

SEPA ENVIRONMENTAL CHECKLIST

UPDATED 2014

Purpose of checklist:

Governmental agencies use this checklist to help determine whether the environmental impacts of your proposal are significant. This information is also helpful to determine if available avoidance, minimization or compensatory mitigation measures will address the probable significant impacts or if an environmental impact statement will be prepared to further analyze the proposal.

A. Background

1. Name of proposed project, if applicable:

Affordable Housing Mitigation Program and Incentive Zoning Update; Comprehensive Plan Changes Regarding Affordable Housing

2. Name of applicant:

City of Seattle, Department of Planning and Development

3. Address and phone number of applicant and contact person:

Department of Planning and Development
700 5th Avenue, Suite 2000
Seattle, Washington 98104
Contact: Brennon Staley, Urban Planner, (206) 684-4625

4. Date checklist prepared:

May 29, 2015

5. Agency requesting checklist:

City of Seattle, Department of Planning and Development

6. Proposed timing or schedule (including phasing, if applicable):

Approval by City Council and Mayor in late 2015.

7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.

City staff are working on the following initiatives which are related to this proposal:

- A separate concurrent proposal for the 2015 Update of the Comprehensive Plan. This update contains 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.
- Seattle 2035 Comprehensive Plan update

The Comprehensive Plan amendments contained in the proposal reviewed in this checklist are not necessary as part of the periodic comprehensive plan update under the Growth Management Act, nor does this proposal depend on the comprehensive plan amendments contained in the 2015 update or the U. District comprehensive plan amendments. However, DPD is aware of those other amendments and has determined that nothing in those amendments changes the analysis in this checklist.

Some of the comprehensive plan amendments in the proposal reviewed in this checklist call for the City to consider legislation or programs beyond those contained in this proposal. Any such other legislation or programs, if not exempt, would be subject to its own SEPA review under phased review.

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

In addition to the SEPA determination that will be prepared for this proposal, the following documents were prepared that are related to this proposal:

- Background Report for Affordable Housing Mitigation Program and Incentive Zoning Update by City of Seattle (June 2015)
- Seattle City Council – Workforce and Affordable Housing Program Review: Existing Conditions
- Seattle Incentive Zoning: Analysis of Data related to the Historical Production under Seattle's Incentive Zoning program, Cornerstone Partnership, February 4, 2014
- 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 and Economic Impact Analysis, Administrative Review Draft, May 13, 2015, David Rosen & Associates
- Seattle Affordable Housing Nexus Study and Economic Impact Analysis for Low- and Mid-Rise Residential, Mixed-Use and Non-Residential Prototypes, May 18, 2015, David Rosen & Associates
- Recommendations for implementation of an Affordable Housing Linkage Fee, September 12, 2014, memo by Cornerstone Partnership
- Seattle Workforce Housing Programs and Policies Related to meeting Workforce Housing Needs in Seattle: A Survey and Analysis of Best Practices in Comparative Jurisdictions, May 2014, OTAK
- Apartment Vacancy Report, 20+ unit buildings, 14-market areas within Seattle, Spring 2015, Dupre and Scott Apartment Advisors
- Map of proposed high, medium, and low cost areas, October 2014, Cornerstone Partnership
- Jobs Housing Nexus Analysis, Office and Hotel Buildings, Downtown Seattle Linkage Program, March 2001, Keyser Marston Associates, Inc.

- Residential Nexus Analysis, City of Seattle, July 2005, Keyser Marston Associates, Inc.

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

No.

10. List any government approvals or permits that will be needed for your proposal, if known.

Approval of ordinances by Seattle City Council.

11. Give brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page. (Lead agencies may modify this form to include additional specific information on project description.)

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.

12. Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.

This ordinance could impact locations throughout Seattle.

B. ENVIRONMENTAL ELEMENTS

** PER WASHINGTON STATE ADMINISTRATIVE CODE, THIS SECTION IS LEFT BLANK. **

1. Earth

- a. General description of the site
(circle one): Flat, rolling, hilly, steep slopes, mountainous,
other _____
- b. What is the steepest slope on the site (approximate percent slope)?
- c. What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any agricultural land of long-term commercial significance and whether the proposal results in removing any of these soils.
- d. Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.
- e. Describe the purpose, type, total area, and approximate quantities and total affected area of any filling, excavation, and grading proposed. Indicate source of fill.
- f. Could erosion occur as a result of clearing, construction, or use? If so, generally describe.
- g. About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?
- h. Proposed measures to reduce or control erosion, or other impacts to the earth, if any:

2. Air

- a. What types of emissions to the air would result from the proposal during construction, operation, and maintenance when the project is completed? If any, generally describe and give approximate quantities if known.
- b. Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.
- c. Proposed measures to reduce or control emissions or other impacts to air, if any:

3. Water

a. Surface Water:

- 1) Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.
- 2) Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.
- 3) Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.
- 4) Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.
- 5) Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.
- 6) Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.

b. Ground Water:

- 1) Will groundwater be withdrawn from a well for drinking water or other purposes? If so, give a general description of the well, proposed uses and approximate quantities withdrawn from the well. Will water be discharged to groundwater? Give general description, purpose, and approximate quantities if known.
- 2) Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: Domestic sewage; industrial, containing the following chemicals. . . ; agricultural; etc.). Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.

c. Water runoff (including stormwater):

- 1) Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.

2) Could waste materials enter ground or surface waters? If so, generally describe.

3) Does the proposal alter or otherwise affect drainage patterns in the vicinity of the site? If so, describe.

d. Proposed measures to reduce or control surface, ground, and runoff water, and drainage pattern impacts, if any:

4. Plants

a. Check the types of vegetation found on the site:

___deciduous tree: alder, maple, aspen, other

___evergreen tree: fir, cedar, pine, other

___shrubs

___grass

___pasture

___crop or grain

___ Orchards, vineyards or other permanent crops.

___ wet soil plants: cattail, buttercup, bullrush, skunk cabbage, other

___ water plants: water lily, eelgrass, milfoil, other

___ other types of vegetation

b. What kind and amount of vegetation will be removed or altered?

c. List threatened and endangered species known to be on or near the site.

d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any:

e. List all noxious weeds and invasive species known to be on or near the site.

5. Animals

a. List any birds and other animals which have been observed on or near the site or are known to be on or near the site. Examples include:

birds: hawk, heron, eagle, songbirds, other:

mammals: deer, bear, elk, beaver, other:

fish: bass, salmon, trout, herring, shellfish, other _____

b. List any threatened and endangered species known to be on or near the site.

c. Is the site part of a migration route? If so, explain.

d. Proposed measures to preserve or enhance wildlife, if any:

e. List any invasive animal species known to be on or near the site.

6. Energy and natural resources

- a. What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.
- b. Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.
- c. What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any:

7. Environmental health

- a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal? If so, describe.
 - 1) Describe any known or possible contamination at the site from present or past uses.
 - 2) Describe existing hazardous chemicals/conditions that might affect project development and design. This includes underground hazardous liquid and gas transmission pipelines located within the project area and in the vicinity.
 - 3) Describe any toxic or hazardous chemicals that might be stored, used, or produced during the project's development or construction, or at any time during the operating life of the project.
 - 4) Describe special emergency services that might be required.
 - 5) Proposed measures to reduce or control environmental health hazards, if any:

b. Noise

- 1) What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?
- 2) What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site.
- 3) Proposed measures to reduce or control noise impacts, if any:

8. Land and shoreline use

- a. What is the current use of the site and adjacent properties? Will the proposal affect current land uses on nearby or adjacent properties? If so, describe.

b. Has the project site been used as working farmlands or working forest lands? If so, describe. How much agricultural or forest land of long-term commercial significance will be converted to other uses as a result of the proposal, if any? If resource lands have not been designated, how many acres in farmland or forest land tax status will be converted to nonfarm or nonforest use?

1) Will the proposal affect or be affected by surrounding working farm or forest land normal business operations, such as oversize equipment access, the application of pesticides, tilling, and harvesting? If so, how:

c. Describe any structures on the site.

d. Will any structures be demolished? If so, what?

e. What is the current zoning classification of the site?

f. What is the current comprehensive plan designation of the site?

g. If applicable, what is the current shoreline master program designation of the site?

h. Has any part of the site been classified as a critical area by the city or county? If so, specify.

i. Approximately how many people would reside or work in the completed project?

j. Approximately how many people would the completed project displace?

k. Proposed measures to avoid or reduce displacement impacts, if any:

L. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any:

m. Proposed measures to ensure the proposal is compatible with nearby agricultural and forest lands of long-term commercial significance, if any:

9. Housing

a. Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.

b. Approximately how many units, if any, would be eliminated? Indicate whether high, middle, or low-income housing.

c. Proposed measures to reduce or control housing impacts, if any:

10. Aesthetics

a. What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?

- b. What views in the immediate vicinity would be altered or obstructed?
- c. Proposed measures to reduce or control aesthetic impacts, if any:

11. Light and glare

- a. What type of light or glare will the proposal produce? What time of day would it mainly occur?
- b. Could light or glare from the finished project be a safety hazard or interfere with views?
- c. What existing off-site sources of light or glare may affect your proposal?
- d. Proposed measures to reduce or control light and glare impacts, if any:

12. Recreation

- a. What designated and informal recreational opportunities are in the immediate vicinity?
- b. Would the proposed project displace any existing recreational uses? If so, describe.
- c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:

13. Historic and cultural preservation

- a. Are there any buildings, structures, or sites, located on or near the site that are over 45 years old listed in or eligible for listing in national, state, or local preservation registers located on or near the site? If so, specifically describe.
- b. Are there any landmarks, features, or other evidence of Indian or historic use or occupation? This may include human burials or old cemeteries. Are there any material evidence, artifacts, or areas of cultural importance on or near the site? Please list any professional studies conducted at the site to identify such resources.
- c. Describe the methods used to assess the potential impacts to cultural and historic resources on or near the project site. Examples include consultation with tribes and the department of archeology and historic preservation, archaeological surveys, historic maps, GIS data, etc.
- d. Proposed measures to avoid, minimize, or compensate for loss, changes to, and disturbance to resources. Please include plans for the above and any permits that may be required.

14. Transportation

- a. Identify public streets and highways serving the site or affected geographic area and describe proposed access to the existing street system. Show on site plans, if any.

- b. Is the site or affected geographic area currently served by public transit? If so, generally describe. If not, what is the approximate distance to the nearest transit stop?
- c. How many additional parking spaces would the completed project or non-project proposal have? How many would the project or proposal eliminate?
- d. Will the proposal require any new or improvements to existing roads, streets, pedestrian, bicycle or state transportation facilities, not including driveways? If so, generally describe (indicate whether public or private).
- e. Will the project or proposal use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.
- f. How many vehicular trips per day would be generated by the completed project or proposal? If known, indicate when peak volumes would occur and what percentage of the volume would be trucks (such as commercial and nonpassenger vehicles). What data or transportation models were used to make these estimates?
- g. Will the proposal interfere with, affect or be affected by the movement of agricultural and forest products on roads or streets in the area? If so, generally describe.
- h. Proposed measures to reduce or control transportation impacts, if any:

15. Public services

- a. Would the project result in an increased need for public services (for example: fire protection, police protection, public transit, health care, schools, other)? If so, generally describe.
- b. Proposed measures to reduce or control direct impacts on public services, if any.

16. Utilities

- a. Circle utilities currently available at the site:
 electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system,
 other _____
- b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.

C. Signature

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

Signature: on file
 Name of signee: Brennon Staley, Urban Planner
 Position and Agency/Organization: City of Seattle, Department of Planning and Development
 Date Submitted: June 8, 2015

D. Supplemental sheet for nonproject actions

1. How would the proposal be likely to increase discharge to water; emissions to air; production, storage, or release of toxic or hazardous substances; or production of noise?

Overall, this proposal is not likely to result in significant adverse environmental impacts in the form of increased discharge to water; emissions to air; production, storage, or release of toxic or hazardous substances; or production of noise.

Proposed measures to avoid or reduce such increases are: None

2. How would the proposal be likely to affect plants, animals, fish, or marine life?

Overall, this proposal is not likely to result in significant adverse environmental impacts to plants, animals, fish or marine life.

Proposed measures to protect or conserve plants, animals, fish, or marine life are: None

3. How would the proposal be likely to deplete energy or natural resources?

Overall, this proposal is not likely to result in significant adverse environmental impacts in the form of depleted energy or natural resources.

Proposed measures to protect or conserve energy and natural resources are: None

4. How would the proposal be likely to use or affect 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?

Overall, this proposal is not likely to result in significant adverse environmental impacts to environmentally sensitive areas or areas designated for government protection.

Proposed measures to protect such resources or to avoid or reduce impacts are: None.

5. How would the proposal be likely to affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans?

This proposal is not likely to result in significant adverse environmental impacts to land use and shoreline use or to allow or encourage land or shoreline uses incompatible with existing plans.

This proposal would not change the maximum height, floor area ratio, or density for any properties. Developments affected by this proposal would still have to meet existing standards for bulk, design, landscaping, etc.

Portions of this proposal are intended to help mitigate the adverse impact of new development by requiring new development to provide for affordable housing units. Analysis contained in many documents related to this proposal, as well as the updated Housing Appendix included as part of the Comprehensive Plan 2015 Annual Amendments

produced by the City of Seattle, demonstrates that there is a substantial need for affordable housing in the City.

New development creates an additional need for affordable housing beyond current existing needs directly through the location of new jobs in non-residential development and indirectly through the creation of new jobs generated by demand of residents. Low-income employees in these jobs require housing that is affordable; however, this need is not being met by the private market. According to the Spring 2015 Dupre + Scott apartment vacancy report, in the 14 Dupre+Scott rental market areas wholly within the Seattle city limits, the average monthly rent for units built from 2013 to 2015 is \$1,386 for studio units, \$1,802 for one bedroom units, \$2,181 for 2 bedroom/1 bath units, and \$3,295 for 3 bedroom/2 bath units. Based on the U.S. Department of Housing & Urban Development (HUD) housing affordability standard of 30% of household income, these units are considered affordable to households with incomes approximately 88%, 107%, 108%, and 141% of area median income, respectively. The Seattle Affordable Housing Nexus Study produced by David Rosen & Associates describes and quantifies the need that will be generated by new development including maximum supportable fees. Analysis in the Background Report estimates that the affordable housing mitigation program could result in as many as 11,600 new affordable housing units over 10 years at the highest percentage and fee amounts analyzed.

Adverse environmental impacts from this proposal could occur if the proposal shifts development from Seattle to outlying areas such that residents or employees drive more or development occurs in greenfield or environmentally sensitive areas. These impacts could occur if the cost of the affordable housing mitigation program makes development in Seattle less attractive than other areas. Any shift in market-rate residential development could be offset, at least in part, by increased production of affordable housing units in Seattle generated by the affordable housing mitigation program.

Seattle Affordable Housing Incentive Program Economic Analysis report produced by David Rosen & Associates contains an assessment of existing market conditions that was developed to inform this update. This work included the development of proformas for various residential and non-residential development types in low, medium, and high cost markets. David Rosen & Associates further analyzed these proformas under 6 market scenarios representing three sets of price escalations (versions A, B, and C) and two cap rate scenarios. The Background Report for Affordable Housing Mitigation Program produced by the City uses this data to analyze the potential benefits and costs of various housing mitigation scenarios in proportion to total development costs based on the numbers developed in David Rosen & Associates' report. This analysis suggests that the cost of a new affordable housing mitigation program at current AMI levels could be equal to between 4.9% and 7.7% of total development costs for the projects identified.

Tables 10 through 15 of the Seattle Affordable Housing Incentive Program Economic Analysis report indicate the estimated return on equity under various scenarios. This analysis shows that many proformas had returns on equity significantly above a 6% feasibility threshold for residential projects and a 10% feasibility threshold for commercial projects. Under the Low Cap Rate Version A scenario, some rental proformas showed a viable return on equity even with a 10% affordable housing requirement including medium-cost midrise, high-cost midrise, low-cost 6-story, and low-cost 7-story. This data suggests some projects might still be viable under current market conditions with increased incentive zoning or mitigation standards even under the scenario with the highest mitigation requirements. Efforts to further quantify the extent to which this proposal would

shift development to outlying areas and the extent to which this development pattern would indirectly impact transportation patterns, public services and utilities, environmentally critical areas, areas designated for government protection, energy resources, or other natural features would be speculative.

Adverse environmental impacts could occur if the proposal results in increased demolition of existing structures where necessary to develop new affordable housing funded by payments from an affordable housing mitigation program.

Adverse environmental impacts could occur if the proposal indirectly encourages or discourages development in different areas of the City due to variation of percentage and payment amounts in different geographic areas. Efforts to quantify the extent to which this might occur would be speculative due to the complex market factors that influence development.

Adverse environmental impacts could occur if the proposal indirectly encourages or discourages different types of uses due to variation of percentage amounts or fee rates vary between use categories. Efforts to quantify the extent to which this might occur would be speculative due to the complex market factors that influence development.

Adverse environmental impacts could occur if the proposal indirectly encourages or discourages use of extra floor area due to changes to the existing incentive zoning program that increase or decrease the value of the extra floor area. These impacts are likely to be minor since, with the potential exception of certain residential projects in DMC zones, the proposal would not increase existing percentage or payment amounts under incentive zoning.

The proposal also considers a number of secondary policy options that could modify the overall impact of this legislation. It is not anticipated that any of these policy options will have significant adverse environmental impacts, individually or cumulatively. Below is a discussion of potential impacts of these policy options.

Remove the performance option for ownership housing developments

This option, which would require ownership projects to use the payment option, is not likely to significantly change the overall impact of this proposal as the background report considered the potential impact of the payment option.

Modify the performance option for ownership housing developments

This option is not likely to significantly change the overall impact of this proposal as the developers would still be allowed to use the payment option and the background report considered the potential impact of the payment option.

Remove the off-site performance allowance

This option, which would remove one option that developers would have to meet the requirements, is not likely to significantly change the overall impact of this proposal as the background report considered the potential impact of payment and on-site performance options.

Require a minimum number of affordable housing units in order to use the performance option

This option, which would require some smaller developments to use the payment option, is not likely to significantly change the overall impact of this proposal as the background report considered the potential impact of the payment option.

Prohibit the same affordable housing units from satisfying both Multifamily Tax Exemption (MFTE) and incentive zoning/housing mitigation requirements

This option is not likely to significantly change the overall impact of this proposal as MFTE is a voluntary program. The background report considered potential impacts even if MFTE was not used.

Consolidate policies on use of payments for affordable housing in Office of Housing's Housing Funding Policies

This option is not likely to significantly change the overall impact of this proposal as it would only change the location of the policies that impact how the City uses funds obtained in lieu of providing affordable housing.

Allow affordable housing to be distributed throughout first 85 feet of height for highrise buildings

This option is not likely to significantly change the overall impact of this proposal as it would provide more flexibility to developers in meeting requirements.

Allow payment option in every incentive zoning area

This option is not likely to significantly change the overall impact of this proposal as it would provide more flexibility to developers in meeting requirements.

Create uniform 65%-35% split between housing and non-housing benefits citywide for areas with heights greater than 85 feet

This option would increase the amount of non-housing benefits required by some developments and reduce the amount required by others. Overall, it would tend to make the cost more consistent across different areas and uses. Since housing and non-housing benefits tend to cost similar amounts per square foot to achieve, it is not likely to significantly change the cost to developers under incentive zoning. This option could, however, result in higher cost to developers under an affordable housing mitigation program if it increases the amount of non-housing benefits that must be provided in addition to the affordable housing required under the mitigation program. This increase in cost is likely to be minor in comparison to the overall cost of an affordable housing mitigation program.

Adopt incentive zoning with quasi-judicial rezones

This option is not likely to significantly change the overall impact of this proposal as the benefits and costs of meeting incentive zoning requirements would tend to be significantly less than the potential benefits and impacts of an affordable housing mitigation program.

Phase out option to purchase Housing TDR as alternative to performance or payment in affordable housing incentive program

This option, which would remove one option that developers would have to meet the requirements, is not likely to significantly change the overall impact of this proposal. The background report considered potential impacts even if the Housing TDR option was not available.

Simplify payment option for residential projects in DMC zones

This option, which might modify the fee level required for certain residential projects in DMC zones is not likely to significantly change the overall impact of this proposal as the background report considered the potential impact of the proposal at higher fee levels.

Remove additional affordable housing requirements for projects that include the demolition of certain multifamily units formerly occupied by TRAO-eligible tenants

This option is not likely to significantly change the overall impact of this proposal as the current provision only applies to a limited number of projects and would tend to reduce the overall cost of obtaining additional floor area in the limited circumstances that it applies.

Eliminate alternative performance option for 50% AMI units

This option is not likely to significantly change the overall impact of this proposal as the potential impact of the highest percentage amounts and fee levels was considered. As of April 15, 2015, this option had never been used.

Consolidate and clarify land use code provisions

This option would result in numerous small changes which would not have a significant influence on the overall impact of this proposal.

Cumulatively, these options could marginally increase the overall benefits and costs of an affordable housing mitigation program. For example, removing existing options for payment, performance (for small numbers of units), and housing TDR while maintain existing requirements for production of additional affordable housing units where certain demolition occurs could result in higher benefits and costs for the same percentage and payment amounts. However, these changes would have minor potential to change the overall impact of the proposal and are not likely to generate significant adverse environmental impacts, individually or cumulatively.

Proposed measures to avoid or reduce shoreline and land use impacts are: production of new affordable housing in Seattle.

6. How would the proposal be likely to increase demands on transportation or public services and utilities?

Overall, this proposal is not likely to result in significant adverse impacts in the form of increased demands on transportation or public services and utilities. Minor adverse environmental impacts from this proposal could occur if the proposal shifts development from Seattle to outlying area such that residents or employees drive more or development occurs in greenfield or environmentally sensitive areas as discussed in question 5. Efforts to quantify the extent to which this might occur would be speculative due to the complex market factors that influence development.

Proposed measures to reduce or respond to such demand(s) are: production of new affordable housing in Seattle.

7. Identify, if possible, whether the proposal may conflict with local, state, or federal laws or requirements for the protection of the environment.

The proposal is believed to avoid conflicts with local, state or federal laws and requirements for protection of the environment.

Both the current comprehensive plan and the updated comprehensive plan, as proposed to be amended in this proposal, provide multiple goals and policies that support the creation of both market-rate and affordable housing as well as non-residential development. This proposal seeks to balance and accomplish many of these objectives. To the extent that there are provisions in the

current comprehensive plan that need to be changed to facilitate the legislative strategy that is part of this proposal, the comprehensive plan changes that are part of this proposal address that need.

In particular, the proposed affordable housing mitigation program could:

- help to achieve the city's goals for accommodating its share of affordable housing needs consistent with the countywide planning policies (HG1, H30¹)
- reduce involuntary housing cost burden for households by supporting the creation and preservation of affordable housing (HG2.5)
- provide new low-income housing through market-rate housing production (HG13)
- encourage dispersion of housing opportunities for low-income households throughout the city and throughout King County to support inclusion and opportunity (HG15)
- help provide low-income households with access to education, employment, and social opportunities; support the creation of a more inclusive city; and reduce displacement of households from their neighborhoods or the city as a whole through the provision of housing affordable to low-income households. (HG29.8)

Additionally, the Comprehensive Plan contains many goals and policies that articulate the amount, distribution, and character of growth that should occur throughout the City. These goals and policies include the Growth Targets contained in Urban Village Appendix, the General Distribution goals in UVG32, the Jobs/Housing Ratio goals in UVG7 and UVG20, and many other goals and policies that describe the Urban Village strategy, the type of housing we want to generate, our desire to efficiently use land, and the mix of uses that are desired. As discussed in question D.5, it is possible that this proposal could have minor impacts on the amount, distribution and character of development occurring citywide. However, it is unlikely that this proposal would significantly impact the City's ability to achieve these policies. Moreover, these policies must be balanced with other goals and policies to address housing affordability.

¹ Note, HG30 is proposed for deletion in the 2015 comprehensive plan update. Accommodating Seattle's share of the countywide need for housing affordable to low-income households consistent with the countywide planning policies is addressed by amended HG1 in the 2015 update.