PLANNING COMMISSION AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: DEPARTMENT:	Raising SEPA Thresholds on E Review Planning & Community Develo	xempt Levels for Environmental
PRESENTED BY: Jeffrey Forry, Permit Services Manager		
Rachael Markle, AICP, Director		
☐ Public Hearii ☐ Discussion	ng 🔀 Study Session 🗌 Update	☐ Recommendation Only ☐ Other

INTRODUCTION

The state legislature has amended the environmental statutes. In the period since the legislature's adoption of the amendments the City has been operating under interim thresholds established by the state. The legislature set the interim thresholds at the highest exempt levels currently allowed in the regulations. The exempt levels included proposals up to 20 dwelling units and commercial buildings up to 12,000 square feet. The City has operated under these levels during the interim period and review of development proposals indicated that the rules and regulations in effect provide appropriate levels of mitigation of the anticipated impacts. When the period for the interim thresholds expired the state established new thresholds. The new thresholds must be formally adopted to employ them.

In 2012 the Council adopted a series of goals that provide direction to departments and assistance in developing their respective work plans. Included in Council goal number one is a desire to implement the Community Vision by updating key development regulations and to make the permit process clear, timely and predictable through appropriate planning tools. In of support this goal and to implement the new environmental review thresholds staff is proposing:

- 1. Raising the thresholds on the exempt levels for environmental review under SEPA as follows:
 - 4 detached dwelling units to 30 detached dwelling units
 - 4 multifamily dwelling units to 60 multifamily dwelling units
 - Commercial buildings 4,000 sq ft and 20 parking stalls to 30,000 sq ft and 90 parking stalls
 - Standalone parking lots for 20 parking spaces to 90 parking spaces
 - Landfill or excavation 500 cubic yards to 1,000 cubic yards
- 2. Consider elimination of automatic environmental review for activities in and around critical areas.

Approved By:

Project Manager

Planning Director ______

BACKGROUND

One "planning tool" relied upon by staff and the public is SEPA and the City's adopted environmental review procedures. At first glance the above changes may appear as a loss of regulatory tools to protect the environment. The purpose of this staff report is to demonstrate how through years of improving our local regulations we have met or surpassed the tools availed through SEPA.

Due to changes in the Revised Code of Washington (RCW), Washington Administrative Code (WAC), and the Municipal Code, the environmental procedures are due for review and update. An adjustment to categorical exemptions will assist in providing for a clear, timely and predictable permit process. "Categorical exemptions" are actions identified in state law which do not significantly affect the environment and therefore do not required review under SEPA.

The Washington State Environmental Policy Act (SEPA) was adopted in 1971. The act established thresholds for when environmental review is required for different actions. SEPA (RCW 43.21(C) (the law) granted DOE the authority to write regulations (WAC 197-11) (the rules).

Among other things, the law and the rules required all state and local governments within the state to:

- "Utilize a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decision making which may have an impact on man's environment;" and
- Ensure that "...environmental amenities and values will be given appropriate consideration in decision making along with economic and technical considerations..." [RCW 43.21C.030.(2)(a) and (2)(b)]

SEPA provides a framework to condition or deny a proposal when mitigations are not provided for in policies adopted by the City and incorporated into adopted regulations, plans, or codes.

The environmental review process in SEPA is designed to work with other regulations to provide a comprehensive review of a proposal. Most regulations focus on particular aspects of a proposal, while SEPA requires the identification and evaluation of probable significant impacts for all elements of the environment. Combining the review processes of SEPA and other laws reduces duplication and delay by combining study needs, comment periods and public notices, and allowing agencies, applicants, and the public to consider all aspects of a proposal at the same time. A proposal can be either project proposals (new construction, fill and grade, etc.) or non project proposals (Comprehensive plans, Zoning, Development regulations, etc.).

SEPA and subsequently enacted rules were intended to provide a way to evaluate the environmental impacts of projects in communities that had minimal development

regulations prior to 1971. Information obtained during the SEPA process can be used to change a proposal to reduce likely impacts or condition or deny a proposal when adverse environmental impacts are identified. Both the law and the rules identify exempt activity (thresholds). Since the City of Shoreline's incorporation in 1995, it has employed the lowest thresholds allowed by the Act.

No substantive reforms to SEPA have been enacted by the legislature in the past 41 years. Effective July 10, 2012, the Washington State Legislature passed Senate Bill (SB) 6406 which mandated that the Department of Ecology (DOE) update SEPA rules (WAC197-11). The bill and subsequent rule making intend to streamline the regulatory process and achieve program efficiencies while maintaining current levels of natural resource protection; increase SEPA thresholds; and integrate the SEPA process with provisions of the Growth Management Act (GMA).DOE began rule "making "on October 24, 2012 and completed the first phase of the process on December 28, 2012. The new rules took effect on January 31, 2013.

The purpose of the revised rule is to create higher levels of flexibility for Cities, counties, and agencies to exempt minor new construction projects.

SB 6406 automatically raised SEPA thresholds for a variety of development scenarios for an interim period of time that concluded with the adoption of the new rules. The exemption thresholds for environmental review were placed at the highest categorical exemption levels available to local government. Planning Commission was informed of the legislation and interim thresholds on July 19, 2012.

On September 17, 2012 Council was briefed on the pending legislation. For Council to consider staff recommendations the Planning Commission must first evaluate them and hold a public hearing and form its own recommendation for Council consideration. Adoption of the new rules is optional.

This action will support City Council Goal #1 to strengthen Shoreline's economic base by streamlining development regulations and making the permit process predictable, timely and competitive.

FINDINGS

The City Council adopted the City's initial Comprehensive Plan in 1998 and significant updates in 2005 and 2012. To implement the Comprehensive Plan the City has enacted appropriate zoning.

The City Council also adopted the Shoreline Development Code in 2000 which included the minimum SEPA categorical exemptions listed in WAC 197-11-800 (1).

After the Comprehensive Plan, zoning and Development Code were adopted, the City enacted additional environmental standards and regulation: for stormwater; shorelines; tree retention, protection and replacement; motorized and nonmotorized transportation, sewer and water concurrency; updated the critical areas regulations based on the best available science for (wetlands, streams, wildlife habitat areas, geologic hazard areas, flood hazard areas and aquifer recharge areas); and design and transition area standards in commercial zones.

Development applications are reviewed for compliance with the environmental regulations, and also for consistency with the Shoreline Municipal Code, including Title 13 (Stormwater Manual), Chapter 20.30 Subchapter 7 (Subdivisions), and other applicable standards all of which have been determined to be consistent with the Comprehensive Plan goals and policies. Nonproject environmental analysis was performed on the Comprehensive Plan and implementing development standards. Increases in the SEPA categorical exemption thresholds are supported by local conditions, in view of the fact that compliance with adopted and updated regulations and standards will provide adequate mitigation for the environmental impacts of projects up to the maximum exemptions allowed by WAC 197-11-800(1)(d).

Increasing the SEPA exemption threshold levels in accordance with WAC 197-11-800(1) will increase certainty for applicants and the public while maintaining environmental standards.

Staff has evaluated the goals of GMA as set forth in RCW 36.70A.020 and determined that the proposed amendments reflect the appropriate balancing of the public interests served by the planning goals of the GMA. WAC 197-11 (SEPA Rules) permits local agencies to raise the exempt levels up to the maximum levels provided for in the rules. Amendments to local ordinances implementing SEPA are procedural. Accordingly they are not considered official controls as defined in RCW 36.70. Amending local rules/procedures is not a GMA action. Non GMA actions do not necessitate 60 day notice to Department of Commerce and the action is SEPA exempt pursuant WAC 197-11-800(19).

The following process must be met in order to raise the exempt levels.

- Document that the requirements for environmental analysis, protection and mitigation for impacts to elements of the environment (listed in WAC 197-11-444) have been adequately addressed for the development exempted (See Attachment A). The requirements may be addressed in specific adopted development regulations, and applicable state and federal regulations.
- Before adopting the ordinance or resolution containing the proposed new exemption levels, the local government shall provide a minimum of twenty-one day notice to affected tribes, agencies with expertise, affected jurisdictions, DOE, and the public and provide an opportunity for comment.

PROPOSAL & ANALYSIS

The proposal includes amendments to section 20.30.560 SMC to raise the exempt levels for minor new construction and eliminate the automatic environmental review requirement for activities in critical areas and their buffers as depicted in the table below and **Attachment C**.

	Existing and Proposed Thresholds for Minor No Construction		for Minor New
Project Type	Existing City Exemptions	State Interim Exempt Levels	Proposed Rule Based (WAC) Exemptions
Single family	4 dwelling units	20 dwelling units	30 dwelling units
Multifamily	4 dwelling units	20 dwelling units	60 dwelling units
Office, school, commercial, recreational, service, storage building, parking facilities	4,000 square feet and 20 parking spaces	12,000 square feet and 40 parking spaces	30,000 square feet and 90 parking spaces
Landfill or excavation	500 cubic yards	500 cubic yards	1,000 cubic yards

Both amendments are supported by the City's newly adopted Comprehensive Plan Goals and Policies, the associated environmental analysis, and Council goal #1.

The City of Shoreline SEPA procedures are located in Title 20 of Shoreline's Municipal Code (SMC). The City's original SEPA regulations were adopted in 1995. In order to comply with SEPA rules in WAC 197-11 and model SEPA ordinance in WAC 173-806 the City adopted Ordinance No. 238 in 2000. The environmental ordinance in use today is essentially the same ordinance that was adopted 18 years ago having under gone only two minor amendments. As with SEPA, no comprehensive evaluation of the local procedures has been performed as development regulations have been refined to incorporate environmental protections and integrate the planning policies mandated by the GMA **Attachment A** identifies the elements of the environment and the respective local state and federal regulations that provide mitigations for the impacts from minor new construction.

GMA cities and counties considering adjustments to their critical areas categorical exemptions should consider whether the exemption would apply to a project proposed within a critical area. It is generally recommended that a new exemption not apply in critical areas <u>unless</u> the city or county has updated its critical areas policies and regulations to include best available science under RCW 36.70A.172.

The City's critical area regulations were originally adopted under Ordinance 238 and subsequently amended by Ordinance 324 and 398. The City's critical areas regulations include best available science. The City also employs qualified professionals as necessary in reaching its decisions on development in or adjacent to critical areas. The regulations also allow the City to impose mitigations based on the recommendations of the qualified professional. The City has not needed to use its substantive authority under SEPA to mitigate impacts to critical areas. There is no net loss of environmental evaluation caused by eliminating automatic environmental review requirement. The

Comprehensive Plan policies were enhanced in the 2011 update to further protect the natural environment.

The rule-based categorical exemptions for SEPA review in WAC 197-11-800 should be employed in the City in light of the increased environmental protections in place in chapters RCW 36.70A (GMA and 90.58 (SMA)). This is supported by the level of environmental protections and mitigations incorporated into the City's development regulations.

The majority of projects reviewed by the City result in a "Determination of Non-significance". This is because the City is fully planning under GMA and is no longer a jurisdiction with minimal development regulations that need the support of SEPA. In fact, the City is viewed by many in the region as a place to study progressive and complete environmental regulations.

Adoption of higher thresholds will affect the type and number of projects that require additional environmental review.

Number of projects that were subject to review 2004 – 2012 = 103

Project Type	Count (Number per year)	Projects still subject to SEPA per year
Miscellaneous structures	13	13
Multifamily (over 4 dwelling units)	17 (2)	3
Nonresidential (over 4,000 sq ft)	21 (3)	3
Site development	41 (5)	4
Single family	11 (1)	0
Total	103(11)	23

While number and types of proposals subject to SEPA will decrease the majority of larger proposals processed by the City will still be subject to a public process. Only the projects whose impacts are not anticipated in the adopted regulations and plans will still require public notice under SEPA (See **Attachment B** for activities that currently require public notice regardless of their exempt status under SEPA).

The City has taken preliminary steps in relying on development regulations in lieu of project level SEPA review through the use of planned actions. Planned actions are evaluated using the EIS process. The Town Center and North City planned actions were designed to to absorb the majority of new commercial and mixed use development. As planned actions, the environmental analysis was performed through supplemental environmental impact statements (SEIS). This process evaluated the impacts of future commercial, mixed use, and multifamily development. Subsequent environmental analysis for in these districts is not required for proposals that are consistent with the planned action approval.

Similarly the environmental analysis the City has undertaken in conjunction with the Comprehensive Plan, the implementing regulations, and Development Code anticipate

the impacts of new development. The environmental review of the commercial standards and the newly adopted Comprehensive Plan also evaluated impacts of development at the proposed new thresholds and enhanced mitigations were incorporated into the plan and regulations such as transportation, densities, building design transitions, provisions for pedestrian infrastructure, and utilities.

It is not possible to meet the goals or requirements of GMA or to make informed planning decisions without giving appropriate consideration to environmental factors. The GMA nonproject actions such as the adoption of policies, plans, and regulations form the basis for subsequent "on the ground" project decisions that directly affect our environment.

Environmental review that the City has performed at planning stage allowed the City to analyze impacts and determine mitigation system-wide, rather than project by project. This allows cumulative impacts to be identified and addressed, and provides a more consistent framework for the review, conditioning, or denial of future projects. Adopted regulations effectively integrate the goals and requirements of SEPA and GMA and contribute to environmental protection, and fiscal efficiency. Benefits include:

- A decrease in the time and cost associated with obtaining permit approvals for appropriate projects in suitable locations resulting from early decisions on land use, services, and mitigation.
- To the extent that plans and implementing regulations are more comprehensive, detailed, and consistently relied upon, environmental review for individual project proposals can be reduced. Environmental review at the project phase entails:
 - 1) Determining the project's consistency with the Comprehensive Plan, development regulations, and other local, state, and federal laws; and
 - 2) Using SEPA to address the gaps that may remain, by focusing on any project-specific environmental impacts not addressed under other regulations.

TIMING AND SCHEDULE

Summary of noticing, project review and adoption (next steps)

- Public hearing tentatively scheduled for March 21, 2013;
- Council Study Session April 8, 2013;
- Council considers adoption April 29, 2013; and
- Notice of the study session was provided on the website February 7, 2013.

RECOMMENDATION

Staff recommends that the Planning Commission recommend approval to the City Council on the proposal.

ATTACHMENTS

The attachments include a copy of the original and proposed amending language shown in legislative format. Legislative format uses strikethroughs for proposed text deletions and <u>underlines</u> for proposed text additions.

Attachment A - Element and Regulation Matrix

Attachment B - Actions with Public Process

Attachment C - Proposed Amendment

ELEMENT AND REGULATION MATRIX

Summary of environmental protections in codes/rules (Substantive Authority) compared to a <u>complete list</u> of topics addressed by environmental review pursuant to the SEPA:

SEPA Authority by Element of the Environment	How Addressed by Other Codes/Rules*
(20.50. SMC)	
Earth	 Chapter13.10 (Surface Water), Chapter 20.80 (Critical Areas Code), Best Management Practices, and general development standards in chapter 20.50 (General Development Standards)together with restrictions on impervious surfaces, hardscape, tree protection and site coverage by buildings provide protection to steep slope areas and control erosion. Chapter 15.05 (Construction and Building Codes), provide mitigation of impacts to slopes
Air Quality	Codes) provide mitigation of impacts to slopes Three agencies have air quality jurisdiction in the City: the United States Environmental Protection Agency (EPA), the Washington State Department of Ecology (Ecology), and the Puget Sound Clean Air Agency (PSCAA). Although their regulations are similar in stringency, each agency has established its own standard. Unless the state or local agency has adopted a more stringent standard, the EPA standards apply. Development is subject to applicable federal (EPA), regional (PSCAA), and State (DOE) air quality regulations. Washington DOE air quality regulations applicable to the City are found at Chapter 173-400 WAC. Particularly relevant air quality regulations.
	Construction and demolition activity must comply with Puget Sound Clean Air Agency (PSCAA) regulations requiring reasonable precautions to minimize dust emissions (Regulation I, Section 9.15). Stationary equipment used for the construction activities must comply with PSCAA regulations requiring the best available measures to control the emissions of odor-bearing air

How Addressed by Other Codes/Rules*
contaminants (Regulation I, Section 9.11).
Commercial facilities could use stationary equipment that emits air pollutants (e.g., fumes from gas stations, ventilation exhaust from restaurants, and emissions from dry cleaners). These facilities would be required to register their pollutantemitting equipment with PSCAA (Regulation I and Regulation II). PSCAA requires all commercial and industrial facilities to use the Best Available Control Technology (BACT) to minimize emissions. The agency may require applicants for high-emission facilities to conduct an air quality assessment to demonstrate that the proposed emissions would not expose offsite areas to odors or air quality concentrations exceeding regulatory limits. Transportation roadway projects must be included in the Regional Transportation Plan (RTP) or TIP prior to start of construction to show that they conform to the Puget Sound region's Air Quality Maintenance Plans and would not cause or contribute to regional exceedances of the federal standards. Once included in the RTP or TIP, the projects must meet all transportation conformity requirements and demonstrate regional conformity. Project-Level Transportation Conformity Analyses for Future Roadway and Intersection Improvements: As part of future project-specific NEPA documentation for individual new roadway improvement projects, the City would be required to conduct CO hot-spot modeling (as required under WAC 173-420) to demonstrate that the projects would not cause localized impacts related to increased CO emissions from vehicle

Air Quality – Construction Impacts	 International Building and Fire Codes contain provisions for the removal of hazardous and combustible materials (Section 3303). PSCAA rules and best practices apply to mitigate impacts from fugitive dust and other potentially hazardous demolition waste materials, such as lead. PSCAA permit required for asbestos removal and includes survey and mitigation measures for dust control techniques and use of toxic air control technologies.
Water Surface Ground Runoff	 20.80 Critical Area Code and Chapter 13.12 Floodplain Management contain regulations that provide for mitigation of impacts to landslide hazards areas, steep slopes, unstable soils, wetlands, streams, flood prone areas, aquifer recharge areas, and fish/wildlife habitat Chapter 20.200. Shoreline Master Program contains regulations for preservation and enhancement of shorelines consistent with DOE rules regarding no net loss Chapter 13.10 Surface Water Code include environmental & water quality protections. Best Management Practices included in the Department of Ecology Stormwater Management Manual for Western Washington and NPDES permitting provide stormwater pollution prevention measures. State Hydraulic Project Approvals provide for
Plants and Animals Energy and Natural Resources	 Tree preservation and landscaping regulations provide protections for natural areas and wildlife habitat, and promote use of native plants. Chapters 20.50, 20.80, and Low Impact Development, Technical Guidance for Puget Sound Puget Sound. Federal and state regulations provide protection for endangered species (16 U.S.C. §1531 et seq. and Chapter 77.12 RCW). Energy Codes WAC 51-11 adopted by the City and chapter 15.05 mandate high levels of energy efficiency. Critical Areas Ordinance (SMC 20.80) protects
Environmental Health	streams, wetlands and flood prone areas. Federal, state and regional regulations, as well as locally adopted Fire and Building Codes, are

	the primary means of mitigating risks associated with hazardous and toxic materials.
Noise	 WAC 365-230 Lead Based Paint Abatement Chapter 19.05 Noise provides for daytime/nighttime noise level limits, exemptions, variances and public nuisances and authority to mitigate impacts related to exceeding noise level limits and specific noise generating activities.
Land and Shoreline Use	Zoning and Development standards and Shoreline Master Program SMC Chapter20.20, Subdivision regulations, Design and Construction Standards, and Critical Areas code address the scale of development and other aspects related to compatibility, environmental protection and uses.
Housing	 Zoning and development standards provide for a broad range of housing types in the City, zoning for a range of densities, and flexible development standards to achieve the allowable density. Design and transition criteria provide for compatibility.
Aesthetics	20.50 General Design Standards include transition criteria. A design review process applies to, mixed-use and commercial zones providing a consistency review of height, bulk, and scale.
Light and Glare	20.50 Development Code standards for screening and landscaping, shading of lighting, and performance standards related to glare provide mitigation.
Recreation	 Policies contained in the Parks Recreation and Open Space Element of the Comprehensive Plan Shoreline Master Program addresses public access to shoreline Chapter 20.200). Multifamily and mixed-use performance criteria require common open space (SMC 20.50.160).
Historic and Cultural Preservation	 The Landmark Designation and Preservation code is in place for landmark preservation (15.20). Federal and state regulations address protection of cultural/archaeological resources (including RCW Chapters 27.34, 27.53, and

	27.44 RCW; and WAC Chapter 25.48)
Transportation	 Transportation Master Plan Establishes Master Street Plan coupled with the Transportation Element of the Comprehensive Plan identify a multimodal transportation network and establish minimum levels of service impacts of development must be mitigated. Six year Capital Facility Plan identifies growth related project and mitigations. Infrastructure Improvements Code SMC 20.70. Chapter 20.60 Adequacy of Public facilities provides mitigation for impacts to infrastructure, including transportation. 14.10 Commute Trip Reduction code requires affected employers to make a good faith effort to develop and implement a CTR program that will encourage employees to reduce VMT and drive-alone commute trips. SMC (Chapter 20.50) includes authority to requires or reduce parking requirements according to land use, considering unique circumstances and temporary parking needs.
Public Services/Facilities and Utilities	 Authority for requiring utility improvements is identified in SMC 20.60 Adequacy of Public Facilities based on adopted levels of service applied during permit review. This includes water, sewer, storm drain, and electrical improvements. Development must offset direct impacts. Fire codes mitigate impacts of built environment on emergency services (SMC 15.05). Solid waste code SMC 13.14 also addresses recycling and yard waste collection Water and sewer service providers Comprehensive Service Plans provide for mitigation of the direct impacts of development

^{*}All citations are from the City of Shoreline Municipal Code(SMC), unless otherwise indicated. RCW = Revised Code of Washington. WAC= Washington Administrative Code.

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Action	Noticing & Public Comment
Accessory Dwelling Unit	
Lot Line Adjustment including Lot Merger	
Building Permit	
Final Short Plat	
Home Occupation, Bed and Breakfast,	
Boarding House	
Right-of-Way Use	
Shoreline Exemption Permit	
Sign Permit	
Site Development Permit	
Deviation from Engineering Standards	
Temporary Use Permit	✓
Clearing and Grading Permit	
Planned Action Determination	
Administrative Design Review	✓
Floodplain Development Permit	
Floodplain Variance	✓
Binding Site Plan	✓
Conditional Use Permit (CUP)	✓
Preliminary Short Subdivision	✓
Shoreline Substantial Development Permit	✓
Shoreline Variance and Shoreline CUP	✓
Zoning Variances	✓
Preliminary Formal Subdivision	✓
Rezone	✓
Special Use Permit (SUP)	✓
Critical Areas Special Use Permit	✓
Final Formal Plat	
SCTF – Special Use Permit	✓
Street Vacation	✓
Master Development Plan	✓

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20.30.560 Categorical exemptions - Minor new construction.

The following types of construction shall be exempt, except: 1) when undertaken wholly or partly on lands covered by water; 2) the proposal would alter the existing conditions within a critical area; 3) a rezone is requested; or 43) any license governing emissions to the air or discharges to water is required.

- A. The construction or location of any residential structures up to of four thirty dwelling units.
- B. The construction of a multi family structure with up to sixty dwelling units.
- C. The construction of an office, school, commercial, recreational, service or storage building with 4,000 30,000 square feet of gross floor area, and with associated parking facilities designed for 20 90 automobiles.
- C. The construction of a parking lot designed for 20 90 automobiles. This exemption includes standalone parking lots.
- D. Any landfill or excavation of 500 1,000 cubic yards throughout the total lifetime of the fill or excavation not associated with an exempt project in sections, A, B, or C and any fill or excavation classified as a Class I, II, or III forest practice under RCW 76.09.050 or regulations there under. (Ord. 591 § 1 (Exh. A), 2010; Ord. 324 § 1, 2003; Ord. 299 § 1, 2002; Ord. 238 Ch. III § 9(h), 2000).