

RESOLUTION _____

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2 A RESOLUTION establishing Principles and Guidelines for incentive zoning provisions to be
3 implemented when changes are made to development regulations that significantly
4 increase allowable development capacity.

5 WHEREAS, Engrossed Substitute House Bill (ESHB) 2984, passed by the State legislature in
6 March, 2006, allows the City to develop incentive programs that offer increased
7 development capacity or waivers in exchange for development of, or contribution to
8 affordable housing; and

9 WHEREAS, ESHB 2984 provides that a City Council may, after a public hearing and upon
10 making specific findings that higher income levels are needed to address local housing
11 market conditions, enact an affordable housing incentive program with income limits that
12 includes renter households who earn up to 80% of county area median income and up to
13 100% of county area median income for homeowners, and in this resolution the City
14 refers to housing developed under such a program as “housing that is affordable to
15 moderate wage workers;” and

16 WHEREAS, ESHB 2984 provides an opportunity to broaden the application of incentive
17 programs throughout the City, both to stimulate additional housing development and to
18 ensure that a portion of it is affordable; and

19 WHEREAS, in December, 2006, the Council passed Resolution 30939 affirming the Council’s
20 and Mayor’s support for the use and broader application of new affordable housing
21 incentive program authority; and

22 WHEREAS, the Comprehensive Plan incorporates policy direction on the use of incentive
23 zoning; and

24 WHEREAS, the City recognizes the substantial public benefit in providing housing that is
25 affordable to moderate wage workers, including housing for workers who help sustain
26 and protect the city such as police, firefighters, nurses, City employees and teachers; and

27 WHEREAS, local housing market conditions are likely to require establishing the maximum
28 program income limits for rental and owner occupancy authorized under ESHB 2984;
and

WHEREAS, consideration of zoning changes to increase density should consider the impact of
such development on needed public infrastructure and amenities, in addition to housing
that is affordable to moderate wage workers; and

1 WHEREAS, the City of Seattle adopted a Comprehensive Plan under the requirements of the
2 State Growth Management Act, and policies for park, open space, associated community
3 facilities, and recreational facilities are included in the Plan; and

4 WHEREAS, the City developed studies and information regarding the impact of new
5 development on the need for open space, parks and recreational facilities; and

6 WHEREAS, the Mayor intends to submit and the Council will consider changes to development
7 regulations in certain areas that would provide potential increases in allowable
8 development; and

9 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
10 SEATTLE, THE MAYOR CONCURRING, THAT:

11 Section 1. Intent to apply Principles and Guidelines when changes to development
12 regulations occur: It is the Council's and the Mayor's intent to apply the following Principles
13 and Guidelines when considering changes to development regulations that would significantly
14 increase allowable multifamily and/or commercial development capacity. The Council requests
15 the Mayor to use the following Principles and Guidelines in the development of changes to
16 development regulations that provide increases in development capacity when those changes are
17 presented to Council.

18 Section 2. Principles to use in developing new or amended development regulations:
19 The Council establishes the following Principles to guide development of legislation that
20 provides increased development potential:

21 A. An incentive zoning program must provide a real potential incentive to
22 developers to achieve program objectives.
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1 B. Incentive zoning should ultimately be applied throughout the City when
2 development regulations for multifamily, commercial, and mixed-use development are changed
3 to provide significant additional development capacity.

4 C. Incentive zoning programs should be voluntary so that the applicant has the
5 choice of whether or not to use the increased development capacity beyond the base allowance.
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7 D. It is the intent that developer contributions to build housing that is affordable
8 to moderate wage workers units leverage funds other than those for which extremely- and very-
9 low income housing is prioritized (e.g. private sector funds and 4% low-income housing tax
10 credit equity/bond financing).

11 E. Use of incentive zoning in combination with property tax exemptions through
12 the Seattle Homes Within Reach program is encouraged.
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14 F. Incentive zoning program options currently applying to commercial
15 development in Downtown zones should be considered, as appropriate, for other zones when
16 commercial development capacity is increased.
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18 G. Base floor area ratio (FAR) or base height, based on estimates of capacity or
19 height allowed under current development regulations with any appropriate adjustments, and
20 maximum FAR levels and maximum height limits, will be established in zones where incentive
21 zoning is implemented.

22 Section 3. Incentive zoning residential guidelines: The Council establishes the following
23 guidelines to be used in the formulation of development regulations for incentive programs
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1 involving multifamily and mixed-use development, to respond to Principles outlined in Section

2 2:

3 A. General guidelines: Incentive zoning guidelines apply only to projects that
4 make use of increased FAR or height permitted above the base FAR or height limits; incentive
5 zoning guidelines do not apply to projects built below the base FAR or height limits.

6 B. Housing that is affordable to moderate wage workers guidelines:

7 1. Zones with height limit at or below 85': A minimum of 11% of all gross
8 bonus square footage must be provided as housing that is affordable to moderate wage workers
9 for occupants meeting program income guidelines. If the payment in lieu option is chosen rather
10 than the performance option, all of the payment in lieu must be used for housing that is
11 affordable for moderate wage workers as provided in this resolution;

12 2. Zones with height limits above 85': The amount of gross bonus square
13 footage conditioned upon provision of housing that is affordable to moderate wage workers may
14 be 100%, but also may be reduced to as low as 60% if other bonuses or transfer of development
15 potential, or both, are permitted in a zone or area, after community involvement in the
16 development of the regulations.

17 3. Housing that is affordable to moderate wage workers must be provided for
18 a minimum of 50 years.

19 4. Income, rent, and sales price restrictions will apply:

20 a. Rental: Renter income not to exceed 80% of the King County family
21 median income, adjusted for family size; rents not to exceed levels affordable to households with
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1 (1) Cost to developer: Regulations should be designed so that the
2 estimated cost to satisfy the conditions to bonus floor area do not exceed the following amounts
3 per gross bonus square footage throughout the City:

4 (a) Increase in gross floor area allowed per story but no
5 additional height: \$10 per gross bonus square footage when gross floor area allowed per story
6 and maximum sizes are increased, but new regulations do not provide for additional height;

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8 (b) Increase in Height: \$10 per gross bonus square footage
9 for the first 4 floors above Base FAR; \$15 per gross bonus square footage for the next 3 floors;
10 \$20 per gross bonus square footage for the next 4 floors; and \$25 per gross bonus square footage
11 above that up to maximum FAR;

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13 (i) The maximum fee in lieu should be an average
14 of \$18.94 per gross bonus square footage;

15 (ii) The minimum fee in lieu should be an average
16 of \$15 per gross bonus square footage.

17 (2) Use of funds: The Executive should explore alternative ways
18 to administer the use of payments-in-lieu for housing that is affordable to moderate wage
19 workers to maximize potential for leverage of non-City funding and provide maximum
20 flexibility to achieve the City's goal of providing more housing that is affordable to moderate
21 wage workers.
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1 (3) Location: Flexibility is needed in locating housing that is
2 affordable to moderate wage workers provided with payments in lieu. The following identifies
3 where such housing may be located, in order of priority:

4 (a) In the same area where the housing project utilizing the
5 additional development potential is located;

6 (b) Within one-half mile of major bus rapid transit stops or
7 light rail station locations;

8 (c) In the same sector of the City (SE, SW, NE, NW)
9 where the housing project utilizing the additional development potential is located.
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11 C. Other means to gain floor area (may apply only in zones with height limits
12 above 85’):

13 1. Guidelines should be developed that:

14 a. are consistent with State law; and

15 b. provide for regulations to reflect the input of community

16 representatives as to what capital improvements may be needed to help mitigate impacts of
17 additional development within their neighborhoods, and whether transfers of development
18 potential are appropriate.
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20 2. Other means to gain floor area may vary by geographic area;

21 3. Various alternatives should be considered.
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1 Section 4. Incentive zoning commercial guidelines: The Council establishes the
2 following guidelines to be used in the development of regulations when significant additional
3 commercial development potential is provided:

4 A. Consider to what extent provisions similar to the Downtown regulations for
5 commercial floor area should be applied in other areas.

6 B. Regulations should be designed so that the estimated cost to satisfy the
7 conditions to bonus floor area do not exceed the amounts per gross bonus square footage set
8 forth in the Downtown Commercial Bonus Program.

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10 Section 5. Administration of payments-in-lieu: Council requests the Mayor to develop a
11 proposal, including options and recommendations, for administration of the payments made in
12 lieu of providing housing that is affordable to moderate wage workers under incentive provisions
13 adopted under ESHB 2984. The proposal should meet the following objectives:

14 A. Flexibility to achieve creative housing solutions and projects;

15 B. Leveraging of fund sources other than those for which extremely and very-
16 low-income housing is prioritized;

17 C. Cost effective share of contributions to cover all costs associated with
18 administration to maximize use of contributions for housing that is affordable to moderate wage
19 workers production.

20 Section 6. Periodic review of incentive zoning program: Because conditions change
21 over time, periodic updates of incentive zoning provisions may be needed in order to provide
22 true incentives and achieve objectives; the first such review of guidelines for all City incentive
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1 zoning programs, including Downtown programs for commercial and residential floor area,
2 should occur no later than 2010, and further review every 2 to 5 years thereafter.

3 Section 7. Implementing legislation: Council requests the Mayor to begin forwarding
4 legislation proposing changes to development regulations falling under the intent of this
5 Resolution to Council during first quarter, 2008. A schedule including anticipated dates when
6 additional legislation would be forwarded to Council is requested to accompany the first
7 legislation presented.
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9 Adopted by the City Council the ____ day of _____, 2007, and signed by me in
10 open session in authentication of its adoption this ____ day of _____, 2007.
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12 _____
13 President _____ of the City Council

14 THE MAYOR CONCURRING:
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16 _____
17 Gregory J. Nickels, Mayor

18 Filed by me this ____ day of _____, 2007.
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20 _____
21 City Clerk

22 (Seal)
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