2

ALTERNATIVES.

2.1 INTRODUCTION

PROPOSED ACTION OVERVIEW

The City of Seattle seeks to address a pressing need for housing, especially affordable housing, experienced by households and residents across the income spectrum. The need is greatest for households with lower incomes who are not adequately served by the current housing market. The need for affordable housing is well documented and can be measured in many ways. More than 45,000 of Seattle households, or about one in seven, currently pay more than half of their income on housing, a condition referred to as severe cost burden. Average rent for a one-bedroom apartment in Seattle has increased 35 percent over the last five years and is unaffordable by conventional measures to a worker earning a $15 minimum wage. The lack of affordable housing has disproportionate impacts on certain populations. Nearly 35 percent of Black/African American renter households in Seattle pay more than half of their income on housing, compared to about 18 percent of White renter households. The City is pursuing numerous strategies to address Seattle's housing affordability challenge.

The proposal addressed in this Draft Environmental Impact Statement (EIS) is to implement a Mandatory Housing Affordability (MHA) requirement for multifamily residential and commercial development in certain areas of the city. To put MHA in place, the City would grant additional development capacity through area-wide zoning changes and modifications to the Land Use Code. The proposed action includes several related components:

- Adopt requirements in the Land Use Code (SMC Chapter 23) for development meeting certain thresholds either to build affordable housing on-site or to make a payment to support the development of rent- and income-restricted housing.

- Modify development standards in the Land Use Code to provide additional development capacity, such as increases in maximum height and floor area ratio (FAR) limits.
- Make area-wide zoning map changes.
- Expand the boundaries of certain urban villages on the Comprehensive Plan's Future Land Use Map (FLUM) in locations near high-frequency transit, as studied in the Seattle 2035 Comprehensive Plan.
- Modify certain rezone criteria in the Land Use Code and policies in the Neighborhood Plans section of the Comprehensive Plan, concerning single family zoning in urban villages.

Additional development capacity would allow for the construction of more floor area, more housing units, or greater building height and scale compared to what existing regulations allow. In turn, this additional capacity may lead to additional household or job growth compared to the growth that would otherwise occur. Although it brings many benefits to a city, household and job growth can also have impacts to elements of the environment, such as services, transportation, and parks and open space. This Draft EIS evaluates potential environmental impacts associated with alternative approaches to implementing MHA.

STUDY AREA

The study area for this EIS includes existing multifamily and commercial zones in the City of Seattle, areas currently zoned Single Family Residential in existing urban villages, and areas zoned Single Family in potential urban village expansion areas identified in the Seattle 2035 Comprehensive Planning process. The study area does not include the Downtown, South Lake Union, and Uptown Urban Centers; in each of these sub-areas a separate planning processes has implemented or will implement increases development capacity and MHA requirements with its own independent SEPA analysis. The study area also excludes the portion of University Community Urban Center addressed in the University District Urban Design Framework and EIS. A map of the study area is below in Exhibit 2–1.

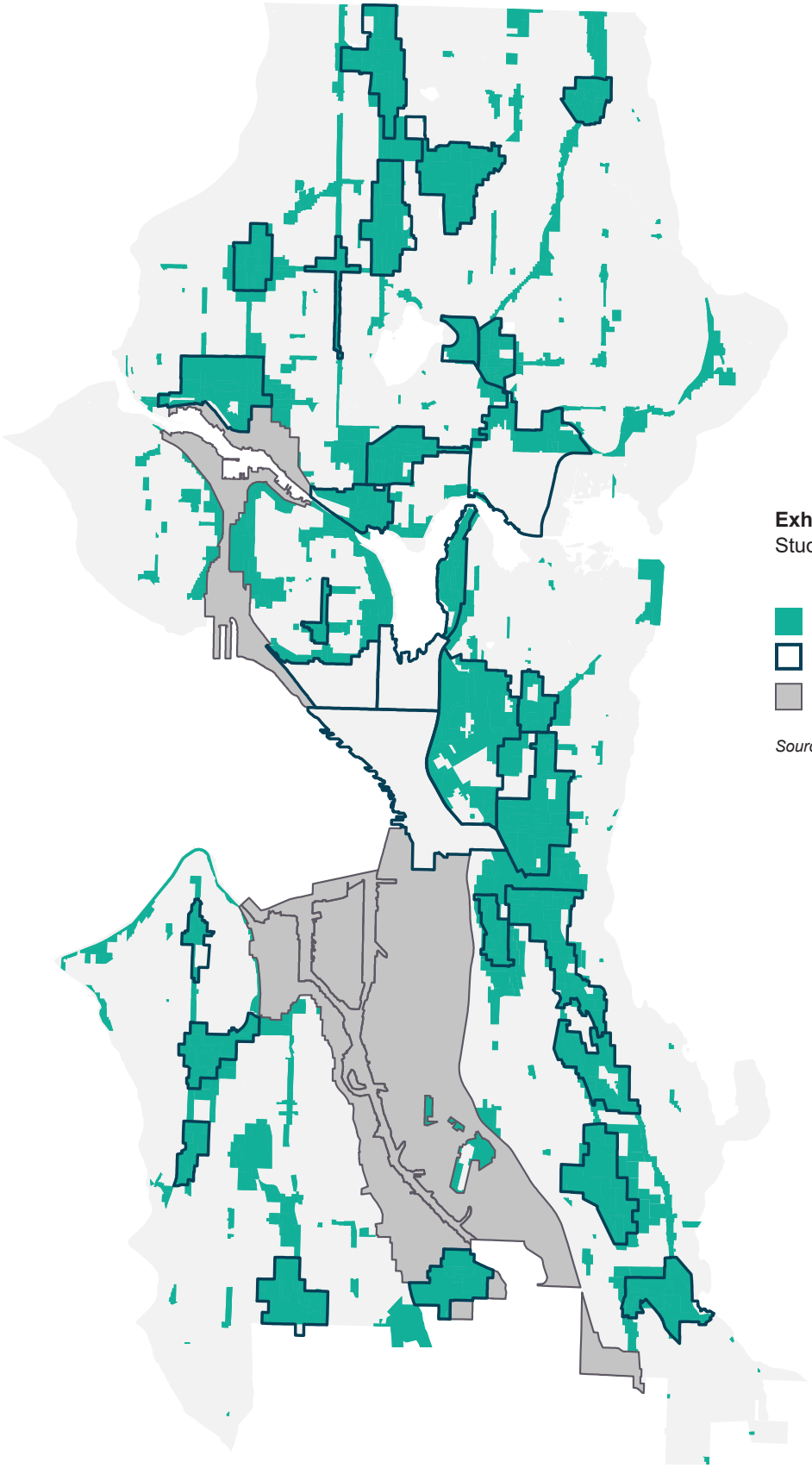


Exhibit 2–1
Study Area

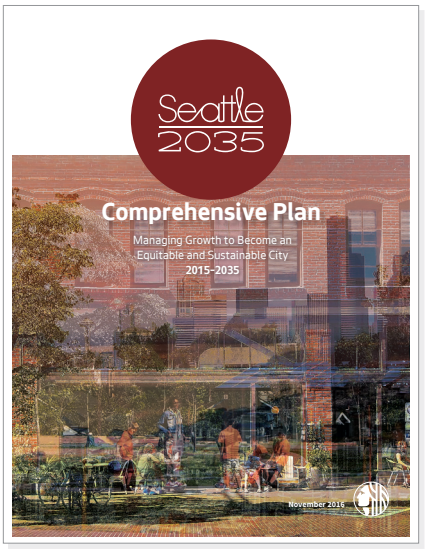
EIS Study Area
Urban Village
Manufacturing & Industrial Center

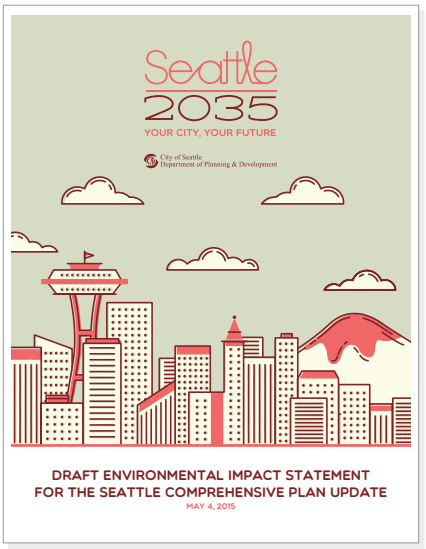
Source: City of Seattle, 2017.

OBJECTIVES OF THE PROPOSAL

The City's objectives for this proposal are to:

- Address the pressing need for housing affordable and available to a broad range of households.
- Increase overall production of housing to help meet current and projected high demand.
- Leverage development to create at least 6,200 net new rent- and income-restricted housing units serving households at 60 percent of the area median income (AMI) in the study area over a 20-year period.
- Distribute the benefits and burdens of growth equitably.





2.2 PLANNING CONTEXT

SEATTLE 2035 COMPREHENSIVE PLAN AND EIS

The Washington State Growth Management Act (GMA) requires local jurisdictions to adopt and periodically update Comprehensive Plans that plan for the amount of population and employment growth allocated to the jurisdiction by the Washington State Office of Financial Management (OFM). Seattle's Comprehensive Plan, *Seattle 2035*, is a 20-year vision and roadmap for the city's future. Its framework of goals and policies addresses most of Seattle's big-picture decisions on how to grow while preserving and improving quality of life in the city.

In October 2016, the City Council adopted the *Seattle 2035* Comprehensive Plan, a major update to the prior Comprehensive Plan. The City prepared an EIS on the Comprehensive Plan update that evaluated potential environmental impacts of alternative distributions of housing and job growth. The Final EIS was released on May 5, 2016, and, consistent with the provisions of the State Environmental Policy Act (SEPA), is formally adopted in this EIS to provide current and relevant environmental information. The Seattle 2035 Final EIS found a significant unavoidable adverse impact in the area of housing, stating that Seattle would continue to face a housing affordability challenge under all of the alternatives studied. Proposed MHA as evaluated in this EIS, is one action the city is studying to partially mitigate the housing affordability challenge.

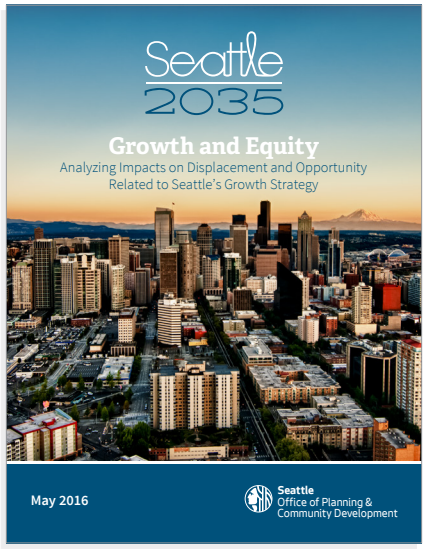
The alternatives considered in the Seattle 2035 EIS encompassed alternative approaches to managing future growth patterns within the framework of the Comprehensive Plan's urban village strategy. The

EIS studied potential impacts of four different growth strategies: a no action alternative that anticipated a continuation of growth in a distribution pattern resembling the last 20 years and three action alternatives that represented a range of possible growth distributions, each emphasizing a different pattern of growth that could lead to different implementing actions. Each action alternative and the preferred alternative identified in the Final EIS anticipated growth of 70,000 housing units and 115,000 jobs in Seattle through 2035, the growth target allocated by the King County Countywide Planning Policies and the minimum that Seattle must plan to accommodate.

The Seattle 2035 Final EIS also included a sensitivity analysis that analyzed the impacts of a hypothetical increase of residential growth beyond the growth assumptions of the preferred alternative. The sensitivity analysis evaluated household growth of 100,000 through the year 2035.

The Seattle 2035 Comprehensive Plan and EIS provide key context for the MHA proposed action, and this EIS builds on the prior analysis. For consistency, the MHA EIS uses the same 2035 planning horizon as the Seattle 2035 Comprehensive Plan and EIS. The No Action alternative in this MHA EIS is consistent with the quantity and location of households and jobs anticipated in the adopted Seattle 2035 Comprehensive Plan. The environmental analysis of the No Action alternative in this MHA EIS, therefore, closely parallels the analysis of the preferred alternative of the Seattle 2035 Comprehensive Plan Final EIS. Similarly, the sensitivity analysis from the Seattle 2035 Final EIS, which hypothesized additional growth above the adopted estimates, provides a basis for assumptions in this MHA EIS that identify additional housing and jobs beyond the adopted growth estimate.

GROWTH AND EQUITY ANALYSIS



As a companion document to the Seattle 2035 EIS, the City prepared a *Growth and Equity Analysis* to identify how growth could benefit or burden marginalized populations (Appendix A). The Growth and Equity Analysis examined demographic, economic, and physical factors to evaluate the risk of displacement and access to opportunity for marginalized populations across Seattle neighborhoods.

In September 2016, the City Council passed Resolution 31711, renewing the emphasis on race and social equity in the Comprehensive Plan update and other City actions. The resolution called for reducing racial and social disparities through the City's capital and program investments, achieving equity through growth, and conducting equity analyses when taking policy

actions. The MHA EIS seeks to achieve these goals by integrating aspects of the Growth and Equity Analysis directly into the formation and environmental analysis of the alternatives studied. Since it is integral to the analysis in this EIS, a discussion of the Growth and Equity Analysis follows.

Growth and Equity Analysis Background

The *Growth and Equity Analysis* considered people and places. It combined a traditional EIS approach of analyzing potential impacts and identifying mitigation with the City's Race and Social Justice Initiative (RSJI). The findings are expressed as the Displacement Risk Index and the Access to Opportunity Index. The Displacement Risk Index identifies areas of Seattle where displacement of marginalized populations may be more likely. The Access to Opportunity Index identifies populations' access to certain key determinants of social, economic, and physical well-being. Together, these indices show that displacement risk varies across Seattle neighborhoods, and key determinants of well-being are not equitably distributed, leaving many marginalized populations without access to factors necessary to succeed and thrive in life.

Displacement Risk

The Displacement Risk Index combines data about demographics, economic conditions, and the built environment into a composite index of displacement risk. It focuses on displacement that affects marginalized populations, defined in Seattle 2035 as people of color, low-income

people, English-language learners, and people with disabilities. It reflects data on vulnerability, amenities, development capacity, and rent to identify where displacement of those populations is more likely to occur.

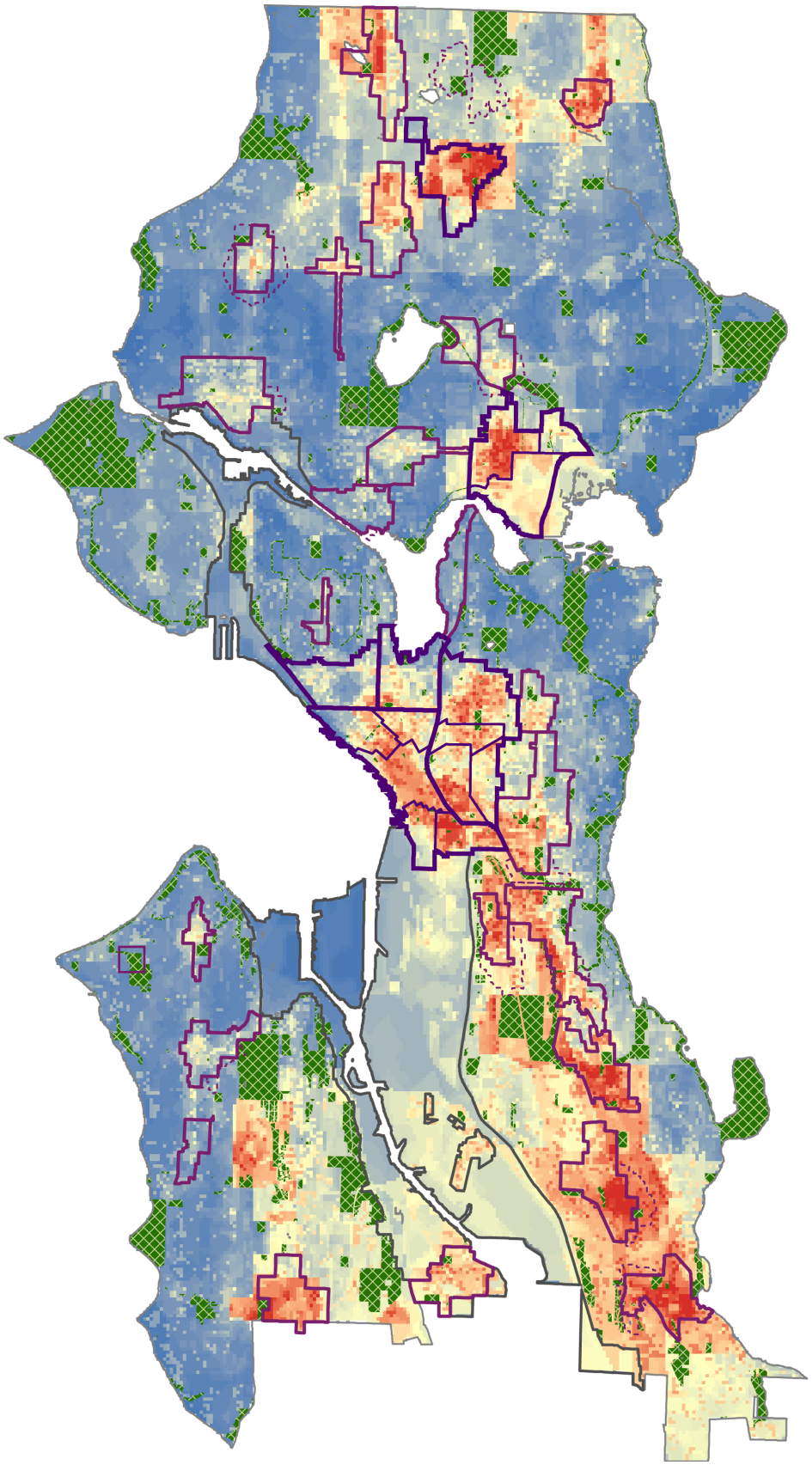
The vulnerability indicators identify populations less able to withstand housing cost increases and more likely to experience discrimination or other structural barriers to finding new housing. The amenity indicators are factors like access to transit and proximity to certain core businesses that contribute to housing demand. Development capacity is a parcel-level measure of how much development could theoretically occur under current zoning over an indefinite time. Median rent data shows how the cost of housing varies geographically.

Access to Opportunity

The Access to Opportunity Index identifies disparities in access to key determinants of social, economic, and physical well-being. It includes measures related to education, economic opportunity, transit, public services, and public health. Some of the access to opportunity indicators are also factors that increase the potential for displacement, such as proximity to transit and job centers.

Exhibit 2–2 shows areas of the city according to their level of displacement risk, and Exhibit 2–3 shows areas of the city according to their level of access to opportunity. For a complete list of the data used in the Displacement Risk and Access to Opportunity Indices, refer to Appendix A.

Exhibit 2–2
Displacement Risk Index



Source: City of Seattle, 2017.

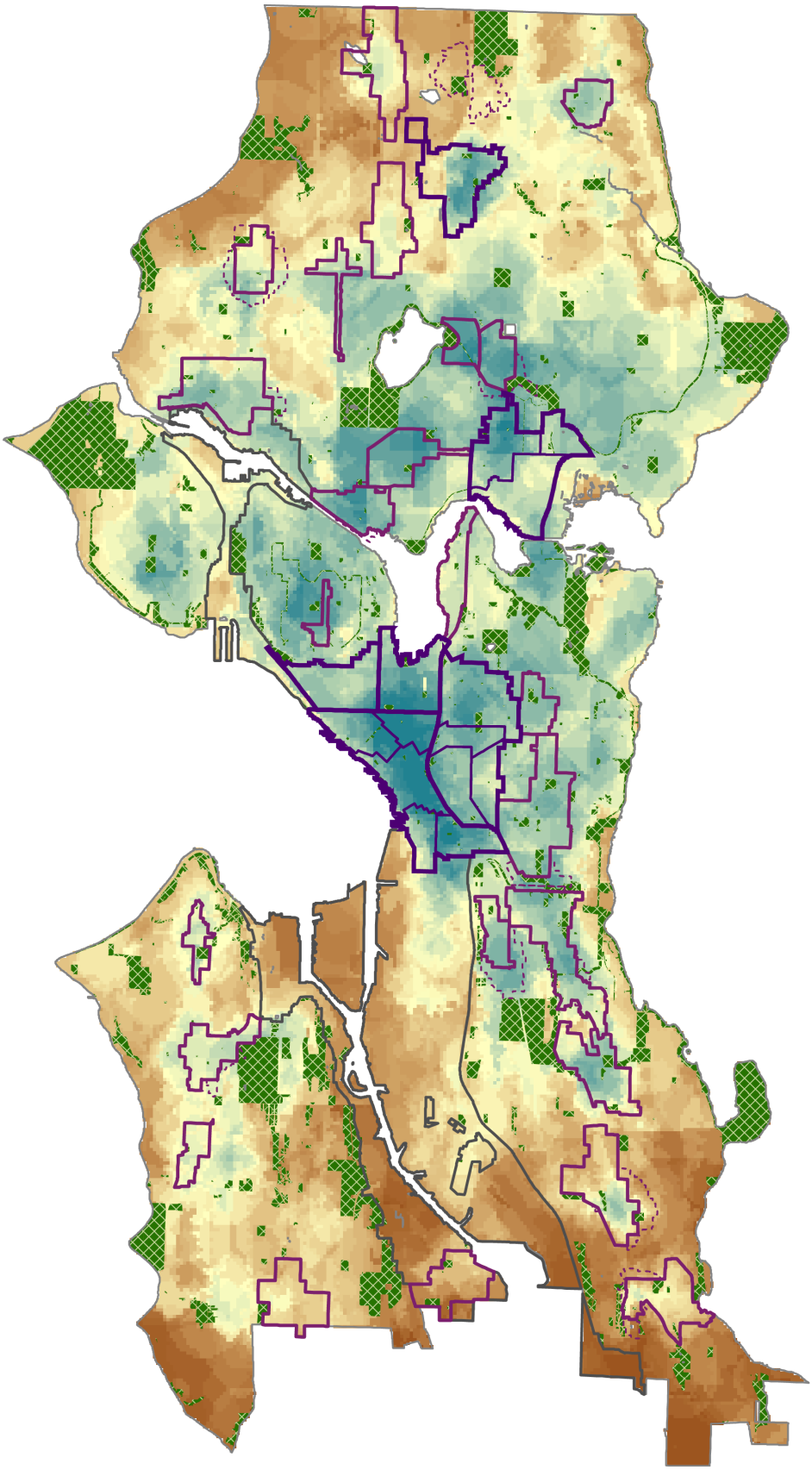


Exhibit 2–3
Access to Opportunity Index

Source: City of Seattle, 2017.

Displacement Risk and Access to Opportunity Typology

Together, these indices characterize whether an urban village has relatively high or low displacement risk and high or low access to opportunity. Viewed as a matrix, the indices create a typology of urban villages according to their relative levels of displacement risk and access to opportunity. As shown in Exhibit 2–4, the Growth and Equity Analysis identifies four categories of urban villages. The categories help identify the potential impacts of future growth and suggest which mitigation measures could address needs and opportunities in different urban villages. The EIS action alternatives (Alternative 2 and Alternative 3) reference this displacement risk and access to opportunity typology.

Exhibit 2–4 Urban Village and Center by Displacement Risk and Access to Opportunity Typology

	Study Area Urban Village or Urban Center	
High Displacement Risk and Low Access to Opportunity	• Rainier Beach • Othello • Westwood-Highland Park	• South Park • Bitter Lake Village
Low Displacement Risk and High Access to Opportunity	• Green Lake • Roosevelt • Wallingford • Upper Queen Anne • Fremont • Ballard • Ravenna	• Madison-Miller • Greenwood-Phinney Ridge • Eastlake • Admiral • West Seattle Junction • Crown Hill
High Displacement Risk and High Access to Opportunity	• Columbia City • Lake City • Northgate • First Hill-Capitol Hill	• North Beacon Hill • North Rainier • 23rd & Union–Jackson
Low Displacement Risk and Low Access to Opportunity	• Aurora–Licton Springs • Morgan Junction	

Source: City of Seattle, 2017.

High Displacement Risk / Low Access to Opportunity

Many of these neighborhoods are transitioning to higher levels of desirability. But some still do not have all the amenities and services found elsewhere in the city. Urban villages in this category are often adjacent to neighborhoods that have already experienced physical and demographic change and will have high potential for displacement as investment and amenities come online in the area.

Low Displacement Risk / High Access to Opportunity

Neighborhoods with low risk of displacement and high access to opportunity are desirable and generally have fewer marginalized populations. These neighborhoods generally already offer good access to economic and educational opportunities. Accordingly, market-rate housing in these neighborhoods tends to be unaffordable to lower-income households. With relatively few marginalized populations, these areas may also lack the cultural services and community organizations geared to those populations. An equitable approach for these neighborhoods would expand pathways into the neighborhood for people who currently cannot afford to live, work, or operate a business there.

High Displacement Risk / High Access to Opportunity

Neighborhoods with high risk of displacement and high access to opportunity are often highly desirable because of the amenities they contain and the relatively lower cost of housing. The desirability of these neighborhoods attracts new development that could displace marginalized populations in these places. An equitable development strategy for these neighborhoods is to stabilize existing marginalized populations while also providing opportunities for economic mobility.

Low Displacement Risk / Low Access to Opportunity

Only a few urban villages fall in this category. These areas could absorb additional growth with minimal displacement risk, but access to opportunity in these places is also limited.

The Growth and Equity Analysis's identification of potential effects on displacement can be used both to measure impacts on marginalized populations and as a policy variable to help shape the how the City implements MHA in different types of neighborhoods.

Housing Affordability and Livability Agenda

In September 2014, Mayor Murray and the City Council gathered Seattle leaders to help develop an agenda for increasing the affordability and availability of housing. The City convened a Housing Affordability and Livability Agenda (HALA) Advisory Committee composed of renters and homeowners, for-profit and non-profit developers, and other local housing experts. After months of deliberation, the committee reached consensus and published a report with 65 recommendations to consider. The HALA recommendations include a goal of creating 50,000 new homes over the next decade, including 20,000 new homes for low- and moderate-income people. The goal of 20,000 new homes for low- and moderate-income people would roughly triple the historical annual rate of production of rent- and income-restricted homes.

Following release of the HALA Advisory Committee recommendations, Mayor Murray and the City Council directed City departments to implement many of the recommendations. In October 2015, the Council passed Resolution 31622, declaring their intent to consider many of the HALA recommendations and requesting the State legislature to adopt or modify policies to support affordable housing production and preservation. The resolution established a two-year work plan for community engagement and policy analysis to inform possible Council action on specific implementation actions to address housing affordability and livability.

MHA is one of the 65 recommended HALA implementation actions. As of this writing, MHA has been implemented or is being considered in several geographic sub-areas separate from this proposal. MHA is in effect in portions of the University District that received zoning capacity increases in February 2016 through the City Council's adoption of Ordinance 125267. MHA is also effective in Downtown and South Lake Union (excluding Chinatown–International District) following Council adoption of Ordinance 125291. The Council will likely consider MHA implementation for the Uptown Urban Center in the second quarter of 2017. As identified previously, legislation for each of these sub-areas included its own independent SEPA review.

Other Affordable Housing Funding Sources

Numerous other affordable housing funding sources besides MHA are relevant to this analysis because they can be combined with the MHA payments received by the City to fund new or preserve affordable housing. Federal Low Income Housing Tax Credits (LIHTC) and tax exempt bonds are two critical fund sources expected to be leveraged by

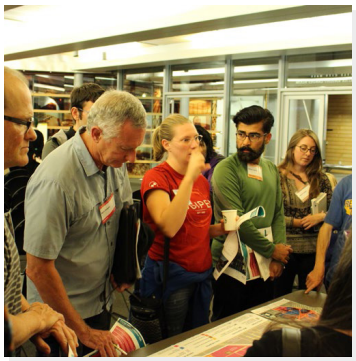
MHA funds to produce affordable housing. Annually, the Seattle Office of Housing (OH) makes funding awards on a competitive basis to affordable housing providers who build and preserve affordable housing.

Availability of LIHTC and tax exempt bonds inform assumptions used in the growth estimates in this EIS about the rate at which MHA payment funds received could be converted to affordable homes. MHA payment funds received are assumed to convert to affordable housing at $80,000 per unit. The actual per-unit physical cost of housing production is likely two to three times higher than this, but the likelihood of combination of MHA funds with the other noted funding sources supports the higher conversion rate.

PUBLIC OUTREACH

The City's public outreach effort for the proposed MHA intends to build awareness of the proposal, identify issues that people are concerned about, and collect feedback on zoning changes and other elements of MHA implementation. The City's engagement has used numerous formats, spanned the entire city, and included both in-person and online engagement. Appendix B includes a draft *Summary of Community Input* that documents this range of engagement and summarizes the themes of community input received. Engagement formats have included:

- Large citywide open house events held at community locations including City Hall, the Museum of History and Industry (MOHAI), public schools, restaurants, and community centers.
- Neighborhood meetings of local community organizations and groups. City staff attended groups' regular meetings to respond to questions and receive individual community input about local areas.
- Consider.it online dialogue. In May 2016, the City posted draft principles about MHA implementation online at HALA.Consider.it, an interactive dialogue and public comment platform. In October 2016, Consider.it hosted draft MHA Implementation maps for all urban villages to create an online dialogue.
- Other digital media. The City gathered input through multiple types of media, including an online HALA-branded website, a project-specific email address (halainfo@seattle.gov), a Facebook Live event, three telephone town halls, and an online newsletter.
- HALA Hotline. Since October 2016, the City has maintained a HALA call-in hotline that residents and stakeholders could use to speak with City staff, receive information about MHA, and provide comment.


- Community Focus Groups consisting of four to six representatives from each urban village and adjacent neighborhood area. The groups met for one year as a sounding board to give focused feedback, particularly on how the MHA program would apply in neighborhood areas.
- Organized in 14 neighborhoods in partnership with the City Council, Community Urban Design Workshops gave communities the opportunity for input on draft MHA zoning maps in a setting and location specific to their neighborhood.

Public input informed the MHA Implementation Principles that contributed to the specific zoning map changes considered in the Action Alternatives. (MHA Implementation Principles are in Appendix C). The comments received also identified areas of concern about potential impacts of the proposal and potential mitigation measures.

Environmental Impact Statement Scoping

The City issued a combined Determination of Significance (DS) and scoping notice on July 28, 2016, requesting public comment on the topics and alternatives to be addressed in the DEIS. The public comment period extended through September 9, 2016. The City solicited scoping comments in written and electronic form. This period included two opportunities for in-person EIS scoping comments held on August 13 at the Rainier Valley Summer Parkways event and August 27 at the Ballard Summer Parkways event. At the in-person events staff were available to describe the EIS process, including proposed topics for analysis, and to ask for comments on issues that should be considered. Appendix D provides the scoping report issued on November 9, 2016, that summarized comments received. This input resulted in several additions to the scope of the EIS analysis, including analysis of greater amounts of estimated growth in the action alternatives, more detailed analysis of potential impacts to tree canopy, and a deeper study of potential displacement.

2.3 PROPOSED ACTION AND ALTERNATIVES

The Draft EIS evaluates three alternatives. None is formally proposed or preferred at this time. The City is using the SEPA process to test and construct a program that will ultimately be proposed for action by the City Council. Modified alternatives and/or a preferred alternative may be identified in the Final EIS. Alternative 1 No Action assumes that MHA is not implemented in the study area; no development capacity increases or area-wide rezones would be adopted. Alternatives 2 and 3 both assume implementation of MHA to achieve the objective of at least 6,200 affordable housing units built in the study area by the year 2035.

Alternatives 2 and 3 differ in the intensity and location of development capacity increases and the patterns and amounts of housing growth across the city that could result. Exhibit 2–5 summarizes overall citywide household growth and the MHA rent- and income-restricted housing generated from growth in the study area in the three alternatives. Appendix 7 summarizes in detail how we model growth under each alternative. The methodology includes estimating total residential and commercial growth in each urban village, estimating MHA affordable housing production that development in each urban village would generate, and modeling for analysis purposes the distribution of affordable housing funded through MHA payments collected from development citywide. Since MHA is in effect or proposed to be implemented in Downtown, South Lake Union, University District, and Uptown through separate actions, Exhibit 2–5 shows that some MHA affordable housing units would be built in the study area using MHA

Exhibit 2–5 20-Year Household Growth and MHA Production

	20-Year Household Growth		MHA or IZ Housing Units	
Alternative 1 No Action	**Comprehensive Plan**	70,000	**Citywide**	5,272
	Citywide	76,746	**Generated from Study Area**	205
	Study Area	45,361	**Built in Study Area**	3,155
Alternative 2 Implement MHA in Study Area	**Comprehensive Plan**	70,000	**Citywide**	11,038
	Citywide	95,342	**Generated from Study Area**	5,717
	Study Area	63,070	**Built in Study Area**	7,513
Alternative 3 Implement MHA in Study Area with Distinctions for Access to Opportunity and Displacement Risk Areas	**Comprehensive Plan**	70,000	**Citywide**	10,903
	Citywide	95,094	**Generated from Study Area**	5,582
	Study Area	62,858	**Built in Study Area**	7,415

Source: City of Seattle Office of Planning and Community Development, 2017.

payments in Alternative 1 No Action. Alternative 1 also includes rent- and income-restricted housing produced through Incentive Zoning (IZ) in the study area under existing regulations. For Alternatives 2 and 3, Exhibit 2–5 includes a distinct estimate of MHA affordable housing generated solely from development in the EIS study area and, separately, an estimate calculated for analysis purposes of affordable housing built in the study area funded through citywide MHA payments.

Each action alternative is associated with a detailed zoning map and a set of urban village boundary expansions. Alternative 1 No Action has no zoning changes and no urban village boundary expansions. Appendix H has maps identifying development capacity increases and urban village expansions for the study area.

Both action alternatives evaluate additional development capacity provided through increases in maximum height and floor area ratio (FAR) limits in commercial and multifamily zones, as well as single-family zones in designated urban villages and urban village expansion areas. Alternatives 2 and 3 differ in their approaches to urban villages according the displacement risk and access to opportunity typology when assigning MHA zoning capacity increases. Alternative 2 assigns specific zoning map changes based on a set of basic planning concepts, policies in the Comprehensive Plan, and MHA Implementation Principles developed during community engagement. However, it does not particularly consider risk of displacement when allocating development capacity increases to individual urban villages. Alternative 3 uses the same guiding concepts, but allocates more or less development capacity based on each urban village's relative level of displacement risk and access to opportunity, as identified in the Growth and Equity Analysis. The intent is to test whether and how the stated policy objective of growing equitably is achieved by directing more growth to areas of opportunity, and moderating growth in areas at high risk of displacement, as well as measuring other potential environmental impacts associated with the amount and location of additional growth.

CALCULATING THE MHA HOUSING PRODUCTION OBJECTIVE

The MHA affordable housing production objective of this proposal—to create at least 6,200 net new rent- and income-restricted units in the study area in 20 years—aligns with other goals for MHA housing production citywide. MHA payments received in one part of the city may be allocated to development of affordable housing in another part of the

city, subject to applicable policies and criteria. Therefore, MHA payment funds generated from outside the study area must be considered when estimating the total amount and distribution of MHA production in the study area for the alternatives.

To estimate the MHA housing production objective, this EIS considered the goal established by the HALA Advisory Committee and subsequent actions by the City Council and Mayor to produce at least 6,000 affordable housing units citywide over 10 years. The MHA production estimated in other environmental documents for the rezoned portions of the University District, Uptown, Downtown, and South Lake Union Urban Centers are subtracted from a citywide goal in order to establish a specific goal for the EIS study area. To use a consistent timeline for environmental analysis, we translate the 10-year housing goals expressed in HALA documents to 20-year goals. To do so, we assume 53 percent of expected housing growth through 2035 will occur in the first 10-year period. This results in an objective of roughly 6,200 rent- and income-restricted homes produced through MHA in the study area alone over a 20-year period.

PROPOSED MHA REQUIREMENTS: COMMON TO THE ACTION ALTERNATIVES

Seattle Municipal Code (SMC) Chapters 23.58.B and 23.58.C contain an adopted framework for the proposed MHA affordable housing requirements. These codes establish many basic program parameters and regulations, such as the income qualifications and duration of affordable housing term. As currently adopted, MHA does not apply anywhere unless and until the City Council adopts legislation for zoning changes to increase development capacity. Both action alternatives assume and reflect the program elements of MHA already established by code.

Developers comply with MHA by either providing affordable housing on-site (performance option) or paying into a fund that OH uses to support the creation and preservation of affordable housing throughout Seattle (payment option). With the performance option, a specific percentage of homes in new multifamily residential buildings are reserved for income-eligible households and have restricted rents. These affordable homes will be comparable to market-rate units (e.g., size, number of bedrooms, and lease terms). With the payment option, developer contributions enable OH to leverage other funds to generate affordable housing through annual competitive funding awards to non-profit housing developers to build or preserve housing.

MHA requirements are proposed to vary based on (a) specific geographic areas of the city, and (b) the scale of the zoning change. MHA geographic areas are categorized as low, medium, or high based on information about rental housing sub-markets in the Seattle area from Dupre+Scott Apartment Advisors reports. Appendix E provides a map of the low, medium, and high MHA areas, which reflect varying market strength where observed rents are documented to be lower or higher. As shown in Exhibit 2–6, higher MHA requirements would apply in the strong (high) market areas, and lower MHA requirements in weaker (low) market areas. Scaling requirements in this manner is a way to avoid burdening local housing markets and suppressing housing production.

MHA requirements would also vary by the scale of the development capacity increase. Larger development capacity increases (i.e., bigger zoning changes) would result in higher affordable housing requirements. Variation in the requirements would be indicated by an (M), (M1), or (M2) suffix at the end of the zone title that reflects the increment of additional development capacity provided by rezoning. Existing zones are grouped into categories based on their relative development capacity. Zoning changes that result in a change from a lower zone category to a higher zone category will be subject to higher MHA requirements.

Zone Categories

Category 1: Single Family, Residential Small Lot

Category 2: Lowrise 1, Lowrise 2

Category 3: Lowrise 3, Neighborhood Commercial 40, Neighborhood Commercial 55

Category 4: Zones with height limits greater than 55' and equal to or less than 95'

Category 5: Zones with heights greater than 95' (requires individual assessment)

Suffixes will be assigned to zoning categories as follows:

Standard (M) suffix. If a zoning change results in a zone in the same category, the new zone will have an (M) suffix. For example, an NC2-40 zone changes to NC2-55 to allow for one additional story of development, so properties there will be zoned NC2-55 (M).

(M1) suffix. If a zoning change results in a zone in the next highest category, the new zone will have an (M1) suffix. For example, a Lowrise 1 zone (Category 2) changes to Lowrise 3 (Category 3), so properties there will be zoned LR3 (M1).

(M2) suffix. If a zoning change results in a zone two or more categories higher, the new zone will have an (M2) suffix. For example, a Single Family zone (Category 1) in an urban village changes to Lowrise 3 (Category 3), so properties there will be zoned LR3 (M2).

Proposed MHA payment and performance requirements common to both action alternatives are shown below. The multifamily performance requirement is the percent of residential units that must be provided as affordable housing, and the payment requirement is a dollar amount per square foot of chargeable gross floor area.

Exhibit 2–6 MHA Performance and Payment Requirements

		LOW AREA		MEDIUM AREA		HIGH AREA	
		%[1]	$[2]	%[1]	$[2]	%[1]	$[2]
Proposed Requirements for Residential and Highrise Commercial							
SCALE OF ZONING CHANGE	**Zones with (M) Suffix**	5%	$7.00	6%	$13.25	7%	$20.75
	Zones with (M1) Suffix	8%	$11.25	9%	$20.00	10%	$29.75
	Zones with (M2) Suffix	9%	$12.50	10%	$22.25	11%	$32.75
Proposed Requirements for Non-Highrise Commercial (up to 95')							
SCALE OF ZONING CHANGE	**Zones with (M) Suffix**	5%	$5.00	5%	$7.00	5%	$8.00
	Zones with (M1) Suffix	8%	$8.00	8%	$11.25	8%	$12.75
	Zones with (M2) Suffix	9%	$9.00	9%	$12.50	9%	$14.50

1 For multifamily residential development, performance requirements are a percentage of residential units that a building must provide as rent-restricted affordable units for income-qualified households. For commercial development, performance requirements are a percentage of chargeable floor area in commercial use that a building must provide as affordable units.

2 Payment requirements are calculated by multiplying the dollar amounts shown in Exhibit 2-6 by the building's total chargeable floor area.

Source: City of Seattle, 2017.

The suffixes indicate a magnitude of zoning capacity increases on any lot, so the quantity and location of (M), (M1) and (M2) designations describe the magnitude of the zoning change in an area. Since the action alternatives vary the location and intensity of development capacity increases, they also vary the number and location of zones with (M), (M1) and (M2) suffixes and, therefore, the amount and location of growth in different urban villages between the alternatives. And, since (M), (M1), and (M2) designations indicate different affordable housing requirements, differing quantities of (M), (M1), and (M2) will also contribute to differing amounts of affordable housing generated from development in urban villages between Alternative 2 and Alternative 3.

Development Capacity Increases to Implement MHA

The proposed action would increase development capacity to implement MHA in several ways: changing development standards in the Land Use Code, changing of a zone designation on the official zoning map, changing certain urban village boundaries on the City's Future Land Use Map (FLUM), and changing policies in the Neighborhood Plans section of the Comprehensive Plan.

Appendix F summarizes the proposed changes to development standards in the Land Use Code, which are common to both action alternatives. Changes include removal of density limits for the Lowrise

1 (LR1) zone; increases in maximum height and FAR limits for Lowrise 2 (LR2), Lowrise 3 (LR3), Midrise (MR), and Highrise (HR) multifamily zones; and increases in maximum height and FAR limits in Neighborhood Commercial (NC), Commercial (C), and Industrial Commercial (IC) zones. Seattle Mixed (SM) zones in the North Rainier Urban Village and near W Dravus St include similar height and FAR increases. Where land use overlays (such as the Station Area Overlay District) modify base development standards in the existing Land Use Code present, the proposed MHA development capacity increases are adjusted accordingly.

Standard Development Capacity Increases

Most proposed zoning capacity increases would allow approximately one additional story of development compared to what existing zoning allows. These one-story zoning capacity increases are referred to as "standard" MHA capacity increases and denoted with an (M) suffix. (In some zones that already allow taller buildings, (M) zoning changes would provide an increase of more than one story in height.) For most zones, the standard capacity increase results from an increase in the maximum height and FAR limits. In certain zones, modifying other standards—such as the maximum density limit or minimum lot size—would provide additional development capacity.

In certain zones, the proposal would modify development standards in the Land Use Code (e.g., a change in the maximum height limit), but the mapped zone designation would remain the same. This would apply to the Lowrise multifamily zones (LR1, LR2, and LR3) and the Midrise and Highrise multifamily zones (MR and HR). Other zones include the height limit as part of the zone name. Therefore, the zoning map would reflect new zone names for Neighborhood Commercial (NC) and Commercial (C) zones. New designations on the zoning map would refer to amended or new development standards in the Land Use Code. For example, an existing Neighborhood Commercial zone with a 65-foot maximum height limit (NC-65) would become a Neighborhood Commercial zone with a 75-foot height limit (NC-75). Concurrently, the Land Use Code would include new NC-75 zone development standards since this variant of NC zoning does not exist today. In all cases, many existing development standards for the zone would be unchanged, while key controls on development capacity are adjusted. Appendix F provides a more complete summary of the proposed Land Use Code changes.

Selective Development Capacity Increases

73 percent of the proposed MHA development capacity increases in Alternatives 2, and 77 percent of the capacity increases in Alternative 3 would fall into the category of standard increases summarized above. In certain instances, the action alternatives include larger zoning increases. These larger increases, referred to as "selective" development capacity increases, would increase zoned capacity by more than one zone category. For example, instead of an NC zone with a 40-foot height limit becoming an NC zone with a 55-foot height limit, the alternative proposes an NC zone with a 75-foot height limit. Selective zoning increases are indicated by an (M1) or (M2) suffix in the zone name and denote higher MHA affordable housing payment or performance requirements.

The alternatives include selective capacity increases where directly supported by a combination of policies in the Comprehensive Plan, basic planning principals and MHA Implementation Principles, and rezone criteria in the Land Use Code. Independent judgement and evaluation by City planning staff was also applied. Concepts used to identify selective capacity increases include.

Planning Principles and Rezone Criteria

- Provide transitions between higher- and lower-scale zones as additional development capacity is accommodated.
- Consider locating more housing near neighborhood assets and infrastructure such as parks, schools, and transit.
- Encourage more small-scale multi-unit housing that is family friendly, such as cottages, duplexes or triplexes, rowhouses, and townhouses.
- Implement the urban village expansions using 10-minute walksheds similar to those shown in the draft Seattle 2035 Comprehensive Plan update.
- Do not increase development capacity in designated Historic Districts, even if it means these areas do not contribute to housing affordability through MHA.
- Ensure that, in general, any development capacity increases in urban village expansion areas are compatible in scale to the existing neighborhood context.

City of Seattle Comprehensive Plan Goals and Policies

- G.S 1.6. Plan for development in urban centers and urban villages in ways that will provide all Seattle households, particularly marginalized populations, with better access to services, transit, and educational and employment opportunities.
- G.S 1.7 Promote levels of density, mixed-uses, and transit improvements in urban centers and villages that will support walking, biking, and use of public transportation.
- G.S. 1.12 Include the area that is generally within a ten-minute walk of light rail stations or very good bus service in urban village boundaries, except in manufacturing/ industrial centers.
- G.S 1.13 Provide opportunities for marginalized populations to live and work in urban centers and urban villages throughout the city by allowing a variety of housing types and affordable rent levels in these places.
- LU G.1 Achieve a development pattern consistent with the urban village strategy, concentrating most new housing and employment in urban centers and villages, while also allowing some infill development compatible with the established context in areas outside centers and villages.
- LU 2.1 Allow or prohibit uses in each zone based on the zone's intended function as described in this Land Use element and on the expected impacts of a use on other properties in the zone and the surrounding area. Generally allow a broad mix of compatible uses in the urban centers and urban villages.
- LU 1.4 Provide a gradual transition in building height and scale inside urban centers and urban villages where they border lower-scale residential areas.
- LU 2.7 Review future legislative rezones to determine if they pose a risk of increasing the displacement of residents, especially marginalized populations, and the businesses and institutions that serve them.

In addition to the principles listed above, direct community input about specific locations in urban villages during public outreach was considered in forming the alternatives.

Estimating Amount and Distribution of Growth for Action Alternatives

The EIS calculates an amount and distribution of household and job growth for a 20-year time horizon for each action alternative. The amount and location of future growth has been estimated using a computer model that considers several variables, including the following key factors:

- The formally adopted Seattle 2035 Comprehensive Plan housing and job growth estimates citywide and in each urban village;
- The increment of land use changes resulting from a specific parcel-based citywide zoning proposal for each alternative;
- Unique baseline conditions in each urban village (e.g., the existing proportions of multifamily and commercially zoned lands);
- The specific parcels most likely to redevelop considering their existing development; and
- Relative market strength in different geographic areas of the city.

Appendix G is a technical memo that describes the modelling methodology and its assumptions.

The model provides growth estimates for each urban village and areas outside urban villages. Distributing growth by urban village facilitates evaluations of varied growth patterns and relative environmental impacts affecting localized areas. Certain urban villages have higher growth estimates under one action alternative compared to the other. Growth for each urban village can also be compared to growth that would occur under Alternative 1 No Action. Exhibit 2–7 summarizes estimated growth amounts for each Alternative, and Exhibit 2–8 shows the estimates as a percentage increase. The resulting variations in growth pattern in urban villages enables analysis of potential impacts associated with different growth levels.

Exhibit 2–7 Residential and Commercial Growth

		BASELINE (2016)		ALT. 1 NO ACTION		ALT. 2		ALT. 3	
	URBAN VILLAGE	Housing	Jobs	Housing	Jobs	Housing	Jobs	Housing	Jobs
Outside EIS Study Area	Downtown	24,347	165,416	13,600	37,100	14,104	37,100	14,088	37,100
	South Lake Union	4,536	40,482	8,500	15,900	8,815	15,900	8,805	15,900
	Uptown	7,483	15,092	3,751	2,800	3,810	2,800	3,806	2,800
	U District[1]	8,181	33,701	5,533	5,000	5,544	5,000	5,538	5,000
High Displacement Risk & Low Access to Opportunity	Rainier Beach	1,520	1,130	500	500	681	568	607	542
	Othello	2,836	1,439	900	800	1,361	832	1,072	829
	Westwood-Highland Park	2,150	1,572	600	100	939	114	790	105
	South Park	1,292	1,355	400	300	646	313	550	313
	Bitter Lake Village	3,257	4,605	1,300	2,300	1,516	2,411	1,501	2,401
Low Displacement Risk & High Access to Opportunity	Green Lake	2,605	1,814	600	150	782	167	1,218	211
	Roosevelt	1,616	1,762	867	500	992	525	1,269	549
	Wallingford	3,222	3,119	1,000	150	1,395	167	2,066	179
	Upper Queen Anne	1,724	1,882	500	30	594	33	643	41
	Fremont	3,200	8,882	1,300	843	1,582	843	2,050	843
	Ballard	9,168	7,861	4,000	3,900	5,467	4,384	5,812	4,411
	Madison-Miller	2,781	1,475	800	500	1,171	570	1,488	679
	Greenwood-Phinney Ridge	1,757	2,067	500	500	604	548	612	558
	Eastlake	3,829	5,774	800	170	1,006	170	1,482	170
	West Seattle Junction	3,880	3,488	2,300	1,700	3,041	1,811	3,351	1,813
	Admiral	1,131	1,468	300	50	375	55	467	68
	Crown Hill	1,307	850	700	100	1,128	111	1,784	159
	Ravenna[2]	1,621	3,559	1,361	3,234	1,703	3,769	1,639	3,521
High Displacement Risk & High Access to Opportunity	Columbia City	2,683	2,672	800	800	1,205	903	1,049	870
	Lake City	2,546	1,533	1,000	800	1,154	833	1,148	830
	Northgate	4,535	12,898	3,000	6,000	4,526	8,367	4,450	8,355
	First Hill-Capitol Hill	29,619	39,987	6,000	3,000	10,283	3,717	7,246	3,413
	North Beacon Hill	1,474	593	400	300	712	312	544	309
	North Rainier	2,454	6,136	1,000	3,100	1,378	3,609	1,267	3,600
	23rd & Union-Jackson	5,451	4,851	1,600	1,000	2,668	1,132	2,195	1,132
Low Displacement Risk & Low Access to Opportunity	Aurora-Licton Springs	3,454	2,319	1,000	600	1,217	633	1,287	658
	Morgan Junction	1,342	579	400	30	746	42	1,086	57
Outside Villages		188,122	85,478	11,433	20,277	14,199	22,848	14,186	22,879
Manufacturing & Industrial Centers (Outside EIS Study Area)	Ballard-Interbay-Northend[3]	660	18,173	0	3,000	0	3,000	0	3,000
	Greater Duwamish	405	65,761	0	6,000	0	6,000	0	6,000
MHA Affordable Homes in EIS Study Area	Generated in Study Area	—	—	205	—	5,717	—	5,582	—
	Built in Study Area	—	—	2,993	—	7,513	—	7,415	—
	TOTAL	**232,981**	**223,877**	**45,361**	**51,734**	**63,070**	**59,786**	**62,858**	**59,496**
Citywide	MHA Affordable Homes	—	—	5,272	—	11,038	—	10,903	—
	TOTAL	**336,188**	**549,773**	**76,746**	**121,534**	**95,342**	**129,586**	**95,094**	**129,296**

Exhibit 2–8 Percentage Increase in Residential and Commercial Growth Compared to No Action

URBAN VILLAGE	ALT. 2 Housing	ALT. 2 Jobs	ALT. 3 Housing	ALT. 3 Jobs
High Displacement Risk & Low Access to Opportunity	**39%**	**6%**	**22%**	**5%**
Rainier Beach	36%	14%	21%	8%
Othello	51%	4%	19%	4%
Westwood-Highland Park	57%	14%	32%	5%
South Park	62%	4%	37%	4%
Bitter Lake Village	17%	5%	15%	4%
Low Displacement Risk & High Access to Opportunity	**29%**	**12%**	**45%**	**13%**
Green Lake	30%	12%	103%	41%
Roosevelt	14%	5%	46%	10%
Wallingford	39%	11%	107%	20%
Upper Queen Anne	19%	11%	29%	37%
Fremont	22%	0%	58%	0%
Ballard	37%	12%	45%	13%
Madison-Miller	46%	14%	86%	36%
Greenwood-Phinney Ridge	21%	10%	22%	12%
Eastlake	26%	0%	85%	0%
West Seattle Junction	25%	11%	56%	36%
Admiral	32%	7%	46%	7%
Crown Hill	61%	11%	155%	59%
Ravenna[2]	24%	13%	24%	13%
High Displacement Risk & High Access to Opportunity	**59%**	**26%**	**30%**	**23%**
Columbia City	51%	13%	31%	9%
Lake City	15%	4%	15%	4%
Northgate	51%	39%	48%	39%
First Hill-Capitol Hill	71%	24%	21%	14%
North Beacon Hill	78%	4%	36%	3%
North Rainier	38%	16%	27%	16%
23rd & Union-Jackson	67%	13%	37%	13%
Low Displacement Risk & Low Access to Opportunity	**40%**	**7%**	**70%**	**14%**
Aurora-Licton Springs	22%	6%	29%	10%
Morgan Junction	87%	40%	172%	91%
Outside Villages	24%	13%	24%	13%
STUDY AREA TOTAL	**39%**	**16%**	**39%**	**15%**

Source: City of Seattle, 2017.

(1) This is the area receiving MHA development capacity through the U District legislation, outside the study area.

(2) This is the area in the University Community Urban Center that is inside the study area.

(3) 7,000 jobs in addition to the Comprehensive Plan estimate in the table is included for transportation analysis to account for a proposed Expedia campus.

Residential and Commercial Growth Estimate Notes

The following is context for the estimates in Exhibit 2–6:

- Geographies outside the study area are included for background information purposes.
- For estimation purposes, the total amount of MHA payments are assumed to be allocated proportionally to an urban village based on its share of citywide residential growth.
- In Alternative 1, all MHA production comes from areas outside the study area, though some of those MHA payment funds would be allocated to study area urban villages. Alternative 1 also reflects some affordable housing production through the existing IZ program in the study area.
- The assumed amount of housing growth varies slightly for areas outside the study area between Alternative 1 and the action alternatives because a portion of the citywide MHA housing payments would be located in those areas in the action alternatives, subject to allocation policies and criteria.

The analysis chapters of this EIS refer to growth estimates in Exhibit 2–7. Since housing is the primary focus of the action, the discussion of growth often centers on residential growth. The city's largest employment centers (Downtown, South Lake Union, and the Manufacturing/Industrial Centers) are outside the study area, so growth in the study area skews towards housing. Yet Exhibit 2–8 shows that employment growth is also a component of the alternatives. Where residential growth is referred to as a descriptor of growth in analysis chapters, it is understood that employment growth is also considered.

ALTERNATIVE 1
No Action

Under Alternative 1 No Action, MHA would not be implemented in the study area. No area-wide rezones and no development capacity increases would occur. The No Action alternative includes an amount of growth similar to the 20-year minimum growth estimate of 70,000 additional households and 115,000 jobs that must be planned for in the Seattle 2035 Comprehensive Plan.

No affordable housing units would be generated from MHA within the study area. However, the no action alternative includes an estimation of the number of MHA units that would be produced through private development in the Downtown, South Lake Union, University District, and

Uptown subareas. In total, citywide, 5,272 MHA units are expected over 20 years in Alternative 1. MHA payments generated in one part of the city may be allocated to development of affordable housing in another part of the city, subject to applicable Office of Housing policies and criteria. Therefore, MHA payments generated from outside the study area must be considered when estimating the total amount of MHA units produced in the study area. An estimated 2,993 of these MHA units generated by payment from development outside the study area, would be located within the study area in Alternative 1. An additional, 205 affordable housing units would be produced from the existing incentive zoning program in the study area.

No changes to current urban village boundaries are included in Alternative 1, and there would be no change to the Future Land Use map. During the Seattle 2035 Comprehensive Plan, options for expanding several urban village boundaries in proximity to light rail and other very good transit service were identified and studied in environmental documents. However, the studied urban village boundary expansions were not adopted in the final Seattle 2035 Comprehensive Plan. Areas outside of existing urban villages that are zoned Single Family would not experience zoning change under Alternative 1.

Under Alternative 1 growth trends would continue as described in the preferred alternative in the Seattle 2035 Comprehensive Plan FEIS. The types, character and relative geographic distribution of future development are expected to occur in ways that are guided by existing policies and zoning. The pattern of growth is based on the Urban Village and Urban Center strategy. Pursuant to the Seattle 2035 Comprehensive Plan adopted in October of 2016, It guides growth toward urban villages and centers with light rail stations and to places with very good transit service. All new development under Alternative 1 would be subject to existing development standards, and existing regulations.

ALTERNATIVE 2
Implement MHA in the Study Area

Alternative 2 would implement MHA in the study area. Basic planning concepts, MHA Implementation Principles, and guidance from the Comprehensive Plan and Land Use Code have been used to inform the development capacity increases under Alternative 2. The overall pattern and distribution of growth in Alternative 2 follows the Urban Village and Centers growth strategy. Zoning changes and MHA implementation is

directed to Urban Villages and Urban Centers, and the areas zoned for commercial and multifamily development under existing regulations. Under Alternative 2 incrementally greater density of housing and employment would occur within the same overall pattern of the Seattle 2035 Comprehensive Plan.

Appendix H provides a detailed zoning map identifying all the proposed MHA development capacity increases in Alternative 2. Changes to development standards in the Land Use Code for the "standard" zoning capacity increases are included in Alternative 2. Displacement risk and access to opportunity in individual urban villages as identified in the Growth and Equity Analysis would not be considered as explicit factors in selecting the locations of additional growth or zoning designations on the map in Alternative 2.

Alternative 2 proposes urban village boundary expansions approximating a full 10-minute walkshed in 10 urban villages where boundary expansions were proposed in the Seattle 2035 update process, plus a small urban village boundary expansion in Northgate. (Creation of a new urban village at NE 130th St is not proposed as a part of this action.) The Comprehensive Plan FLUM would be modified to reflect larger urban villages in these areas.

Alternative 2 considers the minimum 20-year growth estimates of 70,000 households and 115,000 jobs incorporated in the Seattle 2035 Comprehensive Plan, plus additional housing and job growth given the increased development capacity based on the Alternative 2 zoning map. In Alternative 2, total estimated citywide growth until 2035, including the additional increment of growth associated with MHA, would be 95,342 total housing units, 129,586 jobs, and 11,038 affordable housing units produced through MHA.

Some areas currently zoned Single Family are proposed for MHA and zoning capacity increases in Alternative 2. Rezones of single family areas are limited to single family lands in existing urban villages and in urban village expansion areas. Where single family lands are rezoned, Alternative 2 includes a mix of and Residential Small Lot (RSL) and Lowrise (LR) multifamily zoning.

In Alternative 2, most MHA capacity increases are standard (M) zoning capacity increases, reflecting a single-tier increase in zoned capacity. Approximately 73 percent of all lands proposed for MHA would have an (M) designation, while 23 percent would have (M1) and four percent (M2).

Exhibit 2–9 Approach to MHA Development Capacity Increases, Alternative 2

Displacement Risk and Access to Opportunity	Intensity of Development Capacity Increases and Expansion of Urban Village Boundaries	Urban Villages
Not used explicitly to influence the location and amount of additional growth	Apply development capacity increases using basic planning concepts, Comprehensive Plan policies and Land Use Code criteria, and MHA implementation principles, resulting in a mix of (M), (M1), and (M2) designations. Apply urban village boundary expansions to a full 10-minute walkshed from the frequent transit station.	All Urban Villages *(Boundary expansions apply only to those urban villages identified for possible urban village boundary expansion in Seattle 2035.)*

Source: City of Seattle, 2017.

The proposed zoning and Land Use Code changes would generally continue the overall pattern and distribution of growth anticipated in the Seattle 2035 Comprehensive Plan. In most MHA implementation areas, the location and extent of existing multifamily and commercial zones is not proposed to change, but the scale of already allowed uses in the area would increase incrementally.

ALTERNATIVE 3 Implement MHA with Distinctions for Displacement Risk and Access to Opportunity Areas

Under Alternative 3, specific MHA zoning capacity increases would be based on the guiding principles summarized for Alternative 2 above, plus explicit consideration of each urban village's location on the Displacement Risk and Access to Opportunity typology identified in the Growth and Equity Analysis. Equitable development approaches identified in the Growth and Equity Analysis are considered in the assignment of development capacity increases and the urban village boundary expansions for specific locations.

In general, areas of higher opportunity were considered for greater development capacity increases in order to increase the potential for housing opportunities and inclusion of affordable housing. Simultaneously, areas with high risk of displacement were considered for smaller development capacity increases in order to minimize the potential for displacement. Exhibit 2–10 summarizes how displacement risk and access to opportunity type influence Alternative 3. Appendix H provides a detailed zoning map with MHA development capacity increases associated with Alternative 3.

Exhibit 2–10 Approach to MHA Development Capacity Increases, Alternative 3

Displacement Risk and Access to Opportunity	Intensity of Development Capacity Increases and Expansion of Urban Village Boundaries	Urban Villages
High Displacement Risk and Low Access to Opportunity	Apply small development capacity increases resulting in a high proportion of MHA (M) designations, with limited instances of (M1), and no (M2) designations. Apply reduced urban village boundary expansions to a 5-minute walkshed or less from the frequent transit station.	• Rainier Beach* • Othello* • Westwood–Highland Park • South Park • Bitter Lake
Low Displacement Risk and High Access to Opportunity	Apply large development capacity increases, resulting in a high proportion of MHA (M1) and (M2) designations, along with some (M) designations. Apply full urban village boundary expansions to a 10-minute walkshed from the frequent transit station.	• Green Lake • Roosevelt* • Wallingford • Upper Queen Anne • Fremont • Ballard* • Madison–Miller • Greenwood–Phinney Ridge • Eastlake • Admiral • West Seattle Junction* • Crown Hill* • Ravenna
High Displacement Risk and High Access to Opportunity	Apply medium development capacity increases, resulting in a significant proportion of (M) zoning changes, but also resulting in some (M1) designations and limited instances of (M2) designations. Apply reduced urban village boundary expansions to a 5-minute walkshed or less from the frequent transit station.	• Columbia City* • Lake City • Northgate • First Hill–Capitol Hill • North Beacon Hill* • North Rainier* • 23rd & Union–Jackson*
Low Displacement Risk and Low Access to Opportunity	Apply medium development capacity increases, resulting in a significant proportion of (M) zoning changes, but also resulting in some (M1) designations and limited instances of (M2) designations. Apply full urban village boundary expansions to a 10-minute walkshed from the frequent transit station.	• Aurora–Licton Springs • Morgan Junction

** Includes a proposed urban village expansion.*

Source: City of Seattle, 2017.

Alternative 3 assumes the minimum 20-year growth estimates of 70,000 households and 115,000 jobs from Seattle 2035, plus additional growth associated with increased development capacity based on the Alternative 3 zoning map. In Alternative 3, estimated total growth in 2035—including MHA housing units and an additional assumed increment of growth—is 95,094 total housing units, 128,296 jobs, and 10,903 affordable housing units produced through MHA.

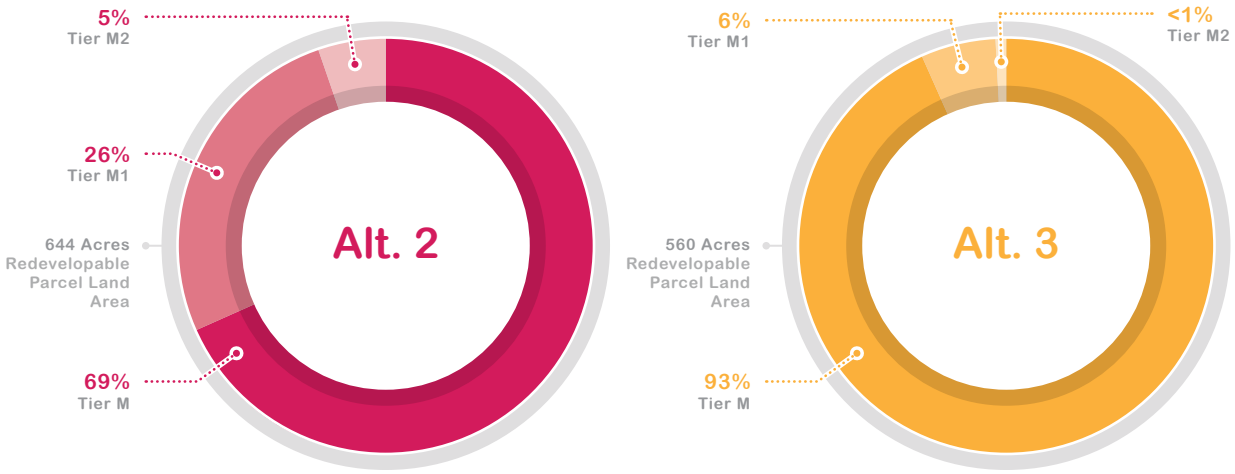
Alternative 3 would expand the boundaries of 10 urban villages and modify the Future Land Use map to reflect the larger urban villages. However, expansion areas for urban villages with high displacement risk are reduced from a 10-minute to a 5-minute approximate walkshed from the transit node. This results in smaller urban village boundary expansions for Rainier Beach, Othello, North Rainier, North Beacon Hill, and 23rd & Union–Jackson in Alternative 3 compared to Alternative 2.

South Park is an area with high displacement risk and low access to opportunity. It is unique among urban villages because it is nearly surrounded by a Manufacturing and Industrial Center. In recognition of unique conditions and its displacement risk and access to opportunity category, a portion of South Park would not have MHA implementing zoning changes under Alternative 3.

The proposed zoning and Land Use Code changes would generally continue the overall pattern and distribution of growth anticipated in the Seattle 2035 Comprehensive Plan. In most MHA implementation areas, the location and extent of existing multifamily and commercial zones is not proposed to change, but the scale of already allowed uses in the area would be allowed to increase incrementally. The overall urban village land use pattern would not be altered, with the exception of urban village expansions studied in the Seattle 2035 planning process. Compared to Alternative 1 No Action, the intensity of uses and rate of growth within the planned land use pattern would increase incrementally.

As in Alternative 2, most development capacity increases in Alternative 3 are single-tier (M) zoning changes. 77 percent of all lands proposed for MHA have an (M) designation, while 20 percent would have (M1) and three percent (M2). However, while overall percentages of (M), (M1), and (M2) zoning designations are similar to Alternative 2, the distribution of those designations varies substantially based on consideration of Displacement Risk and Access to Opportunity, as seen in the following figures.

Exhibit 2–11
High Displacement Risk and Low Access to Opportunity Areas
Redevelopable Parcel Land Area by MHA Tier

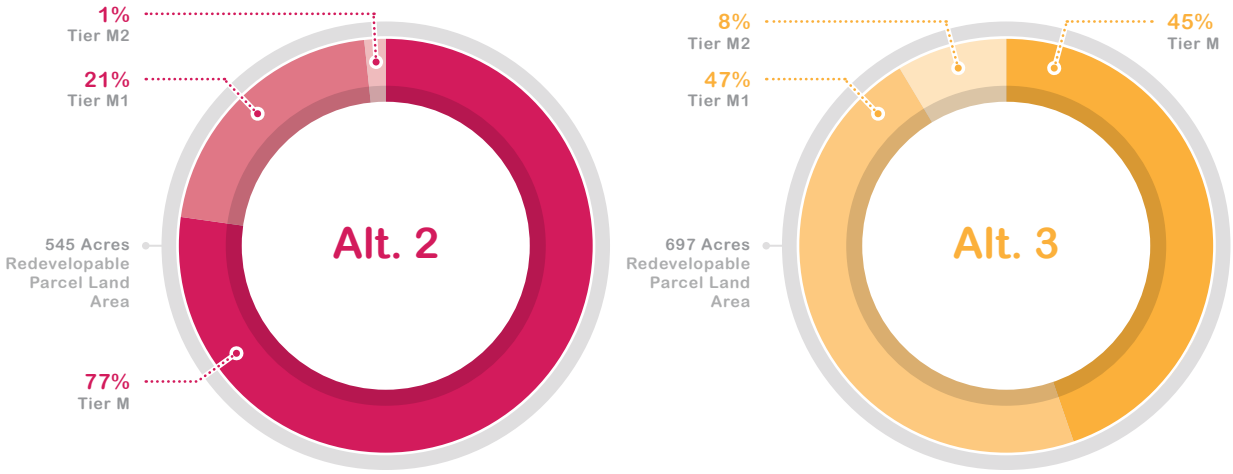


Rainier Beach, Othello, Westwood-Highland Park, South Park, Bitter Lake Village
Source: City of Seattle, 2017.

In urban villages with high displacement risk and low access to opportunity, Alternative 3 has a significantly lower percentage of redevelopable land in the selective (M1) and (M2) designations, compared to Alternative 2. Considering the high displacement risk, the intensity of development capacity increases is reduced in these areas in Alternative 3. For urban villages, the major differences in Alternative 3, compared to Alternative 2, are:

- Smaller urban village boundary expansions.
- In areas of existing Single Family zoning, fewer applications of the Lowrise 1 (LR1) and Lowrise 2 (LR2) multifamily zones and more application of the Residential Small Lot (RSL) zone.
- In South Park, retention of Single Family zoning without MHA in a portion of the urban village.
- Fewer instances of height increases greater than one story in Commercial or Neighborhood Commercial zones.

Exhibit 2–12
Low Displacement Risk and High Access to Opportunity Areas
Redevelopable Parcel Land Area by MHA Tier



Green Lake, Roosevelt, Wallingford, Upper Queen Anne, Fremont, Ballard, Madison-Miller, Greenwood-Phinney Ridge, Eastlake, Admiral, West Seattle Junction, Crown Hill, Ravenna

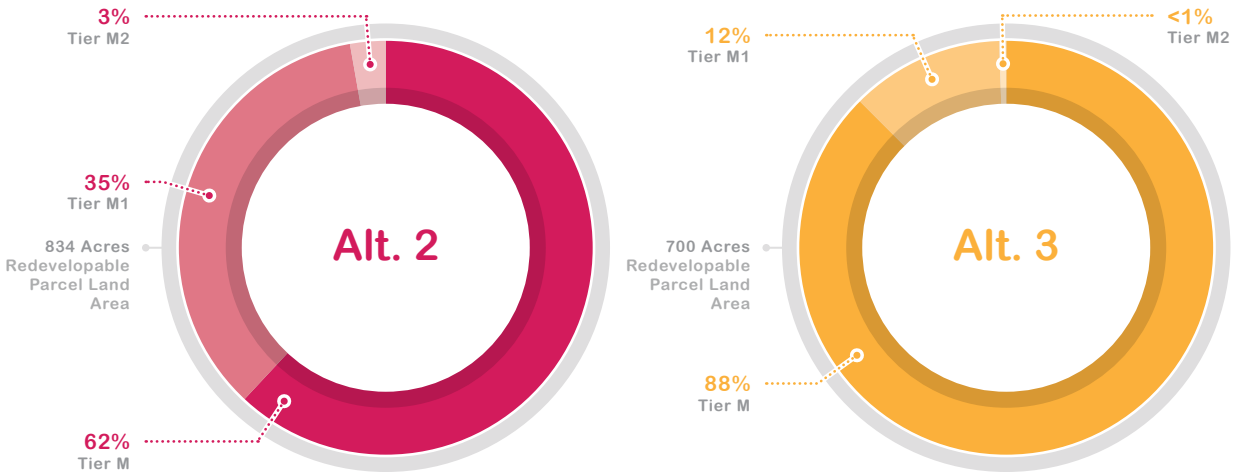
Source: City of Seattle, 2017.

In urban villages with low displacement risk and high access to opportunity, more land would have selective (M1) and (M2) capacity increases in Alternative 3 than in Alternative 2. This approach represents an equitable development strategy, which makes implementation decisions that would result in relatively more housing opportunity and generate more MHA affordable housing units in these neighborhoods.

For these urban villages in Alternative 3, major differences compared to Alternative 2 are:

- Larger urban village boundary expansions.
- In areas of existing Single Family zoning, more applications of the Lowrise 1 (LR1) and Lowrise 2 (LR2) multifamily zones, some instances of Lowrise 3 (LR3) application, and fewer applications of the Residential Small Lot (RSL) zone.
- More instances of height increases greater than one additional story in Commercial or Neighborhood Commercial zones.

Exhibit 2–13
High Displacement Risk and High Access to Opportunity Areas
Redevelopable Parcel Land Area by MHA Tier



Columbia City, Lake City, Northgate, First Hill–Capitol Hill, North Beacon Hill, North Rainier, 23rd & Union–Jackson

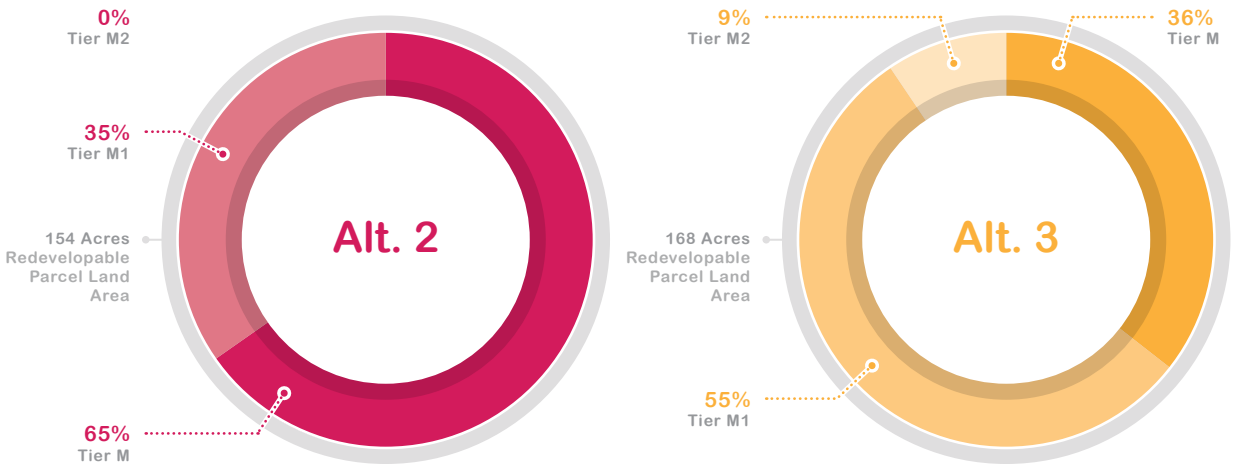
Source: City of Seattle, 2017.

In urban villages with high displacement risk and high access to opportunity, smaller percentages of redevelopable lands have selective (M1) and (M2) capacity increases in Alternative 3 compared to in Alternative 2. This reflects intentional reductions in capacity increases in light of the high risk of displacement in these areas. However, Alternative 3 also considers the relatively higher levels of access to opportunity in these neighborhoods.

Compared to Alternative 2, in Alternative 3, these urban villages have:

- Smaller urban village boundary expansions.
- In areas of existing Single Family zoning, fewer applications of the Lowrise 1 (LR1) and Lowrise 2 (LR2) multifamily zones, and more applications of the Residential Small Lot (RSL) zone.
- Fewer applications of the Midrise (MR) residential, particularly in First Hill–Capitol Hill.
- Fewer instances of height increases greater than one additional story in Commercial or Neighborhood Commercial zones.

Exhibit 2–14
Low Displacement Risk and Low Access to Opportunity Areas
Redevelopable Parcel Land Area by MHA Tier



Aurora–Licton Springs, Morgan Junction
Source: City of Seattle, 2017.

In areas with low displacement risk and low access to opportunity, greater percentages of redevelopable lands have (M1) and (M2) capacity increases in Alternative 3 compared to Alternative 2. These neighborhoods have the potential to accommodate new housing without triggering strong displacement pressure.

For these urban villages, In Alternative 3, compared to Alternative 2, there are:

- In areas of existing Single Family zoning, more applications of the Lowrise 1 (LR1) and Lowrise 2 (LR2) multifamily zones, and fewer applications of the Residential Small Lot (RSL) zone.
- More instances of height increases greater than one additional story in Commercial or Neighborhood Commercial zones, especially in the Aurora-Licton Spring urban village.

MHA Affordable Unit Production in Action Alternatives

The location and pattern of the development capacity increases would vary between the Action Alternatives, as would the quantities of MHA affordable housing units. Exhibit 2–15 summarizes the estimates of MHA housing assumed to be built on-site through performance and the generated through payment in urban villages in the different Displacement Risk and Access to Opportunity categories.

Exhibit 2–15 Action Alternative MHA Affordable Housing Performance and Payment Units

	MHA PERFORMANCE UNITS		MHA UNITS BUILT WITH PAYMENTS*	
	Alt 2	**Alt. 3**	**Alt. 2**	**Alt. 3**
High Displacement Risk and Low Access to Opportunity	115	86	505	439
Low Displacement Risk and High Access to Opportunity	390	584	1,947	2,319
High Displacement Risk and High Access to Opportunity	528	339	2,105	1,693
Low Displacement Risk and Low Access to Opportunity	53	76	193	230
Outside of Urban Villages	284	271	1,393	1,377

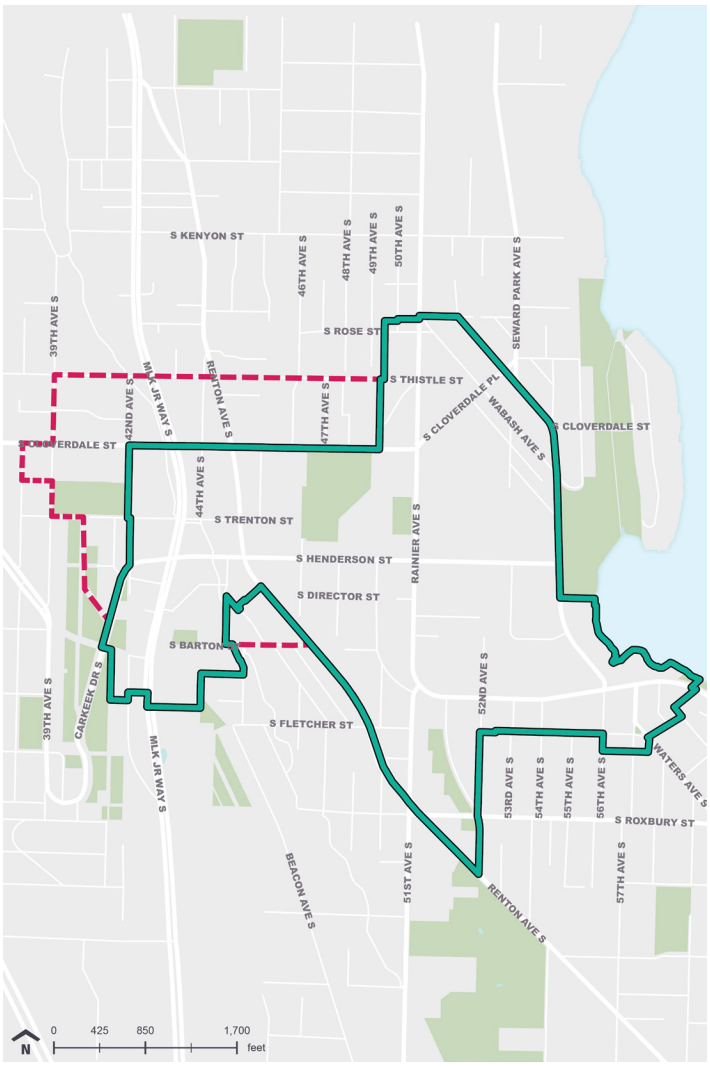
** Assumes MHA payments are allocated proportional to areas based on share of citywide housing growth.*

Source: City of Seattle, 2017.

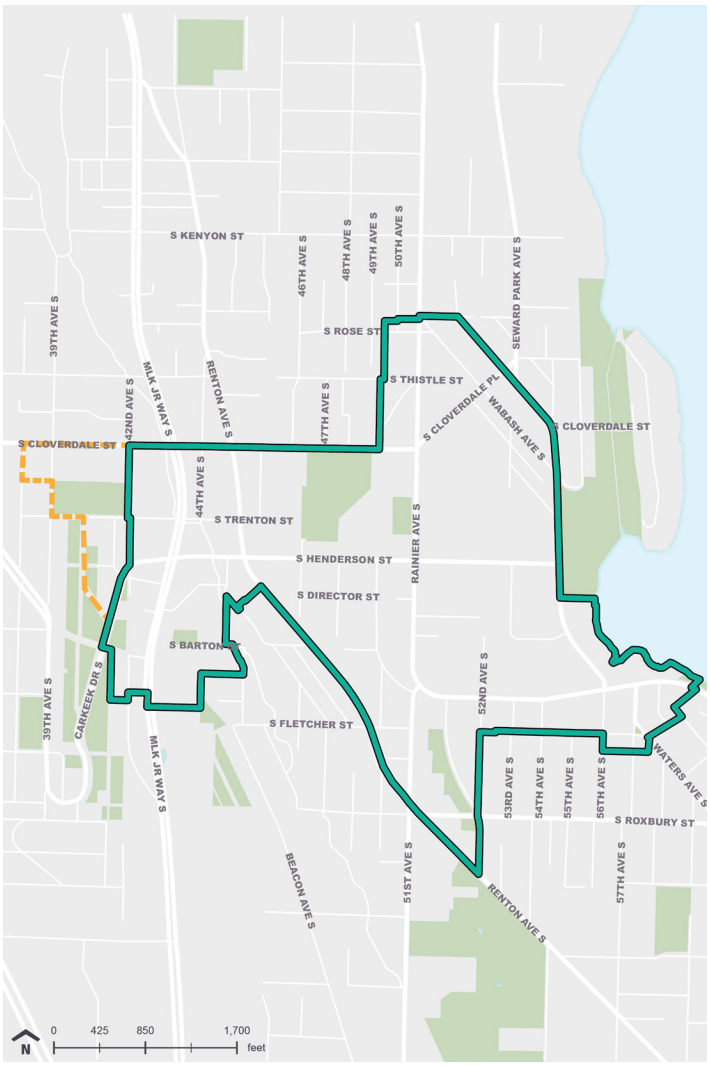
Urban Village Expansion Areas

The proposed action includes urban village boundary expansions studied in the Seattle 2035 Comprehensive Plan process. Under the proposal, expansion areas would have the Urban Village designation on the FLUM. (This action would be docketed and considered as part of a future Comprehensive Plan amendment.) The proposal includes zoning changes to increase development capacity and implement MHA in these areas. Current zoning is Single Family in much of the urban village boundary expansion areas. Land use patterns would be expected to change over time to allow a wider variety of housing types, including multifamily housing. These rezoned urban village expansion areas would experience a notable change in land use form and intensity over the study horizon and are analyzed in this EIS.

The following figures summarize the proposed urban village boundary expansions in the Action Alternatives. As noted above, the expansions vary according to whether or not Displacement Risk and Access to Opportunity were considered in the alternative.



Alternative 2

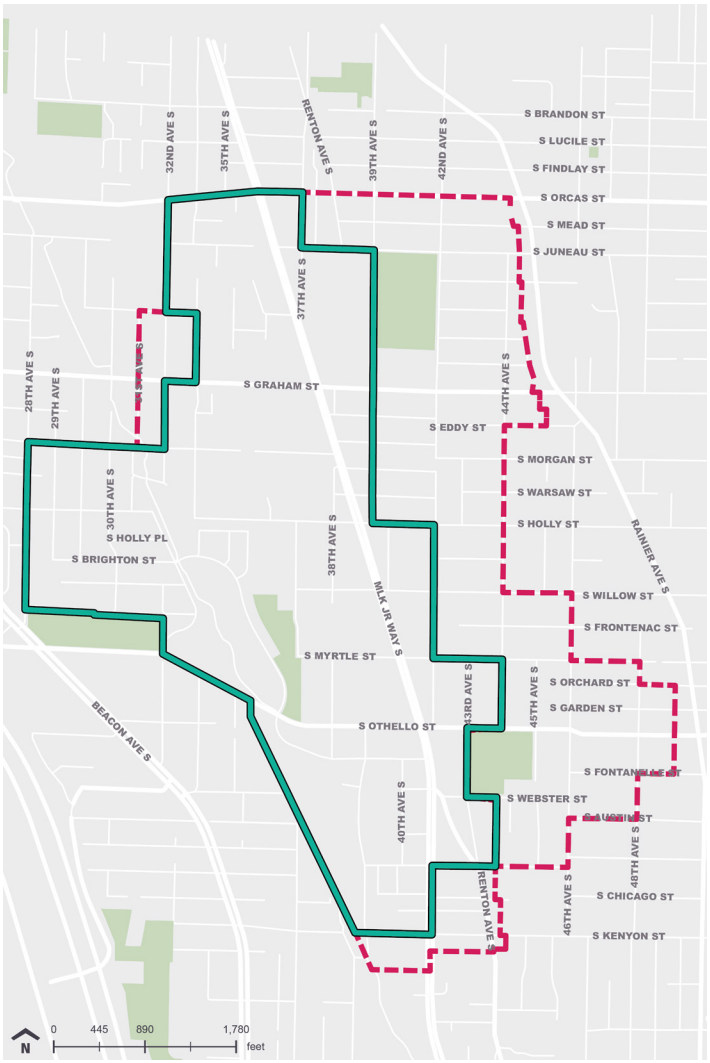


Alternative 3

Exhibit 2–16
Proposed Urban Village Boundary Expansions Action Alternatives: Rainier Beach (High Displacement Risk and Low Access to Opportunity)

The Rainier Beach urban village boundary would expand by 70 acres in Alternative 2 and 16 acres in Alternative 3. The expansion area is near the light rail station at South Henderson Street. In Alternative 2 the expansion approximates a 10-minute walkshed from the transit station and in Alternative 3 the expansion is reduced to an approximate 5-minute walkshed.

Source: City of Seattle, 2017.



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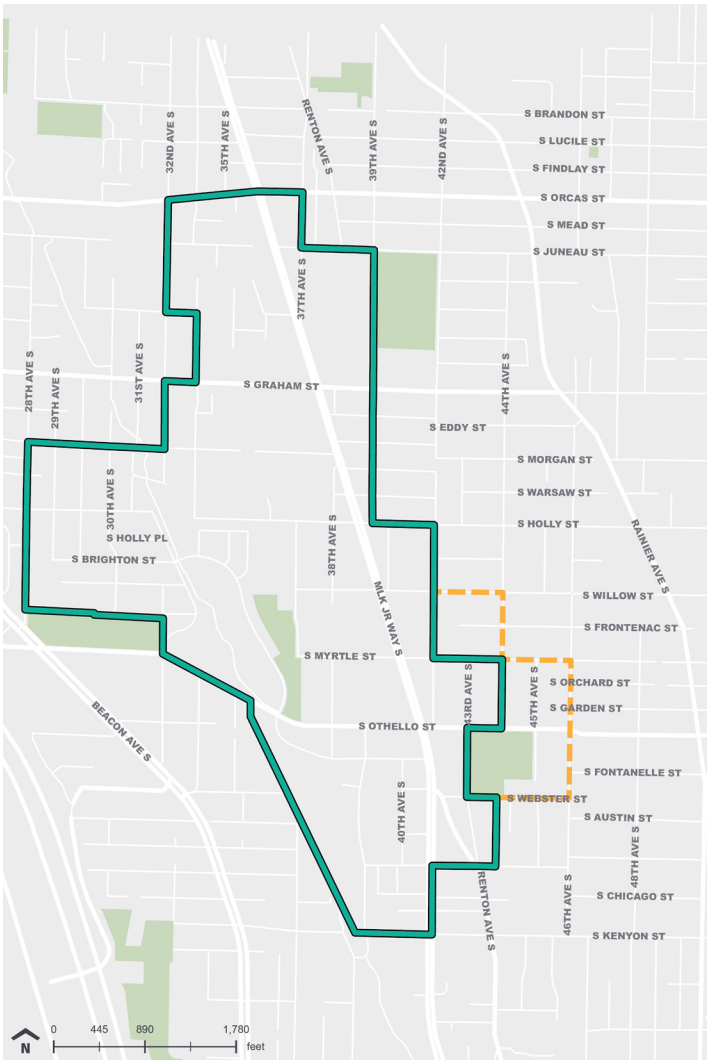


Alternative 3

Exhibit 2–17
Proposed Urban Village Boundary Expansions Action Alternatives: Othello
(High Displacement Risk and Low Access to Opportunity)

The Othello Urban Village boundary would expand by 193 acres in Alternative 2 and 27 acres in Alternative 3. In Alternative 2 the expansion area is an approximate 10-minute walkshed near the existing light rail station at South Othello Street the planned future light rail station at South Graham Street. In Alternative 3, the expansion approximates a 5-minute walkshed from the existing light rail station at St Othello St only.

Source: City of Seattle, 2017.

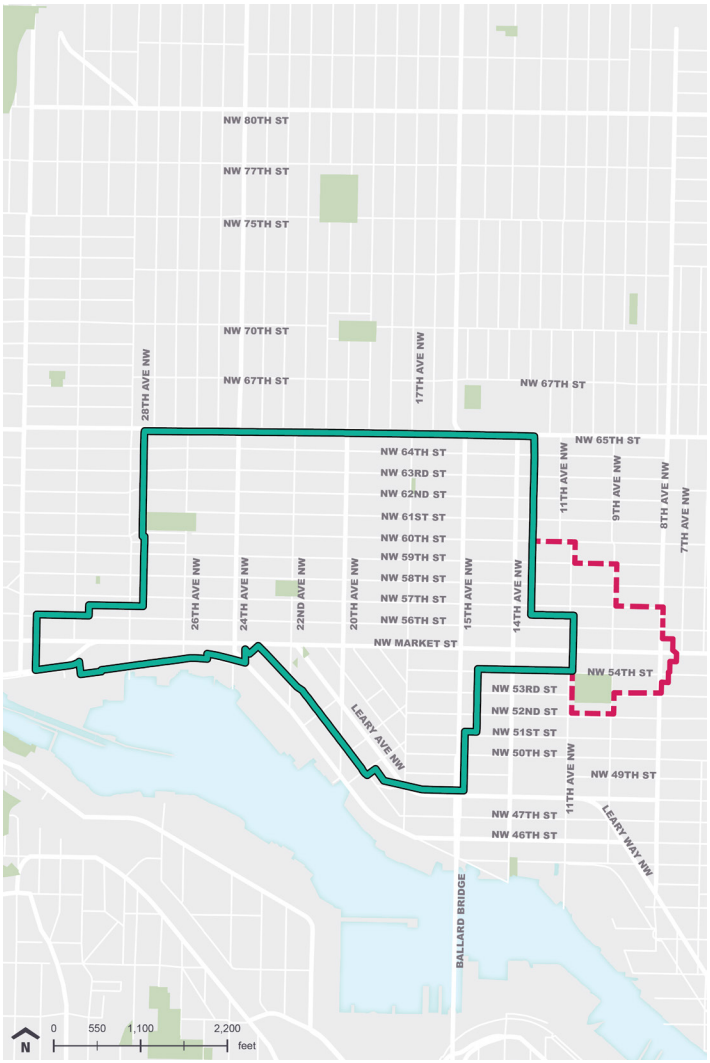
Alternative 2

Alternative 3

Exhibit 2–18
Proposed Urban Village Boundary Expansions Action Alternatives: Roosevelt
(Low Displacement Risk and High Access to Opportunity)

The Roosevelt Urban Village boundary would expand by four acres in Alternative 2 and 17 acres in Alternative 3. The expansion area is near the light rail station at NE 65th St. In Alternative 2 the expansion is smaller than the approximated 10-minute walkshed and includes only two blocks along the west side of 15th Ave NE. In Alternative 3, the expansion approximates a 10-minute walkshed and encompasses five blocks fronting NE 65th St west of 15th Ave NE.

Source: City of Seattle, 2017.



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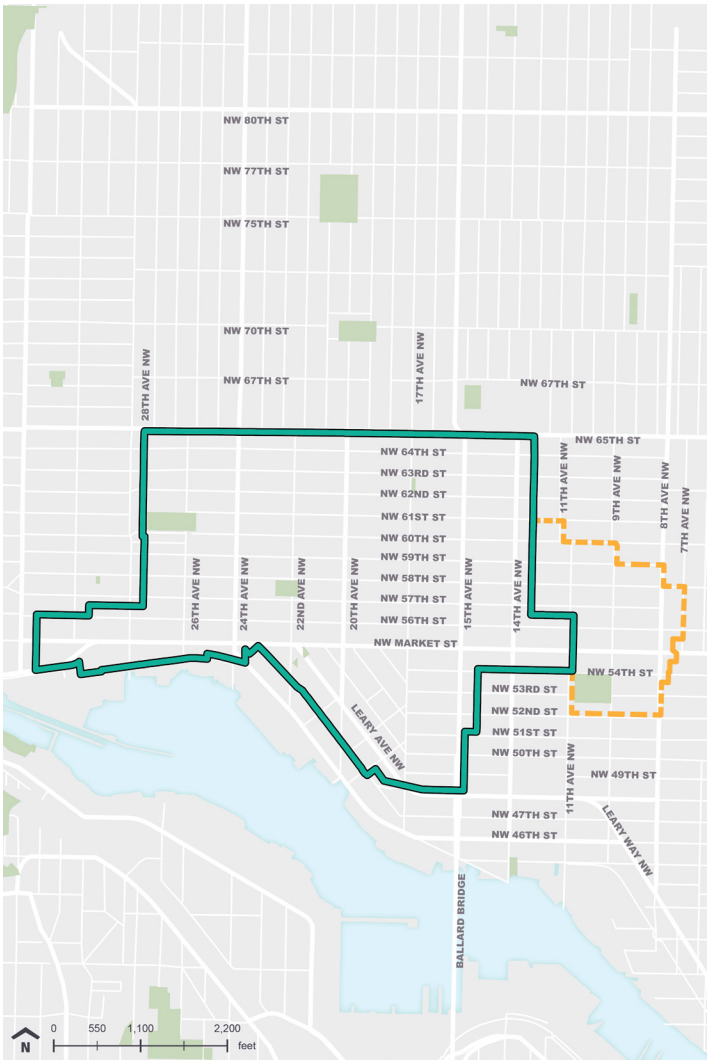
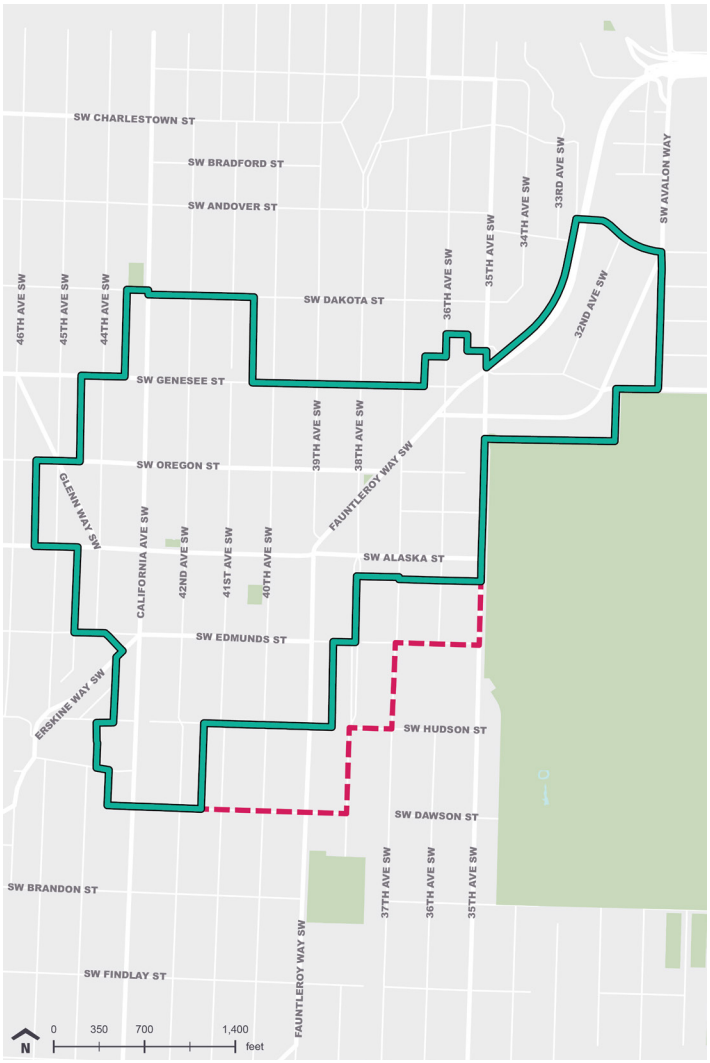


Alternative 3

Exhibit 2–19
Proposed Urban Village Boundary Expansions Action Alternatives: Ballard
(Low Displacement Risk and High Access to Opportunity)

The Ballard Urban Village boundary would expand by 35 acres in Alternative 2 and 48 acres in Alternative 3. The expansion area surrounds existing high-frequency bus transit at 15th Ave NW and anticipates the future Ballard light rail station planned for this neighborhood. In Alternative 2, the expansion is smaller than the approximated 10-minute walkshed, and in Alternative 3 the expansion approximates a 10-minute walkshed. The expansion excludes land in the designated Manufacturing and Industrial Center.

Source: City of Seattle, 2017.



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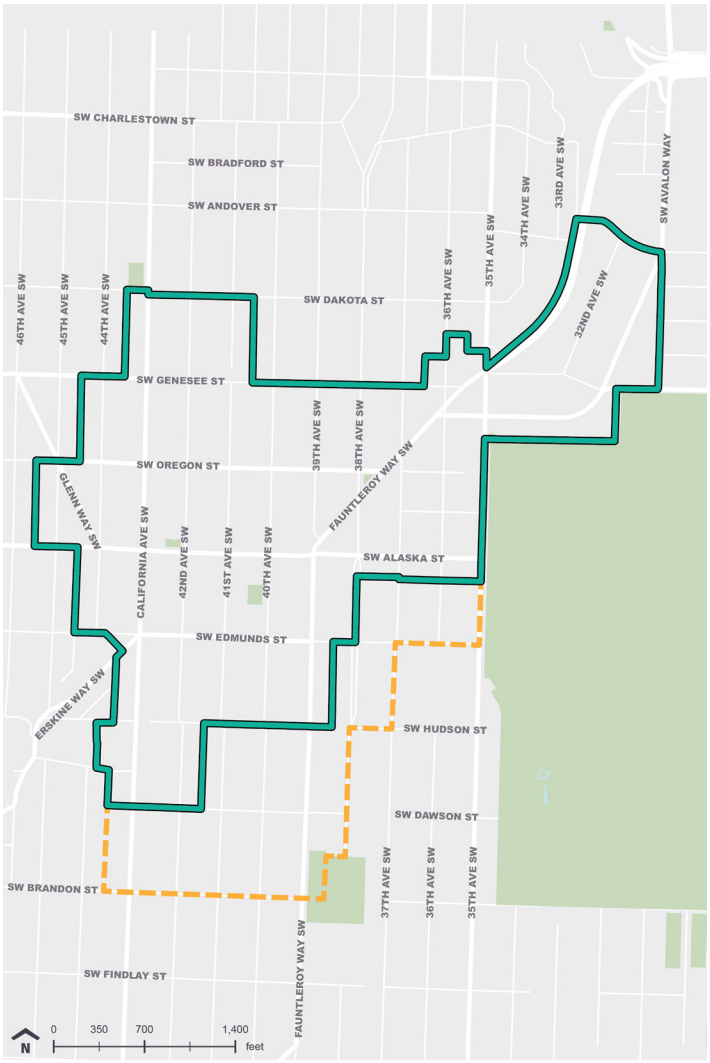
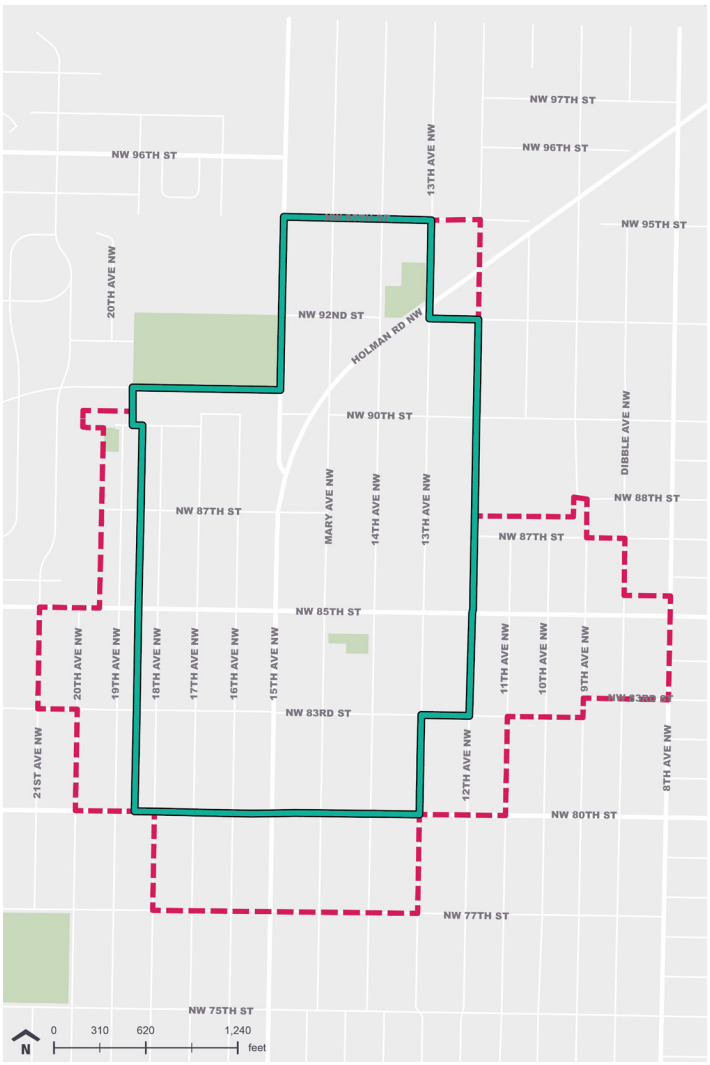


Alternative 3

Exhibit 2–20
Proposed Urban Village Boundary Expansions Action Alternatives: West Seattle Junction (Low Displacement Risk and High Access to Opportunity)

The West Seattle Junction Urban Village boundary would expand by 24 acres in Alternative 2 and 47 acres in Alternative 3. The expansion area is near the existing high-frequency bus transit service node at Fauntleroy Way SW and SW Alaska St and anticipates future addition of light rail in the neighborhood. In Alternative 2 the expansion is less than the approximated 10-minute walkshed from the transit node, and in Alternative 3 the expansion approximates the 10-minute walkshed.

Source: City of Seattle, 2017.



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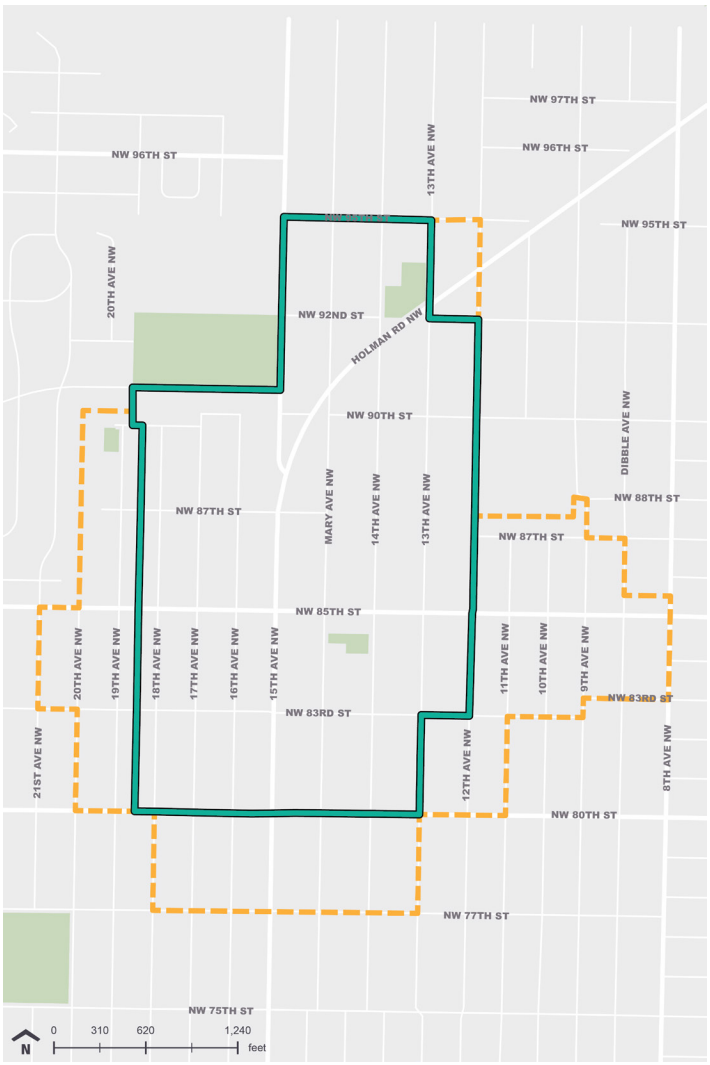
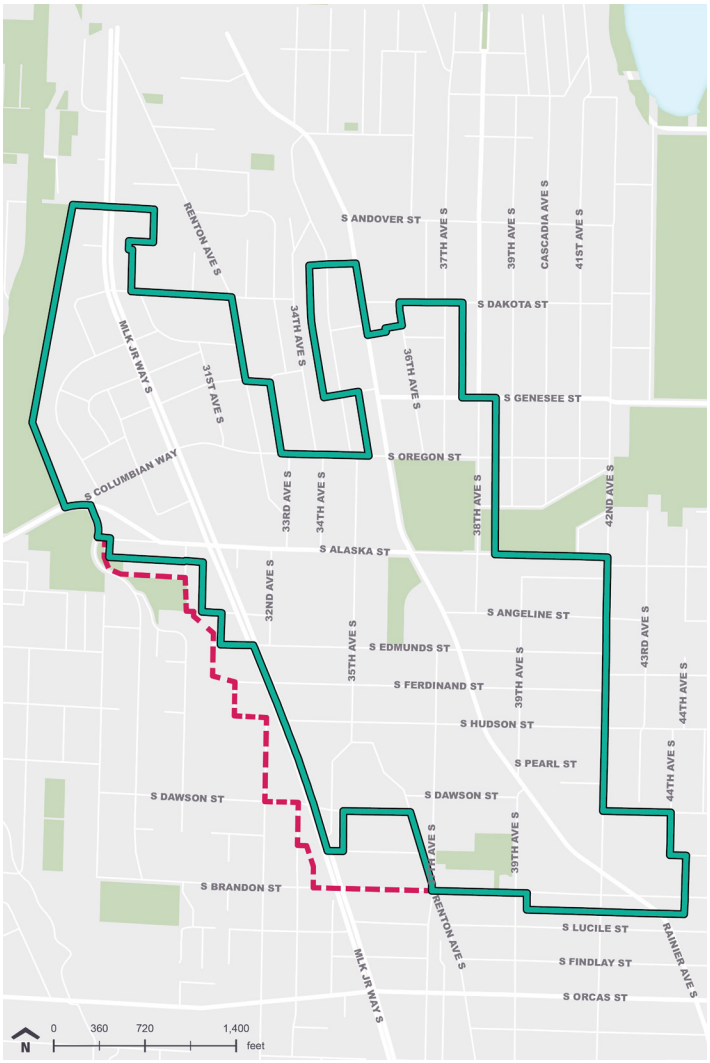


Alternative 3

Exhibit 2–21
Proposed Urban Village Boundary Expansions Action Alternatives: Crown Hill
(Low Displacement Risk and High Access to Opportunity)

The Crown Hill Urban Village boundary would expand by 80 acres in Alternative 2 and 84 acres in Alternative 3. The expansion area is near the existing high-frequency bus transit service node at NW 85th St and 15th Ave NW. The proposed expansion approximates the 10-minute walkshed in both alternatives but is reduced at 20th Ave NW and in Alternative 3.

Source: City of Seattle, 2017.



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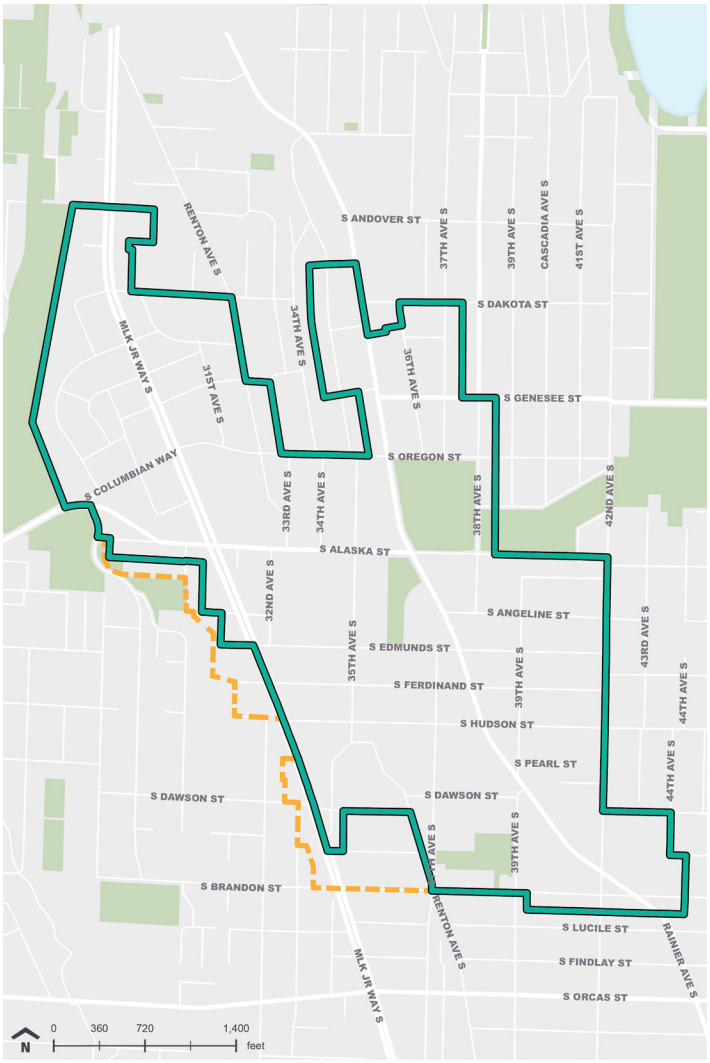
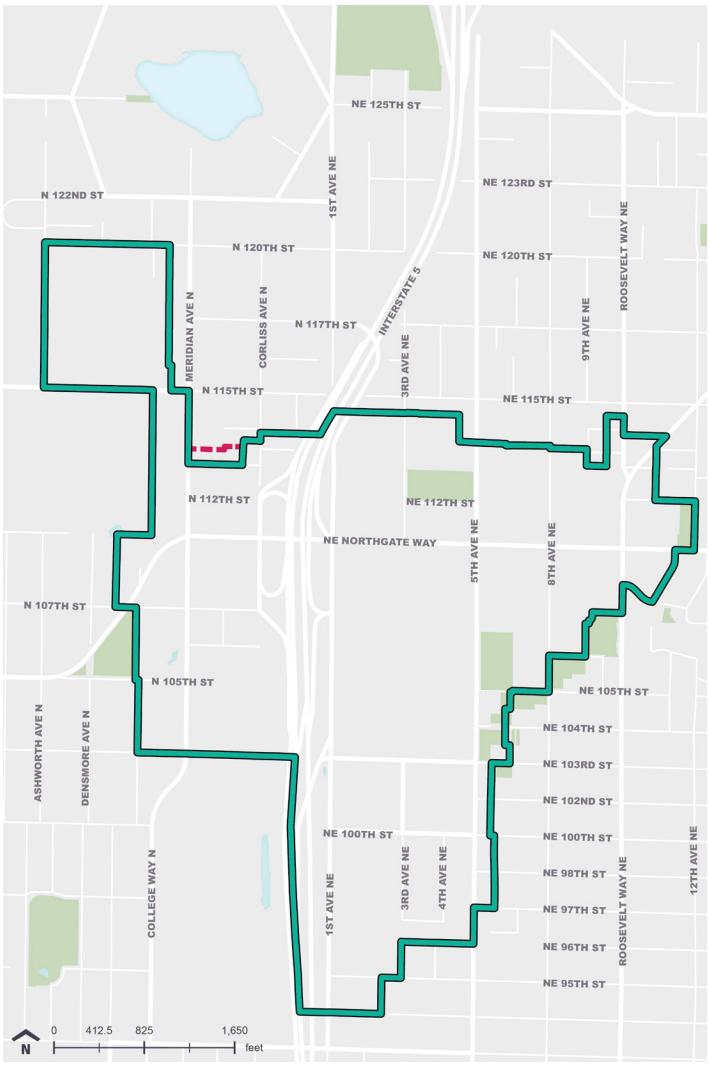


Alternative 3

Exhibit 2–22
Proposed Urban Village Boundary Expansions Action Alternatives: Columbia City
(High Displacement Risk and High Access to Opportunity)

The Columbia City Urban Village boundary would expand by 23 acres in Alternative 2 and 17 acres in Alternative 3. The expansion area is near the light rail station at S Edmunds St.

Source: City of Seattle, 2017.



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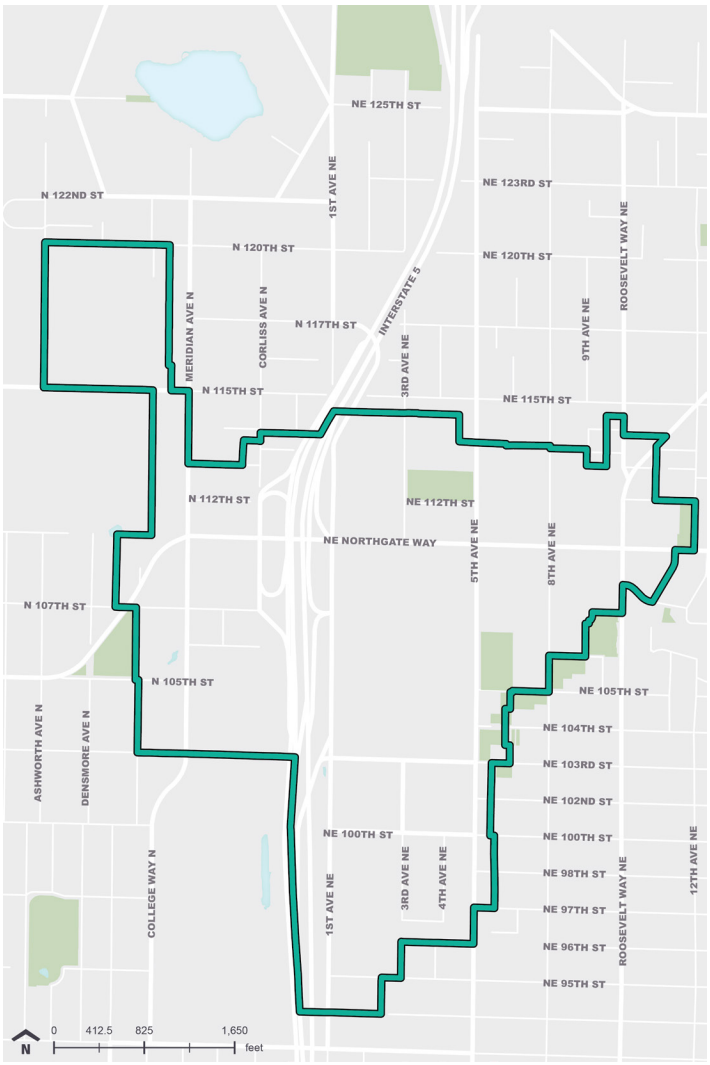
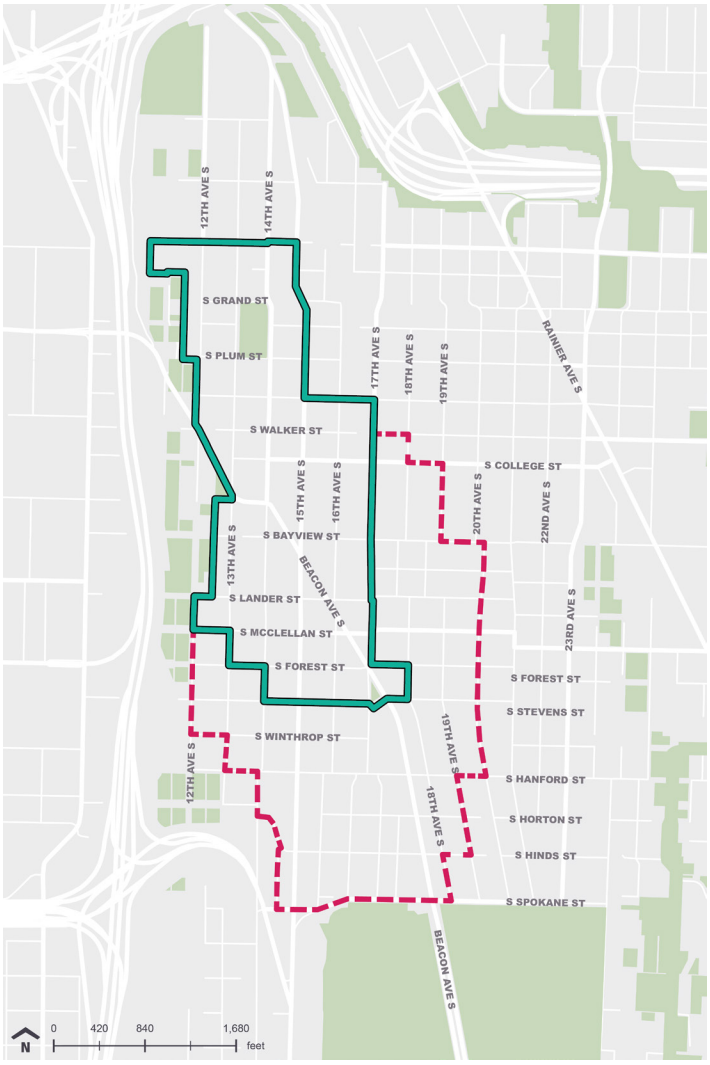


Alternative 3

Exhibit 2–23
Proposed Urban Village Boundary Expansions Action Alternatives: Northgate
(High Displacement Risk and High Access to Opportunity)

The Northgate Urban Center boundary would expand by three acres in Alternative 2 and zero acres in Alternative 3. The expansion area was not studied in the Seattle 2035 plan, but is studied in this EIS. It is near the existing high-frequency bus transit service and the light rail station under construction near the existing Northgate Transit Center. The proposed expansion considers adding a small area of existing Lowrise multifamily zoned land and an adjacent parcel in existing commercial use to the urban center.

Source: City of Seattle, 2017.



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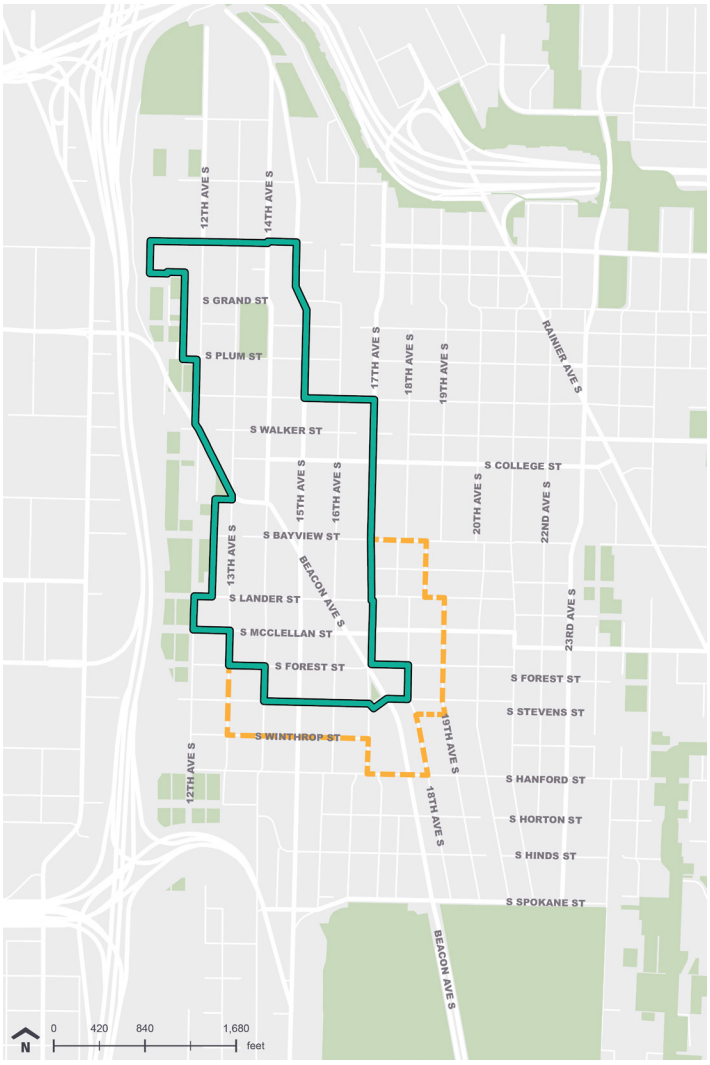
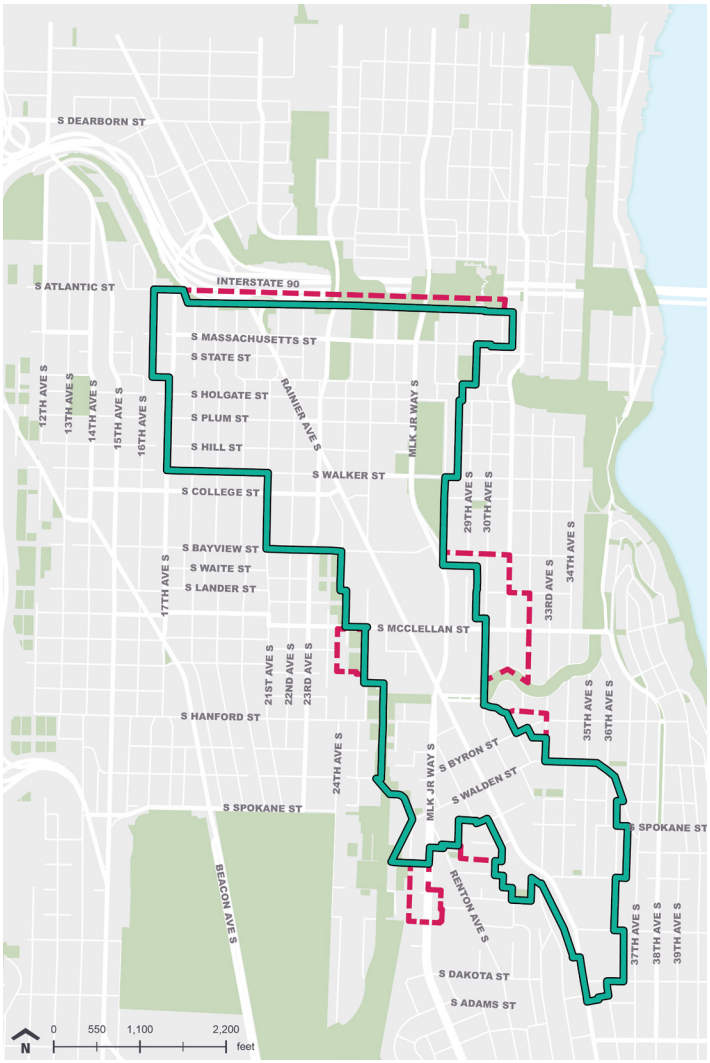


Alternative 3

Exhibit 2–24
Proposed Urban Village Boundary Expansions Action Alternatives: North Beacon Hill (High Displacement Risk and High Access to Opportunity)

The North Beacon Hill Urban Village boundary would expand by 83 acres in Alternative 2 and 22 acres in Alternative 3. The expansion area is near the light rail station at S Lander St. In Alternative 2 the expansion approximates a 10-minute walkshed, and in Alternative 3 the expansion approximates a 5-minute walkshed.

Source: City of Seattle, 2017.



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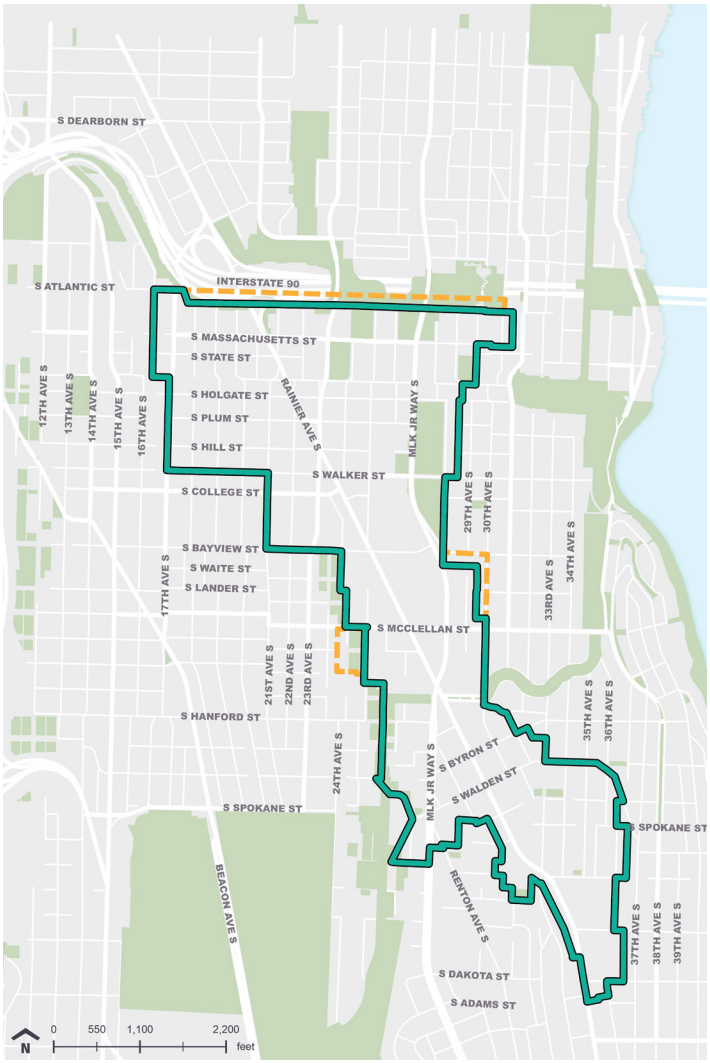
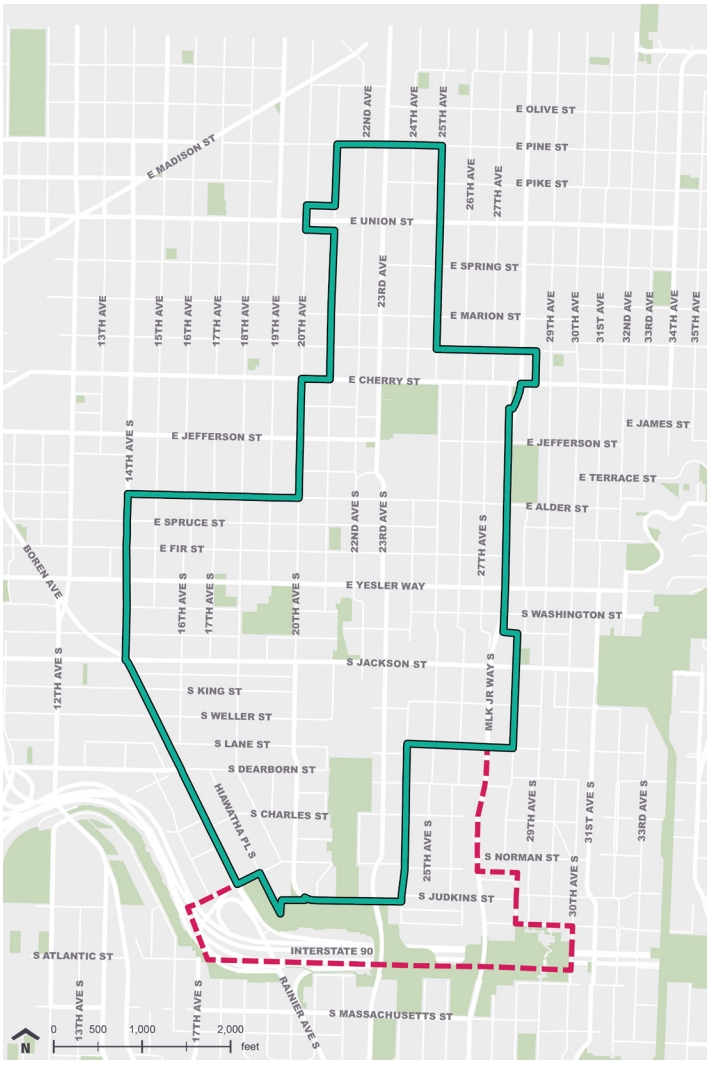


Alternative 3

Exhibit 2–25
Proposed Urban Village Boundary Expansions Action Alternatives: North Rainier (High Displacement Risk and High Access to Opportunity)

The North Beacon Hill Urban Village boundary would expand by 38 acres in Alternative 2 and 12 acres in Alternative 3. The expansion area is near the Mt Baker light rail station at S McLellan St and in the area adjacent to Interstate 90 where a future Judkins light rail station is under construction. In Alternative 2 the expansion approximates a 10-minute walkshed, and in Alternative 3 the expansion approximates a 5-minute walkshed.

Source: City of Seattle, 2017.



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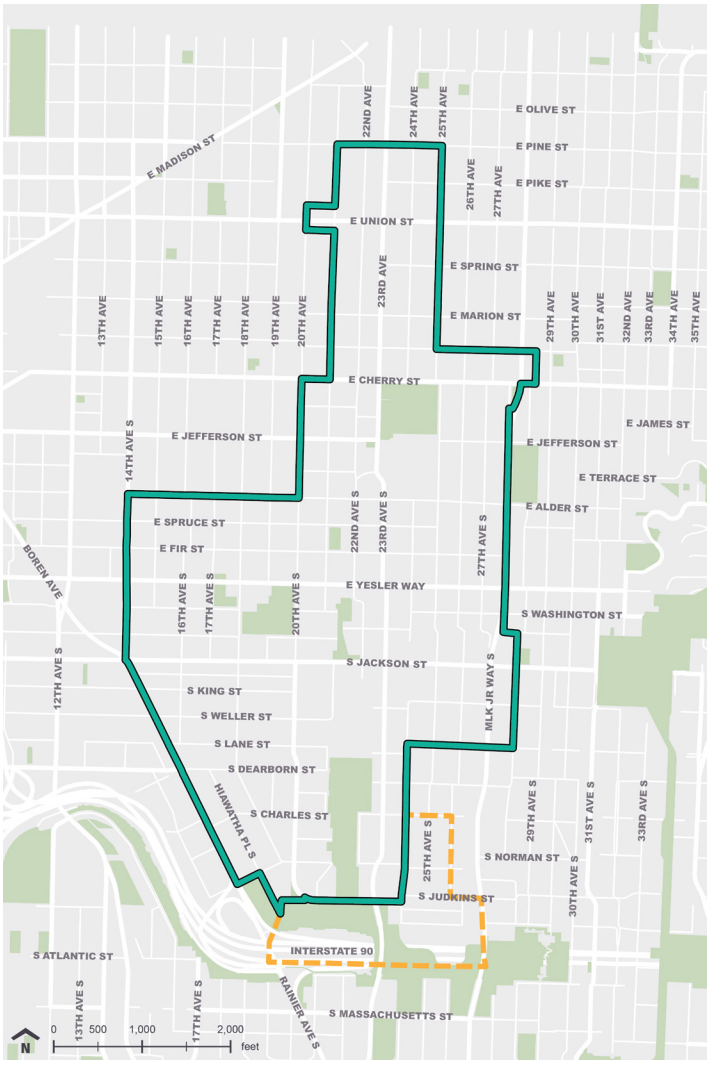

Alternative 3

Exhibit 2–26
Proposed Urban Village Boundary Expansions Action Alternatives: 23rd & Union-Jackson (High Displacement Risk and High Access to Opportunity)

The 23rd & Union–Jackson Urban Village boundary would expand by 40 acres in Alternative 2 and 18 acres in Alternative 3. The expansion area is adjacent to Interstate 90 where a future Judkins light rail station is under construction. In Alternative 2 the expansion approximates a 10-minute walkshed, and in Alternative 3 the expansion approximates a 5-minute walkshed.

Source: City of Seattle, 2017.

2.4 ALTERNATIVES CONSIDERED BUT NOT INCLUDED IN DETAILED ANALYSIS

This section identifies several additional alternatives that were considered for possible inclusion in the Draft EIS. Based on preliminary analysis, however, it was determined that they did not meet the project's objectives, were speculative, or would result in greater adverse impacts. Therefore, the EIS does not include them.

INCREASED MHA PERFORMANCE AND PAYMENT REQUIREMENTS

A version of MHA implementation with significantly increased MHA payment and performance requirements was considered. There was interest by some community members in the scoping phase, citing housing programs in peer cities such as New York and Boston, to review significantly higher MHA payment and performance requirements. The City reviewed the potential to evaluate an alternative with markedly higher MHA requirements, in the range of a 25 percent MHA performance requirement. Based on housing market analyses, we determined that, in the Seattle market, in some cases the currently proposed MHA amounts are at or very near the maximum supportable amount. Therefore, an alternative with markedly increased MHA amounts would be likely to negatively affect real estate markets and undermine economic feasibility for many projects, in turn depressing the housing market and limiting the affordable units generated. Based on these considerations, this alternative approach was excluded from further analysis in the EIS. The analysis used to reach this conclusion is summarized below

During formulation of the structure and payment and performance requirements for MHA, stakeholders—including experts from for-profit and non-profit development companies in the Seattle real estate market—reviewed general scenarios and models and engaged in extensive deliberation of MHA amounts. Their analysis determined that MHA performance requirements of five to seven percent were amounts that could be supported without negatively impacting development feasibility. Since that time, new variants of the MHA structure were added to create tiers that includes higher requirements, up to 11 percent for some capacity increases, and beyond amounts stakeholder experts viewed as supportable.

In 2016, an independent economic analysis conducted by Community Attributes Incorporated (CAI) a third-party consultant with expertise in development economics, evaluated the proposed development capacity increases and MHA requirements and released a technical memorandum in November 2016. The analysis calculated residual land values for 23 development prototypes in a variety of zones and market areas with the MHA rates for the (M) tier, and provided information about what prices land is currently traded at in those same general areas. Based on a comparison of theoretical land values to current land values, it determined that 19 of prototypes in strong market areas and 15 in medium market areas yielded positive feasibility results with baseline construction costs. Using the proformas developed by CAI, increased MHA requirements of 25 percent performance were tested. In this test, the number of feasible prototypes dropped to nine of 23 in strong market areas and six of 22 in medium market areas. It's important to note that development conditions vary widely from site to site, and the analysis is a general guide and not a definitive measure of feasible. However, the finding that a 25 percent requirement would render most development prototypes in strong and moderately strong markets infeasible given prevailing land prices suggests that an alternative with this approach would not plausibly achieve the proposed objectives.

VARYING GEOGRAPHIC DISTRIBUTION OF MHA AFFORDABLE HOUSING PAYMENT UNITS

Alternatives 2 and 3 distribute affordable housing units generated by in lieu MHA payments, and which will be developed by or for the City's Office of Housing (OH), in locations proportionate to the area's share of anticipated citywide residential growth. An alternative was considered that would concentrate greater or lesser numbers of the MHA units generated from payment according to some other combination of variables, which could include land costs, risk of displacement or other financial and policy factors.

OH makes its locational decisions guided by a set of criteria in its Council adopted Housing Funding Policies, which consider Comprehensive Plan policies as well as factors established in MHA framework legislation. OH must compete with the private market to acquire sites for development in Seattle's real estate market. Project locations are opportunistic, because they are dependent on lands that become available for sale. These factors make the specific pattern for distribution of housing units generate by MHA payments unpredictable. It was concluded, therefore, that an alternative that hypothesized concentrations of units generated

by MHA payments in any specific urban village or geographic location for the purposes of analysis would be extremely speculative.

Any project proposed by the OH, including projects constructed with payments generated by MHA, would be subject to project-level SEPA review. This review would consider how a project's location relates to the OH's own site investment criteria and to Comprehensive Plan policies.

INCENTIVE ZONING FOR AFFORDABLE HOUSING

As noted, the City has an existing voluntary incentive zoning for affordable housing that is in place in certain areas including portions of the study area and codified in SMC Chapter 23.58.A. If enacted, MHA would replace existing incentive zoning for affordable housing. Incentive zoning is not anticipated to produce a quantity of rent and income restricted units that would meet the objective of the proposed action. However, if MHA were not enacted, the City could pursue an incentive zoning approach. The Land Use Code and zoning changes evaluated in this EIS could be applied with incentive zoning.

MORE GENERAL ANALYSIS

Implementing MHA is a non-project action that would require certain future development to include or contribute to affordable housing, and make other land use regulatory changes described in this chapter. Due to the large study area, range of conditions, and time horizon it is difficult to anticipate precise specific patterns of household and job growth that could occur. More generalized alternatives for analysis were considered, which would have estimated growth without detailed GIS and development capacity modelling, and would not have included parcel-specific zoning maps contained in Appendix H. A more general analysis would have assumed no difference between the no action and action alternatives in the minimum 20-year growth estimation of the *Seattle 2035* plan. Or, a more general analysis would have made hypothetical assumptions about growth in urban villages. Due to scoping comments requesting detailed local analysis, and to provide more exacting estimations of potential growth, such generalized methods of analysis for the alternatives were discarded.