would be isolated to specific locations that are most likely to be dispersed throughout the city.

RECOMMENDED CONDITONS--SEPA

If adopted into law, evaluate the degree of environmental impact of resulting pilot program development projects before renewing or expanding the pilot program.

Signature: ___[On File]_____

Geoffrey Wentlandt, Land Use Policy Manager
Office of Planning and Community Development

Date: January 12, 2024