

INCENTIVE ZONING UPDATE

What is Incentive Zoning?

Incentive zoning allows new development in certain areas to voluntarily achieve extra floor area by providing certain public benefits. Incentive Zoning is one way that the City ensures that new development contributes to infrastructure investments in growing neighborhoods. Development using incentive zoning may provide amenities such as open space and Green Street improvements or may transfer development rights from other property to support the preservation of historic landmarks and unreinforced masonry buildings.

Prior to the implementation of Seattle's new Mandatory Housing Affordability (MHA) requirements, incentive zoning was the primary way that new development contributed to affordable housing. MHA requirements are now replacing incentive zoning for affordable housing.

Where is it Available?

Incentive zoning is generally limited to zones that allow high-rise construction (above 85 feet in height). After MHA implementation in multifamily and commercial zones throughout the City, incentive zoning will still remain in most of Downtown and South Lake Union as well as portions of University District, Uptown, and North Rainier.

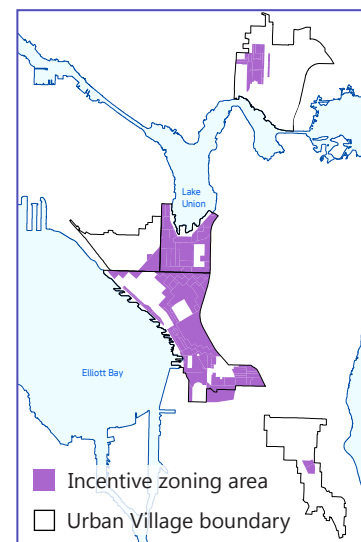
How Does it Work?

Developers gain extra floor area beyond a base development capacity up to the maximum development capacity of the zone by providing public benefits. The amount of extra floor area achieved is calculated by multiplying the area of the public benefit by a specified ratio. Specific IZ requirements vary significantly by where development occurs.

Developer can typically select from a menu of public benefit options including:

- Providing privately-owned public open space on-site.
- Improvements to designated Green Streets to allow more public space in the right of way.
- Purchasing Transferable Development Rights (TDR) or Transferable Development Potential (TDP) from a designated historic Landmark or Vulnerable Masonry Structures to support the preservation of these buildings.
- Purchasing TDR to preserve King County farms and forests.
- Building or funding child care facilities.
- Providing other on-site, publicly-accessible amenities such as hill climb assist escalators, light rail station access, shopping corridors, atriums, bathrooms, or human service uses.

In addition to providing public benefits to gain extra floor area, new buildings using incentive zoning in most areas must also meet a green building requirement. These buildings must use 15% less energy than the minimum building code requirement and meet a green building certification: LEED Gold, Built Green 4-star, Evergreen Sustainable Development Standard, or Passive House.





How does incentive zoning preserve regional farms and forests?

In South Lake Union, developers must earn extra floor area by purchasing TDR from regional farms and forests to ensure their preservation. In exchange for implementing this program, King County has agreed to give the City of Seattle a portion of future property tax revenue to fund identified local priorities, including Green Street improvements and funding for a North Downtown community center.

Purpose of the Update

Incentive zoning has been implemented piecemeal in different zones and geographic areas over the last 20 years with significant expansions in the last 5 years. Consequently, specific standards and processes vary substantially by zone and location. As a result, incentive zoning is confusing for potential users and difficult to administer. It also means that some provisions may not be achieving their stated goals.

The goal of the Incentive Zoning Update is to:

- create a clear and consistent program;
- achieve better outcomes in the public benefits provided; and
- improve the City's permitting, tracking, and enforcement processes.

The City is not proposing to implement incentive zoning in any additional geographic areas or change the base or maximum development capacity in any areas as part of this update.

The initial proposal to update Incentive Zoning would merging multiple TDR markets to simplify the program; update standards for open space and amenities; expand and update the green building standard; and evaluate adding an option to provide space for cultural uses to earn extra floor area.

Anticipated Timeline

December 2017 - April 2018: Program Analysis and Development of Initial Draft Proposal

June - September 2018: Public Engagement on Initial Proposal

Fall 2018 & Winter 2019: Develop Ordinance and Director's Report

Spring 2019: Submit legislation to Council for Review and Approval

More Information and Updates

Materials on the update process will be available at the Incentive Zoning Update website:
www.seattle.gov/opcd/ongoing-initiatives/incentive-zoning-update