

## NOTICE OF PROPOSED LEGISLATION, COMPREHENSIVE PLAN AMENDMENTS, AND ENVIRONMENTAL DETERMINATION

Pursuant to SMC 25.05.340 and WAC 197-11-340

This proposal would implement an affordable housing mitigation program requiring new development to provide affordable housing in proportion to the gross floor area of their project. The proposal also includes changes to the City's current incentive zoning provisions. The City's current affordable housing incentive zoning program enables developers to achieve extra floor area beyond a base FAR or height by providing public benefits such as affordable housing. The program is voluntary in that a developer would not need to provide any benefits if no extra floor area is sought. By contrast, the proposed affordable housing mitigation program would require developers to provide affordable housing (either through performance or payment of a fee) regardless of whether an incentive was used, in order to mitigate (to some extent) the impacts of new development on the need for affordable housing. While the incentive zoning requirement would be calculated based on the amount of extra floor area achieved, the affordable housing mitigation program requirement would be calculated based on the total floor area of the project regardless of its size. These programs could be structured such that the requirements are additive or such that compliance with one program could be counted toward compliance with the other.

Key aspects of the affordable housing mitigation program include:

- **AMI target:** Housing provided through the performance option would have to be affordable to households making, at a maximum, 80% of Area Median Income (AMI) for rental and 100% of AMI for ownership; however, these targets could be reduced to as low as 60% of AMI for units with one or more bedroom and 40% of AMI for smaller units such as those under a specific size threshold.
- **Performance or payment requirement.** The proposal would require provision of affordable housing by means of performance or payment, either alone or as alternatives or in some combination:
  - **On-site or off-site performance requirement.** The proposal could require affordable housing equivalent to as much as:
    - For residential, 10% of total housing units; or
    - For non-residential, net rentable square feet of affordable housing equal to 10% of total gross floor area of non-residential area.
  - **Payment requirement.** The proposal could require payment into a fund to pay for affordable housing; this requirement could be as high as \$28 per gross square foot.
- **Uses impacted:** The proposal could apply to all uses except manufacturing uses in manufacturing and industrial centers; different uses could be subject to different production or payment requirements.
- **Geographic variation:** Different areas could be subject to different performance or payment requirements.
- **Waiver/Reduction:** The proposal could provide the ability to waive or reduce a mitigation requirement through an administrative or appeal process.

Decisions made on the AMI targets and geographic variation of the affordable housing mitigation program could also be applied to the existing incentive zoning program.

Policies regarding administrative process, agreements, limits on public subsidy, location of affordable housing, timing of completion, comparability of affordable housing units to others in the development, and long-term monitoring and associated fees could in some cases be consistent for incentive zoning and affordable housing mitigation programs. Any performance or payment required through this program would be counted such that the requirements are either additive or such that compliance with one program counts toward compliance with the other.

The following changes to the existing incentive zoning program could be made, some of which could also impact an affordable housing mitigation program.

- Modify or eliminate the performance option for ownership housing developments;
- Modify or eliminate the off-site performance option;
- Require a minimum number of affordable housing units in order to use the performance option;
- Prohibit the same affordable housing units from satisfying both the Multifamily Tax Exemption program (MFTE) and the requirements of incentive zoning and/or the affordable housing mitigation program;
- Consolidate policies on use of payments for affordable housing in Office of Housing's Housing Funding Policies;
- Allow affordable housing to be distributed throughout first 85 feet of height for highrise buildings;
- Allow a payment option in every incentive zoning area;
- Create uniform 65%-35% split between housing and non-housing benefits citywide for areas with heights greater than 85 feet;
- Adopt incentive zoning with quasi-judicial rezones;
- Phase out option to purchase Housing TDR as an alternative to affordable housing performance or payment for incentive zoning;
- Simplify the payment option for residential projects in Downtown Mixed Commercial zones to be consistent with other downtown highrise zones;
- Remove additional affordable housing requirements for project that include the demolition of certain multi-family units formerly occupied by tenants eligible for assistance per the Tenant Relocation Assistance Ordinance;
- Eliminate alternative performance option for 50% AMI units;
- Consolidate and clarify land use code provisions.

Additionally, this proposal would make certain changes to the Comprehensive Plan.

Generally, the proposal for comprehensive plan changes is to:

- Clarify the City's goals and policies related to affordable housing to strengthen the City's policy direction and provide further policy support for addressing the need for affordable housing.
- Broaden the range of affordable housing strategies the City should consider.
- Make clear that both incentive-based and non-incentive-based strategies should be considered.
- Make clear that the City may establish a program whereby impacts on affordable housing that are generated by total project area, not just area above a base height or density, may be required to be at least partially mitigated.

Specific proposed amendatory language is attached to the Background Report.

Note: there is a separate but concurrent proposal containing Comprehensive Plan amendments intended to satisfy State periodic update requirements (including changes to the housing element and housing appendix) as well as various other amendments. An additional separate proposal may also be considered in 2015 that contains other Comprehensive Plan amendments -- generally related to neighborhood-specific policies in the University District -- which have been evaluated in the University District Urban Design EIS.

## **ENVIRONMENTAL DETERMINATION**

DPD has determined that the action described above does not have a probable significant adverse impact on the environment, and has issued a Determination of Non-Significance (no Environmental Impact Statement required). This decision was made after review of a completed environmental checklist and other information on file with the lead agency.

## **HOW TO COMMENT**

Comments regarding this DNS or potential environmental impacts may be submitted through June 25, 2015. Comments may be sent to:

**City of Seattle, Dept. of Planning and Development  
Attn: Brennon Staley  
PO Box 34019  
Seattle WA 98124-4019  
Brennon.Staley@seattle.gov**

## **HOW TO APPEAL**

Appeals of the decision to issue a Determination of Non-Significance (DNS) must be submitted to the Office of the Hearing Examiner by 5:00 p.m., July 2, 2015. Appeals should be addressed to the Hearing Examiner and must be accompanied by a \$85.00 filing fee in a check payable to the City of Seattle. The appeal must be sent to:

**City of Seattle  
Hearing Examiner  
PO Box 94729  
Seattle WA 98124-4729**

## **INFORMATION AVAILABLE**

Copies of the proposal, DNS, and environmental checklist may be obtained at the DPD Public Resource Center, 700 5th Avenue, Suite 2000 in the Seattle Municipal Tower. The Public Resource Center is open 8:00 a.m. to 4:00 p.m. on Monday, Wednesday, and Friday, and 10:30 a.m. to 4:00 p.m. on Tuesday and Thursday. Questions regarding the proposal may be directed to Brennon Staley of DPD at 206-684-4625 or via email at: [brennon.staley@seattle.gov](mailto:brennon.staley@seattle.gov).

The documents can also be viewed on DPD's Incentive Zoning Update website at: [www.seattle.gov/dpd/cityplanning/completeprojectslist/incentivezoning/whatwhy/](http://www.seattle.gov/dpd/cityplanning/completeprojectslist/incentivezoning/whatwhy/).