CITY OF SEATTLE

ANALYSIS AND DECISION OF THE DIRECTOR
OF THE DEPARTMENT OF PLANNING AND DEVELOPMENT

SEPA Threshold Determination
for the
Increases in Development Capacity and Related Mandatory Housing Affordability (MHA) Implementation in Downtown and South Lake Union

Project Sponsor: City of Seattle Office of Planning and Community Development

Location of Proposal: The implementing amendments to the Land Use Code pertain to certain zones in the Downtown and South Lake Union Urban Centers as well as a limited geographic area zoned IC 85-160 that abuts the southern boundary of the Downtown Urban Center. The following zones that are present within the project study area would be exempted from the proposal: all Pioneer Square Mixed (PSM) zones, Pike Market Mixed (PMM) zone, Downtown Harborfront 1(DH1), DH2/55, DH2/85, SM 85/65-160, International District Mixed (IDM) 65-150, IDM 75-85, and Commercial 2-40 (C2-40).

BACKGROUND

In September 2014, Mayor Murray and the City Council adopted Resolution 31546 calling for the creation of a Housing Affordability and Livability Agenda (HALA) and convening a HALA Advisory Committee. The purpose of HALA is to chart a course for the next 10 years for ensuring the development and preservation of housing that addresses the wide diversity of housing needs of people across the income spectrum.

In October 2014, Council voted 7-2 to approve Resolution 31551, which requests the Executive to produce legislation to implement an "affordable housing linkage fee program" (one of the affordable housing mitigation policy options under discussion by the HALA Advisory Committee). The Affordable Housing Mitigation Program addressed by this report encompasses the "linkage fee" concept, but because Resolution 31551 was non-binding and there is the potential to change various parameters contained in the resolution, the report for the proposal uses the broader title Affordable Housing Mitigation Program.

In July 2015, the 28-member Advisory Committee forwarded a report to Mayor Murray and City Council with 65 recommendations focused on increasing housing supply, strategically preserving housing, providing protections for tenants and low-income homeowners, streamlining permitting systems to reduce housing costs, leveraging resources for production and preservation of

affordable housing, and mandating provision for affordable housing as part of new commercial and multifamily development.

This proposal represents a discrete action to increase development capacity and implement mandatory housing affordability programs for commercial and residential development in the Downtown and South Lake Union areas. A procedural framework for the commercial portion of the MHA program, along with payment and performance amounts, was adopted in November, 2015. Separate legislation, already transmitted to Council, would establish a procedural framework for the residential portion of the MHA program, but does not set payment or performance amounts for any particular areas.

In addition to the SEPA checklist prepared for this proposal, the following is a list of documents related to this proposal:

- Mandatory Housing Affordability Downtown and South Lake Union Urban Design Study, May 2016
- Downtown Height and Density Draft Environmental Impact Statement, November 2003
- Downtown Height and Density Final Environmental Impact Statement, January 2005
- Livable South Downtown Planning Draft Environmental Impact Statement, November 2007
- Livable South Downtown Planning Final Environmental Impact Statement, May 2008
- South Lake Union Height and Density Alternatives Draft Environmental Impact Statement, February 2011
- South Lake Union Height and Density Alternatives Final Environmental Impact Statement, April 2012
- Mandatory Housing Affordability Transportation Study: Downtown and South Lake Union, May 2016, Fehr & Peers
- Policy Options for Refining Seattle's Incentive Zoning Program, July 2014, Cornerstone Partnership
- Seattle Affordable Housing Incentive Program Economic Analysis, October 10, 2014, David Rosen & Associates
- Seattle Affordable Housing Nexus Study, Economic Impact Analysis for Low- and Mid-Rise Residential, Mixed Use and Non-Residential Prototypes, David Paul Rosen & Associates, May 18, 2015
- Seattle Non-Residential Affordable Housing Impact and Mitigation Study, David Paul Rosen & Associates, September 15, 2015
- Recommendations for implementation of an Affordable Housing Linkage Fee, September 12, 2014, memo by Cornerstone Partnership
- City of Seattle Comprehensive Plan, Housing Appendix

DESCRIPTION OF PROPOSAL

This is a non-project proposal. The proposal would create additional commercial and residential development capacity in the form of an increase in the amount of height and/or floor area allowed by zoning in Downtown, South Lake Union, and an existing IC 85-160 zone abutting the southern edge of the Downtown Urban Center. In connection with such increases in development capacity, this proposal would implement a Mandatory Housing Affordability (MHA) program in those zones gaining additional development capacity. Under the MHA program, developers creating new commercial or residential development would be required to provide affordable housing, either through payment or performance, according to the standards in Seattle Municipal Code Chapters 23.58B and 23.58C.

Key aspects of MHA include:

- **Applicability**: The proposal would apply to residential and commercial uses. For residential uses, the proposal would apply to any development that adds one or more dwelling units (except accessory dwelling units and detached accessory dwelling units), live-work units, or sleeping rooms in a congregate residence as part of construction of a new structure; construction of an addition to an existing structure that increases the total number of units; an alteration to an existing structure that increases the total number of units; or a change of use to residential or live-work that results in an increase in the total number of units. For commercial uses, the program would apply to development of either a new structure, or an addition to an existing structure, that contains more than 4,000 square feet of new chargeable floor area that will be devoted to commercial use.
- **Contribution to Affordable Housing**. The proposal would require provision of affordable housing by means of performance or payment. Performance means an applicant would include affordable housing on-site as part of the development. Commercial development would also have an option of providing the affordable housing off-site. Payment means an applicant would pay into a fund that the City would use to develop affordable housing. The specific requirements would vary by zone but would generally fall in the following ranges:

	Performance Option % of total housing units (for residential) or percentage of new chargeable floor area (for commercial)	**Payment Option** $ per square foot of above-ground gross floor area (for residential) or chargeable floor area (for commercial)
Residential	2-6%	$5-13
Commercial	5-11%	$8-18

- **AMI target**: Housing provided through the performance option would have to be affordable to households with incomes at the time of occupancy not exceeding 60% of Area Median Income (AMI) for rental units that are 400 square feet or greater, 40% of AMI for rental units that are less than 400 square feet, and 80% of AMI for ownership

units. For rental units, recertification of incomes would be required on an annual basis and households would be considered to satisfy the AMI requirement if their income at the time of recertification did not exceed 80% of Area Median Income (AMI) for rental units that are 400 square feet or greater, 60% of AMI for rental units that are less than 400 square feet.

- **Exempted Areas**: The following zones would be exempt from the proposal: all Pioneer Square Mixed (PSM) zones, Pike Market Mixed (PMM), Downtown Harborfront 1 (DH1), DH2/55, DH2/85, SM 85/65-160, IDM-65-120, IDM 75-85, and C2-40 (mostly within the CW shoreline environment).
- **Additional Development Capacity**: A summary of the additional capacity that would be provided is shown below. In a limited number of zones, the proposal includes two options for additional residential capacity: either additional height or larger tower floor plates. The final legislation is anticipated to implement one of these proposals, not both.

Zone	Additional Residential Capacity	Additional Commercial Capacity
DH2/65	10 feet height	10 feet height
DMC-65	10 feet height	1 FAR increase, 10 feet height
DMC-85	10 feet height	1 FAR increase, 10 feet height
DMC 85/65-150	10 feet height	1 FAR increase
DMC-125	20 feet height	1 FAR increase, 20 feet height
DMC-160	10 feet height	1 FAR increase, 10 feet height
DMC 240/290-400	40 feet height OR 1,000 foot increase in the average tower floor plate[1]	1 FAR increase
DMC 340/290-400	40 feet height OR 1,000 foot increase in the average tower floor plate[1]	1 FAR increase
DMR/C 65/65-85	10 feet height	0.5 FAR increase, 10 feet height
DMR/C 65/65-150	20 feet height, 10% tower floor plate above 125 feet[2]	0.5 FAR increase, 10 feet height
DMR/C 85/65	10 feet height	0.5 FAR increase, 10 feet height
DMR/C 125/65	20 feet height[2]	0.5 FAR increase
DMR/C 240/125	30 feet height, 10% tower floor plate above 125 feet	0.5 FAR increase
DMR/R 85/65	10 feet height[2]	0.5 FAR increase
DMR/R 125/65	20 feet height[2]	0.5 FAR increase
DMR/R 240/65	30 feet height, 10% tower floor plate above 125 feet	0.5 FAR increase
DOC1 U/450/U	1,000 sf tower floor plate	1 FAR increase
DOC2 500/300-500	40 feet height OR 1,000 foot increase in the average tower floor plate[1]	1 FAR increase
DRC 85-150	20 feet height[2]	1 FAR increase

IC 85-160	none	0.5 FAR increase, 15 feet height
IDM 75/85-150	20 feet height	1 FAR increase, 10 feet height
IDM 150/85-150	20 feet height	1 FAR increase, 15 feet height
IDR 45/125-240	30 feet height, 5 percentage increase in coverage above 125 ft[2]	0.5 FAR increase
IDR 150	20 feet height[2]	0.5 FAR increase
IDR/C 125/150-240	30 feet height, 5 percentage increase in coverage above 125 ft[2]	1 FAR increase
SM-85	10 feet height, 0.75 FAR	0.5 FAR, 15 feet height
SM-125	20 feet height, 1.5 FAR	0.5 FAR, 20 feet height
SM-SLU 85/65-125	20 feet height OR 1,000 foot increase in the average tower floor plate and 5% coverage increase[1]	0.5 FAR increase, 15 ft Height
SM-SLU 85-240	30 feet height OR 1,000 foot increase in the average tower floor plate and 5% coverage increase[1]	None
SM-SLU 160/85-240	30 feet height OR 1,000 foot increase in the average tower floor plate and 5% coverage increase[1]	1 FAR increase, 15 foot height
SM-SLU 240/125-400	40 feet height OR 1,000 foot increase in the average tower floor plate and 5% coverage increase[1]	1 FAR increase
SM-SLU/R 55/85	10 feet height	10 feet height

[1] proposal considers two options for additional residential development capacity; final legislation would implement one option or the other, not both
[2] could also modify height breakpoints for coverage and floor plate limits

- **Modifications of Development Standards**: Modifications to development standards would be allowed in certain situations where projects might not be able to achieve some or all of the additional development capacity that is proposed. If the final legislation included the option of allowing taller rather than wider buildings (where discussed in the table above), the following modifications would be allowed:
    - In a DMC 240/290-400, DMC 340/290-400, SM-SLU 85-240, SM-SLU 240/125-400, or SM 85/65-125 zone or in a SM-SLU 160/85-240 zone located outside of the South Lake Union Seaport Flight Corridor**,** if development standards, such as limits on the number of towers per block, tower separation requirements, or setbacks, would prohibit a tower or would result in a tower that would be less than 7,500 square feet, the maximum height for structures that would be allowed without meeting tower standards would be increased by 10 feet. This allowance would change the height limit for structures that do not meet tower standards from 160 to 170 feet in DMC 240/290-400 and DMC 340/290-400 zones and from 125 to 135 feet in the SM-SLU 240/125-400 zone and from 85 to 95 feet in SM-SLU

85-240 and SM-SLU 160/85-240 zones and from 65 to 75 feet in SM-SLU 85/65-125 zones.

- For projects in a SM-SLU 160/85-240 zone located in South Lake Union Seaport Flight Corridor that could not achieve their maximum height, the average gross floor area of all stories with residential use above the podium height would be allowed to increase by 10%, except that for lots less than 12,500 square feet the upper-level floor area limit according to subsection 23.48.245.A would also be increased from 50 percent to 67 percent. If development standards in Title 23 would prohibit a development from using the larger floor plate discussed above, the maximum height for structures that would be allowed without meeting tower standards would be increased by 10 feet. This allowance would change the height limit for structures that do not meet tower standards from 85 to 95 feet.

If the final legislation includes the option of allowing wider rather than taller buildings, the following modifications would be to be provided:

- In a DMC 240/290-400, DMC 340/290-400, SM-SLU 85-240, SM-SLU 240/125-400, SM 85/65-125, or SM 160/85-240, where development standards, such as limits on the number of towers per block, tower separation requirements, or setbacks, would prohibit a development from using the additional floor plate granted through this legislation, additional height equal in floor area to the amount of floor area that was granted but couldn't be used would be allowed.
- In a DMC 240/290-400, DMC 340/290-400, SM-SLU 85-240, SM-SLU 240/125-400 or SM 85/65-125 zone or in a SM-SLU 160/85-240 zone located outside of the South Lake Union Seaport Flight Corridor where development standards, such as limits on the number of towers per block, tower separation requirements, or setbacks, would prohibit a tower or would result in a tower that would be less than 7,500 square feet, the maximum height for structures that would be allowed without meeting tower standards would be increased by 10 feet. This allowance would change the height limit for structures that do not meet tower standards from 160 to 170 feet in DMC 240/290-400 and DMC 340/290-400 zones and from 125 to 135 feet in the SM-SLU 240/125-400 zone and from 85 to 95 feet in SM-SLU 85-240 and SM-SLU 160/85-240 zones.
- For projects in a SM-SLU 160/85-240 zone located in the South Lake Union Seaport Flight Corridor that could not achieve the height allowed under the first bullet, the maximum height for structures that would be allowed without meeting tower standards would be increased by 10 feet. This allowance would change the height limit for structures that do not meet tower standards from 85 to 95 feet.

- **Modification of Affordable Housing Requirements**: Modifications to payment and performance amounts would be allowed in certain situations where development standards prevent use of the additional development capacity and modifications to development standards would not address the issue. Specifically, a reduction of the payment and performance amounts would be allowed if development standards in Title 23 would prohibit partial or total use of the additional development capacity that was provided as

part of this proposal. The maximum reduction would vary by zone from 10-25% and would be prorated if only a portion of the extra development capacity could be used.

Additionally, the proposal would change the point in the permit process that would be used for considering which proposal is first for purposes of determining tower regulations. Under existing rules in certain zones, new towers must be separated from existing towers by specified distances and, in some cases, may not be located on the same half block as an existing tower. Where two towers are proposed to be located in close proximity, the City relies on the provisions of Seattle Municipal Code Section 23.48.245 for Seattle Mixed zones and Section 23.49.058 for Downtown zones to determine which project is first. Currently, this decision is generally based on which project receives a MUP decision. This situation can be very problematic where projects have similar timelines as it is not known until the end of their permit process which project will be issued the MUP. Additionally, it could result in a situation where factors outside the control of the applicant, such as the workload and vacation schedule of permit reviewers, could determine the outcome. This proposal would change the key point from issuance of the MUP permit to point at which a complete application for early design guidance has been filed.

ELEMENTS OF THE ENVIRONMENT

Adoption of the possible amendments would result in no immediate adverse short-term impacts because the adoption would be a non-project action. The discussion below generally evaluates the potential for long-term adverse impacts from the net differences in future development capacity and project size that might be possible as a consequence of the proposed amendments. This is a programmatic level analysis oriented to addressing matters pertinent to SEPA elements and concepts. Conclusions are presented in a relatively high-level summary fashion, without an intent to exhaustively interpret the potential environmental impact ramifications (or lack thereof) of each and every change-item included in the proposal.

BUILT ENVIRONMENT

Land Use, Height/Bulk/Scale, Relationship to Existing Plans and Policies

The proposal includes changes to the maximum height limits and/or maximum density limits[1] in the Land Use Code for most Downtown Zones and South Lake Union SM zones, as well as for the IC 85-160 zone located in the Duwamish Manufacturing and Industrial Center and abutting the Downtown Urban Center. This particular IC zone currently includes incentive provisions linked to existing downtown incentive programs. The purpose for these changes is described in

[1] For this analysis, density limits refer to controls on the amount of floor area allowed in a project. In most zones addressed in this proposal, density limits for non-residential uses are based on a floor area ratio (FAR) limit. For residential uses, the amount of floor area permitted in many zones is established by the height limit of the zone and any development standards, such as coverage limits, setbacks, limits on the size of stories allowed, etc. that define a zoning envelope on the development lot.

the "description of proposal" above and in the environmental checklist. These changes are intended to accommodate the implementation of MHA requirements and provide greater predictability in administering the permitting of tower developments. subject to spacing requirements.

Previous SEPA analysis has evaluated the potential impacts that implementing a citywide mandatory housing affordability program might have on influencing future development patterns, both within the city and potentially in the distributions of growth between Seattle and other jurisdictions. This analysis supplements this previous by analyzing any potential impacts that may be associated with the specific height and bulk adjustments proposed in the affected areas. While the proposal's regulatory scheme could alter aspects of future building designs, there appears to be little or no potential for such differences to generate land use impacts that are significant and adverse for any given property. This means that density-related impacts (as contemplated under Height, Bulk, and Scale in the City's SEPA policies) and land use compatibility-related impacts (as contemplated under Land Use in the City's SEPA policies) are not anticipated to affect the built environment in a manner that is significantly adverse.

Use and Development Patterns

The additional development capacity resulting from the zoning changes analyzed in this proposal is estimated to increase the overall development capacity in Downtown and South Lake Union by about 9%. While these changes appear consistent with goals in the Comprehensive Plan that call for consolidating a large share of future growth in the central urban core neighborhoods of Seattle, minor adverse environmental impacts could occur if the proposal were to result in changes that:

1. increase or decrease the total amount of development in Downtown and South Lake Union,
2. influence the types of development that occur in Downtown and South Lake Union, or
3. shift development between Downtown and South Lake Union and other areas.

These impacts could occur where the proposal changes the relative margins of profitability for development sites; the proposed additional capacity allows for more housing units or non-residential development on existing sites; or, in mixed use areas, where changes in capacity that vary by use alter the zoning dynamics to favor the development of one use over another.

It is generally expected that the cost of the required affordable housing contribution, taking into account the value of the additional development capacity, will not discourage development. However, the effects could vary on a site by site basis such that the proposal could result in minor differences in the types or intensities of development occurring in certain parts of Downtown and South Lake Union than would otherwise occur.

This proposal could also result in the development of more housing units and/or non-residential square footage in Downtown and South Lake Union where the additional development capacity encourages developers to build larger buildings on sites where development was being proposed or considered. Given the limits on redevelopable land resources in Downtown and South Lake

Union, adding development capacity through the proposed zoning changes will, over time, facilitate additional growth. However, there is also limited regional demand for residential units and non-residential space in these sub-markets, which suggests that the development of larger individual developments may also lead to fewer developments overall within a given future timeframe.

The majority of land in Downtown and South Lake Union is already developed with significant structures that are unlikely to be redeveloped over the next 20 years. Analysis in the Mandatory Housing Affordability Downtown and South Lake Union Urban Design Study identifies approximately 160 sites in Downtown and South Lake Union where current development conditions on the site suggest that they could redevelop under existing market conditions over an indefinite period of time. Covering the immediate 20-year period through 2035, growth estimates contained in the proposed Seattle 2035 Comprehensive Plan update provide an indicator of future possible development levels that could occur over the next 20 years. It should be noted that a significant share of the 20 year growth estimate will be met by projects currently undergoing permitting or construction that will be unable to use the additional capacity created by this proposal. An analysis that takes into account this amount of "pre-proposal" growth suggests that the proposed increase in development capacity could, for the remaining share of development occurring over the next 20 years, increase the square footage of new development by approximately 5% above what it would be if existing regulations remained in place, assuming the proposal does not change the viability of individual projects and all future projects utilize the extra increment of development capacity.

The zoning in most South Lake Union and Downtown areas allows a mix of residential and nonresidential uses, with the exception of the IC 85-160 zone, which prohibits residential use. In most zones, the regulations that determine development potential vary according to use. As a rule, a residential project currently can achieve more floor area than non-residential projects because, in addition to height limits and applicable bulk controls, non-residential uses are also subject to a floor area ratio (FAR) limit that ultimately determines the total amount of floor area allowed in a project. The amount of floor area permitted in a residential project is only limited by the zoning envelope established by the height limit of the zone and whatever bulk controls might apply—without the overriding control of an FAR limit. Furthermore, except for those zones primarily intended for concentrated employment growth, a residential project is allowed more height than a nonresidential project, resulting in an overall zoning envelope that can accommodate more floor area.

Given that the proposed action increases the development potential for both residential and non-residential uses, the existing relationship between these different uses in terms of overall achievable floor area will generally be maintained. In some cases the proportion of the increase in development potential may be greater for one use than the other, but relative to the overall development potential of the zone for different uses, any such shift in allowable floor area for a particular use resulting from the added increment would be minor and would not significantly alter the relationship between the overall development potential achievable in residential and commercial projects in any particular zone. For those zones that include a regulatory framework that allows mixed use but strongly emphasizes a preferred use, such as residential uses in the DMR zones in Belltown and the SM-SLU/R zones in South Lake Union, the incremental

increase in development capacity under the proposal will not be significant enough to alter this condition.

In conclusion, given the unique nature of the Downtown and South Lake Union sub-markets and overall City policy-based goals to accommodate substantially more jobs and housing units in these areas, and in light of the zoning choices made by the City of Seattle to implement these goals over the years, including the 2001 Downtown rezone, 2006 Downtown rezone, 2011 South Downtown rezone, and 2013 South Lake Union rezone, it is unlikely that the limited increase in capacity generated under this proposed action would lead to land use conditions or outcomes that would be incompatible with, or likely have any significant adverse impact on, future use and development patterns or any relevant adopted City land use regulations, goals, or policies.

Height, Bulk, and Scale

The proposal could result in changes to the height, bulk, and scale of future development in Downtown and South Lake Union. If the proposal results in incremental increases to the maximum height limit, it is likely that future development in these areas under MHA would in most cases result in taller buildings. Similarly, if incremental increases in upper-level lot coverage and/or permitted floor sizes are allowed, future development under MHA would, in most cases, likely result in wider and bulkier towers. For commercial development, increases in the maximum FAR limits would in most cases result in taller structures, especially in South Lake Union zones, where commercial projects are subject to a floor size limit and it is more likely that additional stories would be required to accommodate the increased floor area allowed. In downtown zones, where height limits for commercial development are more generous (generally above 160 feet), developers will likely continue to seek to maximize floor sizes for projects, making it less necessary to use any additional height beyond current limits to accommodate the allowed increase in floor area, which may result in structures that are bulkier, but that in many cases will not require additional height above current limits.

Current zoning in the affected areas was guided by City policy regarding where future growth should be accommodated, the types of uses to be encouraged at different locations, and the overall urban form desired. The principal zoning tools for achieving these policy objectives are the height and density limits that apply to different uses in each zone, as well as a variety of development standards that influence, to varying degrees, the shape of a project and the allowed amount of floor area that can be accommodated on a lot in a particular zone.

The geographic application of these different zones with their complement of development standards is based on locational criteria intended to achieve a variety of urban design and development objectives. Specifically, in both South Lake Union and Downtown, the areas that are best served by transit are generally zoned to accommodate the highest employment concentrations and the greatest intensity of development, which is reflected in the height limits and controls on development density. Height limits in adjacent areas generally reflect policies that call for a "stepping down" with distance from these higher intensity areas. This gradation is intended to achieve a transition in activity and scale as development approaches adjacent, less intensive areas, such as mixed use and residential neighborhoods, the Lake Union lakefront, and the Elliott Bay waterfront. Lower height and density limits also apply to areas where the policies

emphasize maintaining the existing scale and character of development, such as the Downtown retail core or the historic districts established in Pioneer Square, the International District and Pike Place Market.

The impact of the proposed changes is anticipated to be minimal, both because the increment of change itself is limited, and because the changes are being applied to the full array of zones in Downtown and South Lake Union that have been mapped to achieve the desired development pattern and growth distribution under current policies. This proposal will only represent a minor degree of change to the overall gradation of allowed building heights and densities. Consequently, with the increase development potential applied to all but a few zones, the relationship between zones will essentially remain the same; the zones permitting the greatest height and density will continue to do so, the intended transitions between areas zoned to accommodate different development intensities will be accommodated, and conditions within the most sensitive areas—the historic districts and waterfront areas—will be unchanged.

While the broad application of the proposed zoning changes will help to moderate the degree of differential changes to transitions between zones, there are certain zones exempted from the proposal where current transition conditions will potentially become slightly more abrupt. For those specific areas such as Pioneer Square, the core of Chinatown-International District, Pike Market, and certain waterfront areas where the zoning won't change, the proposal will result in incrementally steeper transitions with these zones. However, because of the generally lower heights in these areas, even under current zoning, the transition with abutting zones mapped to accommodate redevelopment could be described as relatively abrupt. Areas with more pronounced transitions include:

- Northern Pioneer Square (PSM 100/100-120 and PSM 100/100-130 to DMC 340/290-400)
- Chinatown-International District (IDM 75-85 to IDR/C 125/150-240, IDR 150, and IDM 75/85-150)
- Central Waterfront Across Alaskan Way (DH1/45 to DMC-160)
- Pike Place Market (PMM 85 to DMC 125 and DMC 240/290-400)
- West South Lake Union across Aurora (SM-SLU 160/85-240 to SM-85, NC-85, and C1-65)

Overall, most of these transitions are not substantially different than existing transitions between zones within downtown (which commonly include transitions in maximum height of 120 to 160 feet between blocks or across alleys) or between existing buildings (which often result in low scale buildings next to towers). The presence of physical buffers, particularly I-5, Mercer Street, Aurora Avenue, and I-90 off ramps, also helps to ensure reasonable physical transitions in scale between the project area and adjacent areas.

To the extent that the proposed changes will result in impacts related to height, bulk and scale for individual projects, the type and magnitude of these impacts will likely vary based on the range of development standards currently in place to address these issues in the different affected zones, the extent to which these standards would change under the proposal, if at all, and whether, the proposed action will ultimately result in increased height or increased bulk, or both, relative to what is allowed now. The following discussion looks at variations in the range of

development standards that address bulk and scale in various sub-groups of zones within the affected area and how these conditions might influence the potential impacts of the proposed changes:

- **South Lake Union zones (SM-SLU).** In most SM-SLU zones, development standards vary by building type. Base structures, or structures that do not exceed a specified height limit (typically 85 feet) are subject to one set of standards, while towers—buildings exceeding 85 feet in height) are subject to another set of standards that specifically address issues related to taller buildings.

  In zones that allow towers, the standards require a minimum lot area that is double the area of the tower's average floor size. This means that on any lot with a tower structure, any development on a significant portion of the lot will be limited to a lower height. These lower base portions of a tower development are referred to as the podium. The podium heights vary by location, ranging from 45 to 85 feet, to achieve desired street level conditions within the pedestrian environment. With the limit on tower coverage, on any given site, a tower can be positioned to minimize impacts on adjacent development without reducing overall development potential of the project. Additional provisions in SM-SLU zones limit residential towers to one per block front (or two per block), and commercial towers are limited to one per block, which restricts the overall distribution of towers in the area. Furthermore, a minimum separation of 60 feet must be provided between residential towers. Since these standards will remain in place, even though individual structures may gain added height and/or bulk through the proposed changes, current provisions that establish the relationship between towers on separate development sites and the overall distribution of towers within the area would be maintained.

  Another factor to consider is the number of remaining opportunities for towers in South Lake Union, given recent development activity and the diminishing number of available sites that could support towers. In evaluating the sites remaining for redevelopment once current proposed projects have been accounted for, the remaining number of opportunities for towers in all SM-SLU zones allowing tower development is estimated to be around 10 more residential towers and six commercial towers.

  On a lot where current standards limiting towers would prevent a development from taking advantage of the added height and/or density allowed under the proposal, there are provisions to allow a structure built under the base conditions to exceed the 85 foot height limit that would otherwise apply. Consequently, these structures would be slightly taller.

  In all zones with a height limit of 85 feet or less (and in the SM 125 zone), all uses are currently subject to an FAR limit (with the exception of the SM-SLU/R 55/85 zone in Cascade), and the proposal would allow both an increase in the FAR limit and an increase in the height limit. For development built to these lower heights, the FAR limits often allow for a building envelope that pushes to the height limit, so a height increase that is accompanied with an increase in allowed density makes it more likely that the added floor area can be accommodated, while also providing some opportunity for massing solutions for the upper floors that can reduce the impacts of added bulk. Consequently,

new development under the proposal would be similar in bulk, but slightly taller compared to what could be built under existing zoning.

South Lake Union zones also includes development standards intended to address the relationship of all new development to specific views at certain locations and to certain public open spaces. These development standards would not change under the proposed action, so future development would continue to respond to these conditions.

- **Downtown DMR zones in Belltown.** Where towers are allowed in DMR zones, a minimum lot size is required for development that exceeds 125 feet in height. Even with the proposed increases in tower floor sizes and upper level coverage limits, the coverage of the tower above 125 feet would continue to be half the required lot area or less, depending on lot size. As in South Lake Union, this limit makes it possible to adjust the placement of a tower on a particular site to minimize impacts on adjacent properties. The minimum lot size also indirectly limits the number of towers that can be built on a block—the maximum number of towers allowed would be the block area divided by the number of lots that could meet the minimum lot size requirement.

  For structures 125 feet in height or less, additional height and/or floor area would be allowed regardless of lot size. Although projects would be allowed increased height and/or bulk, coverage limits would continue to require a reduction in bulk as the height of a project increases. Furthermore, for any structures gaining the added height and/or bulk proposed, other provisions, including required setbacks from shared property lines, will continue to maintain the current relationship between new structures and development on abutting lots.

- **Downtown DMC zones allowing structures exceeding 160 feet in height.** These zones have accommodated the greatest share of the residential tower development that has occurred in Downtown and South Lake Union in the last decade, and they will likely accommodate most of the future residential tower development downtown that would be affected by the proposed changes. Unlike South Lake Union zones and DMR zones in Belltown, there is no minimum lot size requirement for tower development in these zones. Residential towers above a specified height are subject to a maximum floor size limit that, combined with a maximum width limit, controls the bulk of a tower. Required spacing between new towers, ranging from 60 to 200 feet depending on location, determines the relationship between towers located on the same block and indirectly influences the number of towers that could be built on a block based on the ability of individual projects to maintain the required separation.

  As in South Lake Union, the option to allow wider rather than taller towers could result in slightly bulkier buildings. However, given the tower floor plate limits, accommodating the increased floor area allowed would essentially mean that a future tower built to the proposed standards might be approximately10 feet wider or 10 feet deeper, or some combination of increased width and depth, such as 5 feet wider and 5 feet deeper, than a tower permitted under current rules. For example, the current maximum floor size of 10,700 square feet can be accommodated in a tower that is 107 feet wide by 100 feet deep. With the proposed increase, an 11,700 square foot tower could have a width of 117 feet (10 feet wider), with the same depth of 100 feet, or a

greater width of 120 feet (120 feet is the maximum width allowed for a residential tower in this zone) with a reduced depth of 98 feet (13 feet wider but 2 feet less in depth). Given the overall size of the building, the perceived difference between a tower built under current rules and a tower built under the proposed changes would arguably be slight, especially given the fact that the required separation between towers, which would not be changed under the proposal, would not allow the somewhat bulkier towers to be any closer together.

Since tower development in these zones is allowed on relatively small sites, there could be cases where structures seeking to use the increased bulk proposed would increase the tower coverage on the lot, which could have a negative impact on existing or "non-tower" development on abutting lots because there could be less separation along shared lot lines. It is also possible that portions of the structure that extend closer to shared lot lines would be required to increase the area of blank walls to comply with fire safety regulations in the Building Code. For adjacent lots that are separated by an alley, the greater width and/or depth dimensions that may be necessary to accommodate the additional floor area allowed could push the tower closer to exiting or "non-tower" development on the adjacent lot and/or increase the portion of development on the adjacent lot that is blocked by the new tower, relative to the amount that would be blocked by development under current conditions. As mentioned above, the separation that is required between tower structures—buildings exceeding 160 feet in height—would not change as a result of the proposed action.

Regarding the option to go taller, the Code already allows screening to extend an additional 10 percent (40 feet) above the 400 foot height limit for residential towers in these zones to allow for a visually more interesting treatment of the building top. This is the same amount of additional height proposed to be allowed for taller structures in the proposal. Projects taking advantage of added height would contribute to the variation in the skyline silhouette that

Also, as in South Lake Union, on a DMC lot where current tower standards would prevent a development from taking advantage of the proposed height and/or density increase, the amount of additional floor area could be added to a structure type that is not subject to tower standards, which in these zones is currently a structure that is 160 feet in height or less. Consequently, these structures would be slightly taller and bulkier.

- **DOC 1 and DOC 2 zones.** Towers in these zones are not subject to a minimum lot size requirement or a spacing requirement, so the potential for impacts associated with the placement of towers in close proximity to each other already exists. Because these zones are primarily intended to accommodate concentrated employment growth, the development standards do not reflect the same emphasis on addressing the relationship between developments on adjacent lots that is more characteristic of zones specifically intended to accommodate residential projects. Existing conditions reflect a policy choice to favor commercial development in these zones. Employing standards that would create better conditions for residential development could have the consequence of diminishing opportunities for the high density commercial projects the zone is primarily intended to accommodate.

For residential structures, the floor size limits and width limits are the only standards that influence the extent to which a new structure will intrude upon adjacent development, and the proposal to increase the floor size limit could increase this intrusion by a small amount, depending on how the structure is configured to accommodate the added floor area in the new tower (i.e. increased width versus increased depth on the lot, or both—see discussion under DMC zones). In DOC zones, given the larger floor size already allowed for residential towers, the proposed 1,000 square foot increase that is proposed to be allowed for towers in all zones would result in a proportionally smaller increase over the current limit.

The size of nonresidential structures is regulated by a floor area ratio, and there are no floor size limits. The proposed increase in FAR would likely be accommodated in a taller structure, since, as under current conditions, projects would likely want to accommodate the allowed floor area in a structure with the maximum floor sizes possible on the lot, making it necessary to add the floor area gained on additional floors in a taller structure.

The proposal would allow additional floor area and bulkier structures in the DOC 1 and DOC 2 zones where existing conditions already allow structures to be developed with minimal separation. The significance of any further negative impact is arguably diminished by the limited number of development opportunities remaining in the area. It is estimated that in both DOC1 and DOC2 zones combined, there are perhaps nine sites considered likely to be available for redevelopment that could create adjacency issues with abutting properties over the timeframe analyzed.

- **South Downtown zones.** The IDM, IDR, and DMR zones in South Downtown employ development standards to address taller residential structures that are similar to those in DMR zones in Belltown. In the IDM zones that limit height to 150 feet or less, all structures are subject to modulation requirements and either limits on the coverage allowed for the upper level portions of the structure, or, in some areas, required upper level setbacks, with non-residential uses also subject to an FAR limit. These zones would allow additional height for residential structures, which could result in taller structures, while non-residential uses would be allowed a slight increase in FAR, permitting potentially bulkier structures.

  The IDR zones that allow towers up to 240 feet in height include standards similar to the IDM zones for structure 150 feet in height or less, but to address bulk issues for structures that exceed 150 feet in height, additional standards apply, including a minimum lot size limit, upper level coverage limits, and floor size limits. While the proposal would allow greater height and increased coverage for these structures, standards that address the distribution and relationship between towers within an area, such as the minimum lot size requirement, would not change, which would help to minimize any impacts associated with buildings that may be taller and bulkier.

  In DMR zones in South Downtown, structures that exceed 85 feet in height are subject to a minimum lot size requirement, a coverage limit for upper level portions of the structure, a maximum floor size limit, and width and depth limits for portions of the structure exceeding 65 feet in height. For development on the same lot, separation is required between structures exceeding 65 feet in height. The proposal would allow additional

height and coverage for upper level stories, which could result in taller, slightly bulkier structures, but other standards that influence the distribution of taller structures in the area and the relationship to surrounding development would remain unchanged.

In most South Downtown zones, nonresidential projects are typically subject to an FAR limit, and usually a lower height limit than residential development, and often the volume of floor area allowed by the FAR limit is a close fit within the height limit. Because of the relationship between the FAR and lower height limits for nonresidential development in these zones, the proposal to combine the increase in FAR with additional height will provide the opportunity for project to minimize the potential impacts of increased bulk by allowing the additional floor area to be accommodated on an upper floor. For those zones with lower height limits for residential use, with no FAR limit, the added height proposed will allow a slightly taller structure to accommodate the increase in floor area.

- **Downtown zones outside South Downtown with height limits of 160 feet or less.** In Downtown zones with height limits of 160 feet or less, there are no specific standards for tower structures. Bulk for non-residential uses is generally controlled by an FAR limit. All uses may be subject to modulation requirements, area specific setback requirements, and other standards that address bulk, but there are no tower floor size limits or separation requirements between structures built on separate lots. Residential uses would be allowed extra height, which could result in a slightly taller structure in these zones, and non-residential uses would be permitted extra FAR, which could result in a slightly bulkier structure. The existing view corridor and upper level setback requirements, that apply in these zones would not change and, would therefore continue to address specific bulk issues where they apply,.

- **IC 85-160 zone.** Given the platting and existing development conditions in this zone, most redevelopment opportunities will likely occur on especially large sites ranging from 80,000 to 165,000 square feet in area. This zone is unique among industrial zones in that development is subject to a greater range of standards intended to promote an active, integrated pedestrian environment. Regarding the proposed increase in height and FAR, the likely result would be structures that are both taller and bulkier. Existing standards that address bulk include modulation requirements for upper stories, separation requirements between structures on the same lot that exceed 85 feet in height, and a maximum floor size limits. These standards would remain in place to continue to mitigate the impact of potentially bulkier structures.

While the proposed action would allow development in most Downtown and South Lake Union zones to gain additional floor area through added height and/or increases in FAR or floor size limits, many of the development standards that address bulk conditions will remain unchanged. These standards vary by zone and type of use, and include such requirements as the modulation of street-facing facades, limits on building widths, required setbacks from shared lot lines, spacing between towers, minimum lot sizes for highrise development, and, in South Lake Union, limits on the number of towers per block. Furthermore, many of these standards addressing the street-level conditions of the project, such as podium heights, street-level and upper-level setbacks, view corridor setbacks, and open space requirements, will remain in place to maintain a good relationship between future structures and the public street-level environment.

In both Downtown and South Lake Union, there are numerous development standards that apply at particular locations to achieve more specific bulk, scale, and view preservation objectives. Among these are street-level and upper-level setbacks on designated green streets or other specified streets, and upper-level setbacks on designated view corridors. These standards would not change, and from the public policy perspective with regards to height bulk and scale issues, the most critical impacts of the project—the impacts it would have on the public street environment--would continue to be addressed the same under the proposed changes as they area under existing conditions.

The proposal would make an incremental difference in the height, bulk, and scale of future development. Overall, the height, bulk and scale of development allowed under this proposal would continue to be reasonably compatible with the general character of development anticipated by the goals and policies set forth in the Seattle Comprehensive Plan. Given that the proposed additional capacity could only be used by projects that are at least 65 feet in height, it is likely that almost all new projects that use the additional capacity will also be subject to design review which will also help to minimize the potential future impacts.

Housing

This proposal is intended to implement regulations that would require new development to contribute toward the production of affordable housing. Analysis contained in many documents related to this proposal as well as the Housing Appendix of the Comprehensive Plan demonstrate that there is a substantial unmet and growing need for affordable housing in the City.

New development generally creates an additional need for affordable housing beyond current existing needs. Modeling of this proposal suggests that it could result in 2,300 new affordable housing units over 10 years. From the standpoint of addressing the need for affordable housing, the impact of this proposal will be positive.

Adverse impacts on existing housing could occur if the proposal results in an increase in demolition of existing residential buildings in order to develop new market-rate buildings or new building for affordable housing resulting from payments received under the MHA program. Overall, the proposal is not likely to increase demolition by new market-rate projects. The additional development capacity is more likely to result in larger buildings developed on the same sites that would be redeveloped under existing conditions (e.g., taller structures or larger floorplates), rather than create a demand for additional, entirely new buildings that would require more sites, thereby potentially putting more existing housing sites at risk. Moreover, some of the developments using the proposed extra capacity will be residential projects adding new units to the area, and under the proposal both residential and commercial developments would generate affordable housing units or money to develop affordable housing units, which would offset or partially offset the impact of any housing units demolished through redevelopment.

Since residential and nonresidential development are regulated differently in most of the zones affected by the proposed action, another potential impact on housing to consider is whether the specific changes to height and/or floor area limits for different uses in a zone will influence the

attractiveness of developing non-residential projects relative to residential projects. However, it does not appear that any changes resulting from the proposed action would by itself make a residential project a less likely development choice. The development standards in most zones already allow more floor area for residential projects. Also, given that residential projects are adaptable to a greater range of site conditions (i.e. residential development is feasible on lots considered to be too small to accommodate the floor size requirements of a commercial development), and because site consolidation has become increasingly difficult, it is increasingly likely that future development opportunities will be on smaller sites suited to residential projects.

Relationship to Plans and Policies

A review of plans and policies relevant to the proposed action was included as part of the State Environmental Policy Act (SEPA) analysis associated with this proposal. This review considered multiple goals and policies directing the creation of both market-rate and affordable housing and non-residential development, in addition to many goals and policies that articulate the amount, distribution, and character of growth that should occur throughout Seattle, with the conclusion that the proposal seeks to balance and accomplish many of these objectives.

In addition to the goals and policies already considered, Comprehensive Plan goals and policies relevant to land use, height /bulk/scale issues and urban design specifically relevant to the affected area were also considered and are included in Attachment A of this document. The proposed action appears to be consistent with the general intent of these more area specific elements.

Environmentally sensitive areas or areas designated (or eligible or under study) for governmental protection, such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands

No impacts to critical areas are expected to result from the rezone proposal. The area is already a developed urban environment with limited critical areas, and the proposed zoning changes would only incrementally increase the potential size of future development on a range of redevelopable properties. There are no wilderness areas, wild and scenic rivers, threatened or endangered species habitat, or prime farmlands in the area where the proposal would apply. However, it is noted that species such as bald eagles and salmon are known to inhabit the general vicinities near the affected area, which adds a degree of interest in preserving water quality from degradation. The range of existing regulations that apply to potentially sensitive areas would continue to apply and provide protections to resources such as steep slopes, landslide hazards, stream corridors, wetlands, and other shoreline environments.

Historic Preservation and Cultural Resources

This proposal is not likely to generate significant adverse impacts on historic landmarks or historic districts as it would not modify existing protections for designated landmark structures and protected structures in historic districts and is not likely to significantly increase the number of

sites that would be redeveloped. The proposed zoning changes would not apply in most areas currently established as historic or special review districts, including Pioneer Square (PSM zones), the national historic register district in the core of the Chinatown/International District (IDM 75/85 zone), and the Pike Place Market Historical District (PMM zone), or in the Central Waterfront Landmark Designated Area (DH1 zone).

Known existing historic landmark sites would not be more likely to be developed under this proposal. Potential landmarks, which have been inventoried by the City, could in some cases be redeveloped, but would first be evaluated in order to determine whether they should receive a landmark designation. While some older buildings might be candidates for future designation as Landmarks with related protections, the City would continue to follow policies and procedures for reviewing landmark eligibility and making related decisions, as needed, prior to demolition. Also, existing designated landmark structures would continue to be protected by current City codes. This means that regardless of any inferred potential for differences in development pressures related to the proposed action, there would not be a reasonable likelihood of increased significant adverse impact threats to historic or potential historic resources resulting from the proposal.

Existing and future designated landmark structures in most Downtown zones would also continue to benefit from the ability to sell unused development rights from their sites through Landmark TDR provisions in the Code. One potential positive outcome of the proposal is that the increases in FAR limits for non-residential uses would, in several downtown zones, result in an increase in the amount of extra floor area that would need to be gained through non-housing related incentives, such as the use of development rights transferred from designated landmark structures (Landmark TDR). This potential increase in the demand for Landmark TDR could generate additional resources that owners of Landmark properties could use to maintain these structures.

This proposal is not likely to generate significant adverse impacts on cultural resources. Locations of such resources are not known, but might be present in portions of this study area in or near current or historic shoreline areas. The proposal would not modify existing protections for cultural resources and is not likely to significantly increase the number of sites that would be redeveloped. Rather, it could enable future buildings that are slightly taller or bulkier than would be the case if developed under today's regulations. Future possible development projects in these areas would continue to be subject to the State Environmental Policy Act (SEPA) Historic Preservation Policy and other state laws for potential archaeologically significant sites, as applicable.

Noise, Shadows on Open Spaces, Light/Glare, Public View Protection

This proposal could results in minor adverse impacts commonly associated with additional development capacity such as additional noise, glare, shadows, and emissions due to new development; however, these impacts are not expected to be significantly different from potential impacts of projects that are allowed under existing code.

Incremental increases in the shading of public places and rights-of-way could occur as a result of taller, wider, and/or bulkier buildings allowed under the proposed zoning changes. However, these same impacts may occur as a result of cumulative development within an area under existing conditions, or development proximate to the open space that would have a similar impact on a particular open space as a project developed under the proposed changes. However, some areas that would not be shaded by a lower or narrower structure could be shaded as a result of this proposal. As the proposal would only result in incrementally small changes to existing development standards, potential impacts are likely to be minor.

The increased amount of buildings could increase the cumulative level of artificial illumination in Downtown and South Lake Union. The new buildings will include towers that may potentially incorporate reflective surfaces that could on occasion create glare impacts. The exposure may extend to adjacent hillsides and the freeway. As the proposal would not change the materials that could be used on individual buildings, potential impacts are likely to be minor.

Impacts on public views were studied extensively as part of the State Environmental Policy Act (SEPA) analysis associated with this proposal. This proposal is likely to result in the creation of private views in some new buildings and the reduction of views in some existing buildings.

There are no grounds for concluding that any particular effect of the proposal might lead to increased potential for significant adverse noise, shadow, light/glare, or public view protection impacts. Also, noise regulations and other existing City policies and codes with respect to these other aspects of the environment would continue to apply within the city, in ways that result in reasonable protections against these kinds of adverse impacts.

Transportation, Parking

Analysis conducted as part of MHA Downtown and South Lake Union Urban Design Study suggests that the proposed increase in development capacity could result in an increase in square foot of new development equal to approximately 5% above existing regulations if the proposal does not change the viability of individual projects and if all future projects utilize the extra increment of development capacity. The potential transportation impacts of this increment of added growth were analyzed in *The Mandatory Housing Affordability Transportation Study: South Lake Union and Downtown*; Fehr and Peers, 2016. In this study, the forecasted future transportation conditions under the MHA proposal were developed using the Seattle Comprehensive Plan EIS model, which is based on the PSRC regional travel demand model. Transit network changes were made to the Comprehensive Plan model to reflect the proposed BRT lines outlined in the Amended Transit Master Plan which are to be funded through the recently passed Move Seattle levy. In addition, some screenline capacities were revised to account for the conversion of general purpose lanes to Business Access and Transit (BAT) lanes to accommodate the new BRT lines. Therefore, there are slight differences between the results presented for the Preferred Alternative in the Comprehensive Plan EIS and those presented here for the No Action Alternative.

Both quantitative and qualitative approaches were used to evaluate the transportation impacts of the MHA Proposal. The MHA Proposal is assessed against a No Action Alternative to identify impacts. This approach isolates the effects caused by the MHA Proposal itself, rather than changes that would happen over time regardless of whether the MHA Proposal or a "No Action" alternative goes forward. Therefore, potential impacts are based on a future "business-as-usual" condition as opposed to existing conditions.

Based on the results of the MHA Downtown and South Lake Union Transportation Study, the conclusion is that the increase in development potential is not anticipated to result in exceeding any service capacities. No impacts were identified under the corridor travel time, transit, screenline, or mode share analysis for the MHA Proposal when compared to the No Action Alternative. Parking and safety impacts are expected, but are not considered to be significant. No significant unavoidable adverse impacts to transportation are expected.

In some locations in the study area, on-street parking demand currently exceeds parking supply. Given the projected growth over the next 20 years and the fact that the supply of on-street parking is unlikely to increase by 2035, there will likely be more competition for on-street parking supply under the No Action Alternative. With the slightly higher intensity of land use expected under the MHA proposal, competition for parking spaces is expected to be somewhat higher than under the No Action Alternative. While there may be short-term on-street parking shortages as individual developments are completed, it is expected that over the long term, parking supply and demand would reach a new equilibrium as drivers shift to other modes or to using off-street parking facilities in response to the City's ongoing on-street parking management program. The on-street parking supply is a relatively small fraction of total supply, and off-street parking in downtown and South Lake Union is still likely to be readily available. Therefore, the parking impacts are not considered significant.

Public Services, Utilities

Because of the limited magnitude of the proposed changes, and based on conversations with representatives of utility and public service departments, the anticipated increase in development potential is not anticipated to exceed any service capacities or result in any additional potential adverse impacts on public services or utilities. Relative to existing conditions, the proposed changes are not anticipated to result in any significant increase or shift in the distribution of future growth that might place an increased burden on the operations of public service and utility providers.

Reviews by Seattle Public Utilities and Seattle City Light staff indicate that the water, sewer, drainage, and electrical utility systems are likely to be adequate to serve future demand levels. While some site-specific improvements may be needed, these improvements will be identified at the time of the future development. New development projects in this area could be required to perform analysis of development-related impacts on utility system infrastructure and, where necessary, to construct improvements that increase capacity and avoid service degradation. New development will also be required to provide storm water control and meet energy efficiency standards as required under the Drainage and Energy Codes.

Impacts to other public services, including fire and police services, parks, and schools, are also expected to be insignificant. Demand for fire and police services are influenced by a number factors including the number of service requests received and overall response times. While overall demand is not directly correlated with population and job growth, it is likely that additional population and job growth will result in some increase in demand for fire police services. The Police and Fire Departments regularly reassess their staff and facility needs to ensure they are appropriate given expected demand. Reviews by Fire and Police Department staff indicate that expected growth will not result in significant adverse impacts.

Regulations and other existing City policies and codes with respect to utility provision practices would continue to apply to development in the affected zones in South Lake Union and within and abutting Downtown, in ways that result in reasonable protections against adverse environmental impacts. For example, if a given development proposal would generate potentially harmful localized effects upon a utility system due to capacity concerns, or natural systems due to factors such as local surface drainage, it is the City's policy that the developer needs to provide sufficient improvements to remedy or protect against significant adverse damage to the utility systems or the natural drainage environment. This, along with other utility improvement requirements pertaining to new development, would help minimize the chances of significant adverse impacts relating to potential differences in future development patterns.

School enrollment is driven by a diversity of factors that are indirectly related to population and job growth and service and facility needs are regularly reviewed to ensure they are appropriate given expected demand. Given the small number of children currently enrolled in public school and living in the project area as well as the ability of the School District to modify enrollment boundaries to deal with small changes in enrollment, it is not expected that his proposal will have a significant impact on school services.

The project area currently has a developed park and open space system serving current employees and residents. The system includes numerous parks, green streets and open space features, and is supplemented with plazas and similar spaces that are added as new development occurs. While the existing system does not meet certain per capita and distribution goals set by the City, the incremental growth resulting from this proposal is not likely to result in capacity constraints or significant adverse impacts to the existing system.

In the affected zones, residential and office developments are required to provide on-site amenity area or open space to help mitigate impacts new employees and residents are expected to have on public open space resources in the area. Provisions are also in place to encourage features to be made available to the general public. These standards will remain in place with the proposed changes, and will also apply to the proposed increment of added floor area in determining the overall amount of amenity area or open space required in a given project. Furthermore, for non-residential development in downtown zones, the Code allows for a specified amount of the extra floor area that can be added above the base FAR to be gained through the use of floor area bonuses granted for providing public open space amenities on a project site. These provisions will remain in place under the proposal, and to some degree may be enhanced since the change will result in a

slight increase in the amount of the extra floor area that can be gained through the use of these bonuses, which may increase their use.

Seattle Parks and Recreation will continue planning the implementation of improvements citywide, which may include facilities that would help address identified geographical gaps or shortfalls in open space and recreational facilities in this affected area. The analysis of potential impacts of the proposal takes into account the existing context that includes geographic and per capita shortfalls in meeting the current aspirational parks and open space goals. Within this context, the incremental potential for future additional non-residential and residential growth resulting from this proposal is judged to generate an adverse impact because it would add to populations in an area evaluated as underserved by parks and open space. However, because of the relatively limited magnitude of change, a degree of uncertainty about the timing and full use of the added development potential, and the non-binding aspirational nature of the goals, and mitigating measures already in place, such impacts should not be judged as "more than moderate" or significant and adverse.

NATURAL ENVIRONMENT

Plants & Animals, Air Quality, Earth, Water (Drainage & Water Quality), Environmental Health

Overall, this non-project proposal would not result in any direct impacts to plants and animals, water, air, toxic or hazardous substances because it does not directly propose development. In terms of its effects upon future possible development, the proposed changes to development standards would slightly increase development potential in Downtown and South Lake Union, by authorizing zoning and regulatory changes that would add incrementally to the maximum buildable density and height of future buildings. The increment of additional future development that could occur if added development capacity is used is estimated to be an increase of approximately 5.9 percent above existing conditions. While this increase could generate minor adverse impacts commonly associated with development in urban areas, such as emissions from automobile trips and heating in new buildings, and incidental contributions to environmental noise and stormwater runoff, the increment of difference in impacts, compared to development under today's regulations, would be only that amount attributable to the buildings being incrementally bigger. No significant adverse impacts in the form of discharge to water; emissions to air; production, storage, or release of toxic or hazardous substances; or production of noise are identified as likely due to this proposal.

Construction activities associated with the increment of additional future development are not likely to generate significantly different adverse impacts on water or air quality under the proposed zoning changes. The proposed increases in allowable height, floor plate size, or lot coverage would allow for incremental increases in building intensity, scale, and duration of construction activity for a given development project, but these would make only a minor difference in the total potential for emissions to air, noise and release of toxic or hazardous substances – due to slightly longer construction timeframes. Any development or redevelopment

will have to comply with City regulations for management of stormwater runoff and other construction practices and requirements.

Any incremental increase in greenhouse gas emissions resulting from additional development in the Downtown and South Lake Union areas could be offset at least partially by reductions in commuting over future buildings' lifetimes as more residents and employees would be able to live and work in these centrally located urban centers. It is not possible to reliably quantify these offsetting factors for comparative purposes, but they would factor into estimations of the net change in greenhouse gas emissions resulting from this proposal.

Energy and Natural Resources

The proposed changes would result in no direct negative impacts to energy or natural resources because it does not directly propose development, and are not likely to indirectly cause significant adverse depletion of energy or natural resources. The proposed additional development capacity could result in incrementally larger residential or commercial buildings that, in some cases, could result in incrementally higher energy use for a particular project. The differential levels of impacts given potential increments in future development are not likely to be significant. New buildings will continue to be required to comply with the Seattle Energy Code and other standards for energy efficiency. Additionally, to the extent that additional development capacity results in an increase in the number of housing units and commercial floor area in Downtown and South Lake Union, the proposal may in certain cases reduce demand for energy and natural resources by increasing residential and commercial density in an area with frequent transit service and a mix of land uses, increasing the likelihood that people will walk and use transit for work and other daily trips.

DECISION

This proposal would implement a key recommendation of the HALA stakeholder committee to address the housing affordability crisis in Seattle. By supporting the provision of affordable housing as the city grows and providing additional development capacity to offset or partially offset the cost of new requirements, the MHA program will result in the creation of new affordable housing units without significantly impacting the supply of new market-rate units that are necessary to address increasing competition for limited housing stock. To the extent that modest increases in the size of future development may occur as a result of these changes, the increment of difference is not anticipated to generate any significant adverse impacts relative to existing conditions. By addressing the issues of affordable housing and development capacity together, the program represents an important step in realizing the City's goals of being an inclusive city that provides housing opportunities for everyone: all income levels, renters, homeowners, young people, seniors, disadvantaged persons, and future generations.

[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).

Signature: _on file_____ Date: _5/27/2016_____
Dennis Meier, Strategic Adviser
Department of Planning and Community Development

ATTACHMENT A: EXISTING COMPREHENSIVE PLAN GOALS AND POLICIES RELATED TO LAND USE AND HEIGHT, BULK, AND SCALE IN AFFECTED AREAS

The following are pertinent goals and policies in the existing Comprehensive Plan that are relevant to height, bulk, and scale issues in the areas affected by the proposed action. Additional goals and policies relevant to the assessment of the proposed action have also been reviewed in the SEPA Checklist prepared for this proposal.

Land Use Policies related to use and height in Industrial Commercial zones

LU168 Use the Industrial Commercial zones to promote a wide mix of employment activities, including industrial and commercial activities, such as light manufacturing and research and development.

LU169 Limit development density in Industrial Commercial zones to reflect transportation and other infrastructure constraints, while taking into account other features of an area. Employ development standards designed to create an environment attractive to business, while recognizing the economic constraints facing new development.

Uses

LU170 Maintain use provisions in the Industrial Commercial zones to ensure that land is available for a wide range of employment activities and that areas will exist to accommodate the needs of developing new businesses.

Height

LU173 Apply a range of maximum building height limits for all uses in Industrial Commercial zones to protect the special amenities that attract new technology industrial development, such as views of water, shoreline access, and the scale and character of neighboring development, so that these amenities will continue to be enjoyed, both within the zone and from the surrounding area. Assign height limits independently of the zoning designation to provide flexibility in zoning specific areas. Allow different areas within a zone to be assigned different height limits according to the rezone criteria.

Development Standards

LU174 Include development standards in the Industrial Commercial zones designed to create an attractive environment for new industry and ensure compatibility with surrounding development without inhibiting more traditional industrial activity or the expansion of smaller firms already located in the area. Generally require screening, landscaping and setback standards in the Industrial Commercial zone similar to those found in the pedestrian-oriented commercial areas to promote an attractive setting for new industries.

South Lake Union: Goals and Policies for South Lake Union from the Neighborhood Planning Element of the Comprehensive Plan

SLU-P45 Encourage building designs that allow for public view corridors through the neighborhood to Lake Union and the Space Needle and natural light at street level.

Neighborhood Character Policies

SLU-P2 Promote diversity of building styles and support the diverse characters of neighborhood sub-areas.

Susatainability Policies
SLU-P3 Encourage public and private developers

Downtown: Goals and Policies for the Downtown Urban Center from the Neighborhood Planning Element of the Comprehensive Plan

- **Urban Form Goal**

  DT-G4 Use regulations in the Land Use Code and other measures to encourage public and private development that contributes positively to the downtown physical environment by:
  1. enhancing the relationship of downtown to its spectacular setting of water, hills and mountains;
  2. preserving important public views;
  3. ensuring light and air at street level and in public parks;
  4. establishing a high quality pedestrian oriented street environment;
  5. reinforcing the vitality and special character of downtown's many parts;
  6. creating new downtown parks and open spaces at strategic locations;
  7. preserving downtown's important historic buildings to provide a tangible link to the past;
  8. adequately mitigating impacts of more intensive redevelopment on the quality of the physical environment.

- **Urban Design Policies**

  DT-UDP4 Regulate the height of new development generally to:
  1. accommodate desired densities of uses and communicate the intensity and character of development in different parts of downtown;
  2. protect the light, air and human scale qualities of the street environment, particularly in areas of distinctive physical and/or historic character; and
  3. provide transition to the edges of downtown to complement the physical form, features and landmarks of the areas surrounding downtown.

DT-UDP5 Prescribe for all areas of downtown specific height limits that reflect topographic conditions and a strong relation to the street pattern and the overall urban form of downtown and adjacent areas. Use the following criteria in determining appropriate height limits and provisions for limited additions or exceptions:

1. **Transition.** Generally taper height limits from an apex in the office core toward the perimeter of downtown, to provide transitions to the waterfront and neighborhoods adjacent to downtown.
2. **Existing Character.** Through height limits, recognize and enhance the existing scale and unique character of areas within downtown including the retail core, office core, the Pike Place Market, Belltown, the waterfront, Pioneer Square and the Chinatown/International District.
3. **Development Regulations.** Coordinate development regulations with height limits.
4. **Boundaries.** Coordinate height limits and land use district boundaries.
5. **Height Above Specified Limits.** Increased height beyond the limits specified for downtown zones may be considered only when the public purpose served by the additional height justifies higher buildings, and the height increase is generally consistent with the criteria above.

DT-UDP6 Employ development standards that guide the form and arrangement of large buildings to reduce shadow and wind impacts at the street level, promote a human scale, and maintain a strong physical relationship with the pedestrian environment. In areas where consistency of building form is important to maintaining an identifiable character and function, regulate building bulk to integrate new and existing development. Limit the bulk of tall buildings in residential areas to provide for light, air and views at street level and reduce the perceived scale of the buildings.

Vary development standards to reduce impacts of large-scale buildings by district consistent with the desired scale and development pattern in the area.

Commercial Core: Goals and Policies for the Commercial Core from the Neighborhood Planning Element of the Comprehensive Plan

COM-P2 Encourage variety in architectural character and building scale.

Denny Triangle: Goals and Policies for the Denny Triangle from the Neighborhood Planning Element of the Comprehensive Plan

- **Land Use Policies**

DEN-P4 Consider a variety of land use tools, including increased height limits and floor area ratios, design review processes, bonuses for public benefit features and exempting housing and retail space from floor area ratio to stimulate both residential and commercial development.

Goals and Policies from the Urban Design Element of the Comprehensive Plan

UD21 Use building forms and height to enhance desirable city patterns of attractive and walkable neighborhoods.

UD22 Use groupings of tall buildings, instead of solitary towers, to enhance topographic form or define districts.

UD23 Allow taller buildings in key locations, such as close to light rail transit stations, to provide visual focus and define activity centers.

UD24 Design tall buildings with setbacks to provide sunlight to public streets, parks, or open spaces, and access to major public views or view corridors.

UD25 Locate and site tall structures in ways that respect natural surroundings and key natural features, such as by having lower building heights near major water bodies.

UD26 For buildings that are not tall, reduce setbacks from the street, while maintaining adequate sidewalk width for pedestrians, to encourage better scale relationships between horizontal width of streets and vertical walls of buildings.