

CITY OF SEATTLE

**ANALYSIS AND DECISION OF THE DIRECTOR
OF THE DEPARTMENT OF PLANNING AND DEVELOPMENT**

**SEPA Threshold Determination
for
Small Lot Development Standards in DMR zones**

Project Sponsor: City of Seattle

Location of Proposal: The implementing amendments to the Land Use Code pertain to DMR/C 145/75, DMR/R 145/65, DMR/C 280/125, and DMR/R 280/65 zones in the Downtown Urban Center.

SUMMARY OF PROPOSED ACTION

The City of Seattle is proposing legislation to allow alternative development standards in Downtown Mixed Residential (DMR) zones in Belltown. The proposal is intended to facilitate the use of modular construction techniques on relatively small lots in the zone. Proposals for development with all three of these characteristics would be allowed to comply with an alternate set of development standards:

- The site is located in a DMR/C 145/75, DMR/R 145/65, DMR/C 280/125, or DMR/R 280/65 zone.
- The site is less than 14,500 square feet in size.
- At least 75% of gross floor area is in residential use.

The alternate standards pertain to building width and depth limits, upper level setbacks on designated green streets, and maximum building coverage limits. The alternate standards are summarized on the following page and described in full in the proposal summary published with the SEPA checklist.

The following approval is required pursuant to SEPA - Environmental Determination - Chapter 25.05, Seattle Municipal Code.

SEPA DETERMINATION: Exempt **DNS** MDNS EIS

 DNS with conditions

 DNS involving non-exempt grading, or demolition,
or involving another agency with jurisdiction.

ALTERNATIVE DEVELOPMENT STANDARDS PROPOSED

Green Street Setbacks

Development on green streets in DMR zones is required to be setback 10 feet from the green street property line between 65 and 85 feet in height, plus an additional foot of setback for each 5 feet above 85 feet. The proposed alternative is to require no setback for the first 25 feet of height and a setback of 10 feet for the remainder of the building. This alternative would only be allowed on the north side of a green street without view corridor requirements.

Building Width and Depth

Currently, lots less than 19,000 square feet in size in DMR zones have a maximum width and depth limit of 90 feet on avenues and 120 feet on east/west streets for portions of a structure above 65 feet in height. The proposal would increase the maximum width and depth limit to 100 feet on avenues and 120 feet on east/west streets for portions of a structure above 45 feet in height.

Coverage Limits

Currently, on lots less than 19,000 square feet in DMR zones, the first 65 feet in height have no coverage limit, floors between 65 feet and 85 feet have a maximum coverage limit of 75%, and floors above 85 feet have a coverage limit of 65%.

The proposal would allow the following alternative.

For lots 8,000 square feet or less, development would have to meet one of the following:

- The first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 80%; or
- The first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 85%, but the development could not exceed 135 feet¹.

For lots 14,500 square feet or less but greater than 8,000 square feet, the first 45 feet would have no coverage limit and all floors above 45 feet would have a maximum coverage limit of 75%.

Affordability Requirement

The proposal could also include a requirement that at least 4% of residential units are affordable to households with incomes 60% of AMI or below for a minimum period of 75 years. Affordable housing provided to meet the requirements of Mandatory Housing Affordability (MHA) or Multi-Family Tax Exemption (MFTE) may count toward meeting this requirement.

• ¹ excluding rooftop features and any additional height granted by the Living Building Pilot program.

PROPOSAL BACKGROUND

The proposed action includes information that describes the intent underlying the proposal, which is summarized here. Currently, lot coverage and setback requirements in the DMR zones require building forms with floor plates that gradually decrease in size at various heights. These standards make development challenging on small sites because they result in complicated construction, varying floor layouts and small upper-story floor plates. The proposal emphasizes that the standards make development particularly difficult on small sized lots.

The proposal asserts that advancements in modular and panelized construction are making small lot development more feasible. However, modular and panelized construction techniques require more consistent floor plates. The goal of this proposal is to implement zoning standards that facilitate the use of modular and panelized construction as a way to spur production of market-rate and rent-restricted housing development on small lots in the DMR zones.

This is a non-project proposal. The legislation would modify development standards in Title 23 of the Seattle Municipal Code. No direct impact is anticipated as no specific development proposal or construction project is known at this time. Indirect impacts associated with future development proposals that could occur under the proposed development standards are the subject of the SEPA checklist and this decision.

ELEMENTS OF THE ENVIRONMENT

BUILT ENVIRONMENT

Relationship to Plans and Policies

The area is within the Downtown Urban Center. Urban Centers are planned to accommodate the greatest amount of housing and job growth over the time horizon of the City's comprehensive plan as discussed in the Growth Strategy element at pages 22-23 etc. The proposal's effect of facilitating housing construction on infill sites in the Downtown Urban Center is consistent with the plan's policies for urban centers. During preparation of this DNS, a review of policies in the comprehensive plan was performed and no direct conflicts with policies were encountered. Several policies in the comprehensive plan would be specifically and directly supported by implementation of the proposal including:

“Policy GS 1.5 Encourage infill development on underused sites, particularly in urban centers and villages.”

“GS 1.2 Encourage investments and activities in urban centers and urban villages that will enable those areas to flourish as compact mixed-use neighborhoods designed to accommodate the majority of the city's new jobs and housing.”

“**H 2.1** Allow and promote innovative and nontraditional housing design and construction types to accommodate residential growth.”

In addition policies in the Neighborhood Plans element of the Comprehensive Plan are relevant, pertain specifically to Belltown, and are supportive of the proposal, including:

“**B-G1** A neighborhood where growth provides a varied housing stock and a wide range of affordability.”

No adverse impacts related to existing plans or policies would result from the proposal.

Land Uses and Development Patterns

The proposal does not modify the allowed uses in the affected area. There would be no direct impact on the Land Use Code’s allowed uses, and no new impacts in the form of use incompatibility. According to the SEPA checklist, the alternative standards could indirectly encourage residential or mixed-use development (ground floor retail development with residential uses above) rather than other uses such as commercial offices, compared to what would otherwise occur on redevelopment sites in the zones. A scan of the existing uses in the affected area at the time of this decision shows that the predominant existing development pattern in the area is already characterized by residential and mixed-use development. Buildings completed in the last decade show a high percentage of new developments that are residential with retail at the ground floor. No discernable change in development pattern from the existing context is expected, and therefore no impact to land use and development pattern is expected.

Height/Bulk/Scale, Aesthetics, Shadows and Views

The SEPA checklist notes that there will be an incremental impact due to changes to the massing of future development under the proposal compared to development that might otherwise occur. Potential changes in massing are shown in the Belltown Small Lot Development Modeling Examples document attached to the checklist. The study illustrates a series of massing diagrams comparing development on a set of sites under existing standards compared to development using the alternative standards on the same site. By comparing the images on the left of the page to the images on the right of the page, an informed assessment of the degree of impact is possible.

The SEPA checklist also includes a map of potential redevelopment sites that are more likely to be affected by the proposal. While the exact pattern and timing of future development depends on many factors and isn’t known, the map provides an indication of specific lots within the zones that are more likely to potentially redevelop in coming years, and those that are small enough to be affected by the proposal.

The proposal could potentially affect the massing of future buildings fronting onto green streets. However, the alternative standards for green street setbacks are only available on the north side of green street. Designated green streets in the affected area are: Eagle St., Clay St., Cedar St., Vine St., Bell St. and Blanchard St. A review of the redevelopment sites map and designated green streets shows a total of five potentially redevelopable lots that are small enough to be affected on

the north side of green streets. These are along Cedar Street (2), and Vine Street (3). Potential redevelopment on these lots could result in smaller upper level setbacks between approximately the seventh story of the building up to approximately the fourteenth story of the building. The effect could be a sense of enclosure of views experienced by occupants of buildings in nearby blocks surrounding these sites, and a degree of increased shading of the green street right of ways during limited times of the day and the year. The degree of difference in the massing can be seen by comparing the left and right images in the SEPA checklist models.

The proposal does not alter the City's existing view corridor protections under SEPA (SMC 25.05.675.P). At the time of a proposed development project, a development may be conditioned to ensure protection of the identified publicly protected view corridors. View corridor protections, and the design review process, would continue to allow for conditioning of developments to protect public views with or without this proposal.

Alternative standards for maximum building width and depth and maximum building coverage would also cause an impact due to changes in allowed building massing. Existing regulations require tiers of slightly decreasing building mass at the 65' level and 85' level at the upper stories of buildings, through both the maximum width and depth standard, and the maximum building coverage standard. Under the proposed alternative standard a total lot coverage amount would kick in at lower height limits: 25' for lots smaller than 8,000 sq. ft. and, and 45' for lots between 8,000 sq. ft. and 14,500 sq. ft.. Above this point, building massing could be uniform (not stepped) for the stories above. The differences in resulting massing compared to existing requirements are seen in the provided diagrams. The impact would be experienced in the form of a small amount of increased shading on adjacent buildings or sites during limited times of the day and year. There would also be an aesthetic difference, characterized by less varied or 'stepped' architectural forms experienced by viewers from nearby streets or surrounding buildings.

As a part of this determination, a review of existing context consisting of in-person walk throughs and review of google street view images was conducted to visualize how the hypothetical impact described above and depicted in diagrams, would land in an on-the-ground existing condition.

There are potential impacts from this proposal in the form of incrementally increased shading at limited times of day and year, and incremental enclosure of some views. However, these impacts would not be significant. The impacts would be directly experienced at a small number of locations and angles given the minor degree of difference in the massing and the limited number of potentially affected sites. Obstruction of unprotected views and increases in shading due to construction or other change in the urban environment is an expected aspect of an urban environment and is not a significant adverse impact. The aesthetic effects of different architectural massing is a matter of subjective preference to some degree, and is also not considered to be a significant adverse impact in this case.

Noise, Light/Glare

Allowed uses are not expected to change as discussed above. The SEPA checklist identifies that an increased amount of buildings in the area could cause a cumulative impact on the amount of artificial illumination in the area. This would cause only a minor impact. Differences in building

massing allowed under the proposed alternative standards compared to what would otherwise occur, would result in light/glare impacts that are small enough to be diminimus. No more than a minor impact with respect to noise, light/glare from the proposal is expected.

Housing

The proposal is intended to make it easier to construct housing using modular technologies on small lots in the DMR zones. The checklist identifies that adverse impacts on existing housing could occur if the proposal results in increased demolition of existing buildings with housing to construct new market-rate buildings with housing. The proposal would also slightly increase the likelihood that affected lots would be redeveloped with housing (as opposed to other uses), thereby increasing the potential for greater production of housing compared to no action. Increases in housing overall have a net benefit on the affordability and availability of housing in the market as a whole.

Potential demolition of housing due to the proposal would not be a significant amount. The proposal is not likely to markedly increase the rate of redevelopment as many of the same lots would be likely to redevelop with or without the proposal. Lots shaded pink on the map attached to the checklist are identified as “potentially redevelopable” under existing zoning. Many of the lots shaded pink do not contain housing to begin with.

Programs in place or a part of the proposal would mitigate potential impacts to housing. As noted in the checklist the City has an adopted Mandatory Housing Affordability (MHA) program that requires a contribution to affordable housing from new development. MHA would mitigate potential impact from the demolition of unsubsidized relatively low-cost housing. The proposal also contains the option of an additional housing requirement that 4% of the on-site units would be reserved as affordable to households earning 60% of AMI for 75 years. If this option were integrated in the proposal it would provide even stronger mitigation.

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, wetlands, floodplains, or prime farmlands.

At page 14, the Checklist describes how the proposal could potentially affect environmentally sensitive areas or other areas designated or eligible for government protection. The proposal would not change the types of construction allowable or allowed uses. None of the existing Federal, State or City regulations protecting sensitive areas or areas eligible for protection would be modified. No additional impact on environmentally sensitive areas, or areas eligible for government protection would result from this proposal.

Historic Preservation and Cultural Resources

The checklist identifies structures of historic significance including historic landmarks at page 11. The proposal does not alter the City’s existing policies or regulations for preservation of historic landmarks. As stated at page 14 of the checklist, existing historic landmarks would not be more likely to redevelop because of this proposal. Potential landmarks that have not yet been designated would be reviewed for landmark designation at the time of a project proposal through project level SEPA review. There is currently no historic district in Belltown, however the area is known to

contain a relatively high concentration of historic-aged structures. Redevelopment allowed under the proposal would be a similar scale and configuration to redevelopment allowed under existing regulations (see checklist diagrams) - so as not to cause markedly different scale relationships between new buildings and historic structures, as compared with what would result from existing regulations. No significant adverse impact to historic preservation or cultural resources would result.

Transportation, Parking

The checklist provides an upper limit estimate of the amount of additional housing that could result from the proposal compared to no action. The checklist references transportation analysis conducted as part of the 2035 Comprehensive Plan Update and the implementation of MHA. Both analyses review potential future growth amounts and provide technical metrics for how the City's roadway network and non-motorized infrastructure will perform under future growth scenarios. The amount of additional growth that could result from this proposal would not change the results of these technical analyses by a discernable amount with regard to traffic congestion in the Downtown Urban Center,

The proposal could have minor localized impacts on on-street parking. It could increase competition for on-street parking spaces to the extent it increases the size of new buildings, encourages redevelopment, or encourages development on small lots where it is more difficult to accommodate underground parking. In the context of the City's transportation policies, which generally support a broad range of transportation choices, localized parking impacts that could result from this proposal are not considered to be a significant adverse environmental impact.

Public Services, Utilities

The checklist describes potential affects on public services and utilities at page 17. The City's existing regulations requiring improvements to utilities at the time of development would not be altered by this proposal. Required utility work associated with potential future development projects under the proposal would sufficiently address any localized needs for utility improvement. The total amount of incremental growth that could occur because of this proposal is a very small amount. The range of potential impacts on emergency services, compared to those estimated as part of recent studies, would not be discernably altered. No more than a minor impact on emergency services or utilities would result.

Parks and Open Space

This proposal would cause an impact on the City's parks and open space system. As noted in the checklist at page 17, the existing inventory of open spaces in the Downtown Urban Center falls short of meeting certain aspirational goals for per capita amounts and distribution in the Comprehensive Plan. The amount of additional housing growth compared to no action, could have a small, incremental effect, placing additional demand on the use of downtown parks and open spaces. This could be experienced as greater crowding in parks, or incrementally longer wait times to use park services or facilities. Potentially affected parks and open spaces within the vicinity include Bell Street Park, Seattle Center, Denny Park, and open spaces associated with Waterfront Seattle. Due to the very small amount of the incremental demand for park usage, and the undefined timing and degree of additional demand on parks associated with the proposal, the overall impact on parks and open space is determined not to be significant.

NATURAL ENVIRONMENT

Plants & Animals, Air Quality, Earth, Water (Drainage & Water Quality), Environmental Health

This is a non-project action and no specific development is known. The proposal would not alter any Federal, State or City environmental protections. Existing regulations including the City's stormwater code, shoreline master program, and other regulations would address impacts to plants, animals, air quality, earth and water at the time of future development. At page 13, the checklist describes potential indirect impacts to plants, animals, fish and marine life. The magnitude of the potential impacts stemming from this proposal is very small, and determined not be significant.

Energy and Natural Resources

This is a non-project action and no specific development is known. The proposal would not alter any Federal, State or City energy standards or natural resource protections. Existing regulations including the City's building code and energy code, and other regulations would address energy impacts or impacts to natural resources at the time of future development. At page 14, the checklist describes potential indirect impacts related to depletion of energy and natural resources. The magnitude of the potential impacts stemming from this proposal are very small, and determined not be significant.

DECISION

Based on a review of the SEPA environmental checklist including its attachments, and the analysis of impact described above the following threshold determination is rendered:

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

Signature: [On file] _____ Date: 2/12/2020 _____
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