

Transit-Oriented Development Implementation Grant Application Instructions

Application Deadline:
October 7, 2021



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1. Grant Overview

The 2021 Legislature appropriated \$2.5 million¹ in capital funds for a new grant program available to cities to facilitate transit-oriented development that leverages investments in high-capacity transit systems and plans for high-density residential development near transit.

Definitions:

“Cities” for purposes of this grant include any city or town, including a code city as defined in the Growth Management Act (GMA), [RCW 36.70A.030](#). Only cities may apply for funds.

“Transit” for purposes of this grant is defined as:

- (a) Light rail and other fixed guideway rail systems;
- (b) Bus rapid transit;
- (c) High frequency bus service;² and
- (d) Park and ride lots.

Eligible activities:³

- Preparation of state environmental policy act (SEPA) environmental impact statements (EISs);
- Planned action ordinances;
- Subarea plans;
- Costs associated with the use of other tools under SEPA [such as urban infill exemptions or minor new construction flexible exemptions]; and
- Costs of local code adoption and implementation of such efforts.

“Grant awards may only fund efforts that address environmental impacts and consequences, alternatives and mitigation measures in sufficient detail to allow the analysis to be adopted in whole or in part by applicants for development permits within the geographic area analyzed in the plan.”⁴

Grant prioritization criteria:

Using the criteria set out by the Legislature, Commerce will prioritize applications that maximize the following policy objectives in the area covered by the proposal:

- (a) The total number of housing units authorized for new development [above what is currently allowed by the city];
- (b) The proximity and quality of transit access in the area;
- (c) Plans that authorize up to six stories of building height;

¹ [Substitute House Bill 1080](#) (Sec. 1090, page 81)

² “High frequency bus service” for purposes of this grant is interpreted to be consistent with bus service that serves “major transit stops” as defined in [RCW 43.21C.420\(3\)\(e\)](#): “stops for a bus or other transit mode providing fixed route service at intervals of at least thirty minutes during the peak hours of operation.”

³ More details on these eligible activities is included in Section 8 at the end of this document.

⁴ This language is from the [state capital budget](#) (Sec. 1090(2)). Commerce interprets it to mean that any work under this grant must include enough environmental analysis that cities know what mitigation is needed (if any) for development applications within the predefined area so that SEPA does not need to be performed for each individual project.

- (d) Plans that authorize ground-floor retail with housing above;
- (e) Plans in areas that minimize or eliminate on-site parking requirements;
- (f) Existence or establishment of incentive zoning, mandatory affordability, or other tools to promote low-income housing in the area;
- (g) Plans that include dedicated policies to support public or nonprofit funded low-income or workforce housing; and
- (h) Plans designed to maximize and increase the variety of allowable housing types and expected sale or rental rates.

2. Grant Timeline

- **August 18, 2021: Grant applications available.**
Application packets will be posted on the Department of Commerce (Commerce) website: <https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-grants/>.
- **October 7, 2021: Grant applications are due by 5:00 p.m.**
Completed applications must be submitted electronically to gmsgiants@commerce.wa.gov.
- **October 29, 2021: Grant awards announced.**
Successful applicants will receive an email with notification of grant award. The grant will be administered by Commerce through a contract that is developed based on the materials in the application and finalized after notification of the award. The contract will include a project scope of work and budget, which lists the activities (actions) the grant will fund along with a description of the final products (deliverables) to be submitted for grant reimbursement. Commerce may work with jurisdictions to clarify specific application information, implementation actions or discuss adjustments to the grant amount prior to execution of the contract. Monitoring and progress reports will be required as part of the contract.
- **November 19, 2021: Grant agreements executed.**
Commerce anticipates having all the grant contracts signed by November 19, 2021.
- **June 15, 2023: Final grant deliverables must be submitted to Commerce.**
All deliverables must be complete and submitted to Commerce by June 15, 2023. If a city does not expect to be able to complete all activities by June 15, 2023, the city may opt to submit a final draft and schedule for adoption as the final deliverable in the 21-23 biennium (see the notes under Section 4.2 and Section 4.3).

Although not legally obligated to do so, the Legislature may re-appropriate unspent funds associated with incomplete deliverables. If funds are re-appropriated, those contracts with final drafts as the final deliverable will be revised to reflect completion in the new biennium. As a new program, it is unclear whether or not funds would be re-appropriated for this grant.

- **June 30, 2023: Grant end date.**

Final billing and closeout documents must be submitted to Commerce by this date. All funds awarded under this grant must be spent (unless remaining funds are re-appropriated) and reimbursements must be requested by June 30, 2023.

3. Grant Amounts

Grants of up to \$250,000 will be awarded per city, with the potential for the full amount of funding for jurisdictions that maximize legislative policy objectives such as leveraging quality transit service, increasing housing capacity and supporting affordability (see grant application questions in Section 4.4). Awards amounts will be based on level of effort and the degree to which applications maximize policy objectives.

Grant applications should include detail that shows the level of effort and funding required for each deliverable under the scope of work and budget. This information is discussed in more detail in 4.3 below. Cities may partner to submit an application if they share a station area.

4. Completing the Grant Application Form

Summary Page

- Provide the name of your city and the total grant funding requested.
- Identify the eligible activity you propose this grant will fund (See, Section 1: Grant Overview).
- Identify what level of environmental analysis you propose to do with these activities if that has not already been stated, and the transit service around which the increase in housing will be focused (See “transit” definition under Section 1). If the transit is not in service by the time of application, please provide documentation of when the transit service will be active.⁵

4.1 Jurisdiction Information

Complete the requested fields and provide jurisdiction information. If two or more cities are jointly applying and collaborating on this grant, submit a separate page for each city. Indicate which city is the lead city for purposes of the grant.

Unified Business Identifier (UBI) Number: For entities in Washington state, the 9-digit Unified Business Identifier (UBI) is assigned for doing business in Washington state. It is written as “___-__-__-___.” Your accounting/finance officer should be able to provide this number or you can search for it here: [Washington State Department of Revenue](#).

Statewide Vendor (SWV) Number: This is a nine digit number assigned by the state to your jurisdiction in order for direct deposit/EFT payments. It is typically written as “SWV_____ - ___.”

⁵ To align with the provisions of RCW 43.21C.440(1)(b)(ii) (additional flexibility for planned actions in vicinity of major transit stops), qualifying transit for this project must be in place within five years of the adopted planning tool.

Your accounting/finance officer should be able to provide this number. Contact us for more information.

Authorized Official: Please provide the name and title of the official authorized to sign the grant agreement. Usually this is the mayor. However, it may be a designated administrative officer, such as the city manager, depending on your city's policies and governance structure. Please provide the name and title as it should appear under the grant agreement signature line.

4.2 The Scope of Work and Project Schedule

The application should include a scope of work (SOW) to accomplish the proposed work with clear deliverables and a project schedule. This is a performance-based contract, therefore cities will be paid upon satisfactory completion of deliverables rather than hours spent working on the project.

The SOW should be itemized into actions, steps and deliverables as explained below and also include a project schedule. It is also recommended that the application include a grant objective for each part of the project, as explained below. Unless otherwise noted, each of the parts below should have a start and end date. If only a month and year are given, we will assume that the estimated start date is the first day of the month and the estimated end date is the last day of the month.

- **“Grant Objective”** should explain the purpose of each overall project. No dates are needed for this item.
- **“Actions”** refer to the components of the project and typically align with deliverables. They are provided as an organizing element within the scope of work, as shown below.
- **“Steps”** are brief statements about the work activities that this particular portion of the project entails. Steps need an estimated end date. Start dates are optional.
- **“Deliverables”** are the final products that the grant and/or portion of the grant will generate. These products are the points at which the city will be reimbursed portions of the grant funds, therefore we encourage cities to spread these throughout the project. The applicant will need to deliver these products by the dates indicated in the “End Date” column. Start dates are not needed for deliverables.

An example scope of work is included below for a subarea plan and a planned action.⁶ **Please note this example is for illustrative purposes only.**

When developing your SOW, please be aware that:

- The SOW in the grant application will be used to develop a contract when the grant is awarded.
- Please read the associated statute for the activity you plan to pursue with this grant to make sure that your SOW includes the required steps and time needed to complete all parts of both the SEPA work and the planning work. See Section 8 for more details.

⁶ Note that a combined subarea plan and planned action proposal will include meeting the requirements of both [RCW 43.21C.420](#) (subarea plan) and [RCW 43.21C.440](#) (planned action), which may be difficult within the time frame of this grant opportunity.

- SEPA work should be started as early as possible within the scope of work.
- Applicants are not limited to the number of lines represented on the grant application form. Add additional lines as needed.
- If an action and/or step is currently in progress at the time you are applying for this funding, clearly document progress to date and detail the tasks that will be carried out using grant funds. Grant funds may be used for any tasks occurring after July 1, 2021.
- **The final due date for deliverables must be no later than June 15, 2023.** If a city does not expect to be able to complete all activities by June 15, 2023, the city may opt to submit a final draft and schedule for adoption as the final deliverable. If the Legislature re-appropriates funding, then contracts with unfinished work will be amended to allow for completion of the work in the 23-25 biennium. Completion of all work by June 15, 2023 is preferred.

Example Scope of Work for a Subarea Plan and Planned Action Ordinance

Grant Objective 1: Create a Subarea Plan around the North Bethesda Light Rail Station to support the growth of the area and leverage the investment in transit.			
Steps/ Deliverables	Description	Start Date	End Date
Action 1	Existing Conditions, Visioning and Draft Plan⁷	Jan 1, 2022	Feb 28, 2022
Step 1.1	Assess existing conditions	Jan 1, 2022	Feb 28, 2022
Deliverable 1a	Community Engagement Plan		March 1, 2022
Step 1.2	Define project intent and scope	Jan 1, 2022	Feb 28, 2022
Step 1.3	Perform community outreach (early and continuous)	Jan 1, 2022	May 31, 2022
Deliverable 1b	Existing Conditions Draft Report	May 31, 2022	May 31, 2022
Step 1.4	Develop and refine vision	March 1, 2022	April 15, 2022
Step 1.5	Develop alternatives for environmental impact statement (EIS) (3 Alternatives)	April 15, 2022	July 30, 2022
Step 1.6	Displacement analysis and development of anti-displacement and affordability measures	June 1, 2022	Aug 30, 2022
Step 1.7	Develop draft subarea plan	June 1, 2022	Aug 30, 2022

⁷ Subarea plans that are not accompanied by a planned action will need to include the SEPA process in their scope of work.

Deliverable 1c	Draft North Bethesda Subarea Plan with Anti-Displacement and Affordability Strategies		Aug 30, 2022
Action 2	Refine and adopt Subarea Plan	Feb 1, 2023	March 2023
Step 2.1	Refine preferred alternative from Planned Action EIS (Grant Objective 2)	Feb 1, 2023	Feb 28, 2023
Step 2.2	Prepare implementation strategy	March 1, 2023	March 15, 2023
Deliverable 2	Adopted North Bethesda Subarea Plan		June 15, 2023
Grant Objective 2: Prepare a Planned Action EIS for the North Bethesda Subarea Plan to encourage and expedite development around the future light rail station and leverage the investment in transit.			
Action 3	Perform alternative analysis and Draft EIS	Jan 1, 2022	Feb 28, 2023
Step 3.1	Determination of Significance/Scoping Notice	Jan 1, 2022	Feb 28, 2022
Step 3.2	Develop existing conditions in concert with subarea plan	Jan 1, 2022	July 30, 2022
Step 3.3	Develop technical reports (transportation, stormwater, archeology, etc.)	Aug 1, 2022	Sept 31, 2022
Deliverable 3a	Summary of Technical Reports and SEPA Checklist		Oct 15, 2022
Step 3.4	Assess environmental impacts of alternatives	Aug 1, 2022	Dec 31, 2022
Step 3.5	Prepare Draft EIS and solicit comments	Dec 1, 2023	Jan 31, 2023
Deliverable 3b	Draft EIS		Jan 31, 2023
Action 4	Select preferred alternative and adopt planned action EIS and ordinance	Feb 1, 2023	June 15, 2023
Step 4.1	Prepare Final EIS in conjunction with preferred alternative	Feb 1, 2023	March 30, 2023
Step 4.2	Prepare Planned Action Ordinance	April 1, 2023	April 15, 2023
Step 4.3	Public Hearing	April 16, 2023	May 15, 2023
Deliverable 4	Ordinance adopting Planned Action EIS		June 15, 2023

4.3 Budget and Financial Information

In the budget table, assign a value for each deliverable in the scope of work. As a performance-based contract, we recommend the amount for each deliverable be based on the expenses estimated by the city. If a grant is awarded to the city, budget amounts may be adjusted before the final contract is executed to align with potential changes estimated for staff and consultant expenses.

In the budget narrative, provide estimates of staff hours for each deliverable, staff hourly rates and other expenses (e.g., consultants) to support the requested funding amount.

The final deliverable for each grant objective should be no less than twenty percent (20%) of the overall grant objective total (i.e., overall grant objective = \$200,000, final deliverable = no less than \$40,000).

Sample Budget for a Subarea Plan and Planned Action Ordinance

Grant Objective: Create a Subarea Plan around the North Bethesda Light Rail Station	Commerce Funds
Deliverable 1a: Community Engagement Plan	\$10,000
Deliverable 1b: Existing Conditions Draft Report	\$30,000
Deliverable 1c: Draft North Bethesda Subarea Plan with Anti-Displacement and Affordability Strategies	\$40,000
Deliverable 2: Adopted North Bethesda Subarea Plan	\$20,000
Grant Objective: Prepare a Planned Action EIS for the North Bethesda Subarea Plan	Commerce Funds
Deliverable 3a: Summary of Technical Reports and SEPA Checklist	\$50,000
Deliverable 3b: Draft EIS	\$70,000
Deliverable 4: Ordinance adopting Planned Action EIS	\$30,000
<i>Total:</i>	<i>\$250,000</i>

4.4 Grant Application Questions and Scoring Method

Commerce will prioritize and score applications for grants to facilitate transit-oriented development that maximize the policy objectives in (a-h) below in the area covered by the proposal. If you do not intend to pursue a particular policy area, please write "N/A" under that section. Scores will be awarded based on how well the proposal will achieve the policy objective and how well the achievement of the policy objective compares to other applications received.

- a. **The total number of housing units authorized for new development [above what is currently allowed by the city]; (20 points)**

As a result of the proposed activities, please provide an estimate of the number of additional housing units that may be allowed over the 20-year planning period as an absolute number and as a percentage of the number of units currently planned for within the city. Provide detail on your assumptions over the 20-year planning period.

If the city does not have a clear vision of the future new development potential (i.e., planning is still needed), please describe the range of alternatives the city will examine and the estimated range in the number of additional units that may be allowed over the 20-year planning period as an absolute number and as a percentage of the number of units currently planned for within the city.

Explain how this increase in housing is needed within your community to meet future housing needs.

b. The proximity and quality of transit access in the area; (20 points)

Describe the transit service around which this project will be based (e.g., light rail and other fixed guideway rail systems, bus rapid transit, high frequency bus service, park and ride lots). Is the transit service in place? If not, when is it expected? What headways exist or are projected? If you know capacity or ridership at this station (or projected ridership), please include that information.

Please also explain the study area around the transit (e.g., 1/2 mile around the station; about 20 acres with the station in the northwest corner; area bounded by Street A, Street B, and Street C or another geography; etc.). Within this study area, please describe the existing pedestrian and bicycle infrastructure that will allow future housing to access the transit (i.e., do sidewalks provide connectivity to most of the study area or do they only exist on Street A and Street B arterials). Describe plans and projects, including expected construction timing, to improve pedestrian and bicycle access from the station area to the station. Describe any policies or plans to promote design standards with new development that will promote and prioritize quality active transportation.

c. Plans that authorize up to six stories of building height; (5 points)

What heights are permitted within the study area or what height ranges are expected to be permitted within the study area? Please also note the densities allowed or expected to be permitted.

d. Plans that authorize ground floor retail with housing above; (5 points)

Will mixed-use development with ground floor retail below housing be permitted in the study area? If so, is the market projected to accommodate this development typology in the 20-year planning period? Please note any plans to study or authorize an appropriate amount of ground floor retail for the market area.

e. Plans in areas that minimize or eliminate on-site parking requirements; (15 points)

Does the proposed activity reduce or eliminate on-site parking or will the proposed activity evaluate these requirements? If so, describe how the parking is minimized or eliminated or how the Applicant proposes to include this work in their project. Explain where this reduction in parking is or will be examined with respect to housing (e.g., which zones or development areas) and the feasibility of achieving or adopting the parking reductions.

f. Existence or establishment of incentive zoning, mandatory affordability or other tools to promote low-income housing in the area; (15 points)

Does the city or study area include incentive zoning, mandatory affordability or other tools to promote low-income housing in the area? If so, explain these tools and their existing or projected application in the study area. If these tools do not exist, what tools to promote low-income housing in the area will be examined? What tools are expected to be adopted? What level of affordability do these supports encourage or require? What level of application might these tools see over the 20-year planning period?

g. Plans that include dedicated policies to support public- or nonprofit-funded low-income or workforce housing; (15 points) and

Does any public or nonprofit funded low-income or workforce housing exist within the city or study area? If so, please discuss any existing or planned policies that will be explored to prevent displacement in the study area. Is public or nonprofit funded low-income or workforce housing projected within the study area in the 20-year planning period? If so, describe.

Does the city or study area include policies to support public- or nonprofit-funded low-income or workforce housing? If so, list these policies, or if they will be expanded, explain how. If these policies do not currently exist in the city or study area, briefly discuss possible policies to support public or nonprofit funded low-income or workforce housing.

h. Plans designed to maximize and increase the variety of allowable housing types and expected sale or rental rates.⁸ (10 points)

Describe what variety of housing types are allowed within the study area and the plans to expand those housing type options. What new housing types is the proposal evaluating? How much of an increase in housing would those changes allow (number of units)? What other changes will be studied and proposed to increase the variety of housing types and reduce the expected sale or rental prices (see footnote; e.g., reducing setbacks, increasing allowed impervious coverage, revising parking requirements, removing unit limit in exchange for a limit on the scale of buildings, etc.)? Will a financial analysis be conducted to test the market's ability to produce the new housing typologies and/or produce reduced sale or rental rates?

⁸ This language is from the capital budget (Sec. 1090 (2)(f)). Commerce interprets it to mean allowing a greater variety of attached housing types, which we expect to be at lower sale or rental rates than traditional single family housing. A resource to encourage lower sale or rental rates with attached housing typologies is available [here](#) (SmartGrowth.org webinar by Dan Parolek which emphasizes the importance of reducing the size of units for affordability and moving from a limit on the number of units per lot to a limit on the scale of buildings per lot).

i. Readiness to Proceed: (20 points)

How ready is your jurisdiction to complete this project in a timely manner? Do you have a subarea or area of analysis already identified? Please describe your plan to initiate and complete the project by June 15, 2023. Refer to the scope of work if needed. Provide key comprehensive plan policies, housing strategies, housing plans or other directives that support the development of the selected actions. Identify the key staff or consultants who will be implementing the project along with their history regarding their ability to successfully complete other grant projects. If you plan to hire a consultant but have not started the process, please indicate that.

j. Local Commitment to the Project: (10 points)

Include a letter from the mayor authorizing the city to apply for a grant and indicating a willingness to pursue adoption of the activities selected. For joint proposals, include letters of commitment from all participating jurisdictions. (See Section 5 – Letter of Commitment below.)

Describe the impact that the lack of Commerce grant funds would have on the project. Indicate whether the proposed project is an expansion of an existing project that will proceed even without the Commerce grant funds. Also indicate the level and type of support that the appropriate legislative body will provide the project. For example, include the amount of staff time and/or funding that is committed to the project as well as other funding and “in-kind” support.

k. Explain SEPA Components: (15 points)

According to the bill language, “grant awards may only fund efforts that address environmental impacts and consequences, alternatives, and mitigation measures in sufficient detail to allow the analysis to be adopted in whole or in part by applicants.” Explain what environmental analysis the city intends to perform as part of the proposed activities. Will the city examine alternatives? If so, what range of alternatives is the city likely to study? What level of detail does the city expect to develop with regard to mitigation measures or are the mitigation measures substantially addressed within your current regulations or existing environmental analysis? Please also explain your public engagement process for your SEPA work.

Summary of Criteria	Points
a) The total number of housing units authorized for new development [above what is currently allowed by the city]	20 points
b) The proximity and quality of transit access in the area	20 points
c) Plans that authorize up to six stories of building height	5 points
d) Plans that authorize ground floor retail with housing above	5 points

e) Plans in areas that minimize or eliminate on-site parking requirements	15 points
f) Existence or establishment of incentive zoning, mandatory affordability, or other tools to promote low-income housing in the area	15 points
g) Plans that include dedicated policies to support public or nonprofit funded low-income or workforce housing	15 points
h) Plans designed to maximize and increase the variety of allowable housing types and expected sale or rental rates	10 points
i) Readiness to Proceed	20 points
j) Local Commitment to the Project	10 points
k) Explain SEPA Components	15 points
Total	150 points

Applications are scored based on the responses to questions. After scoring, the applications are ranked by total points. The scores, together with the total number of applications received, will assist in determining the grant funding and any adjustments needed.

5. Letter of Commitment

A letter of commitment from the city mayor, or other authorized official, should accompany the completed application form. The letter from the mayor should include the following language:

I, _____, Mayor of _____, authorize the city to propose the attached scope of work and budget request for the Transit-Oriented Development Implementation grant funding to facilitate transit-oriented development that leverages high capacity transit systems to encourage the development of housing near transit.

[Include proposed activities. Mention how the work plan fits with the vision and goals of the community and include a short description of efforts already underway to support the work.]

We agree to pursue adoption of the ordinances and/or plans that result from the grant by June 15, 2023.

6. Pre-application Meeting

A pre-application grant meeting will be held on Thursday, Sept. 9, 2021 at 1:30 p.m. to give a brief overview of the grant and answer questions potential applicants may have. Both Commerce and Ecology staff will be available to answer questions. Please send questions in advance of the meeting to Anne Fritzel at anne.fritzel@commerce.wa.gov so we can prepare answers.

Please register in advance for this meeting here:

https://wastatecommerce.zoom.us/meeting/register/tZUoceGsrzMtGN2ixSAscV_di6c4_INCWNrf.

After registering, you will receive a confirmation email containing information about joining the Zoom meeting.

7. Application Format and Submittal Requirements

Applications are due by **Thursday, October 7, 2021, at 5:00 p.m.**

Applications must be submitted as a single combined document and applications should provide information in the same order as presented in the instructions with the same headings. This will not only be helpful to the evaluators of the applications, but should assist with preparation of the application.

The maximum length is 12 pages, not including the letter of commitment and summary page. The letter of commitment must have a scanned signature of the city mayor or authorized official representing the city.

Applications must be submitted electronically as an attachment to an e-mail to gmsgrants@commerce.wa.gov. Attachments to e-mail shall be in Microsoft Word format or PDF. Zipped files cannot be received by Commerce and cannot be used for submission of proposals.

Commerce does not assume responsibility for problems with an applicant's e-mail. Commerce will confirm receipt of emailed applications. Applications should not be mailed in hardcopy or transmitted using facsimile transmission.

Applicants should allow sufficient time to prepare the application so that they can ensure timely receipt of the proposal by Commerce. Late proposals may not be accepted. All proposals and any accompanying documentation become the property of Commerce and will not be returned.

For more information, please contact:

- Laura Hodgson, Associate Planner / Housing Technical Specialist
Phone: (360) 764-3143
Email: laura.hodgson@commerce.wa.gov
- Anne Fritzel, Senior Planner / Housing Specialist
Phone: (360) 259-5216
Email: anne.fritzel@commerce.wa.gov
- Fran Sant, SEPA Specialist
Phone: (360) 407-6922
Email: SEPAHELP@ecy.wa.gov
- Grants Email: gmsgrants@commerce.wa.gov

8. Additional Information on SEPA Actions

SEPA includes several provisions giving local government flexibility to integrate reviews under SEPA with planning for urban infill areas. The following flexible SEPA tools are intended to assist cities in meeting objectives to encourage more intense development within existing urban areas and are eligible for funding under this grant program. A summary of the options is provided in table form, while more detail is provided below. More information can be found on SEPA at Ecology's website [here](#) or in their [2018 SEPA Handbook](#).

Flexible SEPA Planning Tools for Transit Areas

	Urban Infill Exemption: RCW 43.21C.229	Minor New Construction Exemption: WAC 197-11-800	Subarea Plan: RCW 43.21C.420	Planned Action EIS: RCW 43.21C.440	Planned Action in Transit Areas: RCW 43.21C.440 (1)(b)(ii)
Planning Document	Subarea or Comprehensive Plan	Modify SEPA policies jurisdiction wide	Subarea Plan	Comprehensive Plan or Subarea Plan and Environmental Impact Statement (EIS) as Planned Action	Subarea or Comprehensive Plan
Criteria	Within urban growth area (UGA)	Show development regulations adequately address impacts	Must be: (a) Mixed-use or urban center in a land use or transportation plan; or (b) Areas within one-half mile of a major transit stop that are zoned with a minimum density of 15 dwelling units per gross acre	WAC 197-11-164, 168, 172	Must be within one-half mile of transit station or will be within one-half mile of a major transit stop no later than five years from the date of the designation of the planned action (RCW 43.21C.440(1)(b)(ii))
SEPA on the Plan and sent to Ecology	Covered by comprehensive plan EIS or Supplemental EIS reviewing development regulations to address impacts	Send amendments to Ecology	EIS	EIS	Potential for Determination of Nonsignificance (DNS) if criteria is met under RCW 43.21C.440
Environmental Review for Specific Projects	Categorical exemption	Categorical exemption	SEPA may not be required at the project level; see RCW 43.21C.420 (7)*	Determination of consistency; see RCW 43.21C.440 (3)(b)**	Determination of consistency; see RCW 43.21C.440 (3)(b)**

*(7) If a proposed development is inconsistent with the optional comprehensive plan or subarea plan policies and

development regulations adopted under subsection (1) of this section, the city shall require additional environmental review in accordance with this chapter.

******(b) A county, city, or town is not required to make a threshold determination and may not require additional environmental review, for a proposal that is determined to be consistent with the development or redevelopment described in the planned action ordinance, except for impacts that are specifically deferred to the project level at the time of the planned action ordinance's adoption. At least one community meeting must be held before the notice is issued for the planned action ordinance. Notice for the planned action and notice of the community meeting required by this subsection (3)(b) must be mailed or otherwise verifiably provided to: (i) All affected federally recognized tribal governments; and (ii) agencies with jurisdiction over the future development anticipated for the planned action. The determination of consistency, and the adequacy of any environmental review that was specifically deferred, are subject to the type of administrative appeal that the county, city, or town provides for the proposal itself consistent with [RCW 36.70B.060](#).

Planned Actions (RCW 43.21C.440) – GMA cities and counties may create “planned actions” that evaluate future projects at the planning stage, with limited review at the project stage. The first step is preparation of an environmental impact statement (EIS) on a comprehensive plan, subarea plan, or other specified planning document, that evaluates the likely environmental impacts of anticipated future projects. Using the information in the EIS, the city/county adopts a planned action ordinance that identifies the types of projects that will be allowed in the specified area. When a project application is submitted that meets the planned action ordinance and the impacts have already been evaluated in the EIS for the planned action, no additional SEPA threshold determination or SEPA appeal is required. In 2012, this process was refined and moved to a separate section of statute. SEPA planned actions have been utilized by many jurisdictions. See numerous examples and additional information at [MRSC's webpage on Planned Actions](#). Other examples of planned actions are provided on Commerce’s [EZView website](#).

Additional flexibility for planned actions in the vicinity of major transit stops - Under certain criteria an EIS is not required. (New in 2017)

E2SSB 5254 (laws of 2017) modified the criteria for planned actions in [RCW 43.21C.440\(1\)\(b\)\(ii\)](#) to allow planned actions without an environmental impact statement (EIS) for residential or mixed use development within half a mile of a major transit stop, including areas that will contain a major transit stop within the next five years, such as future Link Light Rail stops. With appropriate analysis and mitigation, a jurisdiction may designate a residential/mixed use planned action in the vicinity of a major transit stop with a Determination of Nonsignificance (DNS). Future development matching that designated in the planned action could rely on the prior review. Commerce and Ecology are not aware of any jurisdictions who have used this flexible planned action option.

Subarea Planning for In-fill Development (RCW 43.21C.420) – Cities may adopt subarea plans to encourage high-density, compact, in-fill development and redevelopment. The process may be used within designated urban centers in a land use or transportation plan adopted by a regional transportation planning organization, or within half a mile of major transit stops where density is at least 15 dwelling units per acre. The city addresses project impacts of future development in a subarea EIS. Subsequent development that is consistent with the subarea plan would not require additional SEPA. SEPA appeals of the future development are eliminated or limited. The city may

recover costs of preparing the subarea plan EIS by adopting “late-comer” fees for subsequent development. Tacoma’s South Downtown Subarea Plan is one of the few examples of jurisdictions using this section of SEPA: [Tacoma South Downtown Subarea Plan](#).

Urban infill exemption thresholds ([RCW 43.21C.229](#)) – Cities planning under the Growth Management Act (GMA) are authorized to raise the development thresholds for SEPA review specifically to accommodate infill development. There is no statutory ceiling on these locally-adopted thresholds. This provision is intended to encourage residential or mixed-use development in an urban growth area where the density and intensity goals of the comprehensive plan are not being met. To adopt infill exemptions to SEPA, the city must have prepared an EIS on the city/county comprehensive plan, or prepared an EIS that considers the proposed use and density in the area proposed for the infill exemption. Development must not exceed the density or intensity goals in the comprehensive plan. This provision was added to SEPA in 2005 and revised in 2012.

Examples: Seattle has made extensive use of this provision to tailor SEPA review thresholds in various areas of the city designated for infill development. Where growth targets are not being met, the SEPA threshold for dwelling units was raised. Kent has also adopted an infill exemption ordinance with extensive provisions for mitigating impacts. Everett adopted an infill exemption for a mixed use overlay zone. For more information, see:

- [Seattle Infill Exemption](#)
- [Kent Infill Exemption](#)
- [Everett Infill Exemption](#)

Another recent example of an urban infill exemption is Covington’s recent [SEPA Infill Exemption Programmatic EIS](#) with its new form-based code.

Minor new construction flexible exemption levels ([WAC 197-11-800\(1\)\(c\)](#)) – The SEPA Rules specify minimum exempt levels for certain new construction such as residential and commercial development. Cities have the option to increase the SEPA exemption levels for various types of minor new construction up to the maximum specified in the SEPA Rules. Many cities have raised their SEPA exemption levels under this provision.

The exemption levels and adoption process were revised in 2012 and 2014. Higher thresholds (see table below) are now allowed in urban areas with a process for specifying that elements of environment are addressed in other ways and a 60-day notice provided to interested parties. See more details in [WAC 197-11-800\(1\)\(c\)](#) and see Commerce’s [EZView website](#) for examples of what a variety of Washington cities allow and examples of exemption ordinances.

Maximum Minor New Construction Exemption Levels

Project types	Fully Planning GMA Cities and Counties		All Other Cities and Counties
	Incorporated and unincorporated UGA	Other unincorporated areas	Incorporated and unincorporated areas
Single family residential	30 units	20 units	20 units
Multifamily residential	60 units	25 units	25 units
Barn, loafing shed, farm equipment storage, produce storage or packing structure	40,000 square feet	40,000 square feet	40,000 square feet
Office, school, commercial, recreational, service, storage building, parking facilities	30,000 square feet and 90 parking spaces	12,000 square feet and 40 parking spaces	12,000 square feet and 40 parking spaces
Fill or excavation	1,000 cubic yards	1,000 cubic yards	1,000 cubic yards

9. Questions and Answers

1. May cities apply for both the Housing Action Plan and Implementation (HAPI) grant and the TODI grant?

Cities may apply for each of the three grant programs available through Growth Management Services (GMS) for the 21-23 biennium: HAPI grant, TODI grant and the upcoming Affordable Housing Utility Charges and Connections grant. Based on scoring and the number of applications received, a city could receive a grant in each of the three grant programs.

2. When does the transit need to be in place to qualify for this grant?

To align with the provisions of RCW 43.21C.440(1)(b)(ii) (additional flexibility for planned actions in vicinity of major transit stops), qualifying transit for this project must be in place within five years of the adopted planning tool.

3. If a city currently is finishing up grant items from an HB 1923 grant from the 19-21 biennium, does that disqualify them or lower their competitive chances of getting a grant under the 21-23 biennium?

Cities that received housing grants under the HB 1923 (2019) program may apply for the TODI grant, but the status of the HB 1923 grant may be considered if there are more applications than there is funding available.

4. If awarded, would funding cover work prior to the date of execution?

Yes, invoices may include work starting July 1, 2021.

5. If a city shows extraordinary potential for increased housing, could they apply to receive more funding?

No. Commerce has set the upper limit of funds for the TODI grant at \$250,000 per city to allow funding for a minimum of 10 grants.