SEATTLE CITY COUNCIL
CENTRAL STAFF

SEPA Environmental Checklist

Purpose of checklist

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

Instructions for applicants

This environmental checklist asks you to describe some basic information about your proposal. Please answer each question accurately and carefully, to the best of your knowledge. You may need to consult with an agency specialist or private consultant for some questions. **You may use "not applicable" or "does not apply" only when you can explain why it does not apply and not when the answer is unknown.** You may also attach or incorporate by reference additional studies reports. Complete and accurate answers to these questions often avoid delays with the SEPA process as well as later in the decision-making process.

The checklist questions apply to **all parts of your proposal**, even if you plan to do them over a period of time or on different parcels of land. Attach any additional information that will help describe your proposal or its environmental effects. The agency to which you submit this checklist may ask you to explain your answers or provide additional information reasonably related to determining if there may be significant adverse impact.

Instructions for lead agencies

Please adjust the format of this template as needed. Additional information may be necessary to evaluate the existing environment, all interrelated aspects of the proposal and an analysis of adverse impacts. The checklist is considered the first but not necessarily the only source of information needed to make an adequate threshold determination. Once a threshold determination is made, the lead agency is responsible for the completeness and accuracy of the checklist and other supporting documents.

Use of checklist for nonproject proposals

For nonproject proposals (such as ordinances, regulations, plans and programs), complete the applicable parts of sections A and B, plus the Supplemental Sheet for Nonproject Actions (Part D). Please completely answer all questions that apply and note that the words "project," "applicant," and "property or site" should be read as "proposal," "proponent," and "affected geographic area," respectively. The lead agency may exclude (for non-projects) questions in "Part B: Environmental Elements" that do not contribute meaningfully to the analysis of the proposal.

A.Background

Name of proposed project, if applicable:

Housing Accelerator - temporary reductions in Mandatory Housing Affordability - Residential Program (MHA-R) low-income housing payment obligations

Name of applicant:

City of Seattle Legislative Department

Address and phone number of applicant and contact person:

Seattle City Council Central Staff

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Date checklist prepared:

October 14, 2026 (with supplemental information submitted by applicant on October 19, 2026)

Agency requesting checklist:

Seattle Department of Construction and Inspections (SDCI).

Note: This version of the checklist contains the SDCI reviewer's annotations as shown in underline and strikeouts of text.

Proposed timing of schedule (including phasing, if applicable):

The City Council anticipates considering legislation temporarily reducing MHA-R payment obligations in December 2026. Deliberations may extend into the first quarter of 2027.

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

The City may consider further changes to MHA-R. Specifically, in August, 2026, the Mayor issued Executive Order 2026-04 related to "rapidly accelerating the production of housing of all kinds." That executive order establishes a Housing Production Task Force, which among other things will recommend changes to MHA-R. Final recommendations to the Mayor would be made by September 2027. Similarly, the Council may consider a resolution establishing its intent to consider expanding MHA-R to Neighborhood Residential zones.

The nature and scope of any future changes to MHA-R recommended to the Council by the Mayor or considered by the Council on its own are undefined at this point.

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

None known

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

None known

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

Authorization of a temporary reduction in MHA-R low-income housing payment obligations requires approval by the Mayor and Council through passage of a council bill.

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

The proposal is a non-project action that is intended to induce residential development by reducing in-lieu payment obligations for eligible projects subject to MHA-R. MHA-R is an inclusionary zoning program whereby, in exchange for additional development capacity, a development must either provide low-income dwelling units in a project or make a payment in-lieu.

Eligible projects for in-lieu payment reductions would include:

- Category 1 – Vested projects subject to MHA-R and
- Category 2 - Projects that make a building permit application by January, 2028, and
    - Include at least 25 percent of housing units as two or more bedroom units and
    - Are not located in specified high displacement risk areas unless the development site has been in continuous ownership for 20 or more years.

The proposal would reduce MHA-R in-lieu payment obligations by 80 percent for Category 1 projects and by 60 percent for Category 2 projects.

The City and proponents have identified approximately 250 projects that may be eligible under Category 1. It is unlikely that all of the projects would

be able to take advantage of the reduced MHA-R obligation. Proponents have indicated that as many as 30 projects could move forward. But, the City has no information to confirm that. Similarly, the City has no information to estimate that number of Category 2 projects that may apply.

Participating projects would be required to demonstrate substantial progress towards project completion by constructing a foundation within two years, for Category 1 projects, or three years, for Category 2 projects, subject to some discretion by the Director of SDCI. Participating projects that do not make substantial progress within that time period would be required to pay the balance of their MHA-R obligation.

Projects that have taken advantage of temporary Design Review exemptions for meeting MHA-R obligations through the provision of units on-site would be able to switch their MHA election to in-lieu payment to take advantage of the proposal without having to go back through Design Review.

A draft council bill for the proposal is attached.

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

This is a non-project action that would apply in all areas of the city where MHA-R applies. This includes most commercial, multifamily, and downtown zones, and some Industrial Commercial zones.

B.Environmental Elements

1. Earth

a. General description of the site:

The geographic area affected by this proposed non-project action is all areas of the city where MHA-R applies.

Circle or highlight one: Flat, rolling, hilly, steep slopes, mountainous, other:

The geographic area affected by this proposed non-project action is all areas of the city where MHA-R applies. The topography includes all types of terrain, from flat land to steep slopes. Most of this area has been substantially graded, developed, or otherwise disturbed.

b. What is the steepest slope on the site (approximate percent slope)?

Slopes in Seattle range from 0% to greater than 40%. The steepest slopes occur primarily on the sides of the major hills in the city, including Queen Anne Hill, Capitol Hill, West Seattle, and Magnolia.

c. What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them, and note any agricultural land of long-term commercial significance and whether the proposal results in removing any of these soils.

Seattle has numerous soil types, including mineral soils dominated by clay, silt, or sand, as well as organic soils such as peats and mucks (see, for example, http://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm). 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.

d. Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.

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 (ECA) (http://gisrevprxy.seattle.gov/wab_ext/DSOResearch_Ext/). Unstable soils and surfaces occur primarily in two contexts within the affected geographic area. The first context includes 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. The second context includes areas of fill or alluvial soils where loose, less cohesive soil materials below the water table may lead to the potential for liquefaction during earthquakes.

e. Describe the purpose, type, total area, and approximate quantities and total affected area of any filling, excavation, and grading proposed. Indicate source of fill.

The proposed non-project action does not include any construction or development that would require filling or grading. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review as appropriate.

f. Could erosion occur because of clearing, construction, or use? If so, generally describe.

The proposed non-project action does not include any construction, development, or use that would cause erosion. Future, specific projects subject to the provisions of this proposal may involve clearing, construction, or uses that cause erosion. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review as appropriate.

g. About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?

The proposed non-project action does not include any construction or development that would convert pervious to impervious surfaces or create new impervious surfaces. The proposal covers areas within the Seattle corporate limits where future development may occur. These are highly urbanized areas with a comparatively high percentage of impervious surfaces. Potential impacts of future projects would be addressed through regulations and/or project specific environmental review as appropriate.

h. Proposed measures to reduce or control erosion, or other impacts to the earth, if any.

None proposed. The proposed non-project action does not involve construction activity and contains no proposed measures related to reducing or controlling erosion or other impacts at any specific location.

2. Air

a. What types of emissions to the air would result from the proposal during construction, operation, and maintenance when the project is completed? If any, generally describe and give approximate quantities if known.

The proposed non-project action does not include any construction or development that would directly produce emissions. As such, the proposal would not directly affect odors, greenhouse gas (GHG) emissions, or climate change. Potential emissions impacts of future projects would be addressed through regulations and/or project specific environmental review as appropriate.

b. Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.

The proposed non-project action does not include any construction or development that would be affected by emissions or odors.

c. Proposed measures to reduce or control emissions or other impacts to air, if any:

No measures are proposed.

3. Water

a. Surface:

1. Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.

The proposed non-project action would affect watersheds and surface water bodies in the Seattle area. Most of this area is located within the Lake Washington/Cedar/Sammamish Watershed (Watershed Resource Inventory Area [WRIA] 8). The Duwamish Waterway and Elliott Bay, located in southwestern Seattle, are part of the Green/Duwamish and Central Puget Sound Watershed (WRIA 9). Seattle is characterized by a variety of surface water features, including marine areas, rivers, lakes, and creeks. Each type is briefly summarized below:

Marine: Seattle's west side is situated adjacent to Puget Sound, a major marine embayment.
Rivers: Portions of south Seattle drain to the lower reaches of the Duwamish River (also known as the Duwamish Waterway). The river receives flow from the South Park basin, Norfolk basin, Longfellow Creek, and other smaller urban creeks, and drains to Elliott Bay in south Puget Sound.
Lakes: Freshwater lakes and ponds, within or adjacent to the City, include the Lake Union/Ship Canal system, which links Lake Washington and Puget Sound through the Hiram Chittenden Locks. Other freshwater lakes include Green, Haller, and Bitter Lakes in the north portion of the City (also located in the Lake Union/Ship Canal drainage basin). Seattle also contains numerous small ponds and wetlands.
Creeks: Runoff from portions of Seattle's developed cityscape drains to creek systems of varying sizes. Major creeks in the western regions of the City drain directly to Puget Sound and include Pipers and Fauntleroy creeks. Longfellow Creek is a main creek in the southwest portion of the city that drains to the Duwamish River. Thornton Creek, Taylor Creek, and other smaller creeks drain runoff from the eastern portions of the City to Lake Washington.

2. Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.

The proposed non-project action does not include any construction or development that would require work over, in, or adjacent to the surface waters. Individual projects that may be subject to provisions of this proposal may be located over, in, or adjacent to these waters. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review as appropriate.

3. Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.

The proposed non-project action does not include any construction or development or any fill and dredge in or near surface waters or wetlands. Potential impacts of future projects would be addressed through regulations and/or project specific environmental review as appropriate.

4. Will the proposal require surface water withdrawals or diversions? Give a general description, purpose, and approximate quantities if known.

Because this is a non-project action, there would be no construction or development that would withdraw or divert surface waters. Potential impacts of future projects would be addressed through existing regulations and/or separate site-specific environmental review.

5. **Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.**

The proposed non-project action does not include any construction or development that would lie within a 100-year floodplain. Major streams and the Duwamish River have associated 100-year floodplains within the affected geographic area. Individual projects that may be subject to provisions of this proposal may be located over, in, or adjacent to these waters and their associated floodplains. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review as appropriate.

6. **Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.**

The proposed non-project action does not include any construction or development that would discharge waste material to surface waters. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review as appropriate.

b. Ground:

1. **Will groundwater be withdrawn from a well for drinking water or other purposes? If so, give a general description of the well, proposed uses and approximate quantities withdrawn from the well. Will water be discharged to groundwater? Give a general description, purpose, and approximate quantities if known.**

The proposed non-project action does not include any construction or development that would withdraw groundwater. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

2. **Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (domestic sewage; industrial, containing the following chemicals…; agricultural; etc.). Describe the general size of the system, the number of such**

systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.

The proposed non-project action does not include any construction or development that would discharge waste material to ground waters. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

c. Water Runoff (including stormwater):

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

The proposed non-project action does not include any construction or development that would generate runoff. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

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

The proposed non-project action does not include any construction or development that would generate waste materials that could enter ground or surface waters. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

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

The proposed non-project action does not include any construction or development that would alter or otherwise affect drainage patterns. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

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

The proposed non-project action does not include any construction or development that would have impacts to surface, ground, runoff water, and drainage. No measures are proposed at this time. Potential impacts of future would be addressed through regulations and/or project specific environmental review.

4. Plants

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

☒ **deciduous tree: alder, maple, aspen, other**

☒ **evergreen tree: fir, cedar, pine, other**

☒ **shrubs**

☒ **grass**

☐ **pasture**

☐ **crop or grain**

☐ **orchards, vineyards, or other permanent crops.**

☒ **wet soil plants: cattail, buttercup, bullrush, skunk cabbage, other**

☒ **water plants: water lily, eelgrass, milfoil, other**

☒ **other types of vegetation**

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

The geographic area affected by the proposed non-project action is all areas of the city where MHA-R applies. A wide variety of native and non-native plant species and associated vegetation are found in the Seattle area. Generally, the Puget Sound basin is home to a wide diversity of plant species that depend upon marine, estuarine, freshwater, and terrestrial environments. The Seattle area has a broad variety of vegetation, including upland forest (deciduous, coniferous, and mixed), shrublands, riparian forests, and wetlands. This flora includes species native to the region, as well as many non-native species. Seattle is a densely developed urban area having few remaining areas of native vegetation and high-quality habitat. These remaining fragments of quality native vegetation are found in parklands and open spaces. The plants found in most urban and suburban areas are those native and non-native species that tolerate or benefit from habitat degradation and disturbance.

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

The geographic area affected by the proposed non-project action is all areas of the city where MHA-R applies. No federally-listed endangered or threatened plant species or State-listed sensitive plant species are known to occur within these areas. Most of the Seattle area has been intensively disturbed by development and redevelopment over the last 100 years. Seattle's original vegetation

has been extensively cleared, excavated, filled, paved, or occupied by streets and other built structures. There is no habitat for threatened or endangered plants.

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

The geographic area affected by the proposed non-project action is all areas of the city where MHA-R applies. Most development in these areas are required to meet green factor landscaping standards. Potential impacts of future, specific projects would be addressed through regulations and/or project specific environmental review.

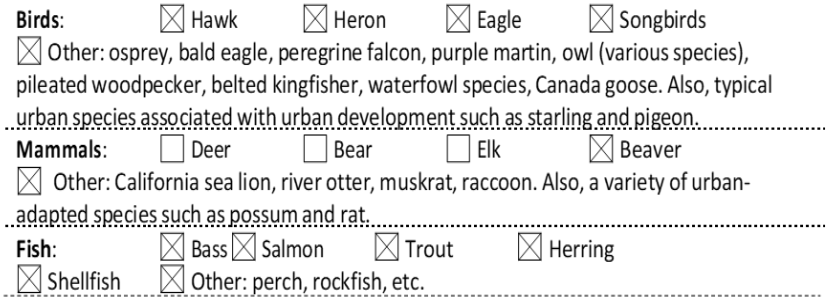
e. List all noxious weeds and invasive species known to be on or near the site.

The geographic area affected by the proposed non-project action is all areas of the city where MHA-R applies. Many species of noxious and invasive species are found within King County and the City of Seattle. See, for example, the noxious weed lists of the King County Noxious Weed Board (http://www.kingcounty.gov/services/environment/animals-and-plants/noxious- weeds/laws/list.aspx).

5. Animals

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

The geographic area affected by the proposed non-project action is all areas of the city where MHA-R applies. Many species of birds, mammals, and fish are present. Generally, the Puget Sound basin is home to an extremely wide diversity of animal species that depend upon marine, estuarine, freshwater, and terrestrial environments. This fauna includes species native to the region, as well as many non-native species. The Seattle area is an intensely developed urban area having few remaining areas of native vegetation and high-quality habitat. These remaining fragments of quality wildlife habitat are found in parklands and open spaces throughout the planning area. The wildlife found in most urban areas are those native and non-native species that tolerate or benefit from habitat degradation or close association with humans.



This image shows the types of animals that are present in Seattle.

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

The geographic area affected by the proposed non-project action is all areas of the city where MHA-R applies. In King County, five wildlife species are listed as endangered or threatened under the Endangered Species Act (ESA), but these species are not likely to be found in the Seattle Direct Water Service Area. These include Canada lynx (Lynx Canadensis; Threatened), gray wolf (Canis lupus; Endangered), grizzly bear (Ursus arctos; Endangered), marbled murrelet (Brachyramphus marmoratus; Threatened), and northern spotted owl (Strix occidentalis caurina; Threatened). King County contains federally designated critical habitat for marbled murrelet and northern spotted owl; no designated critical habitat is located in Seattle. Bald eagle (Haliaeetus leucocephalus) was removed from the federal list under ESA on August 8, 2007, but is federally protected under the Bald and Golden Eagle Protection Act. Bald eagles are known to reside in Seattle.

Fish species listed as endangered or threatened under the ESA and found in freshwater tributaries of Puget Sound (PS) include Chinook salmon (Oncorhynchus tshawytscha, Threatened, PS), steelhead (O. mykiss, Threatened, PS), and bull trout (Salvelinus confluentus, Threatened, PS). Coho salmon (O. kisutch) is a Candidate species for listing as Threatened. All of these species reside in or near the proposal area. Lake Washington contains federally designated critical habitat for bull trout and Chinook salmon. Because much of Seattle has been previously developed and the original habitats significantly altered or eliminated, the potential for threatened or endangered animal species to be present in Seattle is low.

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

The geographic area affected by the proposed non-project action is all areas of the city where MHA-R applies. The Puget Sound region is known to be an important migratory route for many animal species. Portions of

the proposal area provide migratory corridors for bald eagles traveling to and from foraging areas in Puget Sound or Lake Washington. Marbled murrelets travel through the planning area between marine waters and their nests in late successional/old growth forests in the Cascade Mountains. Bull trout, steelhead, and Chinook, chum, pink, and coho salmon use the Puget Sound nearshore. Chinook, coho, and sockeye salmon use Lake Washington and Lake Union as migration corridors. Anadromous trout and salmon migrate through the area river and stream systems, including urban streams in Seattle. The Puget Sound region is also within the Pacific Flyway—a flight corridor for migrating waterfowl, migratory songbirds, and other birds. The Pacific Flyway extends from Alaska to Mexico and South America.

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

No measures to preserve or enhance wildlife are proposed.

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

Many species of invasive animal species are found within King County and the City of Seattle, including nutria (Myocastor coypus), rat (Rattus spp.), pigeon (Columba livia), New Zealand Mud Snail (Potamopyrgus antipodarum), and Asian gypsy moth (Lymantria dispar).

6. Energy and natural resources

a. What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.

The proposed non-project action does not include any construction or development that would require energy to operate. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

b. Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.

The proposed non-project action does not include any construction or development that would affect potential use of solar energy by adjacent properties. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

c. What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any.

The proposed non-project action does not include any energy conservation features or other measures to reduce or control energy impacts. Potential impacts of future would be addressed through regulations and/or project-specific environmental review.

7. Environmental health

a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur because of this proposal? If so, describe.

The proposed non-project action does not include any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

1. Describe any known or possible contamination at the site from present or past uses.

The proposed non-project action does not include any construction or other activities that would encounter possible site contamination. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

2. Describe existing hazardous chemicals/conditions that might affect project development and design. This includes underground hazardous liquid and gas transmission pipelines located within the project area and in the vicinity.

The proposed non-project action does not include any construction or other activity that would cause exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste. Potential impacts of future projects would be addressed through regulations and/or project-specific environmental review.

3. Describe any toxic or hazardous chemicals that might be stored, used, or produced during the project's development or construction, or at any time during the operating life of the project.

The proposed non-project action does not involve the storage, use, or production of toxic or hazardous chemicals. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

4. Describe special emergency services that might be required.

The proposed non-project action does not require any special emergency services. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

5. Proposed measures to reduce or control environmental health hazards, if any.

The proposed non-project action has no associated environmental health hazards. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

b. Noise

1. What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?

The proposed non-project action would not directly relate to specific development sites and thus would not be affected by existing environmental noise in any given location. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

2. What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site)?

The proposed non-project action does not include any construction or development that would generate noise. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

3. Proposed measures to reduce or control noise impacts, if any:

Because the proposed non-project action would not, itself, generate noise, no measures to reduce or control noise are proposed. Potential impacts of future would be addressed through regulations and/or separate project-specific environmental review.

8. Land and shoreline use

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

The geographic area affected by the proposed non-project action is all areas of the city where MHA-R applies. Generally, these areas are characterized by urban uses. Existing uses include single-family and multifamily residential uses, commercial uses, industrial uses, recreational uses, and open space. Most area where MHA -R applies have been developed at urban densities and existing uses are often mixed.

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

No. The proposed non-project action would not convert agricultural or forest land to other uses. There are no designated agricultural or forest lands in Seattle.

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

No. The proposed non-project action would not affect or be affected by agricultural or forest land business operations. There are no designated agricultural or forest lands in Seattle.

c. Describe any structures on the site.

Areas where MHA-R applies are developed with a wide range of structures, ranging from single-family residences to high-rise residential towers. Potential impacts of future projects would be

addressed through regulations and/or separate project-specific environmental review.

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

The proposed non-project action does not directly include demolition of any structures. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

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

Zones where MHA-R applies are designated with an (M) suffix on Seattle's Official Land Use Map. Families of zones where MHA-R generally applies are listed below:

- Multifamily Zones (SMC Chapter 23.45)
- Residential-Commercial (SMC Chapter 23.46)
- Commercial Zones (SMC Chapter 23.47
- Seattle Mixed Zones (SMC Chapter 23.48)
- Some Industrial Commercial Zones (SMC Chapter 23.50A)
- Downtown Zones (SMC Chapter 23.49)

Areas within these zones include specific overlays to address areas-specific characteristics, such as proximity to shorelines, presence of major institutions, and light rail station areas. Project-specific information on zoning would be determined during the permitting of individual projects.

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

The proposed non-project action would primarily apply in areas identified as area within Regional Centers, Urban Centers, and Neighborhood Centers shown on the Comprehensive Plan's Future Land Use Map and along arterials with frequent transit service outside of these identified centers.

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

The proposed non-project action would apply in all areas of the city where MHA-R applies, and with limited exceptions these do not include areas that are regulated by the City's Shoreline Master Program (SMP). Shoreline resources regulated under the SMP

include all marine waters, larger streams and lakes, associated wetlands and floodplains, and upland areas called shorelands that extend 200 feet landward from the edges of these waters. Individual projects subject to the provisions of this proposal may be located in areas subject to the SMP. Project-specific information on land and shoreline use would be determined during permitting of individual projects.

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

The proposed non-project action would apply in all areas of the city where MHA-R applies, including in environmentally critical areas. Individual projects subject to the provisions of the proposed non-project action may be located on sites that may includes portions within environmentally critical areas. Project-specific information on site classification would be determined during permitting of individual projects.

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

The proposed non-project action would not create a completed project in which to reside or work. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

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

No people would be displaced by the proposed non-project action. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

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

No people would be displaced by the proposed non-project action. For a discussion of potential displacement impacts see Section D. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

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

Potential project-specific impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

m. Proposed measures to reduce or control impacts to agricultural and forest lands of long-term commercial significance, if any:

There are no designated agricultural or forest lands in Seattle.

9. Housing

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

The proposed non-project action would not directly provide housing. For a discussion of potential displacement impacts see Section D. Potential adverse housing impacts, if any, of future projects would be addressed through regulations and/or separate project-specific environmental review.

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

The proposed non-project action would not directly eliminate housing. For a discussion of potential displacement impacts see Section D. Potential adverse housing impacts, if any, of future projects would be addressed through regulations and/or separate project-specific environmental review.

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

No measures to reduce or control housing impacts are proposed. For a discussion of potential displacement impacts see Section D. Potential adverse housing impacts, if any, of future projects would be addressed through regulations and/or separate project-specific environmental review.

10. Aesthetics

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

The proposed non-project action does not include construction or development. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

b. What views in the immediate vicinity would be altered or obstructed?

The proposed non-project action does not include construction or development that would produce light or glare. Potential impacts of future would be addressed through regulations and/or separate project-specific environmental review.

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

The proposed non-project action does not include construction or development that would have aesthetic impacts. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

11. Light and glare

a. What type of light or glare will the proposal produce? What time of day would it mainly occur?

The proposed non-project action does not include construction or development that would produce light or glare. Potential impacts of future would be addressed through regulations and/or separate project-specific environmental review.

b. Could light or glare from the finished project be a safety hazard or interfere with views?

The proposed non-project action does not include construction or development that would produce light or glare. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

c. What existing off-site sources of light or glare may affect your proposal?

Light or glare would not affect the proposed non-project action. Potential impacts of light or glare on future projects would be addressed through separate project-specific environmental review.

d. Proposed measures to reduce or control light and glare impacts, if any:

No measures to reduce or control light and glare are proposed.

12. Recreation

a. What designated and informal recreational opportunities are in the immediate vicinity?

The proposed non-project action would be in all areas of the city where MHA-R applies. Seattle Parks and Recreation operates and maintains a large number of city parks, trails, gardens, playfields, swimming pools, and community centers. In addition to these public facilities, public and private schools, outdoor associations, and commercial businesses provide residents of, and visitors to, Seattle with a variety of organized recreational facilities and activities, such as school athletic programs, hiking and gardening groups, and private health clubs and golf courses. Seattle is particularly rich in recreational opportunities focused on the area's natural features. Seattle's many parks and shorelines offer abundant recreational opportunities, including water contact recreational activities (such as swimming, wading, snorkeling, and diving); water-related and non-water-related recreational activities (such as walking, hiking, playing, observing wildlife, and connecting with nature); and recreational activities that involve consumption of natural resources (such as fishing and noncommercial shellfish harvesting).

b. Would the proposed project displace any existing recreational uses? If so, describe.

The proposed non-project action does not include construction or development that would displace any recreational activities. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:

No measures to reduce or control impacts on recreation are proposed.

13. Historic and cultural preservation

a. Are there any buildings, structures, or sites, located on or near the site that are over 45 years old listed in or eligible for listing in national, state, or local preservation registers? If so, specifically describe.

The proposed non-project action would be in effect in all areas of the city where MHA-R applies. There are a number of landmarks, properties, or districts in Seattle 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 Native American cultural artifacts. Project-specific information on site-specific historic buildings, structures, and sites would be determined during permitting of individual projects.

b. Are there any landmarks, features, or other evidence of Indian or historic use or occupation? This may include human burials or old cemeteries. Are there any material evidence, artifacts, or areas of cultural importance on or near the site? Please list any professional studies conducted at the site to identify such resources.

There are a number of landmarks, properties, or districts in Seattle 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 Native American cultural artifacts. Potential impacts of future, specific development proposals would be identified and addressed through regulations and/or separate project-specific environmental review.

c. Describe the methods used to assess the potential impacts to cultural and historic resources on or near the project site. Examples include consultation with tribes and the department of archeology and historic preservation, archaeological surveys, historic maps, GIS data, etc.

The proposed non-project action does not involve construction or disturbance of any particular site. No methods were used to assess potential impacts to cultural and historic resources. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

d. Proposed measures to avoid, minimize, or compensate for loss, changes to, and disturbance to resources. Please include plans for the above and any permits that may be required.

The proposed non-project action does not include construction or development, so there are no activities that would require the avoidance, minimization, or compensation for loss, changes to, and disturbance to historic and cultural resources. Individual projects that may be proposed,

permitted under city codes, and subsequently developed ~~pursuant to this proposal~~ could be subject to environmental review (if they meet or exceed thresholds for environmental review) and would be subject to the State of Washington's and City's regulations related to the protection of historic and cultural resources.

14. Transportation

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

The proposed non-project action would be in effect in all areas of the city where MHA-R applies. These areas have dense grids of urban streets (residential and arterials) that provide connections to major routes, including Interstate 5 and State Route 99, which run north and south through the City, and Interstate 90 and State Route 520, which connect Seattle to points east across Lake Washington.

b. Is the site or affected geographic area currently served by public transit? If so, generally describe. If not, what is the approximate distance to the nearest transit stop?

Seattle is served by bus, streetcar, and light rail public transit provided by multiple transit agencies, including King County Metro and Sound Transit. Impacts on public transit would be considered during future permitting and environmental review of individual projects.

c. Will the proposal require any new or improvements to existing roads, streets, pedestrian, bicycle, or state transportation facilities, not including driveways? If so, generally describe (indicate whether public or private).

The proposed non-project action would not require improvements to the existing transportation network nor would it require development of new transportation facilities. Project-specific street improvement requirements would be determined during permitting of individual projects.

d. Will the project or proposal use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.

The proposed non-project action would take effect throughout areas of Seattle where transportation improvements may be needed to accommodate future residential and employment growth. Seattle is

served by railroads, a seaport, and airports. Project-specific information on proximity to and use of water, rail, and/or air transportation would be determined during permitting of individual projects.

e. How many vehicular trips per day would be generated by the completed project or proposal? If known, indicate when peak volumes would occur and what percentage of the volume would be trucks (such as commercial and nonpassenger vehicles). What data or transportation models were used to make these estimates?

The proposed non-project action would not directly generate vehicle trips. Potential impacts of future, specific transportation improvement projects would be addressed through regulations and/or separate project-specific environmental review.

f. Will the proposal interfere with, affect, or be affected by the movement of agricultural and forest products on roads or streets in the area? If so, generally describe.

The proposed non-project action would not affect or be affected by the movement of agricultural or forest products. Potential impacts of future, specific transportation improvement projects would be addressed through regulations and/or separate project-specific environmental review.

g. Proposed measures to reduce or control transportation impacts, if any:

None proposed. Potential impacts of future, specific transportation improvement projects would be addressed through regulations and/or separate project-specific environmental review.

15. Public services

a. Would the project result in an increased need for public services (for example: fire protection, police protection, public transit, health care, schools, other)? If so, generally describe.

The proposed non-project action would not directly result in future development nor generate a site-specific impact causing an increased need for public services. Potential impacts of future projects would be addressed through regulations and/or separate project-specific environmental review.

b. Proposed measures to reduce or control direct impacts on public services, if any.

No measures to reduce or control direct impacts on public services are proposed.

16. Utilities

a. **Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other:**

The proposed non-project action would be in all areas of the city where MHA-R applies. All of the proposal areas have electricity, telephone, water and refuse service. Most (but not all) areas have cable/fiber optics, sanitary sewers, and natural gas. Project-specific information on site-specific utilities would be determined during the design, environmental review, and permitting of individual projects.

b. **Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.**

The proposed non-project action does not directly ~~include~~ propose future construction or development on any given site nor generate a site-specific impact upon ~~of~~ any particular utilities. Specific impacts to utilities that could be affected by future projects would be determined during the design, environmental review, and permitting of individual projects.

C.Signature

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

X_____

Type name of signee: Ketil Freeman, AICP
Position and agency/organization: Legislative Analyst, Seattle City Council Central Staff

Date submitted: October 14, 2026 (supplemented on October 19, 2026)

D.Supplemental sheet for nonproject actions

Do not use this section for project actions.
Because these questions are very general, it may be helpful to read them in conjunction with the list of the elements of the environment.
When answering these questions, be aware of the extent the proposal, or the types of activities likely to result from the proposal, would affect the item at a greater intensity or at a faster rate than if the proposal were not implemented. Respond briefly and in general terms.

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

   The proposal could facilitate additional numbers of multifamily residential developments to occur sooner, by adjusting requirements in ways that would convince development ~~inducing~~ proponents with vested projects to build, and by inducing new development applications that would be ~~are~~ carried through to construction. Discharges to water and air by vested and new projects would be regulated and limited by the Stormwater Code (Seattle Municipal Code (SMC) Chapter 22.800), Land Use Code (SMC Title 23) and other applicable construction codes.

   What are the cumulative differences this future development could make in terms of physical impacts to these environmental elements, compared to existing conditions? Depending upon how many developments are induced to proceed, they would generate additional air pollutant emissions, noise, and site soil disturbances during their construction periods. This could lead to localized discharges of pollutants in their immediate vicinity. These kinds of localized impacts would be temporary. Their degree of adverse impacts would be partly mitigated by following best practices and requirements related to protecting against release of eroded or disturbed soils into off-site locations. Although potentially annoying to surrounding residents, construction-related air pollutant emissions and noise production would not likely generate significant adverse impacts.

   Post-construction, the non-project action's focus on residential development that meets code requirements would mean there is a minimal potential for adverse impacts related to air, water, or noise, and a minimal potential that toxic or hazardous substance-related adverse impacts would occur.

   Also, the non-project action affects a broad area of the city, meaning there is a relatively low chance that multiple such residential developments would happen next to each other. Therefore, the probable pattern of

adverse natural environmental impacts, if they occur, would be dispersed rather than concentrated.

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

Development and operation of vested and new multifamily development would be subject to the regulations in the Critical Areas Ordinance (SMC Chapter 25.09), the Tree Protection Ordinance (SMC Ch. 25.11), the Shoreline Management Program (SMC Ch. 23.60A), and other applicable codes. These regulations aid in helping new development to avoid and mitigate potential impacts to trees, plants, fish and wildlife habitat areas, riparian corridors, wetlands, and overwater areas where ~~institutional~~ future development might occur at or near, in the worst case. ~~might occur.~~ Those regulations also include operating standards and best management practices that apply outside of the immediate site development context.

In addition, future residential developments that would be influenced to occur due to this non-project action are more likely to be located within urbanized Seattle neighborhood settings of varying densities ranging from low-to-medium or greater density levels. These areas also would be less likely to be located in direct proximity to marine shoreline areas. While such sites could have existing trees and other vegetation that could be affected by construction and grading, there is a minimal chance that such development would affect plant, animal, fish or marine life habitats in a significant adverse manner.

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

The proposal could facilitate additional numbers of multifamily residential developments to occur sooner, by ~~inducing~~ adjusting requirements in ways that would convince development proponents with vested projects to build, and by inducing new development applications. Multifamily residential uses have relatively low Energy Use Intensity (EUI). EUI is measured in Btu per square foot and is based on the size and characteristics of a land use. For example, multifamily housing has a EUI of 44.9. By contrast, a restaurant has an EUI of 205.3 (Source: FEIS, One Seattle Comprehensive Plan Update. January 2025. P. 3.4-8).

Multifamily residential energy use is regulated and mitigated by the Energy Code, Energy Use Benchmarking regulations (SMC Ch 22.902), Building Emission Performance Standards (SMC Ch. 22.925), and other applicable regulations. These regulations provide for minimum performance levels for future new development that are very good and will contribute to Seattle's long-term high-level and improving performance in managing its

energy use and natural resources impacts. This includes with respect to limiting carbon emissions as well.

4. How would the proposal be likely to use or affect environmentally sensitive areas or areas designated (or eligible or under study) for governmental protection, such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands?

The proposal could facilitate additional numbers of multifamily residential developments to occur sooner, by adjusting requirements in ways that would convince development ~~inducing~~ proponents with vested projects to build, and by inducing new development applications. Development of residential uses in these areas would be regulated and mitigated by the Critical Areas Ordinance (SMC Chapter 25.09), Floodplain Development Regulations (SMC Ch. 25.06), the Landmark Preservation Ordinance (SMC Ch. 25.12), and other applicable regulations. See the responses to Questions #2 and #3 above with respect to natural resource protections. Also, see the responses to Questions B.13 a – d earlier in this checklist, regarding historic and cultural preservation impacts.

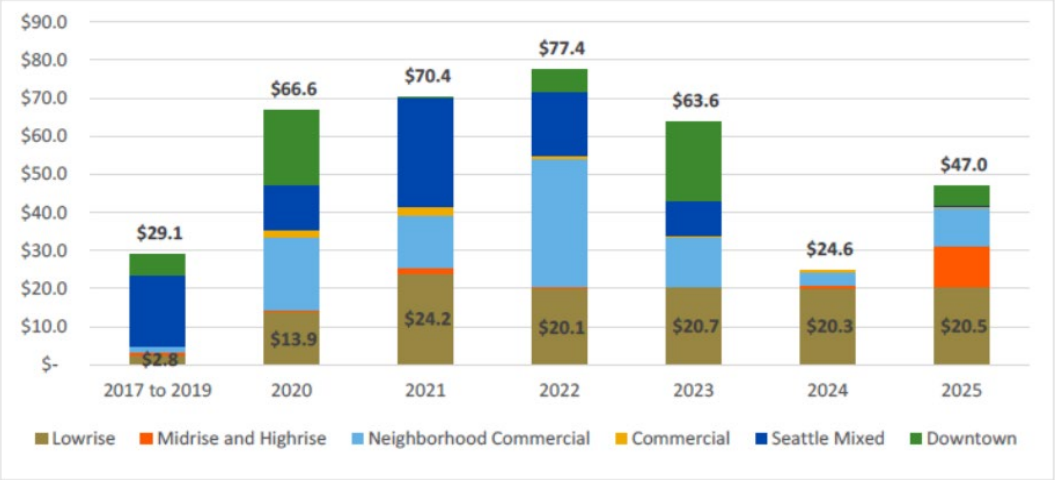
5. How would the proposal be likely to affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans?

The proposal could facilitate additional numbers of multifamily residential developments to occur sooner, by adjusting requirements in ways that would convince development ~~inducing~~ proponents with vested projects to build, and by inducing new development applications. This could result in somewhat higher intensities of multifamily residential development than currently exist. However, that development would occur in areas for which multifamily residential development is planned and ~~additional~~ zoned development capacity has already been granted through the zoning code and other applicable development regulations.

The proposal may induce development of new multifamily residential development that would not otherwise occur in the near-term. This could relate to accomplishing development cost relief that would be enabled by reducing fees addressed in Chapter 23.58C of the Land Use Code. In recent years, factors that increase development costs and financing and economic risks are believed to have discouraged many such residential developments from proceeding. Additional production of new dwelling units could contribute to the overall supply of housing in the city and may, over time, ~~lead~~ help contribute to reduced market-rate rents and/or a wider selection of housing available at varying affordability levels.

The proposal could also result in less revenue from MHA-R for construction of new low-income multifamily housing. With some limited exceptions for administration, revenue from the MHA-R program may only be used for capital purposes to create new housing affordable to low-income households. MHA payments by year since program inception are shown in the chart below. Through June 2026, the City had received approximately $9 million from MHA. Since June several additional payments have been made under protest. Declining applications for the types of development to which MHA-R applies indicates that revenue for low-income housing development is likely to decline further in 2027 and 2028.

Chart 3.3B: MHA Payments by Year Building Permit Issued and Zone ($ Million)



This chart shows annual revenue from MHA in-lieu payments distinguished by zone category.

Source: *2025 Mandatory Housing Affordability Annual Report*, Seattle Office of Housing.

Declining applications for the types of development to which MHA-R applies indicate that revenue for low-income housing development is likely to decline further in 2027 and 2028. The Fund Financial Plan in the 2027-2028 Proposed Budget for the Low-income Housing Fund, into which revenue from MHA-R is deposited, assumes that MHA revenue will remain flat at approximately $20 million annually through 2030. If revenue for development of new low-income housing declines, the City could, if revenue is available, backfill losses through General Fund or Jumpstart Payroll Expense Tax revenue. However, reduced MHA-R payment obligations may induce new applications for development subject to MHA-R. MHA-R revenue from those applications, which might not otherwise occur, could help offset revenue losses to the Low-income Housing Fund. Regardless, the limited eligibility for Category 2 projects, which

must submit a complete building permit application by January 1, 2028, would mitigate ongoing revenue losses from MHA-R.

Category Two projects would be required to have at least 25 percent of units with two or more bedrooms. The Housing Appendix to the Comprehensive Plan identifies that only 35 percent of new multifamily development has included family-sized units, and that availability of family-sized units is one barrier to housing in the city. Availability of new family-sized units could help mitigate potential displacement risk by increasing the supply and availability of units suitable for families.

Finally, as a provision that would have impact-avoiding and mitigating effects ~~mitigation measure~~, the proposal includes exclusions for some areas with higher displacement risk ~~, unless the development site has been in continuous ownership since 2006~~. Specifically, Category Two projects (meaning those subject to MHA fees that are reduced to 40% of the current level) could not be developed in identified urban centers in southeast Seattle with higher displacement risk, unless the development site has been in continuous ownership since 2006. These area would include the International Special Review District, the Central District, Urban Center, the Central District South Urban Center, the Mount Baker Urban Center, the Columbia City Urban Center, the Graham Urban Center, the Othello Urban Center, and the Rainier Beach Urban Center. Displacement risk associated with the Central Area and southeast Seattle is shown on the map below. Other multifamily residential development proposals and permitting of such development in those areas could still occur, but they ~~however, that development~~ would be required to meet the full MHA-R obligation.

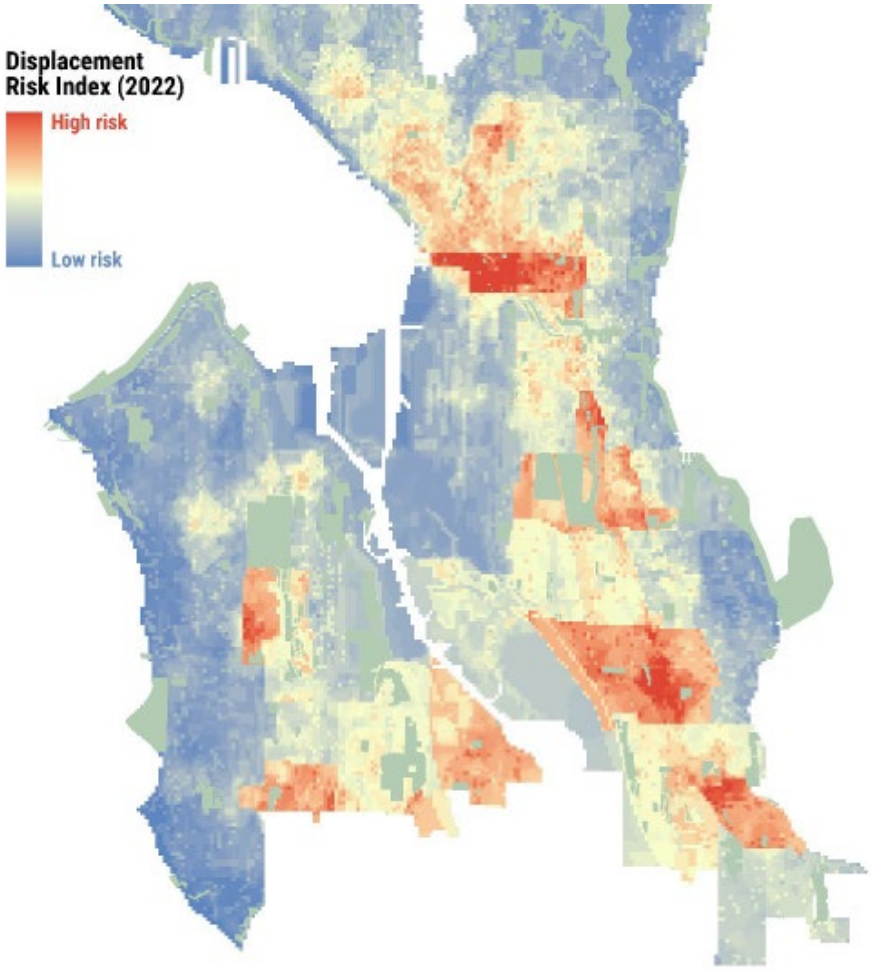
Relationship to Plans and Policies

The proposal is consistent and compatible with the Comprehensive Plan. Relevant housing policies in the Comprehensive Plan call for increased market rate housing supply and increased production of units with two or more bedrooms. Those policies are:

H 2.1 Expand capacity for housing development broadly to encourage market production that meets short- and long-term housing needs, reduces upward pressure on costs caused by scarcity, accommodates current and projected future growth, and accounts for past underproduction of housing.

H 2.5 Use a range of tools to support efforts to reach the goal that at least 25 percent of Seattle's new housing units include two bedrooms or more, including private, public, and non-profit built housing.

The proposal would support implementing those policies, on a limited basis, during the current trough in the real estate development cycle.



This image is a heat map showing displacement risk in areas of south and central Seattle.

Source: Housing Appendix to the Comprehensive Plan, Excerpted map from Figure A-148.

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

Most area where MHA-R applies are located within planning geographies that are well-served by transit, such as Regional Centers, Urban Centers, and Neighborhood Centers. Similarly, these multifamily zoned areas are well served by urban services, such as water and sewer services, that can accommodate incremental increases in demand, if any, from multifamily residential uses. The ability to serve future development is reviewed as a part of land use and development permitting. If localized transportation and utility improvements to serve new development are identified during

reviews by departments such as Seattle Public Utilities, they are required accordingly. **7. Identify, if possible, whether the proposal may conflict with local, state, or federal laws or requirements for the protection of the environment.** There are no known conflicts with this non-project proposal and any local, state or federal laws or requirements for the protection of the environment.	

Screen Reader Users: Make sure settings include reading (1) strikethrough and underline font attributes, and (2) superscripts and subscripts.

The City of Seattle

Ordinance _____

Council Bill _____

..title
An ordinance relating to land use and zoning; allowing certain applicants to elect to use, as an alternative to standard mandatory housing affordability payment calculation amounts under Chapter 23.58C of the Seattle Municipal Code, a discounted payment calculation amount conditioned on meeting a foundation inspection deadline; amending Sections 22.900G.015, 23.58C.030, 23.58C.035, 23.58C.040, 23.58C.050, and 23.76.006 of the Seattle Municipal Code; and adding a new Section 23.58C.060 to the Seattle Municipal Code.

..body
Recitals:

In August 2016, the City Council adopted Ordinance 125108, establishing Seattle Municipal Code (SMC) Chapter 23.58C, which provides a mandatory housing affordability (MHA) framework for residential development.

MHA requirements of SMC Chapter 23.58C were implemented in 2017 and 2019 concurrent with City Council approval of extensive legislative upzones of Seattle's multifamily areas.

As authorized by RCW 36.70A.540, SMC Chapter 23.58C establishes a minimum amount of affordable housing to be provided by residential developers in areas

DRAFT

where increased residential development capacity has been provided or, at the option of the developer, a payment amount in lieu of performance. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. Section 22.900G.015 of the Seattle Municipal Code, last amended by Ordinance 126855, is amended as follows:

22.900G.015 Fees for review by the Office of Housing

((~~At application for a Master Use Permit, or for the first building permit that includes the structural frame for the structure if no Master Use Permit is required, where the application includes~~))

A. For projects that include a proposal to provide restricted units or make a financial contribution for restricted units required by Section 23.34.004, Section 23.49.014, Section 23.54.015, Chapter 23.58A, Chapter 23.58B, Chapter 23.58C, or Section 23.75.085, the applicant shall pay a housing review fee in the amount of $550 to the Office of Housing at application for the first building permit that includes the structural frame for the structure.

B. If an applicant requests amendment of a recorded agreement to provide restricted units required by Section 23.34.004, Section 23.49.014, Section 23.54.015, Chapter 23.58A, Chapter 23.58B, Chapter 23.58C, or Section 23.75.085, the applicant shall pay a housing review fee in the amount of $750 to the Office of Housing, plus an amount equal to the King County recording fee or delivery fees if required.

Section 2. Section 23.58C.030 of the Seattle Municipal Code, last amended by Ordinance 126855, is amended as follows:

23.58C.030 Permit documentation

A. General

((~~1. For any development to which this Chapter 23.58C applies, the Master Use Permit application and the first building permit application that includes the structural frame for the structure shall include the following:~~

~~a. If the applicant elects the payment option, the amount of the required cash contribution according to subsection 23.58C.040.A;~~

~~b. If the applicant elects the performance option, the number of MHA-R units required to be provided according to subsection 23.58C.050.A, the amount of any cash contribution according to subsection 23.58C.050.A.3.b, and a proposal for MHA-R units that meet the requirements of subsection 23.58C.050.C; and~~

~~c. If the applicant seeks relief according to Sections 23.48.231 or 23.49.039 or seeks a modification according to subsection 23.58C.035.B or subsection 23.58C.035.C, the earliest application according to this subsection 23.58C.030.A.1 shall include requests for such relief or modifications including all supporting materials required for a decision on the requests.~~

~~2.~~)) 1. The Director shall, as a Type I decision and in consultation with the Director of Housing, determine:

a. If the applicant elects to comply with this Chapter 23.58C through the payment option according to Section 23.58C.040 or, if applicable, Section 23.58C.060, the amount of the cash contribution;

b. If the applicant elects to comply with this Chapter 23.58C through the performance option according to Section 23.58C.050, the number of MHA-R units that shall meet the requirements of subsection 23.58C.050.C, the amount of any cash

contribution according to subsection 23.58C.050.A.3.b, and the compliance of the proposal for MHA-R units that satisfy requirements of subsection 23.58C.050.C; and

c. Any modification according to subsection 23.58C.035.B.

((~~3.~~)) 2. The Director shall, as a special exception according to Chapter 23.76, ((~~Procedures for Master Use Permits and Council Land Use Decisions,~~)) in consultation with the Director of Housing, determine any modification according to subsection 23.58C.035.C.

((~~4. The final plans that include the structural frame for the structure shall demonstrate compliance with the requirements of Section 23.58C.040 or Section 23.58C.050 and state the ongoing requirements of Section 23.58C.050.~~

~~5. If the applicant elects to comply with this Chapter 23.58C through the performance option according to Section 23.58C.050, the~~)) 3. The requirements of Section 23.58C.050 and Section 23.58C.060, as applicable, shall be considered terms of the first building permit that includes the structural frame for the structure.

((~~6.~~)) 4. Unit substitution according to subsection 23.58C.050.C.6.f and conversion of rental housing to ownership housing according to subsection 23.58C.050.C.6.i shall require a separate review and approval by the Director in consultation with the Director of Housing.

((~~7.~~)) 5. The applicant for a project subject to this Chapter 23.58C shall pay housing review fees according to Section 22.900G.015.

B. ((~~Issuance of Master Use Permit. Prior to the issuance of a Type II Master Use Permit, the applicant shall provide the following:~~

~~1. If the applicant elects the payment option, the amount of the required cash contribution according to subsection 23.58C.040.A; or~~

~~2. If the applicant elects the performance option, the number of MHA-R units required to be provided according to subsection 23.58C.050.A, the amount of any cash contribution according to subsection 23.58C.050.A.3.b, a proposal for MHA-R units that meet the requirements of subsection 23.58C.050.C, and a draft agreement according to subsection 23.58C.050.E.~~

~~C.~~)) Issuance of building permit. Prior to issuance of the first building permit that includes the structural frame for the structure, the applicant shall provide the following:

1. If the applicant elects to comply with this Chapter 23.58C through the payment option according to Section 23.58C.040 or, if applicable, Section 23.58C.060:

a. Final plans that include the structural frame for the structure showing the calculation of the amount of the required cash contribution according to subsection 23.58C.040.A ((~~and~~)) or, if applicable, subsection 23.58C.060.B and, if subsection 23.58C.060.B is applicable, stating the requirements of subsections 23.58C.060.C.2, 23.58C.060.C.3, and 23.58C.060.C.4; provided that the Director is authorized to implement an alternative process for documenting requirements of subsections 23.58C.060.C.2, 23.58C.060.C.3, and 23.58C.060.C.4 in connection with the approved plans and building permit;

b. If subsection 23.58C.060.B is applicable, the executed and recorded agreement required according to subsection 23.58C.060.C.6; and

c. Documentation from the Director of Housing of receipt of payment of the required cash contribution according to subsection 23.58C.040.A or, if applicable, subsection 23.58C.060.B; or

2. If the applicant elects to comply with this Chapter 23.58C through the performance option according to Section 23.58C.050:

a. Final plans that include the structural frame for the structure that:

1) Include the calculation of the number of MHA-R units required to be provided according to subsection 23.58C.050.A;

2) Demonstrate compliance with the requirements of Section 23.58C.050 and state the ongoing requirements of Section 23.58C.050; and

3) Include the calculation of the amount of any cash contribution according to subsection 23.58C.050.A.3.b;

b. Documentation from the Director of Housing of receipt of payment of any cash contribution according to subsection 23.58C.050.A.3.b; and

c. The executed and recorded agreement required according to subsection 23.58C.050.E.

3. The applicant may not change its election between performance and payment ((~~prior to~~)) after issuance of the first building permit that includes the structural frame for the structure((~~, provided that an~~)) . A post-issuance building permit revision shall not change the election between performance and payment. An applicant changing its election prior to issuance of the first building permit that includes the structural frame for the structure shall obtain any necessary approvals affected by the change in election, except that a project that was exempted from design review based

on the applicant's compliance with Chapter 23.58C through the performance option does not require design review approval if the applicant's election changes from performance to payment. Review and approval of a change in election between performance and payment is a Type I decision, unless the requested change affects a modification according to subsection 23.58C.035.C.

Section 3. Section 23.58C.035 of the Seattle Municipal Code, last amended by Ordinance 127099, is amended as follows:

23.58C.035 Modification of payment and performance amounts

A. General

1. An applicant may request a modification, according to this Section 23.58C.035, of the amount of payment required according to subsection 23.58C.040.A or, if applicable, subsection 23.58C.060.B or the amount of performance required according to subsection 23.58C.050.A.

2. An applicant requesting a modification according to subsection 23.58C.035.B.2 shall have requested any available relief according to Sections 23.48.231 or 23.49.039, and the Director will evaluate relief according to Sections 23.48.231 or 23.49.039 before evaluating a modification according to subsection 23.58C.035.B.2. An applicant requesting a modification according to subsection 23.58C.035.C shall have requested any available relief according to Sections 23.48.231 or 23.49.039 and any available modification according to subsection 23.58C.035.B, and the Director will evaluate relief according to Sections 23.48.231 or 23.49.039 and a modification according to subsection 23.58C.035.B before evaluating a modification according to subsection 23.58C.035.C.

3. The decision on any modification according to subsection 23.58C.035.B or subsection 23.58C.035.C shall specify a per-square-foot payment amount for the development and/or a percentage of units in each structure that shall meet the requirements of subsection 23.58C.050.C, as applicable, that can be applied to the final plans for the development or, in the case of a modification according to subsection 23.58C.035.C, an absolute payment amount for the development or number of units in each structure that shall meet the requirements according to subsection 23.58C.050.C along with a limitation on the degree of change in the final plans that is permissible without a redetermination of the modification.

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C. Modification based on severe economic impact

1. The purpose of this subsection 23.58C.035.C is to allow the Director to modify the amount of payment required according to subsection 23.58C.040.A or, if applicable, subsection 23.58C.060.B or the amount of performance required according to subsection 23.58C.050.A if the applicant can demonstrate facts supporting a determination of severe economic impact at such a level that a property owner's constitutional rights may be at risk.

2. For purposes of this subsection 23.58C.035.C, the Director is not making a determination of the constitutional rights of a property owner, but instead is reviewing the credibility and strength of facts demonstrating severe economic impact.

3. The Director may, as a special exception according to Chapter 23.76, waive or reduce the amount of payment required according to subsection 23.58C.040.A or, if applicable, subsection 23.58C.060.B or the number of units required to meet the

requirements according to subsection 23.58C.050.C if the applicant shows that application of the requirements of this Chapter 23.58C would:

a. Create severe economic impact by depriving a property owner of all economically beneficial use of the property; or

b. Create severe economic impact, not reaching deprivation of all economically beneficial use, but reaching the level of an undue burden that should not be borne by the property owner.

4. In determining whether there is a severe economic impact reaching the level of an undue burden that should not be borne by the property owner, the Director may weigh the following nonexclusive factors:

a. The severity of the economic impact caused by the application of the requirements of this Chapter 23.58C;

b. The degree to which the requirements of this Chapter 23.58C were or could have been anticipated;

c. The extent to which alternative uses of the property or configurations of the proposed development would alleviate the need for the requested waiver or reduction;

d. The extent to which any economic impact was due to decisions by the applicant and/or property owner; and

e. Other factors relevant to whether the burden should be borne by the property owner.

5. The waiver or reduction may be approved only to the extent necessary to grant relief from the severe economic impact.

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6. A request to the Director for a modification according to this subsection 23.58C.035.C shall include, at a minimum, all of the following:

a. A description of the requested waiver or reduction, including the proposed payment or performance amount;

b. Documentation showing that any relief available according to Sections 23.48.231 and 23.49.039 or subsection 23.58C.035.B would not eliminate the need for the requested waiver or reduction;

c. The identity of the property owner and the date of the owner's acquisition of the property;

d. Documentation showing the use of the property at the time of the request or, if the property is vacant at that time, the use of the property prior to commencement of vacancy;

e. Documentation explaining and supporting the claim of economic impact; and

f. Documentation showing that a different development configuration that satisfied the requirements of this Chapter 23.58C would not alleviate the need for the requested waiver or reduction.

7. The applicant shall provide any additional information as may be required by the Director to make a determination on the request. The applicant shall have the burden of proving by a preponderance of the evidence that a waiver or reduction authorized according to this subsection 23.58C.035.C is justified.

8. None of the following, standing alone and without consideration of the full range of relevant factors including those according to subsection 23.58C.035.C.4,

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shall be a sufficient basis for the Director to grant a waiver or reduction authorized according to this subsection 23.58C.035.C:

a. The fact of a decrease in property value;

b. The fact that a property owner is unable to utilize the full amount of any increase in residential development capacity enacted in connection with implementation of this Chapter 23.58C in the zone in which the property is located; or

c. The fact that any such increase in residential development capacity, combined with the requirements of this Chapter 23.58C, did not leave the property owner in a better financial position than would have been the case with no increase in residential development capacity and no application of the requirements of this Chapter 23.58C.

9. In any appeal to the Hearing Examiner, the parties will have an additional opportunity to make a record on the factual issues consistent with due process.

Section 4. Section 23.58C.040 of the Seattle Municipal Code, last amended by Ordinance 127376, is amended as follows:

23.58C.040 Affordable housing – Payment option

A. Payment amount

1. ((~~An~~)) Except as authorized according to Section 23.58C.060, an applicant complying with this Chapter 23.58C through the payment option shall provide a cash contribution to the City, calculated by multiplying the payment calculation amount per square foot according to Table A or Table B for 23.58C.040 and Map A for 23.58C.050, as applicable, by the total gross floor area in the development, excluding

the floor area of parking located in stories, or portions of stories, that are underground, excluding the floor area contained in any accessory dwelling units, and excluding any floor area devoted to a domestic violence shelter, as follows:

a. In the case of construction of a new structure, the gross floor area in residential use and the gross floor area of live-work units;

b. In the case of construction of an addition to an existing structure that results in an increase in the total number of units within the structure, the gross floor area in residential use and the gross floor area of live-work units in the addition;

c. In the case of alterations within an existing structure that result in an increase in the total number of units within the structure, the gross floor area calculated by dividing the total gross floor area in residential use and gross floor area of live-work units by the total number of units in the proposed development, and multiplying that quotient by the net increase in units in the development;

d. In the case of change of use that results in an increase in the total number of units, the gross floor area that changed to residential use or live-work units; or

e. Any combination of the above.

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Section 5. Section 23.58C.050 of the Seattle Municipal Code, last amended by Ordinance 127375, is amended as follows:

23.58C.050 Affordable housing – Performance option

* * *

C. Performance requirements. MHA-R units provided to comply with this Chapter 23.58C through the performance option shall meet the following requirements:

1. Distribution. MHA-R units shall be generally distributed throughout each structure in the development containing units.

2. Comparability. MHA-R units shall be comparable to the other units to be developed in terms of the following:

a. Status as a dwelling unit, live-work unit, or congregate residence sleeping room;

b. Number and size of bedrooms and bathrooms;

c. Net unit area measured according to subsection 23.86.007.B;

d. Access to amenity areas;

e. Functionality; and

f. Term of the lease.

3. Eligible households. MHA-R units shall serve only:

a. At initial occupancy by a household:

1) For a rental MHA-R unit with net unit area of 400 square feet or less, households with incomes no greater than 40 percent of median income;

2) For a rental MHA-R unit with net unit area of greater than 400 square feet, households with incomes no greater than 60 percent of median income;

3) For an ownership MHA-R unit, households with incomes no greater than 80 percent of median income, and that meet a reasonable limit on

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assets. The Director of Housing shall establish by rule the method to establish a reasonable limit on assets.

b. At the time of annual certification according to subsection 23.58C.050.C.6.c:

1) For a rental MHA-R unit with net unit area of 400 square feet or less, households with incomes no greater than 60 percent of median income;

2) For a rental MHA-R unit with net unit area of greater than 400 square feet, households with incomes no greater than 80 percent of median income.

4. Affirmative marketing. MHA-R units shall be affirmatively marketed to attract eligible households from all racial, ethnic, and gender groups in the housing market area of the property, particularly to inform and solicit applications from households who are otherwise unlikely to apply for housing in the development. Proposed marketing efforts shall be submitted to the Office of Housing for review and approval. Records documenting affirmative marketing efforts shall be maintained and submitted to the Office of Housing upon request.

5. Affordable housing; no other restrictions. MHA-R units and restricted units provided for any other reason, including a property tax exemption or loans and grants, must be different units.

6. Additional requirements for rental MHA-R units provided through the performance option

a. Rent levels. Monthly rent for MHA-R units shall not exceed 30 percent of 60 percent of median income or, in the case of rental units with net unit area

of 400 square feet or less, 30 percent of 40 percent of median income. For purposes of this subsection 23.58C.050.C.6.a, "monthly rent" includes a utility allowance for heat, gas, electricity, water, sewer, and refuse collection, to the extent such items are not paid for tenants by the owner, and any recurring fees that are required as a condition of tenancy.

b. Limitation on charges. Fees charged to eligible households upon move-in or transfer within the development shall be limited to a reasonable level to be established by the Director of Housing by rule. No tenant of a rental MHA-R unit may be charged fees for income verifications or reporting requirements related to this Chapter 23.58C.

c. Annual certification, third party verification

1) The owner of the structure that includes the MHA-R units shall obtain from each tenant, no less than annually, a certification of household size and annual income in a form acceptable to the City. The owner shall examine the income of each tenant household in accordance with 24 CFR 5.609, with guidance from the HUD Occupancy Handbook 4350.3, Chapter 5. The owner also shall examine the income and household size of any tenant at any time when there is evidence that the tenant's written statement was not complete or accurate. If so requested by the City, the owner shall obtain such certifications and/or examine incomes and household sizes at any other times upon reasonable advance notice from the City. The owner shall maintain all certifications and documentation obtained according to this subsection 23.58C.050.C.6.c.1 on file for at least six years after they are obtained, and shall make them available to the City for inspection and copying promptly upon request.

2) The owner of the structure that includes MHA-R units shall attempt to obtain third party verification whenever possible to substantiate income at each certification, which shall include contacting the individual income source(s) supplied by the household. The verification documents shall be supplied directly to the independent source by the owner and returned directly to the owner from the independent source. In the event that the independent source does not respond to the owner's faxed, mailed, or emailed request for information, the owner may pursue oral third party verification. If written or oral third party documentation is not available, the owner may accept original documents (pay stubs, W-2, etc.) at the discretion of the Director of Housing and shall document why third party verification was not available. At the discretion of the Director of Housing, the owner may accept tenant self-certifications after the initial income verification and first annual recertification.

d. Reporting. Periodically as may be required by the Director of Housing, but no less than annually, the owner of the structure that includes the MHA-R units shall submit to the Office of Housing a written report demonstrating compliance with and housing outcomes of this Chapter 23.58C. The report shall include required information and supporting documentation, verified upon the owner's oath or affirmation and in a form prescribed by the Office of Housing. The Director of Housing is authorized to assess a late fee of $50 per day, which shall accrue until the report is submitted, starting 14 days from the date of the Office of Housing's notice that the report is overdue.

e. Annual fee. The owner of the units shall pay the Office of Housing an annual fee of $190 per MHA-R unit for the purpose of monitoring

compliance with the requirements of this Section 23.58C.050. The fee shall automatically adjust annually on March 1, starting in 2024, by an amount in proportion to the increase, if any, for January 1 through December 31 of the prior calendar year, in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bellevue, WA, All Items (1982-1984=100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics or successor index.

f. Over-income households; unit substitution. If, based on any certification, a previously eligible household occupying a rental unit provided through the performance option is determined to be ineligible due to exceeding the income limits according to subsection 23.58C.050.C.3.b, the owner of the development to which this Chapter 23.58C applies shall, through the process according to subsection ((~~23.58C.030.A.6~~)) 23.58C.030.A.4, designate a comparable substitute rental unit within the development, as approved by the Director of Housing, as soon as such a unit becomes available, and upon such designation the requirements of this subsection 23.58C.050.C shall transfer to the substitute unit. Upon such determination that a previously eligible household is ineligible, the owner shall promptly give the ineligible household notice of such determination and notice that the requirements of this subsection 23.58C.050.C will transfer to a substitute unit when such unit becomes available. Upon the transfer of the requirements, the owner shall give the ineligible household six months' notice prior to any rent increase.

g. Maintenance, insurance. MHA-R units, and the structure in which they are located, shall be maintained by the owner in decent and habitable condition, including the provision of adequate basic appliances. The owner shall keep such units,

and the structure in which they are located, insured by an insurance company licensed to do business in the state of Washington and reasonably acceptable to the City, against loss by fire and other hazards included with broad form coverage, in the amount of 100 percent of the replacement value.

h. Casualty

1) If a rental unit provided through the performance option is destroyed or rendered unfit for occupancy by casualty that does not affect all of the other units in the development to which this Chapter 23.58C applies, the owner of the development shall, through the process according to subsection ((~~23.58C.030.A.6~~)) 23.58C.030.A.4, designate a comparable substitute rental unit within the development, as approved by the Director of Housing, as soon as such a unit becomes available, which the tenant household of the unit affected by casualty shall be allowed to move into, and upon such designation the requirements of this subsection 23.58C.050.C shall transfer to the substitute unit.

2) If all of the units in the development to which this Chapter 23.58C applies are substantially destroyed by casualty, including by earthquake or fire, the requirements of this subsection 23.58C.050.C shall terminate.

i. Conversion of housing from rental to ownership. If all of the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B in a structure are converted to ownership housing, including through a conversion to condominiums, prior to 75 years from the date of certificate of occupancy or, if a certificate of occupancy is not required, from the date of the final building permit

inspection, for the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B:

1) The owner of the development shall, at the time of such conversion, either pay to the City a payment in lieu of continuing affordability or convert the rental MHA-R units to ownership MHA-R units, as follows:

a) Where a payment in lieu of continuing affordability is made, the amount of the payment shall be equal to the amount of the cash contribution according to subsection 23.58C.040.A that would have been required based on the payment amount in effect on the vesting date for the Master Use Permit under Section 23.76.026 or, if no Master Use Permit is required, on the filing date for the valid and fully complete permit application adjusted by an amount in proportion to the increase, if any, in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bellevue, WA, Shelter (1982-1984=100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index, from the most recent month for which data are available on or before the vesting date for the Master Use Permit under Section ((~~23.76.126~~)) 23.76.026 or, if a Master Use Permit is not required, the filing date for the valid and fully complete permit application, to the most recent month for which data are available at the time of payment, multiplied by the percentage in Table C for 23.58C.050 that corresponds to the number of years that the rental MHA-R units satisfied the requirements of this subsection 23.58C.050.C. The City shall use the payment to support long-term housing affordability in The City of Seattle consistent with applicable statutory requirements.

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Table C for 23.58C.050

Payment in lieu of affordability calculation percentages for conversion to ownership housing

Number of years rental MHA-R units satisfied the requirements of subsection 23.58C.050.C	Percentage
Less than 7.5	100%
Between 7.5 and 15	95%
Between 15 and 22.5	90%
Between 22.5 and 30	85%
Between 30 and 37.5	80%
Between 37.5 and 45	75%
Between 45 and 52.5	65%
Between 52.5 and 60	55%
Between 60 and 67.5	40%
Between 67.5 and 75	20%

b) Where rental MHA-R units are converted to ownership MHA-R units, the converted units shall meet the requirements of subsections 23.58C.050.C.1 through 23.58C.050.C.5 and subsection 23.58C.050.C.7.

2) If the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B are in multiple structures, conversion to ownership housing of such units in an individual structure shall not be a basis for reducing the number of rental MHA-R units in the other structures.

3) If a rental unit provided through the performance option is converted to a condominium, the owner shall comply with the requirements of Section 22.903.030 and Section 22.903.035, the requirement of RCW 64.34.440(2) to offer to

convey the unit to the tenant who leases the unit, and any other applicable requirements.

j. Demolition or change of use

1) If the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B are in a single structure and the structure is demolished, or its use is changed, prior to 75 years from the date of certificate of occupancy or, if a certificate of occupancy is not required, from the date of the final building permit inspection, for the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B, so as to eliminate all of the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B in that structure, the owner of the development shall pay to the City a payment in lieu of continuing affordability for each rental unit provided through the performance option that is eliminated, as follows:

a) The payment shall be based on the difference between the monthly restricted rent according to subsection 23.58C.050.C.6.a for each rental unit provided through the performance option that is eliminated and the average monthly rent of a comparable unit according to subsection 23.58C.050.C.2 that is not subject to rent and income restrictions and is located in the same payment and performance area as shown on Map A for 23.58C.050, multiplied by the typical number of months between demolition of multifamily housing on a property and completion of redevelopment of a property in the zone in which the eliminated rental unit is located, not to exceed 30 months. The Director shall by rule establish an appropriate methodology and inputs for determining the payment amount in particular zones.

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b) The City shall use the payment to support long-term housing affordability in The City of Seattle, including but not limited to providing rental assistance to the tenants of rental MHA-R units that were eliminated.

2) If the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B are in multiple structures and an individual structure is demolished, or its use is changed, prior to 75 years from the date of certificate of occupancy or, if a certificate of occupancy is not required, from the date of the final building permit inspection, for the development to which this Chapter 23.58C applies according to subsection 23.58C.025.B, so as to eliminate all of the units to whose development this Chapter 23.58C applies according to subsection 23.58C.025.B in the individual structure, the owner of the development shall:

a) Except as provided according to subsection 23.58C.050.C.6.j.2.b, pay to the City a payment in lieu of continuing affordability according to subsection 23.58C.050.C.6.j.1.a for each rental unit provided through the performance option that is eliminated; or

b) If a rental unit that is eliminated resulted from the combination of fractions of units according to subsection 23.58C.050.A.4, designate, subject to review by the Director in consultation with the Director of Housing, a comparable substitute rental unit within the other structures to replace each such unit that is eliminated or, if such designation is not possible, pay to the City a payment in lieu of continuing affordability according to subsection 23.58C.050.C.6.j.1.a.

c) Demolition or change of use of an individual structure shall not be a basis for reducing the number of rental MHA-R units in the other

structures and any comparable substitute rental units shall be in addition to any existing rental MHA-R units in the other structures.

7. Additional requirements for ownership MHA-R units provided through the performance option

a. Affordable sale price; down payment. The initial sales price for an ownership unit provided through the performance option shall be an amount according to which total ongoing housing costs do not exceed 35 percent of 65 percent of median income, in order to allow for equity growth for individual homeowners while maintaining affordability for income-eligible buyers. The Director of Housing shall establish by rule the method for calculating the initial sales price including standard assumptions for determining upfront housing costs, including the down payment, and ongoing housing costs, which shall include mortgage principal and interest payments, homeowner's insurance payments, homeowner or condominium association dues and assessments, and real estate taxes and other charges included in county tax billings. The Director of Housing may establish a maximum down payment amount for eligible households at initial sale of an ownership unit. The applicant for a development to which this Chapter 23.58C applies shall be responsible for any costs incurred in the initial sale of an ownership unit necessary to ensure compliance with this Chapter 23.58C, including but not limited to marketing to eligible households, income verification, buyer education, and verification of buyer financing.

b. Affordable resale price. For an ownership unit provided through the performance option, the sale price for sales subsequent to the initial sale shall be calculated to allow modest growth in homeowner equity while maintaining long-term

affordability for income-eligible buyers. All buyers of an ownership unit subsequent to the initial sale shall be households with incomes no greater than 80 percent of median income at initial occupancy. The Director of Housing shall by rule:

1) Establish the method for calculating the resale price and may establish a maximum down payment amount for eligible households at resale,

2) Establish specific requirements for documents ensuring affordability requirements are met at resale, and

3) Provide for recovery of reasonable administrative costs.

c. Other restrictions. An eligible household purchasing an ownership unit provided through the performance option, either at initial sale or resale, shall:

1) Occupy the unit as its principal residence for the duration of its ownership and shall not lease the unit, unless the Director of Housing approves a limited short-term exception, and

2) Comply with all other rules established by the Director of Housing as necessary to maintain the long-term viability of the MHA-R unit. Such rules may include, but are not limited to, refinancing approvals and debt limits; limits on credit for capital improvements at the time of resale; requirements for basic maintenance, inspections, and compliance procedures; minimum insurance requirements; obligations to provide information regarding compliance when and as requested; and fees to cover the full costs of calculating the maximum sales price at resale, marketing to eligible households, and screening and selecting eligible households to purchase the unit at resale.

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d. Annual fee. The owner of the ownership unit shall pay the Office of Housing an annual fee, payable in 12 equal payments, for the purpose of monitoring compliance with the requirements of this Section 23.58C.050. The initial fee shall be established by the Director of Housing by rule. The annual fee shall automatically adjust annually on March 1, starting in 2024, by an amount in proportion to the increase, if any, for January 1 through December 31 of the prior calendar year, in the Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bellevue, WA, All Items (1982-1984=100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics or successor index.

e. Ongoing stewardship. Either before or after the initial sale, the Director of Housing is authorized to designate an agency or organization with sufficient capacity, as approved by the Director of Housing, to perform ongoing stewardship and management functions for ownership MHA-R units, including but not limited to the following:

1) Calculating maximum sale prices;

2) Marketing sales to eligible households;

3) Screening, educating, and selecting eligible households;

4) Approving buyer financing; and

5) Managing successive resales to eligible households.

f. Periodically as may be required by the Director of Housing, but no less than annually, the applicant or third-party stewardship entity, as applicable, shall submit to the Office of Housing a written report demonstrating compliance with and housing outcomes of this Section 23.58C.050. The report shall include required

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information and supporting documentation, verified upon the owner's oath or affirmation and in a form prescribed by the Office of Housing. The Director of Housing is authorized to assess a late fee of $50 per day, which shall accrue until the report is submitted, starting 14 days from the date of the Office of Housing's notice that the report is overdue.

8. Additional requirements for MHA-R units provided through the performance option on a site other than the same lot as the development required to comply with this Chapter 23.58C

a. Equal or better - comparability of units. The applicant shall demonstrate to the satisfaction of the Director of Housing that MHA-R units on a site other than the same lot as the development required to comply with this Chapter 23.58C are equal to or better than MHA-R units on the same lot.

b. Location. MHA-R units on a site other than the same lot as the development required to comply with this Chapter 23.58C shall be located in a Lowrise or RSL zone. In addition, units shall be located:

1) Within the same regional center or urban center as the development required to comply with this Chapter 23.58C; or

2) Within 1 mile of the development required to comply with this Chapter 23.58C if such development is located outside of a regional center or urban center.

c. Tenure. MHA-R units on a site other than the same lot as the development required to comply with this Chapter 23.58C shall be ownership units and

shall comply with all additional requirements for ownership units according to subsection 23.58C.050.C.7.

d. Public subsidy. If any public subsidy is used for a development, and the public subsidy operates through subjecting units in the development to restrictions on the income levels of occupants and the rents or sale prices that may be charged, the development shall not be eligible to provide units through the performance option according to this subsection 23.58C.050.C.8.

e. Developer's agreement. If the owner of the development required to comply with this Chapter 23.58C is not the owner of the MHA-R units, then in addition to the agreement required according to subsection 23.58C.050.E, the owner of the development required to comply with this Chapter 23.58C and the owner of the MHA-R units shall execute a developer's agreement, acceptable to the Director of Housing, allowing the exclusive use of the MHA-R units to satisfy the requirements of this Chapter 23.58C in return for necessary and adequate financial support to the development of those MHA-R units.

f. Letter of credit

1) If the MHA-R units are located on a site other than the same lot as the development required to comply with this Chapter 23.58C, the owner of the development required to comply with this Chapter 23.58C shall provide to the Director of Housing an irrevocable bank letter of credit, approved by the Director of Housing, in the amount according to subsection 23.58C.040.A.

2) The Director of Housing may draw on the letter of credit one year after the date of issuance of the certificate of occupancy, or, if a certificate of

occupancy is not required, the final building permit inspection, for the development required to comply with this Chapter 23.58C if the certificate of occupancy or final building permit inspection for the MHA-R units has not been issued on or before that date. The owner of the development required to comply with this Chapter 23.58C shall also pay an amount equal to the interest on the cash contribution, at the rate equal to the prime rate quoted by Bank of America, or its successor, plus three percent per annum, from the date of issuance of the first building permit that includes the structural frame for the development required to comply with this Chapter 23.58C.

3) If and when the City becomes entitled to draw on any letter of credit, the Director of Housing may take appropriate steps to do so, and the amounts realized, net of any costs to the City, shall be used in the same manner as cash contributions according to subsection 23.58C.040.B.

D. Enforcement. The requirements of this Section 23.58C.050 shall be terms of the building permit according to subsection ((~~23.58C.030.A.5~~)) 23.58C.030.A.3. In addition to any other remedies available to the City, the City is authorized to enforce such permit terms using the procedures of Chapter 23.90.

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Section 6. A new Section 23.58C.060 is added to the Seattle Municipal Code as follows:

23.58C.060 Affordable housing – Alternative provisions for payment calculation amounts for certain projects

A. Eligibility. In accordance with subsection 23.76.026.F, applicants for projects may elect to calculate the project's cash contribution under the payment option using

the payment calculation amount per square foot according to subsection 23.58C.060.B if:

1. An application vested according to Section 23.76.026 prior to the effective date of this ordinance, and the first building permit that includes the structural frame for the structure was not issued prior to the effective date of this ordinance; or

2. Subsection 23.58C.060.A.1 does not apply, at least 25 percent of the dwelling units in the project have two or more bedrooms, and a valid and fully complete building permit application, as determined under Section 106 of the Seattle Building Code or Section R105 of the Seattle Residential Code, is filed after the effective date of this ordinance and before January 1, 2028, provided that no portion of the project is located in the International Special Review District, Central District Urban Center, Central District South Urban Center, Mount Baker Urban Center, North Beacon Hill Urban Center, Columbia City Urban Center, Graham Urban Center, Othello Urban Center, or Rainier Beach Urban Center, unless the application is for development of a site for which a deed has not transferred title since January 1, 2006.

B. Payment amount. If an applicant elects to calculate the project's cash contribution according to this subsection 23.58C.060.B, the payment calculation amount per square foot shall be:

1. Twenty percent of the payment calculation amount according to Table A or Table B for 23.58C.040 in effect on the date the application vested according to Section 23.76.026 for projects that are eligible for a payment calculation under subsection 23.58C.060.A.1; or

2. Forty percent of the payment calculation amount according to Table A or Table B for 23.58C.040 in effect on the date the application vested according to Section 23.76.026 for projects that are eligible for a payment calculation under subsection 23.58C.060A.2.

C. Foundation inspection deadline; enforcement

1. If an applicant elects, according to subsection 23.58C.060.A, to calculate the project's cash contribution using the payment calculation amount per square foot according to subsection 23.58C.060.B, the requirements of this subsection 23.58C.060.C shall apply.

2. Foundation inspection deadline. Substantial progress toward construction of the project's foundation shall be documented according to subsection 23.58C.060.C.3 prior to the date that is:

a. Two years after the effective date of this ordinance if the applicant elected to use the payment calculation amount under subsection 23.58C.060.B according to subsection 23.58C.060.A.1;

b. Three years after the effective date of the filing date for a valid and fully complete building permit application, as determined under Section 106 of the Seattle Building Code or Section R105 of the Seattle Residential Code, if the applicant elected to use the payment calculation amount under subsection 23.58C.060.B according to subsection 23.58C.060.A.2; or

b. A later date approved by the Director if substantial progress toward construction of the project's foundation is not possible due to extreme weather,

acts of nature, terrorism, unforeseeable discoveries during excavation, or other factors that are beyond the control of the owner.

3. Substantial progress toward construction of the foundation for the project shall be documented by a pass or partial pass of the first foundation inspection that includes approval of one or more of the following elements:

a. Installation of footing forms;

b. Installation of underslab utilities and vapor barrier; or

c. Excavation and shoring to the depth of the lowest floor for a multi-level subterranean parking structure.

4. If a project does not meet the deadline according to subsection 23.58C.060.C.2, the property owner or permittee shall, within 60 days after notice given by the Department that the deadline was missed, pay to the City the difference between (a) the cash contribution that was paid to the City as a condition to building permit issuance and (b) a cash contribution calculated using the full payment calculation amount per square foot according to Table A or Table B for 23.58C.040 in effect on the date the application vested according to Section 23.76.026 or in effect on the deadline according to subsection 23.58C.060.C.2, whichever is less. For purposes of this subsection 23.58C.060.C, this difference is referred to as the contribution differential. The notice given by the Department under this subsection 23.58C.060.C.4 shall specify the amount of the contribution differential and the date on which payment of the contribution differential is due. It shall be a violation of Chapter 23.58C for the property owner or permittee to fail to pay the contribution differential to the City by the due date stated in the Department notice. For purposes of this subsection 23.58C.060.C, the

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party who holds control of the issued building permit for the development is referred to as the permittee.

5. The requirements of subsections 23.58C.060.C.2, 23.58C.060.C.3, and 23.58C.060.C.4 shall be terms of the first building permit that includes the structural frame for the structure.

6. The City and the property owner shall enter into an agreement specifying the requirements of subsections 23.58C.060.C.2, 23.58C.060.C.3, and 23.58C.060.C.4. The agreement shall be executed and recorded on the title of the property on which that development is located prior to issuance of the first building permit that includes the structural frame for the structure.

7. In addition to any other remedies available to the City, the City is authorized to enforce the requirement of subsection 23.58C.060.C.4 using the procedures of Chapter 23.90.

8. In addition to any other remedies available to the City, if a project does not meet the deadline according to subsection 23.58C.060.C.2 and the contribution differential has not been paid to the City, the City is authorized to withhold issuance of any certificate of occupancy for the project, or to withhold final building permit inspection for the project, until the contribution differential has been paid to the City.

* * *

Section 7. Section 23.76.006 of the Seattle Municipal Code, last amended by Ordinance 127228, is amended as follows:

23.76.006 Master Use Permits required

A. Type I, II, and III decisions are components of Master Use Permits. Master Use Permits are required for all projects requiring one or more of these decisions.

B. The following decisions are Type I:

1. Determination that a proposal complies with development standards;

2. Establishment or change of use for uses permitted outright, uses allowed under Section 23.42.038, temporary relocation of police and fire stations for 24 months or less, transitional encampment interim use, temporary uses for four weeks or less not otherwise permitted in the zone, renewals of temporary uses for up to six months, and temporary uses for light rail transit facility construction as provided in subsection 23.42.040.F;

3. The following street use approvals:

a. Curb cut for access to parking, whether associated with a development proposal or not;

b. Concept approval of street improvements associated with a development proposal, such as additional on-street parking, street landscaping, curbs and gutters, street drainage, sidewalks, and paving;

c. Structural building overhangs associated with a development proposal;

d. Areaways associated with a development proposal;

4. Lot boundary adjustments;

5. Modification of the following features bonused under Title 24:

a. Plazas;

b. Shopping plazas;

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c. Arcades;

d. Shopping arcades; and

e. Voluntary building setbacks;

6. Determinations of significance (determination that an EIS is required) for Master Use Permits and for building, demolition, grading, and other construction permits (supplemental procedures for environmental review are established in Chapter 25.05), except for determinations of significance based solely on historic and cultural preservation;

7. Discretionary exceptions for certain business signs authorized by subsection 23.55.042.D;

8. Waiver or modification of required right-of-way improvements;

9. Reasonable accommodation;

10. Minor amendment to Major Phased Development Permit;

11. Streamlined design review decisions pursuant to Section 23.41.018 if no development standard departures are requested pursuant to Section 23.41.012, and design review decisions in an MPC zone if no development standard departures are requested pursuant to Section 23.41.012;

12. Shoreline special use approvals that are not part of a shoreline substantial development permit;

13. Determination that a project is consistent with a planned action ordinance, except as provided in subsection 23.76.006.C;

14. Decision to approve, condition, or deny, based on SEPA policies, a permit for a project determined to be consistent with a planned action ordinance;

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15. Determination of requirements according to subsections 23.58B.025.A.3.a, 23.58B.025.A.3.b, 23.58B.025.A.3.c, ((~~23.58C.030.A.2.a, 23.58C.030.A.2.b, and 23.58C.030.A.2.c~~)) 23.58C.030.A.1.a, 23.58C.030.A.1.b, and 23.58C.030.A.1.c;

16. Determination that a light rail transit facility is consistent with the provisions of subsection 23.80.004.C;

17. Decision to increase the maximum height of a structure in the DOC2 500/300-550 zone according to subsection 23.49.008.F;

18. Decision to increase the maximum FAR of a structure in the DOC2 500/300-550 zone according to subsection 23.49.011.A.2.n;

19. Minor revisions to an issued and unexpired Master Use Permit that was subject to design review, pursuant to subsection 23.41.008.G;

20. Building height departures for minor communication facilities in downtown zones, pursuant to Section 23.57.013;

21. Application of tree provisions pursuant to Chapter 25.11;

22. Director's acceptance of an eligibility letter for proposals subject to temporary design review exemption provisions subject to the additional requirement to file a valid and complete Type I or II Master Use Permit application in subsection 23.41.004.E.3;

23. Director's application of development standards for decisions on Type I or II Master Use Permit applications subject to temporary design review exemption provisions in subsection 23.41.004.E.3;

24. Waiver or modification of development standards for development proposals subject to temporary design review exemption provisions in subsection 23.41.004.E.3;

25. Interim street activation uses pursuant to Section 23.42.041; and

26. Other Type I decisions.

C. The following are Type II decisions:

1. The following procedural environmental decisions for Master Use Permits and for building, demolition, grading, and other construction permits are subject to appeal to the Hearing Examiner and are not subject to further appeal to the Council (supplemental procedures for environmental review are established in Chapter 25.05):

a. Determination of Non-significance (DNS), including mitigated DNS;

b. Determination that a final EIS is adequate; and

c. Determination of significance based solely on historic and cultural preservation.

2. The following decisions are subject to appeal to the Hearing Examiner (except shoreline decisions and related environmental determinations that are appealable to the Shorelines Hearings Board):

a. Establishment or change of use for temporary uses more than four weeks not otherwise permitted in the zone or not meeting development standards, except the establishment of temporary use for light rail transit facility construction, and temporary relocation of police and fire stations for 24 months or less;

b. Short subdivisions;

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c. Variances, provided that the decision on variances sought as part of a Council land use decision shall be made by the Council pursuant to Section 23.76.036;

d. Special exceptions, provided that the decision on special exceptions sought as part of a Council land use decision shall be made by the Council pursuant to Section 23.76.036;

e. Design review decisions, except for streamlined design review decisions pursuant to Section 23.41.018 if no development standard departures are requested pursuant to Section 23.41.012, and minor revisions to an issued and unexpired Master Use Permit that was subject to design review, building height increases for minor communication utilities in downtown zones, and design review decisions in an MPC zone pursuant to Section 23.41.020 if no development standard departures are requested pursuant to Section 23.41.012;

f. Administrative conditional uses, provided that the decision on administrative conditional uses sought as part of a Council land use decision shall be made by the Council pursuant to Section 23.76.036;

g. The following shoreline decisions, provided that these decisions shall be made by the Council pursuant to Section 23.76.036 when they are sought as part of a Council land use decision (supplemental procedures for shoreline decisions are established in Chapter 23.60A):

1) Shoreline substantial development permits;

2) Shoreline variances; and

3) Shoreline conditional uses;

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h. Major Phased Developments;

i. Determination of project consistency with a planned action ordinance, only if the project requires another Type II decision;

j. Reserved;

k. Downtown planned community developments;

l. Establishment of temporary uses for transitional encampments, except transitional encampment interim uses provided for in subsection 23.76.006.B.2;

m. Decision to waive or modify development standards relating to structure width or setbacks for a youth service center pursuant to subsection 23.51A.004.B.6;

n. Determination of requirements according to subsections 23.58B.025.A.4 and ((~~23.58C.030.A.3~~)) 23.58C.030.A.2;

o. Except for projects determined to be consistent with a planned action ordinance, and except for decisions related to light rail transit facilities as described in subsection 23.76.006.B, decisions to approve, condition, or deny based on SEPA policies if such decisions are integrated with the decisions listed in subsections 23.76.006.C.2.a through 23.76.006.C.2.m; provided that, for decisions listed in subsections 23.76.006.C.2.c, 23.76.006.C.2.d, 23.76.006.C.2.f, and 23.76.006.C.2.g that are made by the Council, integrated decisions to approve, condition, or deny based on SEPA policies are made by the Council pursuant to Section 23.76.036;

p. Determination of public benefit for combined lot development; and

q. Major revisions to an issued and unexpired Master Use Permit that was subject to design review, pursuant to subsection 23.41.008.G.

Section 9. The Office of Housing and Department of Construction and Inspections is requested to report to the City Council the following information by June 30 of the years 2027 through 2030:

A. For projects with mandatory housing affordability (MHA) payments calculated according to Seattle Municipal Code Section 23.58C.060:

1. The number and status of projects;

2. Depending on available data, general profile of units;

3. MHA payment received from each project; and

4. Amount of MHA payment reduction for each project.

B. Progress toward MHA's ten-year 6,000-unit affordable housing production goal referenced in subsection 2.A.2.b of Ordinance 125108.

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This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council and signed in open session in authentication of its passage on _____.

_____

President _____ of the City Council

_____ on _____.

_____

Katie B. Wilson, Mayor

Attested on _____.

_____

Scheereen Dedman, City Clerk

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