

# SEPA Categorical Exemptions

Environmental review under the State Environmental Policy Act (SEPA) can be a powerful tool. It can also subject new development to additional time and expense, adding to the overall cost of housing. In areas where there are few environmental threats, exempting projects from SEPA can speed up permitting, reduce costs, and reduce the likelihood of appeal.

In 2023, the state legislature expanded categorical exemptions to accommodate infill and housing development. All project actions that propose to develop one or more residential housing units within the incorporated areas in an urban growth area or middle housing within the unincorporated areas in an urban growth area, and that meet certain criteria, are categorically exempt from SEPA. Criteria include consistency with local development regulations, documentation of environmental analysis, consultation with the Washington State Department of Transportation, and public notice of the exemption.

The legislation has some provisions unique to Seattle. Until September 30, 2025, all project actions that propose to develop one or more residential housing or middle housing units within Seattle are categorically exempt from the requirements of [RCW 43.21C.110](#) (content of state environmental policy act rules). After September 30, 2025, project actions that propose to develop one or more residential housing or middle housing units within the city may utilize the categorical exemption provided in subsection 3 of [SB 5412](#).

Criteria, requirements, and exceptions can be found in [SB 5412](#). Additional information will be provided after rulemaking is completed later in 2023.

## RESOURCES

Department of Ecology: [SEPA Guidance on Categorical Exemptions](#) (2023)



## TOOL PROFILE

### Objectives

[Housing Options in Expensive Markets](#)

[Missing Middle Density](#)

### Type of Tool

Other Regulatory Tools

### Project Type

Single family

Multifamily

Ownership

### Affordability Level

Market-rate incentives and tools

