



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

**SEPA Threshold Determination
for
2023 Affordable Housing Design Review Amendments**

Project Proponent: City of Seattle

BACKGROUND

PROPOSAL

This is a proposed non-project action consisting of a legislative proposal to update and amend various provisions of the Land Use Code. The proposal would:

1. Provide an exemption from design review for development projects that elect to meet the City's Mandatory Housing Affordability (MHA) requirement with on-site performance, for 12 months after the ordinance's effective date;
2. Provide an option for any development proposal that includes residential use to be reviewed under Administrative Design Review (ADR) rather than by the Design Review Board under Full Design Review (FDR);
3. Allow the SDCI Director to waive or modify certain development standards for the MHA performance projects;
4. Allow applicants who opt for the ADR process to return to FDR, also at their option; and
5. Be effective for an interim period of twelve months while the City studies permanent proposals to update the Design Review process.

This proposal is intended to facilitate permitting process time efficiencies, to allow such housing to be built and occupied sooner to serve existing and future needs.

Specific elements of this proposal include:

- Eligible MHA performance projects must include a minimum of one dwelling unit pursuant to the performance option;
- Authorize the SDCI Director to waive or modify, as an administrative decision, specified development standards for MHA performance projects, if waivers would not affect the overall height, bulk, and scale of a development, and would result in more housing units;
- The above waiving and modification capability would include requirements for which design review departures may be granted (as indicated in subsection 23.41.012) relating to: indoor amenity features, parking stall size, bicycle rooms and bicycle parking, facade openings, articulation, modulation, art on the facades of buildings, transparency, blank facades, floor-to-floor height at street level, overhead weather protection, residential uses; and other similar standards as would be determined by the Director to not affect the size of the building envelope;

- Provide an option for permit applicants for development projects that include housing to meet Design Review requirements using the Administrative Design Review process and elect to return to Full Design Review if desired.

Public Comment

The proposed changes to the Land Use Code require City Council approval. Opportunity for public comment will occur during future Council meetings and hearings. The proposal is also available online and comments will be taken by e-mail.

ANALYSIS – OVERVIEW

Environmental review resulting in a Threshold Determination is required pursuant to the State Environmental Policy Act (SEPA), WAC 197-11, and the Seattle SEPA Ordinance (Seattle Municipal Code (SMC) Chapter 25.05).

The following report describes the analysis conducted to determine that the proposal is not likely to result in *probable significant adverse environmental impacts*. This threshold determination is based on:

- the language of the proposed amendments and related contents as described above;
- the information contained in the *SEPA checklist* (dated January 27, 2023), including annotations made by SDCI staff;
- review of materials prepared as background information about the code amendments, prepared by City staff; and
- the experience of the SDCI analyst in reviewing similar documents and actions.

ELEMENTS OF THE ENVIRONMENT

Short-Term and Long-Term Impacts

A. Natural Environment

Earth, Water, Water Quality, Plants/Animals/Fisheries/Marine Life

The proposal is not expected to generate significant adverse impacts for these natural environmental elements, at a non-project level or in its potential for cumulative impacts related to future development influenced by the proposal.

Seattle is mostly urbanized in its development patterns, but it also has retained greenbelts, hillsides, stream, river, bay, and lake environments with diverse kinds of plant, animal, fish and marine habitats. This includes many shoreline edges hosting birds, fish, and other marine life.

- Wildlife on land largely includes those species habituated to urban areas and fragmented vegetated areas in the city, with common types including squirrels, opossum, coyotes, and a variety of bird species including eagles. Threatened, protected, or endangered species that could be present near future development include heron, and salmon in locations downstream via natural drainages.
- Seattle has numerous soil types, including mineral soils dominated by clay, silt, or sand, as well as organic soils such as peats and mucks. No agricultural soils or prime farmland

are located within the Seattle corporate limits. As a densely urbanized area, much of Seattle's native soils have been extensively altered by filling, grading, and other activity.

- The Seattle area is known to be in an active seismic area, as is the entire Puget Sound region. The City's geologically hazardous areas are defined by SDCI as environmentally critical areas (ECAs). Unstable soils and surfaces occur primarily in two contexts: 1) steep slopes and landslide-prone areas, where a combination of shallow groundwater and glacial sediments deposited in layers with variable permeability increases the risk of landslides; and 2) areas of fill or alluvial soils where loose, less cohesive soil materials below the water table with potential for liquefaction during earthquakes.
- Most of Seattle is located within the Lake Washington/Cedar/Sammamish Watershed (Watershed Resource Inventory Area [WRIA] 8). The Duwamish Waterway and Elliott Bay are part of the Green/Duwamish and Central Puget Sound Watershed (WRIA 9). Seattle's surface waters include marine areas (Puget Sound), rivers, lakes, and creeks. Rivers and creeks include but are not limited to the Duwamish waterway, Longfellow, Fauntleroy, Taylors, Thornton, and Pipers Creek. Freshwater lakes include the Lake Union/Ship Canal, Green, Haller, and Bitter Lakes and numerous ponds and wetlands.

This non-project proposal would result in no direct adverse or significant adverse impacts to earth, water, plants, animals, fish, or marine life environmental elements because it does not directly propose development. Similarly, this analysis identifies no adverse or significant adverse indirect or cumulative environmental impacts of this kind. This is due to a lack of a probable substantive adverse difference in the amount of physical impacts on natural elements that would occur with future development, comparing development under the existing code versus the proposed code. While future buildings with slightly more total usable interior floor area could be enabled (or different allocations of uses within the building area), there likely would be no more than slight differences in total disturbance of site soils, because most developments would pursue buildings that result in similar levels of clearing and grading of the majority of a typical development site. This is based on the SEPA responsible official's perception that the affected kinds of development would tend to clear and grade a similarly high percentage of the affected lots to construct the new building regardless of incremental differences in floor area allocations among uses. This is supported by recent SDCI analysis of clearing and hard-surface coverage patterns in sample development projects in multifamily and commercial zones. Therefore, worst-case spillover impacts caused by soil and vegetation disturbance would remain approximately the same under either existing or proposed regulations.

The proposal would also not cause the location of future development to occur more intensively in any particular kind of properties with environmentally sensitive features such as steep slopes or locations near natural drainage systems. Therefore, there are no identified additional earth, water, or plant/animal/fisheries environmental impact risk factors that would be substantially increased by the proposal. Also, the City's other current protective regulations would continue to be applied to future development, which would tend to mitigate and prevent impacts related to earth disturbances, pollutant washoff, and associated degradation of water quantity, water quality, and habitat.

Air Quality, Noise, Energy, Natural Resources Depletion, Environmental Health

This non-project proposal would result in no direct adverse or significant adverse impacts to these environmental elements because it does not directly propose development. Similarly, this

analysis identifies no adverse or significant adverse indirect or cumulative environmental impacts of this kind.

Air Quality, Noise

Comparing future development scenarios for a typical site with or without the proposal, while it is possible that total usable floor area could be slightly larger with the proposal's code allowances, development sites would likely be fully or almost fully cleared during construction. This means that the construction-period worst-case potential for spillover environmental impacts such as air emissions from construction dust, or noise generation would be approximately the same with or without the proposal.

Similarly, post-construction, because housing types relevant to this proposal can already be built under today's codes, the potential for adverse air quality and noise impacts from future development of this kind would be approximately equivalent with or without the proposal. Operational characteristics of this kind of housing would also be similar in nature with or without the proposal. This suggests a finding of no net difference in potential for these kinds of environmental impacts.

Energy and Natural Resource Depletion

The proposal would not be likely to generate significant direct, indirect, or cumulative adverse impacts of energy or natural resource depletion. Similar to the rationales discussed above, future development would be relatively similar in size with or without the proposal. Energy expended to build new buildings in future developments would be relatively similar on a site-by-site and cumulative basis with or without the proposal, although with slightly more possible usable floor area, slightly more energy could be expended to build the buildings. This is not projected to result in significant adverse differences in citywide total energy consumption over the long-term. Also, any such future development would need to meet Seattle's energy codes, which are becoming progressively more energy-efficient and stringent in promoting energy conservation.

Environmental Health

The proposed non-project action does not include any regulatory elements that would cause differences in environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, in future development. Therefore, the risk of improper disposal or release into the environment at any given future development site with these services would be minimal. This kind of potential impact would be the same with or without the proposal.

B. Built Environment

Land and Shoreline Use, Height/Bulk/Scale, Housing, Relationship to Plans and Policies

The proposal would result in no direct impacts and is unlikely to result in indirect or cumulative impacts related to land or shoreline use. While the proposal would facilitate permitting of housing, it is unlikely to result in development and land uses that would be incompatible or substantially and adversely different in locational pattern, scale, siting or total building bulk profile from multifamily housing that can be developed today. For future residential and mixed-use development proposals subject to SEPA, the City would retain SEPA authority to mitigate height, bulk, and scale impacts, if necessary to address substantial incompatibilities that might be possible to otherwise occur in future development proposals.

Height, Bulk and Scale

Despite not leading to probable significant adverse impacts related to land use, height, bulk, or scale, the proposal would alter the future methods of residential and mixed-use development review and give more regulatory flexibility in building design that could generate a modest increment of adverse height, bulk, scale, and land use-related aesthetic impacts, compared to future development under current regulations.

- 1) The ability to avoid design review processes would forego the benefits that can accrue from design review processes' ability to recommend and require adjustments in building form shaping, bulk, scale detailing, materials, and other aesthetic-related features.
- 2) The ability for SDCI to waive compliance with development standards such as minimum building modulation, overhead weather protection, and minimum street-level glazing, blank façade limits and use-type requirements, similarly could reduce or eliminate the benefits these requirements have in shaping and moderating the appearance of building bulk and scale; and could reduce the relative aesthetic visual quality and overall consistency and compatibility of future buildings with their immediate context and vicinity.

These factors would increase the probability of noticeable, adverse differences in the appearance of buildings in future residential and mixed-use development, and could contribute to adverse aesthetic-related land use impacts in a vicinity to the extent that visual differences between the new building and existing buildings might be apparent and perceived as negatively contrasting with local building character. The potential for noticeable differences would depend on how many and what kinds of departures are proposed, and what the differences would cause to the overall appearance of affected new buildings. In some cases, if fewer departures are sought and if architectural detailing would provide suitable building form-shaping and scale-moderating qualities, the difference in appearances of buildings without design review may not be noticeable to passersby.

Land Use Compatibility

As a whole, the proposal may improve the efficiency of permitting housing but would not likely result in future development that is incompatible with land uses or shoreline uses recommended in Seattle's land use plans. The future location of housing would continue to be within zones where such forms of multi-family housing are authorized to locate according to the City's Comprehensive Plan, zoning, and Land Use Code. Because the magnitude of possible differences in building bulk under any given future development is limited in total size and would continue to be regulated by the City's Land Use Code, the proposal would not likely lead to situations with significantly incongruous height/bulk/scale outcomes between adjacent uses. Rather, it would likely continue to support development patterns with smooth transitions between areas of different zoned intensity, and thus would not impact neighborhood character in a significant adverse manner. Also, given the limited numbers of probable housing developments occurring in the 12-month effective period for this legislation, the probable magnitude of cumulative adverse land use impacts on the city from more easily permitting this kind of housing is concluded to be minimal-to-minor.

Housing

The proposed non-project action would not directly impact existing housing. The proposal would, however, enable greater ease in developing more-affordable forms of housing in zones where multifamily residential uses are possible. It would also likely lead to efficiencies in allocation and

use of floor area, such that more dwelling units might be provided in such housing than would occur with development under today's codes. This determination identifies no probable significant adverse housing impacts, and no probable difference in the potential for displacement of existing housing compared to what is possible under today's codes.

Relationship to Plans and Policies

The proposal also would support future development in a manner consistent with the City's Comprehensive Plan housing goals and policies; the following most relevant goals and policies are:

GOALS

- H G2 Help meet current and projected regional housing needs of all economic and demographic groups by increasing Seattle's housing supply.*
- H G3 Achieve a mix of housing types that provide opportunity and choice throughout Seattle for people of various ages, races, ethnicities, and cultural backgrounds and for a variety of household sizes, types, and incomes.*
- H G4 Achieve healthy, safe, and environmentally sustainable housing that is adaptable to changing demographic conditions.*
- H G5 Make it possible for households of all income levels to live affordably in Seattle, and reduce over time the unmet housing needs of lower-income households in Seattle.*

POLICIES

- H5.1 Pursue public and private funding sources for housing preservation and production to provide housing opportunities for lower-wage workers, people with special needs, and those who are homeless or at risk of being homeless.*
- H5.2 Expand programs that preserve or produce affordable housing, preferably long term, for lower-income households, and continue to prioritize efforts that address the needs of Seattle's extremely low-income households.*
- H5.5 Collaborate with King County and other jurisdictions in efforts to prevent and end homelessness and focus those efforts on providing permanent housing and supportive services and on securing the resources to do to.*
- H5.16 Consider implementing a broad array of affordable housing strategies in connection with new development, including but not limited to development regulations, inclusionary zoning, incentives, property tax exemptions, and permit fee reductions.*

Historic Preservation and Cultural Preservation

Seattle contains a number of landmarks, properties, and districts that are listed on, or proposed for, national, state, and local preservation registers. In addition, while Seattle today comprises a highly urbanized and developed area, it is also an area with potential for the presence of cultural artifacts from indigenous peoples.

The proposal is not likely to affect whether historic sites or structures might be redeveloped. Existing historic sites or structures are effectively protected by current regulations and so they may only be demolished in rare circumstances that occur with consent of the City. The proposal analyzed in this environmental checklist does not contain provisions that would increase the possibility of future development at historic sites or structures, meaning there is no net difference in the potential for adverse historic site impacts with or without the proposal.

The proposal is also not likely to result in development outcomes that would increase the potential for disturbance of cultural sites or resources. Most cultural sites and resources at risk from future development in Seattle are in unknown locations due to their being buried under soils, although certain vicinities such as near-shore areas are known to have greater potential for presence of such resources given past activities of indigenous peoples. The proposal does not include provisions that would alter the likelihood of future development occurring in any given location or type of vicinity such as near-shore areas. And, the proposal does not include provisions that would be likely to increase total site clearing and grading of future development, because it is likely that most future development sites would be fully or almost fully cleared during construction with or without the proposal.

Also, implementation of the proposal would not affect the strength of the City's regulatory protection of cultural sites or resources if they are discovered during future development, which is addressed by other State and local regulations, policies, and practices. With or without the proposal, such processes are mandated to stop construction, assess the resources, and take appropriate next steps for the cultural resources' protection or preservation.

Transportation, Parking, Public Services and Utilities

The proposal would not be likely to generate significant direct, indirect, or cumulative adverse impacts on transportation, parking, public services, or utilities, even though the proposal would accommodate additional floor area that could lead to slight increases in the residential density of any given future development. Although circumstances could vary in future development depending on factors such as site size, the potential difference in floor area might range from 100 square feet up to a few thousand square feet. Within such added space, if fully used for residential units, this analysis roughly estimates that between 1 and 10 dwelling units could be added to a typical future development benefiting from the proposal's code changes.

Transportation and Parking

In the affected kinds of development, a lesser level of automobile ownership would be probable compared to typical multifamily development, although this could vary from site to site. Typical multifamily units generate approximately 6 peak hour automobile trips per 10 dwelling units based on City permitting experience. Using the rough estimate of up to 10 dwelling units added to a future development due to the proposed code changes, if the housing residents were only half as likely to own an automobile, this could translate to only about 3 peak hour automobile trips per 10 housing units. At this rate between 3 and 6 additional peak hour trips per 10 housing units, the difference in automobile traffic and impacts to the street system attributable to the proposed code changes would be negligible to minor in magnitude. This analysis therefore identifies no probable significant adverse transportation impacts.

For automobile parking, the proposal would allow for flexibility in the physical sizing of each motorized vehicle parking space, and in the proportional amounts of small, medium, and large parking spaces provided. These differences would not be likely to generate added marginal impacts of parking demand on neighboring streets of a future development. The potential for such impacts would be the same with or without the proposal.

For bicycle parking, the minimum required parking for short-term and long-term bicycle users would be eliminated. This does not necessarily mean that zero bicycle parking would be provided in most of the affected housing developments. However, for many such developments it could lead to a substantive reduction in the amount that would otherwise be required under the current code. If a constricted supply of bicycle parking is provided and demand is high at future permanent supportive housing, a shortfall in bicycle parking could occur. This would represent a potential adverse but not significant adverse bicycle-related transportation impact of the proposal, which could be mitigated by additional bike parking features provided by a housing owner or operator at a later date, responsive to actual demand.

Public Services

This non-project proposal would not result in direct impacts relating to public services because it would not result in future development of any particular location. Regarding indirect impacts, this analysis concludes that the proposal's details would not result in significant adverse impacts upon the public services elements of police protection, fire/emergency services, schools, parks and recreation, transit service, health care or other similar public services.

Using the rough estimates above of approximately 1 to 10 additional dwelling units that might be possible in any given future development due to the proposal's provisions, the proposal could slightly increase total demand and calls for service for police protection and fire/emergency services. Given the limited size of this incrementally added demand, and the limited numbers of these developments occurring in any given part of Seattle over the coming year, this analysis concludes this would be a potential adverse but not significant adverse impact.

Also considering the estimated net difference in future development, the proposal could generate slight increases in demand for parks and recreation facilities, transit service, health care and other similar public services. Potential increase in demands for school services could also be slight, with a probable negligible potential for adverse impacts.

Utilities

Using the rough estimates above of approximately 1 to 10 additional dwelling units that might be accommodated in any given future development due to the proposal's provisions, the proposal could slightly increase total demand for utilities such as water, sewer, electrical and solid waste service. Within the context of the overall demands served by these utilities within Seattle, there is a probable negligible potential for adverse impacts.

DECISION – SEPA

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

- [X] Determination of Non-Significance. This proposal has been determined to not have a significant adverse impact upon the environment. An EIS is not required under RCW 43.21C.030(2)(c).
- [] Determination of Significance. This proposal has or may have a significant adverse impact upon the environment. An EIS is required under RCW 43.21C.030(2)(c).

Signature: _____ /s/ _____ Date: _____ February 27, 2023
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