

# SDCI

## Director's Rule 2-2018

<b>Applicant:</b>  City of Seattle Department of Construction and Inspections	<b>Page</b>  1 of 4	<b>Supersedes:</b>  3-2014
	<b>Publication:</b>  3/8/2018	<b>Effective:</b>  4/19/2018
<b>Subject:</b>  Determination of State Environmental Policy Act (SEPA) Review Exemption Levels for Infill Residential and Mixed-Use Development in Urban Centers	<b>Code and Section Reference:</b>  SMC 25.05.800.A.2	
	<b>Type of Rule:</b>  Code Interpretation	
	<b>Ordinance Authority:</b>  SMC 3.06.040	
<b>Index:</b>  City of Seattle Environmental Policies and Procedures	<b>Approved</b>	<b>Date</b>
	(signature on file) Nathan Torgelson, Director, SDCI	4/16/2018

### Purpose

This rule provides guidance for determining the applicable exemption levels for environmental review of development proposals in urban centers pursuant to the State Environmental Policy Act (SEPA). There are two different exemption levels in SMC 25.05.800 that may apply within urban centers, depending on whether the growth estimates defined in the City's *Seattle 2035* Comprehensive Plan have been exceeded. This rule describes terms, processes, and limits on how exemption levels will be applied, including future updates to this rule.

### Background

The SEPA provisions in the Revised Code of Washington (RCW 43.21C.229) provide for higher SEPA categorical exemption levels for "infill development" within areas that have not exceeded growth estimate cushion levels. The growth estimates are as identified in the City's *Seattle 2035* Comprehensive Plan, and the cushion levels are defined in this Rule. Infill development is a "development proposed to fill in an urban growth area, designated according to RCW

36.70A.110, where current density and intensity of use in the area is lower than called for in the goals and policies of the applicable comprehensive plan” (source: RCW 43.21C.229(1)(a)). This is meant to accommodate growth that will help realize the goals and policies of a comprehensive plan. Seattle’s urban centers are part of an urban growth area.

The City’s urban centers have growth estimates that are expressed in the *Seattle 2035* Comprehensive Plan for residential growth in terms of dwelling units added and the resulting density, and employment growth estimates in terms of net job growth added and the resulting jobs/acre “intensity” for each urban center. The growth estimates currently address growth through the year 2035.

## **Rule**

The SEPA categorical exemption levels are listed in Tables A and B for 25.05.800 of the Seattle Municipal Code. The SEPA exemption levels for urban centers where growth estimates have not been exceeded are higher than for urban centers where growth estimates have been exceeded. This rule defines terms and keeps track of which urban centers are currently subject to which exemption levels.

## **Terms**

“Residential growth” and “employment growth” for the purposes of this rule are defined as follows:

- Residential growth is the combination of completed net dwelling unit growth plus net new dwelling units in growth permitted (since adoption of the 2035 Comprehensive Plan) but not yet built. The term “net” recognizes that new development often leads to demolition of existing dwelling units; this is how City data tracks residential growth.
- Employment growth is the net amount of added jobs, compared to a 2015 baseline, for a given area. This employment information is based on data reported by applicable agencies other than SDCI (including the Washington State Employment Security Department and Puget Sound Regional Council), and may be adjusted based on other information that provides more detail on growth in a particular growth area.

“Mixed-use” development means a development having two or more principal uses, one of which is a residential use comprising 50% or more of the gross floor area of the development (see SMC 25.05.800.A.2.h).

“Growth estimate cushion level” for the purposes of this rule means a threshold amount of net growth that, if exceeded, will cause a change in how the City will apply categorical exemption levels for “infill development.” These cushion levels are defined in this rule as being net growth equivalent to 90.0 percent of the residential growth estimate, and net employment growth equivalent to 90.0 percent of the employment growth estimate. This is consistent with provisions in SMC 25.08.800.A.1.i. This cushion helps to ensure SEPA exemption levels are applied correctly, and that SDCI will not apply a higher exemption level if new projects will cause growth estimates to be exceeded.

“Growth permitted but not yet built” for the purposes of this rule means the cumulative number of dwelling units contained in development proposals that were applied for after the October 28, 2016 effective date of the *Seattle 2035* Comprehensive Plan and that have received building permits but have not yet received a certificate of occupancy.

### **The Effect of Exceeding a Growth Estimate Cushion Level**

When an urban center’s residential or employment growth estimate has exceeded the 90% cushion level and SDCI has confirmed this finding, the SEPA exemption level shall change from the levels listed in the second column of Tables A and B in SMC 25.05.800 to the levels in the third column of those tables. This change shall become effective on a schedule consistent with the timing for changes to this Director’s Rule, as explained below.

### **Growth Tracking and Changes to this Director’s Rule**

On a quarterly basis, SDCI will review development and employment data, in relation to the established growth estimate and cushion levels. If an urban center has exceeded its growth estimate, this Director’s Rule will be updated. The process of updating will include publication in the Land Use Information Bulletin followed by a one-month public comment period.

In addition, changes in exemption levels will be timed as follows: Any change to the list of urban centers where growth estimates have been exceeded, thereby requiring lower SEPA exemption levels, will commence at the completion of the following calendar quarter: July 1<sup>st</sup> in response to first quarter data, October 1<sup>st</sup> in response to second quarter data, January 1<sup>st</sup> in response to third quarter data, and April 1<sup>st</sup> in response to fourth quarter data.

### **Exemption Level Status: Urban Centers where the higher SEPA exemption levels are in effect (2<sup>nd</sup> column of Tables A and B in 25.05.800)**

No urban centers have yet exceeded residential or employment growth estimates or achieved the 90% cushion level. Therefore, the SEPA exemption levels shown in the second column of Tables A and B for 25.05.800, are in effect in all Urban Centers. See the following table:

<b>Are the higher SEPA exemption levels for “infill development” (2<sup>nd</sup> column in Tables A and B for 25.05.800) in effect?</b>		
<b>Urban Center</b>	<b>Residential exemption levels</b>	<b>Nonresidential exemption levels</b>
Downtown	Yes	Yes
University District	Yes	Yes
Northgate	Yes	Yes
South Lake Union	Yes	Yes
Uptown	Yes	Yes
Capitol Hill/First Hill	Yes	Yes

**BE ADVISED:**

SDCI will strive to provide accurate and up-to-date information about the applicable SEPA exemption levels. However, applicants should note that SEPA exemption levels may change in urban centers. It is the applicant’s responsibility to be timely in submitting application materials, per vesting rules.