

**CITY OF SEATTLE  
ANALYSIS AND DECISION OF THE DIRECTOR  
OF THE SEATTLE DEPARTMENT OF CONSTRUCTION AND INSPECTIONS**

**Project Proposal:** An ordinance amending the Seattle Land Use Code to modify the design review process, simplifying and raising thresholds for design review, adding a new hybrid design review process, eliminating the existing streamlined design review process, adding a new requirement for applicant-led community outreach, modifying the composition of design review board members, and updating and clarifying related provisions.

**Project Sponsor:** City of Seattle Department of Construction and Inspections

**Location of Proposal:** The proposal is a non-project action, applicable to a variety of zones throughout the City.

**SUMMARY OF PROPOSED ACTION**

The proposal is a non-project action, applicable citywide, that would update the Land Use Code (Title 23) to modify the applicability of design review, add a new hybrid design review process, eliminate the existing streamlined design review process, add a new requirement for applicant-led community outreach, modify the composition of design review board members, modify the review process for exceptional trees in Title 25, and make various other updates and clarifications.

The following approval is required:

SEPA - Environmental Determination - Chapter 25.05, Seattle Municipal Code.

**SEPA DETERMINATION:**       Exempt       DNS       MDNS       EIS  
  
 DNS with conditions  
  
 DNS involving non-exempt grading, or demolition,  
or involving another agency with jurisdiction.

**BACKGROUND**

The City established the Design Review Program (the Program) in October 1993 (Ord 116909). Prior to that, public input on new project design occurred solely through the State Environmental Protection Act (SEPA) review process and appeals of land use decisions to the Hearing Examiner, the City Council, and the courts. The regulatory structure for the Program is located in Chapter 23.41 of the Land Use Code. The Department of Construction and Inspections (SDCI), previously known as the Department of Planning and Development, administers the Program.

The Program involves a public process where volunteer boards discuss the design of most multi-family and commercial development in the city. The Program's parameters include the architectural quality, urban design, and height, bulk, and scale of development. Guidance and feedback focuses on priorities established in adopted citywide and neighborhood design guidelines.

Since the design review program launched in 1994, the Design Review Boards have reviewed over 1,500 projects. Additionally, hundreds of projects have been reviewed through the administrative or streamlined design review processes. The number of projects reviewed by the Program has steadily increased over the years, with the average number of projects reviewed each year increasing from 14 projects in the first year of the Program, to an average of 80 projects per year between 1995 - 2001, and an average of 111 projects per year from 2005 - 2014. The Program provides the community with a forum to have a dialogue about a project's impact and influence on their neighborhood, which has reduced the number of administrative and judicial appeals of major development projects. While the City has conducted numerous evaluations of the Program to identify areas for improvement since it was first established in 1994, no comprehensive update has been enacted to date.

The proposed code changes modify certain provisions of SMC Chapter 23.41 and other related provisions of the Land Use Code pertaining to the design review process. The proposed changes do not alter the type of uses allowed in any zone or the amount of development allowed at any specific location.

### Public Comment

Proposed changes to the Land Use Code require City Council approval. Public comment will be taken on the proposal during Council meetings and a public hearing.

SDCI has also considered public comment on the proposal in several public forums. A summary of public outreach and input received is found in the director's report associated with this proposal and in the "Design Review Improvement Recommendations" report, dated March 2016.

### Proposal Description

The proposal is a non-project legislative action proposing amendments to the Land Use Code to modify the applicability of design review, add a new hybrid design review process, eliminate the existing streamlined design review process, add a new requirement for applicant-led community outreach, modify the composition of design review board members, modify the review process for exceptional trees in Title 25, and make various other updates and clarifications.

The proposal is intended to update the Codes to improve the overall function of the program by enhancing the efficiency and predictability of project reviews, improve dialogue amongst project stakeholders, and make the program more transparent and accessible to the public and project applicants. In addition, the proposal also aims to focus Design Review on the development projects most likely to influence the character of a neighborhood, and reduce the costs of building housing.

The proposal would:

- Simplify and raise the thresholds for projects subject to design review, switching from a variety of thresholds based on use, units, and zoning to simple square footage thresholds that respond to the complexity of a site and type of project
- Create a new “hybrid” process that allows one phase of design review to be handled administratively and the remainder by the Design Review Board
- Require applicants to conduct outreach to the communities near their projects before they begin design review

Other related amendments:

- Require certain institutional uses and development in certain types of industrial zones to participate in design review
- Allow affordable housing projects to be reviewed through an administrative design review process or opt into other types of design review
- Limit the number of Design Review Board meetings for projects that are not pursuing any departures from development standards, or a Council type IV or V approval, or those located next to single-family zones
- Eliminate the Streamlined Design Review process and remove related cross references
- Adjust the configuration of the Board seats, while maintaining the share of neighborhood and citywide seats
- Increase the number of young adult “Get Engaged” program members that may participate on the Boards
- Modify the procedure for allowing additional height for minor communication facilities Downtown, shifting from a departure approved through design review to an administrative (Type I) decision
- Clarify with an administrative rule the process to revise an approved MUP that went through design review
- Remove the option of waiving pre-submittal meeting for design review projects
- Clarify and update the option of going through design review as a way to remove an “exceptional” tree in lowrise, midrise, and commercial zones
- Make various updates, clarifications, and technical corrections

## **ANALYSIS - SEPA**

This proposal is for an adoption of legislation and is defined as a non-project action. The disclosure of the potential impacts from this proposal was made in an environmental checklist submitted by the proponent, dated May 25, 2017. The information in the checklist, a copy of the proposed code changes, the Director’s Report and Recommendation, and the experience of the lead agency with review of similar legislative actions form the basis for this analysis and decision.

This is a substantive change to the Land Use Code, to modify the design review process that applies to new development in the City of Seattle. The proposed amendments may result in potential environmental impacts, which are identified and discussed below.

## **ELEMENTS OF THE ENVIRONMENT**

Adoption of the proposed Land Use Code amendments would result in no immediate adverse short-term impacts because the adoption would be a non-project action. The discussion below evaluates the potential long-term impacts that might conceivably result from differences in future development patterns due to the proposed amendments.

### **Natural Environment**

#### **Earth, Air, Water, Plants and Animals, Energy, Natural Resources, Environmentally Sensitive Areas, Noise, Releases of Toxic or Hazardous Materials**

The proposed changes would result in no direct impacts, and are unlikely to result in significant indirect or cumulative adverse impacts related to earth, air, water, plants/animals, fisheries, energy, natural resources, sensitive areas, noise, or releases of toxic/hazardous substances. The changes do not alter the eligible locations for development and do not include any changes to setback requirements, height limits, or other limits on the density or scale of development.

The proposal does not significantly alter any procedures or regulations related to natural environment protections. Development of specific projects on individual sites is subject to the City's existing regulations, such as the Stormwater Code, the Shoreline Management Program, Grading and Drainage Ordinance, the Regulations for Environmentally Critical Areas, and the Noise Ordinance. Any future project-specific development proposal that exceeds adopted thresholds is subject to environmental review as a part of the permit review process, and would continue to be subject to environmental review under the proposal.

To the extent that the proposed changes could result in a slight increase in the production of housing units, the proposal could contribute indirectly to slight additional amounts of noise production. The noise control ordinance sets allowable noise levels and would mitigate noise impacts.

The proposal would modify the process to remove an "exceptional" tree in lowrise, midrise, or commercial zones in order to make the review process more consistent with the purview of the design review program over a building's mass and form. This change is not expected to affect the number of exceptional trees removed or result in any adverse environmental impacts.

### **Built Environment**

#### **Land & Shoreline Use, Height/Bulk/Scale**

The proposed changes are not expected to create significant impacts on existing and planned land and shoreline use. The proposal does not impact the zoning of any parcel or the types of land uses allowed in any zone. It does not include any changes to existing regulations related to the allowable height, bulk, or scale of development and does not alter density of development allowed in any particular area.

The proposed changes do not alter the intensity of use and activity allowed in any locations compared to what could occur under existing regulations. The proposed Land Use Code changes are intended to update the City's existing process for reviewing the design of new development.

As discussed in the checklist, the proposal would modify the minimum thresholds that determine which projects are required to go through design review, to be based solely on the size of a development, measured in square feet of gross floor area, which could result in an incremental increase in the number of housing units produced at any given location, but without affecting the overall size of a development project allowed. The changes would not affect existing regulations of density and maximum floor area allowed. This change is not expected to result in significant adverse environmental impacts. Any potential incremental change in the number of housing units produced at any future related development project is expected to be minimal.

The proposal would set the minimum thresholds for design review at 10,000 square feet of gross floor area in most zones, reducing the number of projects subject to design review in order to focus board and staff resources on projects of a larger scale with a greater potential to impact the neighborhoods and reduce the cost of building new housing. The proposed threshold would reduce the number of projects that would be required to go through the design review process by approximately 28 percent, allowing roughly 50 townhouse projects in lowrise zones to be permitted without going through the design review program each year. This change is not expected to significantly reduce the quality of design of this type of development or result in any significant adverse aesthetic impacts or other land use impacts. The proposal does not eliminate any of the existing design standards in Section 23.45.529 SMC, which address street-facing facades and other elements of design that apply to residential development in lowrise, midrise, and highrise zones that falls below design review thresholds. To the extent that the proposal reduces the amount of time it takes to build new housing and decreases the cost of building housing, this component of the proposal could result in a slight increase in the amount of development activity generated in lowrise zones. However existing development regulations, including those related to environmental review and the design standards, are anticipated to adequately mitigate any potential land use impacts.

The proposal would also allow smaller and less complex projects to go through a more administrative form of design review, in order to reduce the number of projects reviewed through the full design review process and focus more attention of the Design Review Boards on the largest and most complex projects with the greatest design challenges. An estimated 40 projects per year, or 21 percent of all projects reviewed each year under current rules, would be reviewed through the proposed hybrid design review process or the existing administrative design review process instead of full design review. This change is not expected to lead to any “adverse” environmental impacts.

The proposal is not expected to significantly impact the bulk and scale of development. Under existing rules, projects reviewed through Streamlined Design Review (SDR) are sometimes requested to provide modest additional setbacks or make other changes that may result in marginal reductions to the development capacity of an individual site. However, the SDR process is not intended to reduce the general development capacity of the site and may not reduce the number of units allowed per square foot of lot area. Also, certain development standards can be adjusted through SDR if there are unique environmental or site conditions or if the additional flexibility will allow the project to better meet the intent of the adopted design guidelines. These adjustments may allow for small increases in the development capacity of a site, but are limited to reductions to required setbacks, amenity areas, landscaping, and screening or small increases in the maximum width, depth, and length of a structure. As such, the overall impacts of design review on the height,

bulk, and scale of development, whether positive or negative, are likely minimal. Under existing rules and under the proposal, projects that do not go through design review are not subject to any of the possible slight reductions to development capacity that may result from design review, nor are they able to pursue adjustments or departures that are only allowed through design review. Thus, while the changes in the number of projects going through design review may result in slight impacts to the bulk and scale of development, any such changes are expected to be minimal. Further, any projects that fall below design review thresholds that are interested in pursuing departures must opt into design review. It is thus expected that under the proposal, some of the projects that are newly exempt from design review will decide to opt into design review for this reason.

The proposal is not likely to generate adverse impacts on historic landmarks, historic districts, or cultural resources. The proposed amendments would not alter the existing protections on historic landmarks and historic districts and any future development proposals in these areas that meet existing criteria would be subject to a separate historic review process.

The proposal does not alter any procedures or regulations related to the Shoreline Management Program and would not alter allowances for development that could otherwise occur in or near shoreline areas under existing regulations.

### **Transportation, Public Services, and Utilities**

The proposed changes are not expected to significantly impact transportation systems including roads, transit, and non-motorized transportation infrastructure. As discussed above, any potential increase in the production of housing units resulting from the proposal is expected to be minor and is not expected to significantly alter the overall expected pattern or amount of growth or to lead to an appreciable increase in the demand for transportation or public services or utilities.

### **Consistency with the Comprehensive Plan**

As described in the checklist, the proposal supports and is consistent with goals and policies of the City's Comprehensive Plan, including but not limited to housing, community involvement, race and social justice, and maintenance of the City's unique character and community identity.

### **Conclusion**

The proposed code amendments to modify the design review process are expected to have minimal impacts on both the natural and the built environment. The proposed regulations do not alter the scale or intensity of development and do not alter the height/bulk/scale or specific configurations of new development. The proposed changes could result in a small increase in development activity compared to what could occur under existing regulations. The amount of impacts stemming from such an increase are not be expected to lead to any significant adverse impacts. In addition, the existing regulatory framework, i.e., the Land Use Code, The Shoreline Master Program, Environmentally Critical Areas Ordinance, will address impacts of development proposals on a project-specific basis.

**DECISION - SEPA**

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

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: 06/05/17

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