

INCENTIVE ZONING

Presented by City of Seattle Staff to the
Planning Commission

March 13, 2014

Agenda

- Existing Program
- Update Process
- Ongoing Initiatives
- Past Performance
- What We've Been Hearing
- Discussion



Existing Program



Overview

- Property owners may gain ***extra floor area*** beyond the ***base development limit*** up to a ***maximum development limit*** by providing ***public benefits***
- Development capacity can be limited by:
 - ▣ Height
 - ▣ Floor Area Ratio (number that when multiplied by lot size indicates total square feet of chargeable floor area allowed)
- State law limits what City can ask for

Where

- Downtown
- South Downtown
- South Lake Union
- Yesler Terrace
- Dravus (in SM/D/40-85 zones)
- First Hill (in HR zone)
- Certain MR zones
- Lowrise zones
- Other leg. upzone areas

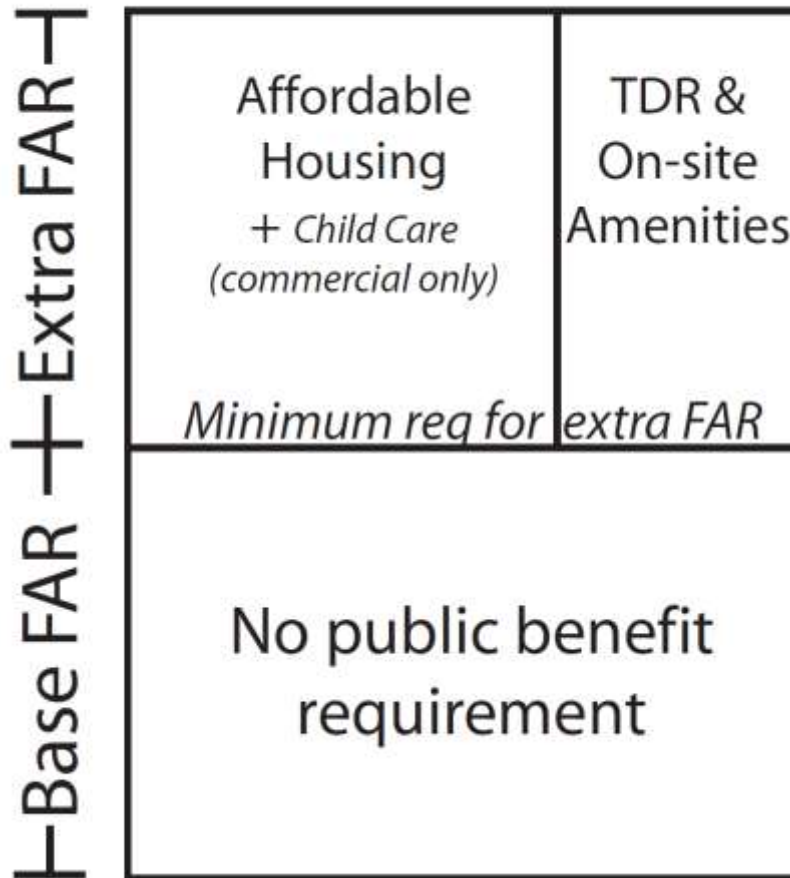


General Framework

- Ordinance 122882 established general framework
- Zones with height limit of 85 feet or less, all benefit is affordable housing
- Zones with height limit greater than 85 feet,
 - Commercial: 75% affordable housing, 25% other benefits
 - Residential: 60% affordable housing, 40% other benefits
- Exceptions
 - Downtown Residential: affordable housing incentive only
 - Lowrise: green building and design incentive only
 - Pike/Pine: preservation incentive only
 - Yesler Terrace: Chapter 23.75

General Framework

Public Benefits Structure



Affordable Housing + Child Care

- Housing: On-site, Off-site, payment or TDR
- Child Care: On-site or payment
- Downtown payment per sq ft (recently increased)
 - Commercial: \$22.88 + \$3.97
 - Residential: \$21.68

Minimum Requirements

- Green Building
 - ▣ No Requirement (Downtown)
 - ▣ LEED Silver/Built Green 4 stars (LR, MR, HR, SoDo)
 - ▣ LEED Gold OR Silver + District Energy (SLU)
- Transportation Management Plan (SLU only)
- Energy Management Plan (SLU only)

TDR & Onsite Amenities Summary

- Menu of Options
- Varies by neighborhood
- Current options include:
 - On-site open space
 - On-site Amenities (e.g. transit station facilities, hillside assist, atrium, public bathrooms)
 - Green Street Improvements
 - Transfer of Development Rights (TDR) (e.g. historic structures & landmark buildings, open space, regional farms & forests)

On-site Open Space & Amenities

- Most ratios are 5:1 or 7:1 (extra sq ft per amenity sq ft)
- Allowed locations and maximum size vary
- Must meet “Downtown Amenities Standards”
 - ▣ Regulates size, public access, hours, seating, landscaping, art, signage, lighting, accessibility
- Departures allowed through design review



Green Street Improvements



- ❑ Designated streets only
- ❑ Consistent with adopted streetscape concept plan
- ❑ 5:1 ratio
- ❑ Performance or payment to fund existing city project

Transfer of Development Rights

- 1:1 transfer of development capacity
- Total TDR available =
 - base floor area
 - existing non-landmark floor area
- Commercial & Residential TDR markets separated
- Type of TDR Allowed varies by area
- Areas
 - Downtown (Commercial only)
 - SoDo (Residential & Commercial)
 - First Hill (Residential only)
 - South Lake Union (Regional TDR only)





Update Process



Update Process

- Comprehensive Update
 - 75/25, 60/40, 100 split is not being discussed
- Advisory Panel on Affordable Housing Incentives
- Council Consultants
 - Coordinating Consultant (Cornerstone Partnership)
 - Best Practices Consultant (OTAK)
 - Economic Consultant (David Rosen Associates)

Update Process

- April – recommendations from Advisory Panel on Affordable Housing Incentives & our Working Group
- May – results from economic consultant
- June/July – Initial proposal & discussion with City Council
- 1st Quarter 2015 - legislation

Ongoing initiatives

Open Space Impact Fee

Historic Theater Legislation

Deep Green/Living Building Pilot

District Energy Discussions



Past Performance



Program Use since 2007

Downtown Building Permits (all relevant applications)

	Commercial	Residential
DOC1	1 of 1	0 of 0
DOC2	2 of 3	0 of 1
DMC 340	1 of 1	1 of 2
DMC 240	0 of 0	2 of 4
DMC 125	0 of 1	n/a

SLU MUP & Building Permits (all relevant applications)

	Commercial	Residential
EDG before Rezone	5 of 7	0 of 6
EDG after Rezone	1 of 7	0 of 0

South Downtown: 1 of 3 issued building permits

Highrise: 1 of 1 issued building permits; 3 of 4 unapproved MUPs

Midrise: 8 of 19 issued building permits; 0 of 6 unapproved building permits

Suffix: 2 of 7 issued building permits

Housing Production to Date*

Commercial Bonus

- Payment option - \$20.6M; 1,033 units

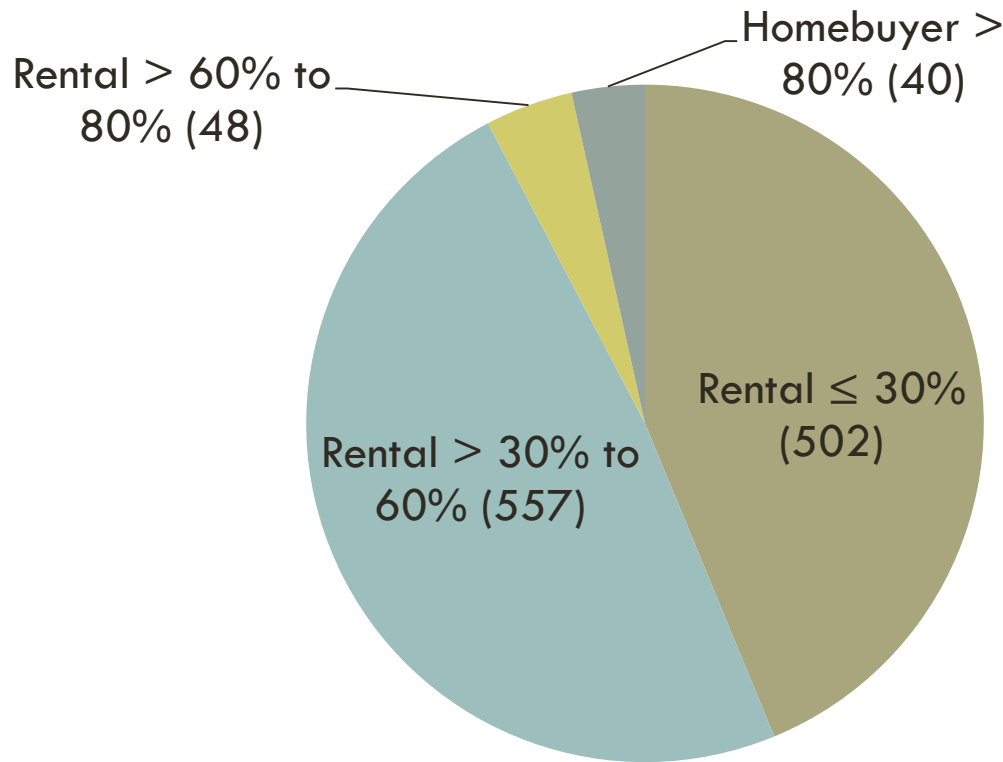
Residential Bonus

- Payment option - \$2.6M; 29 units
- Performance option (off-site) – \$4.5M; 85 units
- Performance option (on-site) – 44 units (5.7% of total)

* Since August 2001

Housing Funded by Fee-In-Lieu

Number of Units by % of Area Median Income Limit

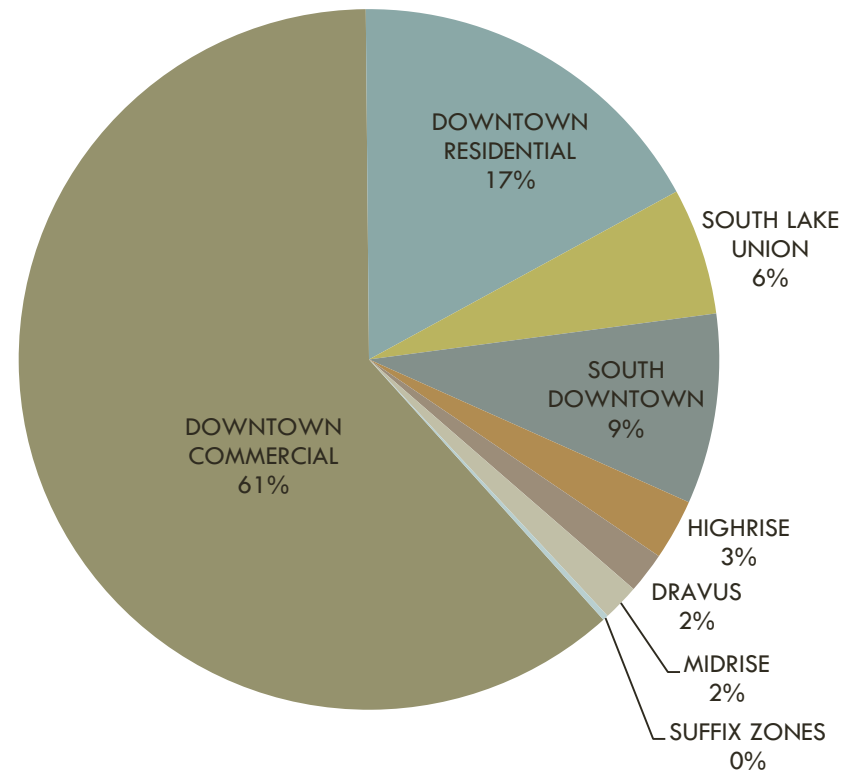


Citywide Results since 2001

(excluding Lowrise)

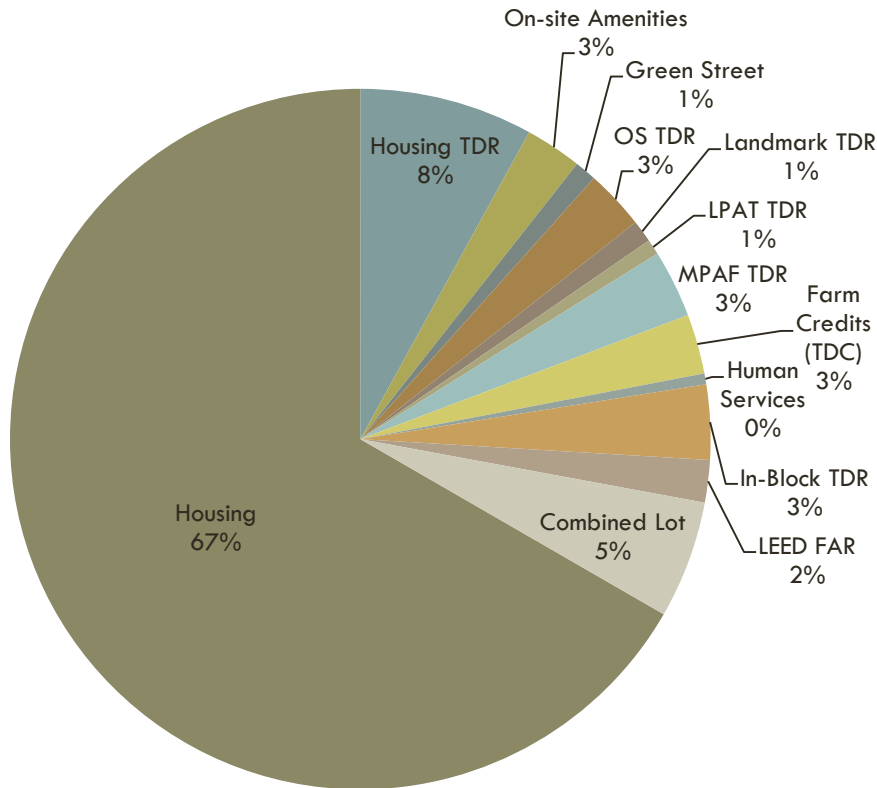
- 5.1 M sq feet of extra floor area

Extra Square Feet by Area

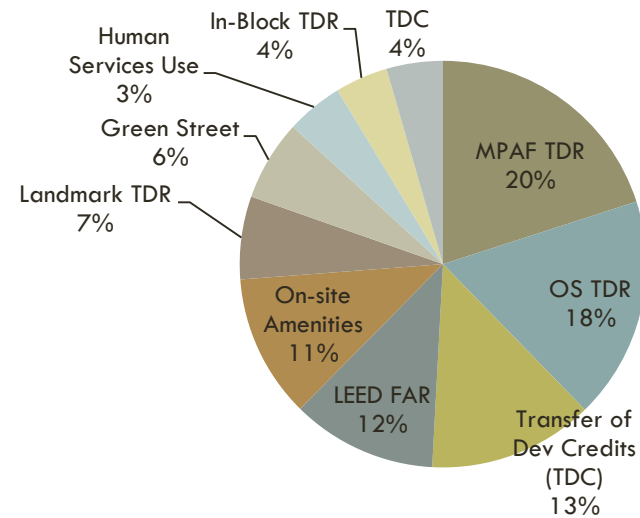


Types of Benefits (by sq ft)

All Benefits

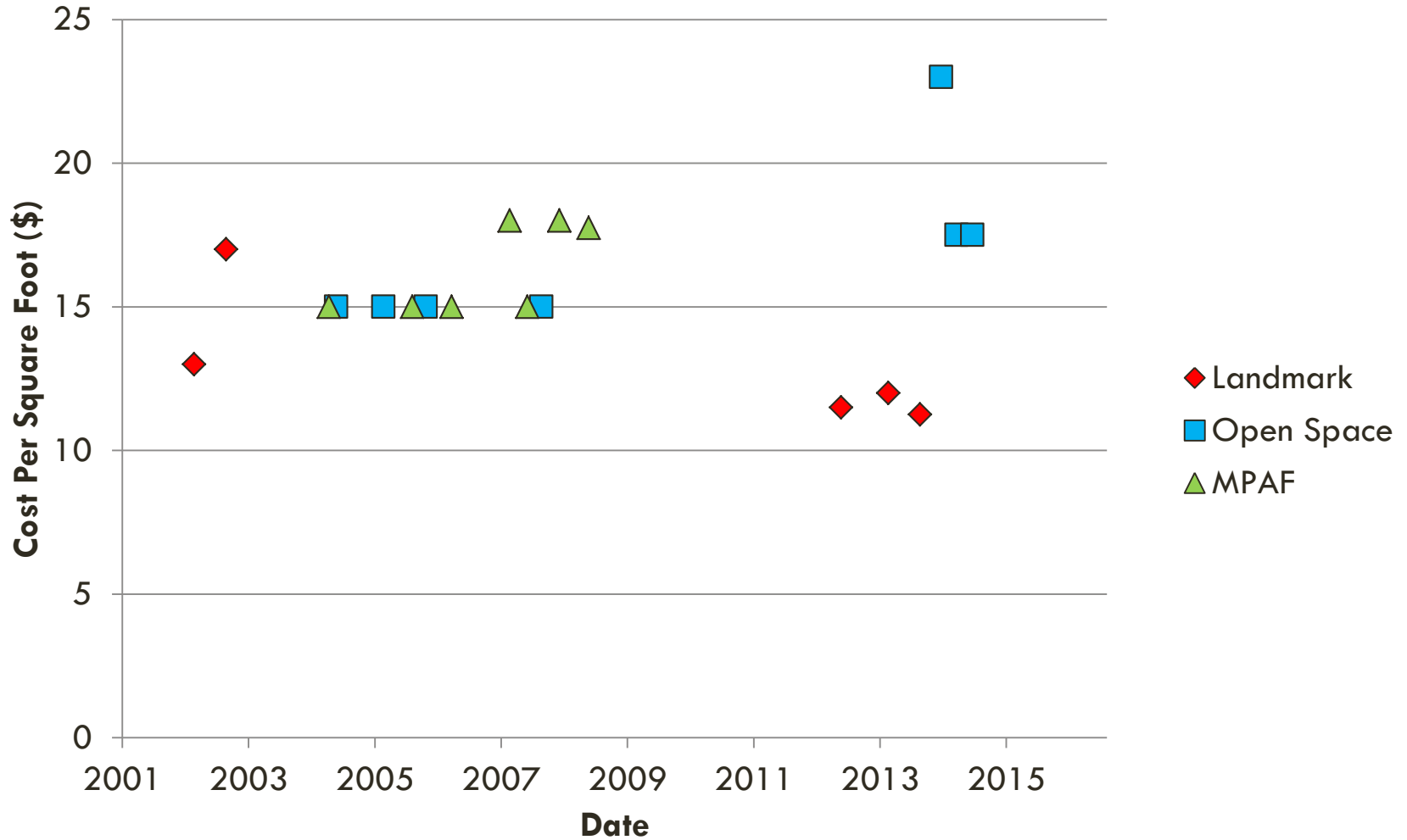


TDR/On-site Benefits Only



TDR Price History

(only shows transactions with known price)



TDR Examples

- Major Performing Arts Facilities – Beneroya Hall
- Open Space – Olympic Sculpture Park
- Landmark Theater – Paramount, Eagles
- Landmark
 - Alexis Hotel
 - Central Building
 - Chamber of Commerce Building
 - Mann Building

On-site Amenity Examples

- Hillclimb assist – 5th & Yesler, Four Seasons, numerous internal
- Open Space – Enso, Amazon (proposed)
- Green Street - Terry Street
- Human Service Use – King County Government





Key Issues

Key Housing Issues

- Form of benefit: performance vs payment
- AMI target for performance
- Use of payment funds (AMI, production vs preservation)
- Variation of requirements across geographic areas
- Variation of requirements over time

Key Non-Housing Issues

- How can the TDR market be improved?
- Are we getting the on-site amenities we want?
- What role could an open space impact fee play?
- How should we evaluate new or expanded incentive options?
- How should collective “pricing” or “cost” of the incentives be addressed?
- How can City improve tracking and administration?