

# Seattle Permits

— part of a multi-departmental City of Seattle series on getting a permit

## Developer Contributions – Incentive Zoning

Updated March 1, 2024

This Tip outlines the provisions of Incentive Zoning (IZ), a voluntary program in which developers provide certain amenities in exchange for the ability to build extra floor area in addition to the base floor area ratio or base height limit.

You can find the specific regulations for IZ in the City's Land Use Code.

### What is a developer contribution?

A developer contribution is a payment or other benefit provided as part of a proposed project. The City of Seattle requires developer contributions in certain instances to achieve extra floor area and/or mitigate the impacts of new development. Developer contributions may address local needs for affordable housing, childcare, open space, historic preservation, and preservation of regional farms and forests. Developer contributions are generally required by IZ, the Mandatory Housing Affordability (MHA) requirements, or both.

Where required, you must document your developer contributions on the plans before we issue a Master Use Permit (MUP) or building permit. Before we issue a building permit, you shall provide recorded agreements and declarations to document the ongoing terms of your contribution(s) and make any required payments.

### How does my project achieve extra floor area?

Incentive Zoning is currently available in the following zones: Midrise (MR), Highrise (HR), and most Downtown and Seattle Mixed (SM) zones. It is available in some Lowrise (LR), Neighborhood Commercial (NC), and

Commercial (C) zones when followed by an Incentive Suffix (i.e., NC2P-65 (3.0)).

For a project to use IZ, the standards of the zone must specifically allow extra floor area.

In zones where IZ is available, the Land Use Code establishes a base and a maximum floor area ratio (FAR) and/or a base and maximum height limit. FAR is the ratio between the amount of gross floor area or chargeable floor area (gross floor area less any floor area that's specifically exempt from FAR) allowed relative to the lot area. You may develop a project up to the base FAR and/or base height limit without using the IZ program. Any floor area above the base FAR and/or base height limit, up to the maximum FAR and/or maximum height limit, is "extra floor area" and must be achieved by providing public amenities through the IZ program.

To achieve extra floor area, you must contribute one or more of the following public amenities, as specified by the standards of the zone:

- Affordable housing
- Childcare
- Open space amenities
- Transferable development potential and rights (TDP/TDR)
- Regional development credits (RDC)

You may provide affordable housing, childcare, and open space amenities on-site or, in some cases, on a different site. In some zones, you have the option to make a payment to the Office of Housing (OH), Human Services Department (HSD), or other City departments in lieu of providing the public amenities.

Some specific zones have minimum requirements that you must meet to use IZ, such as meeting green building standards or providing a transportation management program.

[www.seattle.gov/sdci](http://www.seattle.gov/sdci)



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## What if I want to use IZ to gain extra floor area but my project is also subject to the MHA requirements?

The primary difference between the IZ program and the MHA program is that the IZ requirements only apply to the extra floor area and the MHA requirements apply to the entire development.

When your project is subject to both IZ and MHA, the MHA program satisfies the affordable housing requirements from the IZ program. There are no other changes to the standards for other public amenities provided through the IZ, and you still need to make your required developer contributions to childcare, open space amenities, TDP/TDR, and RDC.

See Tip 257, *Developer Contribution – Mandatory Housing Affordability*, for additional information on MHA.

## How is floor area related to the IZ calculations?

We calculate the total performance or payment amounts required for your project under IZ using the amount of floor area above the base FAR limit or base height limit. The Land Use Code has different requirements for extra floor area in non-residential use and extra floor area in residential use.

- **Extra floor area above the base FAR:** The chargeable floor area above the base FAR, up to the maximum allowed in the zone, is considered extra floor area. FAR exemptions vary by zone.

### Formula

$(X1 * Y1) - (X1 * Y2) = \text{extra floor area available through the IZ program}$

Where X1 is the lot area; Y1 is the maximum FAR; and Y2 is the base FAR

*EXAMPLE for a 10,000 square foot lot in a zone with max FAR of 7 and a base FAR of 5:*

$(10,000 * 7) - (10,000 * 5)$

$70,000 - 50,000 = 20,000$  square feet of extra floor area available through the IZ program

- **Extra floor area above the base height limit:** Any gross floor area above the base height limit, up to the maximum allowed in the zone, is considered extra floor area. This includes any story or portion of a story that exceeds the base height limit. The FAR exemptions in the zone do not apply above the base height limit. See Exhibit A – IZ Height Diagram.

- **Extra floor area above the base FAR and the base height limit:** In some zones, all uses share a base FAR and a base height limit. In these cases when extra floor area is allowed, you calculate both the extra floor area above the base FAR and the extra floor area above the base height limit. Your contribution is based on the greater extra floor area of the two.

## How do I calculate the IZ contributions?

The IZ requirements vary by zone and the proposed use(s). Some zones require a combination of public amenities to gain extra floor area. Not all options are available in all zones that allow IZ. Your ability to use the performance or payment option, or a combination of the two, is also determined by the zone and your project type. The exact performance or payment amount required to achieve extra floor area in your project is determined through the calculation(s) established in the Land Use Code, described below.

### Affordable Housing and/or Childcare

You can provide affordable housing and/or childcare either through performance (providing the affordable housing or and/or a childcare facility) or by paying into funds that will help develop affordable housing and/or childcare facilities. For extra residential floor area, you are required to contribute to affordable housing and for extra nonresidential floor area you are required to contribute to both affordable housing and childcare.

- If you choose the affordable housing performance option, the extra floor area is multiplied by a percentage established in the Land Use Code. The result determines the amount (square footage) of affordable housing you are required to provide on the project site or at an off-site location. If your project is mixed-use or residential and is in a zone with a height limit of 85' or less, you can only use the performance option.

### Formula

$X * Y = \text{required minimum floor area of provided affordable housing}$

Where X is the extra floor area; and Y is the percentage of extra floor area to be provided as affordable housing

*EXAMPLE* for 20,000 square feet of extra floor area achieved through performance housing in a zone where 14 percent of the extra floor area must be provided as affordable housing

$20,000 * 14 \text{ percent} = 2,800$  square feet minimum floor area of required affordable housing

- If you choose the childcare performance option, the extra floor area is multiplied by a childcare slot percentage, as established in the Land Use Code. The result determines the minimum number of children your facility must be able to serve. Once you determine the minimum number of children, use the established percentage in the Land Use Code to determine what portion must be affordable and serve income-qualified families. The minimum interior space of your childcare facility shall comply with all applicable state and local regulations governing licensed childcare providers.

In the calculations below, fractions are rounded up to the next whole number.

#### Formula

$X * Y$  = required minimum number of childcare slots the space needs to support;

$(X * Y) * Z$  = number of slots that must be affordable

Where X is the extra floor area; and Y is the percentage of a childcare slot; and Z is the percentage that must be affordable

*EXAMPLE* for 200,000 square feet of extra floor area achieved through performance childcare in a zone where the childcare facility space must be sufficient to support 0.000127 childcare slots

$200,000 * 0.000127$  = Space sufficient enough to provide childcare for 25.4 children;

$(200,000 * 0.000127) * 20\% = 5.08$  slots that must be affordable

- If you choose the payment option (instead of providing housing or childcare facilities directly), calculate the dollars-per-square-foot payment amount for the extra floor area, as established in the Land Use Code.

In the SM-SLU and downtown zones, the code requires the City to annually adjust all payment calculation amounts in proportion to the change in the consumer price index. See Exhibit B.

#### Formula

Affordable housing only:

$X * Y$  = required cash contribution for affordable housing

Where X is the extra floor area; and Y is the dollar per square feet for affordable housing contribution

#### Formula

Affordable housing and childcare:

$(X * Y1) + (X * Y2)$  = required cash contribution for affordable housing and childcare

Where X is the extra floor area; Y1 is the dollar per square feet of affordable housing contribution; and Y2 is the dollar per square foot of childcare contribution

*EXAMPLE* for 20,000 square feet of extra floor area achieved through cash contribution to affordable housing and childcare in a zone with \$26.07 per square foot for affordable housing and \$4.51 per square foot for childcare

$(20,000 * 26.07) + (20,000 * 4.51)$

$521,400 + 90,200 = \$611,600$  required cash contribution for affordable housing and childcare

### Open space amenities

Open space amenities include neighborhood open space, green street setbacks, green street improvements, mid-block corridors, and hillside terraces. Additional types of amenities may be allowed in some downtown zones. Contributions are based on a bonus ratio – a specified amount of extra floor area is gained per square foot of the open space amenity provided. These may be provided as performance, either on or off-site, and in limited cases through a payment in-lieu.

*Formula*

$X / Y$  = required amount of required open space amenity, measured in square feet

Where X is the extra floor area; Y is the bonus ratio of open space amenity

*EXAMPLE* for 20,000 square feet of extra floor area achieved through open space amenity with a 5:1 bonus ratio  
 $20,000 / 5 = 4,000$  square feet of open space amenity required

***Transferable development potential and transferable development rights***

In some cases, a portion of your extra floor area can come from transferring development potential or development rights to your project from another lot. You can get development potential or rights from sites such as:

- Designated landmarks
- Low-income housing developments
- Major performing arts facilities
- Public open space
- Vulnerable masonry structures

These sites are typically not developed to the full extent allowed in the Land Use Code, enabling them to transfer floor area to another project. Transferable Development Potential (TDP) is unused residential floor area, and Transferable Development Rights (TDR) are unused nonresidential floor area.

Your contributions are based on the square footage of the extra floor area being gained through TDP or TDR, calculated as a 1:1 ratio of transfer.

*Formula*

$X * 1$  = square feet of TDP/TDR required

*EXAMPLE* for 20,000 square feet of extra floor area achieved through TDR/TDP  
 $20,000 * 1 = 20,000$  square feet of TDP/TDR required

***Regional development credits***

You can get Regional Development Credits (RDC) from farms and working forests in the region. In exchange for implementing this program, the City also receives funding for infrastructure through tax revenues. The RDC program transfers development capacity from these farms and working forests to projects located in certain downtown and SM-SLU zones. Please see Map A in SMC 23.58A.004 to see if your site is located within the Local Infrastructure Project Area and therefore eligible to use RDCs.

Your contributions are based on the square footage of the extra floor area gained through RDC. They are calculated as a square foot of extra floor area per credit, based on the number and type of credits used. The square foot value for agricultural, forest, and rural credits are established in the Land Use Code.

Credits can only be used in whole numbers.

*Formula*

$X / Y$  = required number of RDCs (rounded up to the next whole number)

Where X is the extra floor area; and Y is the square feet of extra floor area per RDC shown in the Land Use Code

*EXAMPLE* for 20,000 square feet of extra floor area and an RDC worth 1,640 square feet per credit  
 $20,000 / 1,640 = 13$  RDCs (12.20 is rounded up to the nearest whole number)

## What needs to be in the plans to demonstrate compliance with the IZ program?

You must show compliance with the IZ program in your plan set for any Master Use Permit (MUP) and building permit, for review by SDCI. Your final contribution is always based on the calculations in the final building permit plans. Your floor area diagrams, FAR calculations, height diagrams, and IZ calculations must be in sequential pages at the beginning of your plan set. Having this information together in the plans increases transparency to the public and makes it easier for us to locate the information during our project review. Your reviewer will send you a correction letter if you don't display the information properly in your plans.

Your application for a project using IZ must include the following in the plans:

- Detailed floor area diagrams that include dimensions and calculations of the proposed gross floor area, FAR exempt floor area, and chargeable floor area. These diagrams are necessary so we can accurately assess the floor area used in the IZ calculations.
- A height diagram showing all floor levels and finished floor elevations, the gross floor area of each story, the point from which height is measured per the Land Use Code (SMC 23.86.006), and the base and maximum height lines/elevations to show the location of all extra floor area. (See Exhibit A)
- Complete FAR calculations showing the base and maximum FAR limits (floor area allowed by each), proposed floor area, FAR exemptions, and chargeable floor area above the base FAR.
- Detailed calculations for IZ performance or payment contributions. This is shown on the "Calculations for Extra Floor Area" table. We provide the table during our initial plan review. (See Exhibit C)
- For performance options
  - **Housing performance.** Show the unit number and location of units on the architectural floor plans with the unit number and configuration, and the dimension and area of the units. The floor plans must reflect the OH-approved units that are documented in the recorded housing covenant.
  - **Childcare performance.** Include architectural floor plans that show the location and configuration of childcare facilities. The floor plans must reflect the HSD approvals that are documented in the recorded childcare covenant.
- **Other on-site amenities.** Include a site plan showing the type, location, dimensions, areas, proposed level of improvement, and public access signs. The plans must reflect approvals from the applicable city department, as documented in other permits and/or agreements.

## What are the required documents for IZ and your review timing?

In addition to the information in the plans, we review documents related to the IZ that either you or the city execute and record as part of the permitting process for your project. You may need to get declarations, covenants, and/or agreements signed by the property owner, ground lessee (where applicable), and in some cases, City staff. When you use a performance option, the coordination with other City departments, including their review and approval of the plans and required documents, is done during the SDCI permitting process. When you use a payment option, you must make the payment during the permitting process.

Since the amount of your performance and payment contributions are based on the final building plans, we typically review these documents in draft form at the MUP stage. The final review, execution, recording, and payment are done during the construction permit(s) review process.

### IZ Declaration

We require a recorded declaration for all projects that use IZ to achieve extra floor area. The declaration is the voluntary commitment, signed by the property owner(s) and other applicable parties (i.e., long-term ground lessee), to achieve the extra floor area through the applicable developer contribution(s).

#### Timing of IZ declaration

- **MUP:** We will provide a template of the declaration as part of our initial review of your project. Since the amount of your contribution is based on the final building plans, we do not review or record the declaration during our MUP review.
- **Building permit:** We must review and approve a draft declaration that reflects the zoning-approved construction plans before you can record it. You need to provide a current title report for the development site that reflects the current ownership and legal description, including any street or alley dedications. You will receive notice from your reviewer when the declaration is approved so you can record it.



The property owner(s) and applicable parties must execute and record the final declaration that reflects the zoning-approved plans before we approve the building permit.

***Covenants and Agreements: Performance options for housing, childcare and some open space amenities (when applicable)***

We require covenants or other agreements between the property owner(s) and the applicable city department if you choose the performance option for housing or childcare. You may need other agreements or permits with other city departments if you choose to provide one or more open space amenities.

- **Housing:** The Office of Housing (OH) and SDCI must approve and record a housing covenant. During review, we refer you to OH and they will give you the applicable template.
  - Approved housing covenants are signed by the property owner(s) and other applicable parties (i.e., long-term ground lessee), and the OH Director. They are recorded by OH.
- **Childcare:** The Human Services Department (HSD) and SDCI must approve and record a childcare covenant. During review, we refer you to HSD. They will give you the documents applicable to your project. Approved childcare covenants are signed by the property owner(s) and other applicable parties (i.e., long-term ground lessee), and the HSD Director. The applicant records the childcare covenant.
- **Open space amenities:** You may be required to get a Seattle Department of Transportation (SDOT) Street Improvement Plan (SIP), Street Concept Plan, or other design approval by SDOT and SDCI for some green street improvements or work in the right-of-way. You may need other agreements on a case-by-case basis.

*Timing of covenants and agreements*

- **MUP:** We require draft covenants or agreements that reflect the zoning-approved plans, and that meet the applicable standards in the Land Use Code and of any other responsible department, for MUP approval. Since the amount of your contribution is based on your final building plans, we do not record covenants and agreements as part of our MUP review. If a SIP is required, the permit must be in review by SDOT. Please see SDOT CAM 220 and Director's Rule 11-2007 for additional information on SIPs and green street improvements.

- **Building permit:** SDCI, and the responsible City department, must review and approve your draft covenants or agreements before you record them. You need to provide a current title report for the development site that reflects the current ownership and legal description, including any street or alley dedications. You must have the final covenants or agreement that reflect the zoning-approved plans executed and recorded before we approve your building permit. Both OH and HSD require additional documents as they finalize covenants and agreements. Please see the specific department for more information. For example:

- When you elect performance housing, an affirmative marketing plan is required as part of OH's review and approval.
- When you elect performance childcare, a management and operating plan, family handbook, and operating budget are required as part of HSD's review and approval.

***Payment acknowledgement letter (when applicable)***

The OH collects all IZ payments for affordable housing and childcare, and distributes childcare funds to HSD when applicable. When you make the IZ payment to OH, they give you a payment acknowledgement letter.

*Timing of payment*

- **MUP:** Since the amount of contribution is based on the final building plans, we do not require or allow payment as part of the MUP.
- **Building permit:** You must make the payment and receive the acknowledgment letter prior to our approval. The Office of Housing will not accept payment until you have recorded the IZ declaration. When OH receives your payment, they provide an acknowledgement letter to the payee, applicant, the Director of Human Services (if applicable), and SDCI. For residential projects where you can defer payment, the IZ declaration should outline that payment was deferred and will be made prior to the first Certificate of Occupancy.
- **Certificate of Occupancy:** If you defer the IZ payment, the original amount is adjusted for inflation when you make the payment. You must make the adjusted IZ payment before you can get any certificate of occupancy for the project. Please contact your assigned IZ reviewer when you are ready to make the adjusted IZ payment so we can calculate the amount due. OH will provide you with the acknowledgment letter when you make the payment.

**Transferable development potential / transferable development rights (when applicable)**

The purchase of TDP and TDR is a market transaction between you and the other property owner. You need to include the following in your permit application:

- TDR Availability Letter for the sending site (see Exhibit D)
- Executed and recorded Statutory Warranty Deed validly transferring the TDP/TDR
- Additional information may be required by your reviewer based on the specific type of TDP/TDR on a case-by-case basis
- A copy of the signed, executed, and recorded agreement(s), as applicable, including covenants, required as a condition of transfer of development rights/potential from the sending site

*Timing of TDP/TDR documents*■ **MUP:**

- We require a TDR Availability Letter for the sending site.
- Your plan documentation must indicate the amount of TDP/TDR you propose to use.

■ **Building permit:**

- We require a TDR Availability Letter for the sending site (if no associated MUP).
- Your plan documentation and declaration must indicate the amount of TDP/TDR you propose to use, and you must identify the sending site(s).
- You must have all transfers executed and recorded. Before we approve your permit, you must provide a copy of the recorded warranty deed(s) for the TDP/TDR and a copy of any applicable recorded agreement(s), including covenants, for the TDR/TDP sending site.

**Regional development credits (when applicable)**

The purchase of RDCs is a market transaction between you, King County, Snohomish County, or a private entity that holds the RDCs.

*Timing of RDC documents*

- **MUP:** You need to provide confirmation from King or Snohomish County that the requested/needed credits are available before we can approve your MUP.

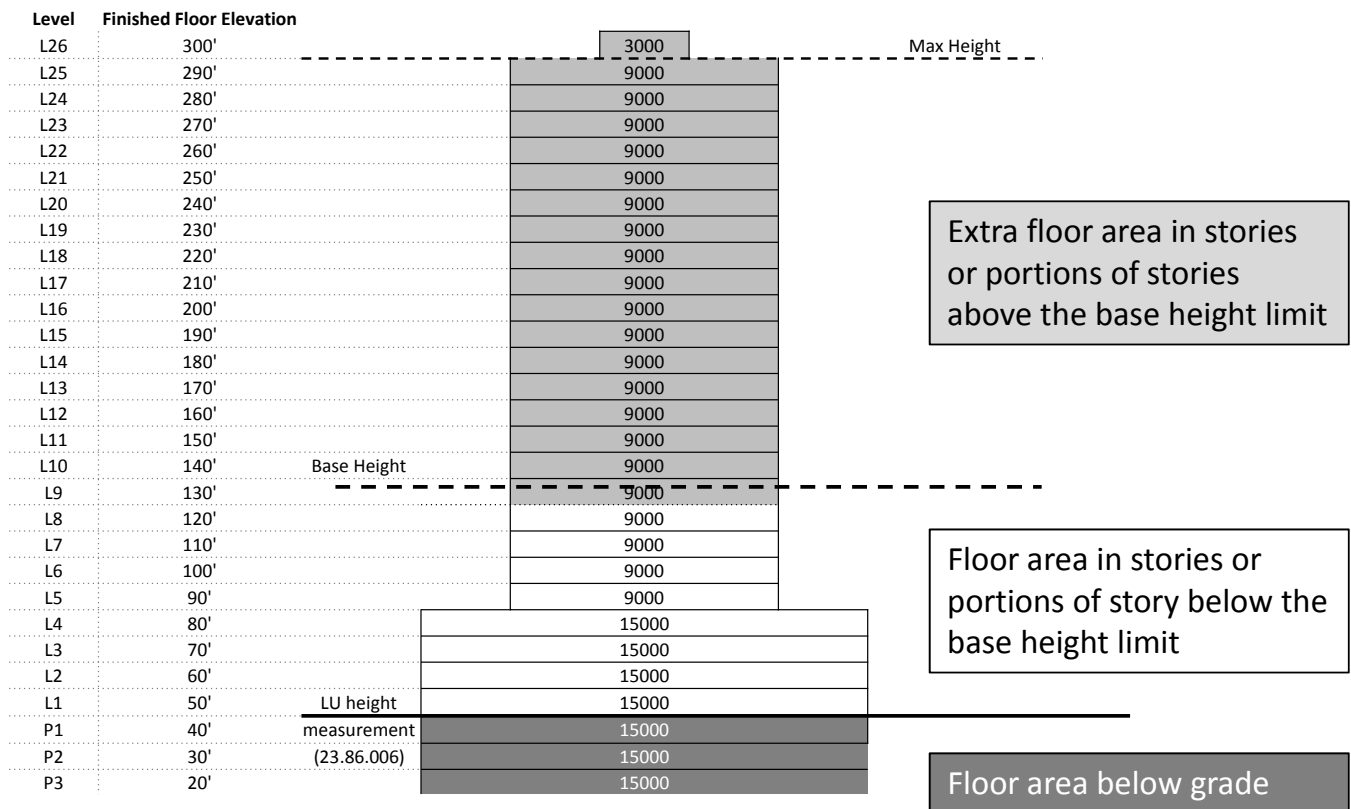
- **Building permit:** Prior to our permit approval, you must provide us with copies of the executed and recorded Certificate(s) of Transfer and proceeds of sale letter.
- **Certificate of Occupancy:** Prior to any certificate of occupancy for the project, you must provide us with a copy of the RDC extinguishment document.
- Please contact your assigned IZ reviewer when you are ready to submit your documentation.

## Access to Information

Links to electronic versions of SDCI Tips, codes, and forms are available on our website at [www.seattle.gov/sdcj](http://www.seattle.gov/sdcj).

## Exhibit A Incentive Zoning Height Diagram

### Exhibit A -- Incentive zoning height diagram





## Exhibit B

### CPI Incentive Zoning Payment Adjustments

In Downtown and SM-SLU zones, the Land Use Code (SMC 23.49 and 23.58A, respectively) requires annual adjustments to the dollar per square foot amount for housing and childcare incentive zoning developer contributions. The Land Use Code directs us to use the Consumer Price Index (CPI)<sup>1</sup> to make these adjustments on March 1 of each year based on the annual average changes to the CPI.

The dollar amounts depend on whether you're proposing a residential or nonresidential project, and the date your project vested to the Land Use Code (SMC 23.76). The tables below show the CPI adjusted amounts from July 1, 2017 through present<sup>2</sup>, and are broken out by the type of use (Tables A and B for residential uses and Table C for nonresidential uses), zone, and vesting date. For incentive zoning payment amounts in all other zones, please refer to SMC 23.58A.

This exhibit contains the following:

- Table A: Residential Extra Floor Area for DOC 1, DOC 2, and all SM-SLU Zones
- Table B: Residential Extra Floor Area for DMC Zones
- Table C: Nonresidential Extra Floor Area for All DOWNTONW and All SM-SLU

**Table A**  
**Residential Extra Floor Area for DOC 1, DOC 2, and all SM-SLU Zones**  
**CPI Adjustments (Dollar per Square Foot)**

DOC1, DOC2, and SM-SLU Zones	Dollar Per Square Foot: Housing Adjusted payment calculation amount							
Effective Date of payment amount per 23.49/23.58A	7/1/2016 through 6/30/2017	7/1/2017 through 6/30/2018	7/1/2018 through 6/30/2019	7/1/2019 through 6/30/2020	7/1/2020 through 6/30/2021	7/1/2021 through 6/30/2022	7/1/2022 through 2/29/2024	3/1/2024 through 2/28/202-
DOC1, DOC2, SM-SLU (except SM- SLU 85/65- 160)	\$22.65	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
SM-SLU 85/65-160 (effective date of zone: 5/14/17)	\$22.86	\$23.54	\$24.31	\$24.87	\$25.09	\$26.47	\$29.15	\$30.79

<sup>1</sup> For projects vested on or after the effective date of a MHA upzone, and subject to the MHA requirements in SMC 23.58C, MHA satisfies all IZ housing requirements (SMC 23.58C).

**Table B**  
**Residential Extra Floor Area for DMC Zones**  
**CPI Adjustments (Dollar per Square Foot)**

<b>DMC Zones: Location of Floor Area (stories or parts of stories)</b>	<b>Dollar Per Square Foot: Housing</b> Adjusted payment calculation amount
<i>Effective Date of payment amount per 23.49/23.58A</i>	<i>7/1/2016 through 6/30/2017<sup>2</sup></i>
<b>Between height limit of 85' and base residential height limit</b>	\$11.96
<b>First 4 stories above base residential height limit</b>	\$17.94
<b>Next 3 stories above base residential height limit</b>	\$23.92
<b>Higher stories above base residential height limit</b>	\$29.90
<b>Maximum average per gsf of extra residential floor area</b>	\$22.65

<sup>2</sup> For projects vested on or after the effective date of a MHA upzone, and subject to the MHA requirements in SMC 23.58C, MHA satisfies all IZ housing requirements (SMC 23.58C).

**Table C**  
**Nonresidential Extra Floor Area for All Downtown and All SM-SLU Zones**  
**CPI Adjustments (Dollar per Square Foot)**

<b>In Downtown and SM-SLU Zones</b>	<b>Dollar Per Square Foot: Housing or Childcare</b> Adjusted payment calculation amount							
<i>Effective Date of payment amount per 23.49/23.58A</i>	<i>7/1/2016 through 6/30/2017</i>	<i>7/1/2017 through 6/30/2018</i>	<i>7/1/2018 through 6/30/2019</i>	<i>7/1/2019 through 6/30/2020</i>	<i>7/1/2020 through 6/30/2021</i>	<i>7/1/2021 through 6/30/2022</i>	<i>7/1/2022 through 2/29/2024</i>	<i>3/1/2024 through 2/28/2025</i>
<b>Housing, except in SM-SLU 85/65-160</b>	\$26.07	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>
<b>Housing in SM-SLU 85/65-160</b> (effective date of zone: 5/14/17)	\$26.07	\$26.89	\$27.77	\$28.41	\$28.65	\$30.24	\$33.31	\$35.17
<b>Childcare</b>	\$4.51	\$4.66	\$4.81	\$4.92	\$4.96	\$5.23	\$5.76	\$6.08

<sup>3</sup> For projects vested on or after the effective date of a MHA upzone, and subject to the MHA requirements in SMC 23.58B, MHA satisfies all IZ housing requirements (SMC 23.58B).

### Exhibit C Sample "Calculation of Extra Residential / Nonresidential Floor Area" Tables

#### Calculation of Extra Residential Floor Area

##### (base and maximum height limits)

Building permit number	6XXXXXX-CN/PH	
Vesting date	01/01/2017	
Zone	SM-SLU 240/125-400	
1. Site size	30,000 sf	
2. Total gross floor area	202,500	
3. Base height	125 ft	
4. Max height	400 ft	
5. Total residential floor area	202,500 gsf	
6. Residential floor area in stories wholly or partly above base height	156,000 gsf	
7. Extra residential floor area (Line 6)	156,000 gsf	
8. 60% of extra residential floor area (Line 7): Affordable housing payment option (SMC 23.58A.014) <sup>1</sup>	93,600 gsf	
9. Affordable housing bonus: <b>\$22.65</b> * Line 7 gsf <sup>1</sup>	\$2,120,040	
10. 40% of extra residential floor area (* Line 7): purchase of <b>39 Agricultural</b> Regional Development Credits (RDC) from King County; Ratio <b>1640:1</b> (SMC 23.58A.044)	62,400 gsf	

#### Calculation of Extra Nonresidential Floor Area

##### (base and maximum FAR limits)

Building permit number	6XXXXXX	
Vesting date	01/01/2017	
Zone	SM-SLU 240/125-400	
1. Site size	30,000 sf	
2. Base floor area and base FAR	150,000 gsf	5 FAR
3. Max floor area and max FAR	210,000 gsf	7 FAR
4. Total gross floor area	555,000 gsf	
5. Exempt floor area	335,000 gsf	
6. 3.5% mechanical exemption, if applicable	7,700 gsf	
7. Non-exempt floor area	212,300 gsf	
8. Non-exempt floor area less base floor area ("Extra nonresidential floor area") (Line 7 – Line 2)	62,300 gsf	
9. 75% of extra nonresidential floor area: affordable housing childcare bonus (SMC 23.58A.024) <sup>1</sup>	46,725 gsf	
10. Affordable housing bonus: <b>\$26.07</b> * Line 9 gsf <sup>1</sup>	\$1,218,120.70	
11. Childcare bonus: <b>\$4.51</b> * Line 9 gsf	\$210,729.75	
12. Total housing childcare cash contribution <sup>1</sup>	\$1,428,850.45	
13. 25% of extra residential floor area: purchase of <b>14 nonresidential agricultural</b> Regional Development Credits (RDC) from King County; Ratio <b>1,120:1</b> (SMC 23.58A.044)	15,575 gsf	

<sup>1</sup>For projects subject to both IZ and MHA, the requirements for affordable housing are met through compliance with MHA (SMC 23.58B and 23.58C)

## Exhibit D

### TDR Availability Letter

When you use transferable development potential or rights from another parcel to satisfy the incentive zoning requirements for your project, we require a TDR Availability Letter for the site you are transferring floor area from before we can approve your permit. This letter verifies the availability of transferable floor area from the “sending site” to your site.

The TDR Availability Letter is submitted under its own “Land Use Analysis” record number. Fees are charged for the review, research, and certification letter, independent of your development proposal. Ideally, you should have the TDR Availability Letter before you apply for your Master Use Permit (MUP) or, if no MUP is required, before you apply for your construction permit. If you have an approved MUP but have not yet received a TDR Availability Letter, you need to provide one before we can approve your construction permit. Your request for a TDR Availability Letter may be considered concurrently with our review of your development proposal, however, please be aware this may add significant time to the review of your project.

To request the availability letter, submit a Request for Land Use Analysis Letter, complete the Financial Responsibility form, and pay the applicable fee. The forms are available online at <https://www.seattle.gov/sdci/permits/forms> and information on Land Use Analysis Letters (Opinion Letters) can be found here: <https://www.seattle.gov/sdci/resources/opinion-letters>.

Your request should include the following:

- The address and parcel number(s) of the sending site
- Identification of the type of TDR you want have certified for the sending site (major performing arts facility, DMC housing, housing, landmark, open space, south downtown historic, or vulnerable masonry structure)
- Floor plans for existing structures on the sending site
- Floor area / floor area ratio calculations per the zone
- For landmark structures, a copy of the designating City ordinance, if applicable
- A title report that reflects the current ownership and all transfers to date, so we can verify previous transfers / sales from the site

Please allow 4 to 6 weeks for SDCI to complete the review and letter.