

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to land use and zoning; amending Sections 25.05.675 and 25.05.800 of the Seattle Municipal Code to clarify and update references to the Comprehensive Plan and restore the categorical exemptions for State Environmental Policy Act review of proposed “infill” development.

Summary and background of the Legislation: The 2016 completion of updates to the Comprehensive Plan, its environmental impact statement, and establishment of growth estimates for urban villages and urban centers enable reinstatement of the categorical exemption levels for State Environmental Policy Act (SEPA) review. When larger than these levels, development proposals are subject to environmental review. These levels were lowered by Ordinance 124885 in 2015 to await final comprehensive plan actions in 2016. The proposal would set the categorical exemptions to their prior levels, based on “infill development” provisions in RCW 43.21C.229. The proposed levels for urban centers, and urban villages with light rail station area overlay districts are 200 dwelling units (250 dwelling units in Downtown), and up to 30,000 square feet of non-residential space when contained in a mixed-use development. The levels for areas outside these defined areas would remain unchanged. The proposal will continue to require periodic monitoring by SDCI, such that if built and permitted development causes an area to reach 90% of its growth estimate, the categorical exemption level for that area would be reduced to 20 dwelling units and 12,000 square feet non-residential space per state law.

2. CAPITAL IMPROVEMENT PROGRAM

This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

This legislation has direct financial implications.

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2016	2017	2016	2017
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2016	2017	2016	2017
				(\$45000-90000)
Positions affected:	No. of Positions		Total FTE Change	

	2016	2017	2016	2017
Other departments affected:				

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2016 Revenue	2017 Estimated Revenue
Operating - 15700	SDCI	Permit fees	N.A.	(\$45,000-90,000)
TOTAL				

Revenue/Reimbursement Notes:

Given the increase in the categorical exemption levels, the amendments would require fewer development proposals to include a SEPA review. This may reduce fees for SDCI's review of development proposals to account for work no longer done for analyzing and documenting environmental impacts and mitigating permit conditions. This reduction would be partially offset to the extent that such development reviews continue to provide transportation impact studies related to a Land Use Code requirement in 23.52, which would be covered by permit fees. Typical SEPA review fees are \$250/hour, with an estimate of 3-6 fewer hours for review per project. This is based on available permit data from the recent high-volume permit activity period of the last three years. The reduced number of development proposals to undergo environmental review is estimated at up to 60 per year. Therefore, the potential for reduced revenue to SDCI could range from approximately \$45,000 to \$90,000 per year.

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

No other indirect or adverse long-term financial impacts are identified.

b) **Is there financial cost or other impacts of not implementing the legislation?**

The costs and time delay risks to applicants of SEPA environmental review can be a deterrent to initiating developments such as smaller projects if review or legal costs or delay cause financial burdens on applicants. Therefore, providing a more predictable

development review could encourage more infill development to proceed. If this legislation is not pursued, the potentially greater volume of future development generated by higher environmental review thresholds would be foregone.

- c) **Does this legislation affect any departments besides the originating department?**
There are no direct financial or operational impacts known to other departments. However, the increased review thresholds are known to other departments' staff such as from the Office of Planning and Community Development (OPCD) and Office of Housing (OH) as worthwhile changes that could encourage growth in urban centers and villages as intended by the City's Comprehensive Plan, and could encourage an increased volume of housing to be produced.
- d) **Is a public hearing required for this legislation?**
No. However, this legislation will be discussed during City Council consideration of related comprehensive plan actions, in 2016.
- e) **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**
No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
Yes. In the City's land use bulletin and in the DJC.
- g) **Does this legislation affect a piece of property?**
Yes. The legislation affects many properties across the city in most zones in urban centers and urban villages, with the exception of single-family and industrial zones, for which the amendments are not needed.
- h) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
To the extent the proposal results in a greater housing supply, vulnerable or disadvantaged communities could benefit from any slowing or reduction in housing costs, as a greater supply can have beneficial effects on rents and sales prices. In addition, proximity of this housing supply to mass transit could result in transportation cost savings for these same communities. The categorical exemption levels apply across most of the city's zones found in neighborhoods throughout the city.
- i) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**
Not applicable to this proposal.
- j) **Other Issues:** None identified.