



Downtown Livability

Date: October 9, 2013
To: Downtown Livability Advisory Committee
From: Emil King AICP (425-452-7223, eaking@bellevuewa.gov)
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*Project Managers for Downtown Livability Initiative
Department of Planning & Community Development*
Subject: October 16, 2013 Advisory Committee Meeting

Enclosed you will find the agenda packet for your fifth Advisory Committee meeting next Wednesday, October 16th. We will begin at 6:30 p.m. in Room 1E-108 at Bellevue City Hall. Expect the meeting to last until 9:30. The meeting will be chaired by Aaron Laing (Bellevue Planning Commission) and Ernie Simas (Bellevue Transportation Commission).

This packet includes:

1. Proposed meeting agenda
2. Draft minutes from the September 18th committee meeting – *approval Agenda Item 1*
3. Written public correspondence or comment received since your last meeting (includes correspondence from committee member Lee Maxwell) – *not a specific agenda item*
4. Transportation Commission referrals from Downtown Transportation Plan Update to Downtown Livability Advisory Committee – *Agenda Item 4*
5. Amenity Ideas for Consideration Homework Exercise – *Agenda Item 5*
6. Review of Incentive Zoning Practices by BERK (economics consultant for Downtown Livability) – *Agenda Item 5*
7. Summary of Seattle's Homes Within Reach Program (Multifamily tax exemption program) – *relationship to housing affordability discussion under Agenda Item 5*

Agenda Item 5 includes a homework assignment on the range of potential amenities discussed to date in this process. The ideas were compiled from committee meeting minutes, public comments from the open houses and focus groups, walking tours, and written and oral public comment. **Please fill out the attached Word document and return to Patti Wilma by the end of day on Tuesday, October 15th. We will compile the results and have them available for the Wednesday meeting.**

At the October 16th meeting, the committee will continue the discussion on amenities. Based on co-chair input, the committee's discussion of affordable housing will also happen during this agenda item (also interest from co-chairs to include Seattle multifamily tax exemption program summary).

The Pedestrian Corridor and Downtown Open Spaces will be discussed as Agenda Item 6. Please spend time reviewing the June 19 Land Use Code Audit on the Pedestrian Corridor/Open Spaces, Focus Group Reports, Urban Design Framework Plan, and Pedestrian Corridor and Major Public Open Space Design Guidelines in Existing Land Use Code section of Briefing Book.

Some of the key questions to think about are:

- *What are the key themes that should be explored in updating the vision for the Pedestrian Corridor?*
- *What activities or experiences are important to encourage on the Pedestrian Corridor and in public open spaces?*
- *What physical design elements are missing or should be improved?*

Packet materials will be posted on the City's project web site <http://www.bellevuewa.gov/downtown-livability.htm> and we will be sending an email to the interested parties list that this information is available along with details about your next meeting.

Please let us know if you have any questions prior to our meeting. We look forward to seeing you next week. This is an important project. We sincerely appreciate your time and effort.



Downtown Livability

ADVISORY COMMITTEE MEETING

Wednesday, October 16, 2013

6:30-9:30 p.m. • Room 1E-108

Bellevue City Hall • 450 110th Ave NE

AGENDA

- 6:30 p.m. 1. **Call to Order, Approval of Agenda, Approval of September 18 Meeting Minutes**
Co-Chairs Simas and Laing
2. **Public Comment**
Limit to 3 minutes per person
- 6:45 p.m. 3. **Tentative Advisory Committee Schedule for Fall 2013**
- 6:50 p.m. 4. **Transportation Commission Referrals to Downtown Livability Committee**
- 6:55 p.m. 5. **Amenity Incentive System (including Housing Affordability Discussion)**
Continuing discussion of what amenities or features should be further studied as part of an updated Downtown Amenity Incentive System.
Agenda item will include review of Advisory Committee homework assignment on range of ideas and their importance in achieving Downtown Livability, and time for discussion of Downtown Housing Affordability (Committee desired topic be brought back for further review).
- BREAK
- 8:20 p.m. 6. **NE 6th Street Pedestrian Corridor and Public Open Space**
Key issue is how can the Pedestrian Corridor and accompanying public open spaces create a more memorable and vibrant Downtown? (See June 19 Land Use Code Audits, Focus Group Reports, Urban Design Framework Plan, and Pedestrian Corridor and Major Public Open Space Design Guidelines in Existing Land Use Code section of Briefing Book.)
Committee discussion will focus on:
- ***What are the key themes that should be explored in updating the vision for the Pedestrian Corridor?***
 - ***What activities or experiences are important to encourage on the Pedestrian Corridor and in public open spaces?***
 - ***What physical design elements are missing or should be improved?***
- 9:20 p.m. 7. **Public Comment**
Limit to 3 minutes per person
- 9:30 p.m. 8. **Adjourn**

Project web site located at: www.bellevuewa.gov/downtown-livability.htm. For additional information, please contact the Downtown Livability project managers: Emil King (425-452-7223, eaking@bellevuewa.gov) or Patti Wilma (425-452-4114, pwilma@bellevuewa.gov). Meeting room is wheelchair accessible. American Sign Language (ASL) interpretation available upon request. Please call at least 48 hours in advance. Assistance for the hearing impaired: dial 711 (TR).

CITY OF BELLEVUE
DOWNTOWN LIVABILITY
CITIZEN ADVISORY COMMITTEE
MEETING MINUTES

September 18, 2013
6:30 p.m.

Bellevue City Hall
Room 1E-108

MEMBERS PRESENT: Aaron Laing, co-chair; Patrick Bannon, Michael Chaplin, Hal Ferris, Gary Guenther, Brad Helland, Trudi Jackson, Loretta Lopez, Lee Maxwell, Erin Powell, Jan Stout

MEMBERS ABSENT: Ernie Simas, co-chair, Mark D'Amato, David Sutherland, Ming Zhang

OTHERS PRESENT: Dan Stroh, Emil King, Chris Salomone, Department of Planning and Community Development

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER, APPROVAL OF AGENDA, APPROVAL OF MINUTES

The meeting was called to order by co-chair Laing at 6:38 p.m.

A motion to approve the agenda was made by Mr. Ferris. The motion was seconded by Ms. Jackson and it carried unanimously.

Ms. Maxwell and Mr. Helland indicated they would forward to staff some non-substantive revisions to the minutes.

A motion to approve the minutes incorporating the non-substantive changes to be sent to staff was made by Mr. Helland. The motion was seconded by Mr. Bannon and it carried unanimously.

2. PUBLIC COMMENT

Ms. Anita Skoog-Neil, 9302 SE Shoreland Drive, pointed out that the notice sent out to the public and posted on the website did not include a link to the agenda or materials. She declared her interest in protecting the perimeter neighborhoods. The comment made by Lori Lyford at the previous committee meeting regarding affordable housing should be understood to mean that a serious discussion is needed about what approach the City should take if affordable housing is on the table. References were made at the last meeting to the charrette manual and the document should be made available to the public. It would be a good idea to have a developer or two address the committee on the economics of development. She pointed out that several years ago a lawsuit was filed against three projects on the edge of the Downtown that were intended to be very tall.

The lawsuit resulted in the current wedding cake approach to building height, and possibly the sub-perimeter districts. She noted that a comment was made at the end of the last meeting about locating affordable housing to the south of Main Street where the zoning is R-30 and went on to say that the R-30 buffers single family so to put affordable housing there would defeat the purpose of the buffer zone.

Ms. Alicia Campo spoke on behalf of Downtown Action to Save Housing (DASH), an affordable housing developer located in the Ashwood neighborhood. She said the organization was founded in 1991 to address the emerging need to preserve affordable housing. Thirty percent of the organization's portfolio is located in Bellevue. She said the organization would be closely following the work of the committee as it pertains to affordable housing.

Mr. Marty Kooistra with Habitat for Humanity said there are many in King County and on the Eastside who are seeking affordable housing. He commended the committee for its diligence in studying the issue when looking to the future of Downtown Bellevue, particularly at how affordable housing is sited and the mechanisms that can be appropriately and legitimately used and incentivized. Non-profit organizations are doing their best to see affordable housing created, but a variety of tools are needed. Affordable housing in the Downtown will make it possible for people to live in the Downtown area able to afford to do so without having to shoulder a heavy transportation burden and without destroying their families because of the limited amount of time spent with them after work and commuting. The committee was encouraged to do all it can to promote housing affordability.

Ms. Betty Takahashi spoke as the McKinney-Vento homeless liaison for the Bellevue School District. She said only two and a half weeks into the school year she is dealing with the highest number of eligible students to date. Currently 120 students are in the program; at the same time in 2012 there were only 83. The numbers have been steadily increasing for the past few years. Most of the homeless students are living in transitional housing, usually doubled up with another family to help make ends meet, and 15 of the students are living in cars after being evicted from their apartments because their family could not afford the rent. Rents on the Eastside continue to be very high, and doubling up is not uncommon, often without the knowledge of the landlord. Too many of the homeless students are essentially the throwaway children of drug-addicted parents. She urged the committee to consider the need for affordable housing.

Mr. Warren Koons spoke as a member of the Bellevue Downtown Association (BDA) Land Use and Livability Committee. He said in the last six weeks a sub-group of the committee consisting of Downtown owners and developers was convened to discuss points to be made to the committee regarding process. The group concurred on four themes: 1) the need for the Downtown to remain competitive and the need for a code and land use processes that will protect values and optimize the development potential of the Downtown; 2) the need for predictability in the code and process efficiency; 3) a positive can-do make-it-work attitude on the part of City staff and leadership in approaching

permitting and development; and 4) the need to revisit and update the code more frequently than every 30 years.

Mr. Brian Brand also spoke representing the Bellevue Downtown Association. He thanked the committee members for the commitment they have made to serve the City. He said the Land Use and Livability Committee will be working alongside the efforts of the committee and will at appropriate times offer suggestions to the group. The goal of the BDA is to make Downtown Bellevue the economic and cultural heart of the Eastside. With regard to the amenity incentive program, a district-by-district approach should be considered. Each district is different, has different needs, and should have different amenities. Each district should have its own set of design guidelines. Developers should be motivated by the highest bonus ratios for the most desired amenities. Projects should be encouraged to reach their maximum potential; to that end the base FARs in the code are too low, and a higher FAR bonus should be allowed for certain amenities. The amenity incentive program should be evaluated more often than every 30 years to maintain relevancy. The code should allow extra height and FAR increases beyond the maximums if projects deliver some kind of amenity element or extraordinary design through a discretionary process. The dimensional requirements between commercial and residential uses should be leveled; the current 30-year-old approach was aimed at achieving more residential and is no longer needed. The definition of what pedestrian-oriented frontage can include should be expanded given that retail at the street level of every building does not make sense. If the underground parking incentive is removed, there should be an upward adjustment to the base FAR. The design review process needs to be efficient and predictable. Downtown Bellevue has fewer streets than most cities and therefore has less open space, so the amenity system should encourage increased setbacks and taller, thinner buildings, resulting in a reduction of mass and bulk at the ground level and in the air. The result would be more open space at the street level, improved viewscales, and more iconic structures.

Ms. Kelly Rider, policy director for the Housing Development Consortium of King County, urged the committee to address the critical need for a more diverse housing stock in the Downtown. The people who work in the Downtown should have the opportunity to live in the Downtown. Where that happens, commute times and congestion levels are reduced, and the workers have more time to spend in their community, more time volunteering, and more time at home with their families; the result is better for society, families and the environment. The current housing stock in the Downtown does not match the diverse need. Of the 7,400 housing units in the Downtown, only about 1,000 are affordable to low- and moderate-income residents. In order to meet the need identified in the Countywide Planning Policies, the number of affordable units would need to be doubled. The place to start is with the incentive system. Affordable housing should be prioritized in the incentive system. Appropriately crafted incentives can harness the power of the marketplace to produce homes that meet the needs of modest wage working families with limited public investment. Density bonuses, impact fee exemptions, parking reductions, fee waivers, expedited permitting and multifamily tax exemptions can all be used as incentives. The current long list of incentives in the density bonus system should be shortened to include only the elements that are needed the most

in the Downtown. The number one cause of homelessness on the Eastside is the lack of affordable housing, so addressing the need will help to reduce that problem as well. The members of the Housing Development Consortium of King County are private businesses, non-profit organizations and public partners working together to develop affordable housing, most of which is targeted at low-income families. Developing units for that demographic requires government subsidies and the ARCH housing trust fund has been critical. The organization is supportive of increasing allocations to the housing trust fund. It is understood that the budget is not a committee issue, but has rather been charged with addressing development issues.

3. STAFF RESPONSES TO COMMITTEE FOLLOW-UP QUESTIONS

Strategic Planning Manager Emil King noted that questions asked to date by the Advisory Committee had been assembled and answered by staff as appears in the committee's packet.

Mr. Helland called attention to item 3, the question about why "five over two" construction is not permitted in Bellevue, and asked what it would take to allow that type of construction. Mr. King said there is a current long-range facilities planning effort under way by the fire department. He said the issues relating to "five over two" construction will be brought up as part of this work.

Mr. Ferris said the code allows mezzanines that are less than 50 percent of the floor area to not be counted as a story. Developers can build one story with a mezzanine with five stories above and have it interpreted to be "five over one" construction. That is what was happening in Seattle until the city decided to allow "five over two" construction with pressurized stairwells and the like. He noted that the staff response to item 3 says Bellevue has one-fifth the fire response capability of Seattle, but the fact is Bellevue is one-fifth the size of Seattle as well. More effort could be put into the issue than just saying Bellevue does not have enough fire capacity.

Mr. Bannon called attention to item 14 and asked if the comment by staff can be interpreted to mean that a single-use, single-purpose, short-term parking lot could be built above grade in the Downtown. Mr. King said that is the interpretation given by the City's land use group. Planning Director Dan Stroh clarified that short-term and visitor parking is treated differently from commuter parking and does not have to be associated with an underlying use.

Mr. Ferris noted that the committee had received quite a lot of testimony regarding housing affordability, and acknowledged the white paper on the topic prepared by staff and included in the packet. He said he wanted to make sure affordable housing will be placed on an upcoming agenda so the details, particularly those around incentives for the use, can be fully discussed.

Ms. Stout agreed that a block of time should be dedicated to the discussion early on in the process. The topic is one the Human Services Commission is very concerned about. Co-

chair Laing said he and Co-chair Simas would talk with staff about how and when to schedule the topic.

Ms. Lopez asked if the committee was expected to start from the position that anyone who works in the Downtown should be able to live in the Downtown. Co-chair Laing said none of the Council principles directs the committee to operate under that assumption.

Mr. Bannon suggested the first principle could be interpreted as applying if housing affordability is included as a public benefit. He agreed the topic is not otherwise called out by the principles.

Co-chair Laing informed the group that in addition to the focused work of the Downtown Livability Initiative CAC, the City is undergoing the process of updating the Comprehensive Plan. One of the elements that is being looked at is land use and housing. The work of the committee will ultimately make its way to the Planning Commission. He asked the committee members to indicate if housing affordability should be put on a future agenda as a standalone issue.

Ms. Stout supported giving serious study to affordable housing. The Human Services Commission has a goal of making sure families in the community have some place to live. The various housing groups concerned about affordable housing want to see all districts of the City share in the solution. The topic should be pursued at a future committee meeting.

Ms. Jackson said the committee should definitely discuss the topic so as to not inadvertently preclude it from the amenity system. She said she did not hold to the idea that everyone who works in the Downtown can live in the Downtown, but without question a mix of housing types is an important element of good cities.

Mr. Helland agreed the matter warrants discussion. The topic of livability clearly includes housing stock.

Mr. Guenther said his preference would be to discuss affordable housing in the context of everything else. The group has a lot to talk about and should not get bogged down on a single issue.

Ms. Stout urged the committee not to lose sight of the desperate need for housing. Unless the topic is seriously discussed, it will get lost. She said in reading through the materials presented to the committee she concluded that not enough of a focus is actually put on livability for the people who live in Bellevue. The focus to date has been on economic factors, and if that trend continues the affordable housing topic will get lost. In addition, the City, including the Downtown, is being affected by the issue of homelessness, and that needs to be part of the discussion.

Ms. Maxwell said the committee should seek to avoid getting wrapped up in assuming the responsibility to find housing for all who work in the Downtown. The properties in the Downtown are the highest in value per square foot in the entire City. Transit opportunities are in the works by which people will be able to travel by train to their work place. The economics facing the Downtown are vitally important and the amenities placed on development will affect the viability of developers to build in the Downtown rather than somewhere else. She agreed affordable housing should be given some focus as a standalone topic, but not for a full meeting.

Mr. Bannon suggested there is much to be gained and learned about housing affordability. In the context of the ongoing work to update the Comprehensive Plan, it would be fair for the committee to understand the relationship between how an incentive could be included, but the group should not expand its scope to include housing affordability citywide.

Mr. Chaplin said it would be good to have staff give the committee an outline of how the subject of affordable housing ties in to the Land Use Code and everything the work of the committee is intended to influence. Additionally, it would be useful to have staff provide the committee with a concise history of why the City is where it is currently relative to the stock of affordable housing and what limitations are keeping more from being developed.

Co-chair Laing said his read was that the group certainly understands the importance of affordable housing. He reiterated that he and Co-chair Simas would work with staff to get the issue on an upcoming agenda, and to make sure the group is supplied with good information about the economics of incenting the development of affordable housing.

4. CONTINUED DISCUSSION OF DRAFT LAND USE CODE AUDITS Downtown Amenity Incentive System

Mr. Stroh said at the last meeting there was a discussion of the emerging unique character of the Downtown districts and agreement that deepening the character of each would be a good idea. He allowed that steps would need to be taken to keep things from getting overly complex. He cautioned against getting into precise code mechanisms or the rates of the various incentives in discussing the incentives themselves. Under the current system, bonuses are available Downtown-wide and are not differentiated by specific neighborhoods. The code audit makes some conclusions about what is working well and where there is room for improvement, and some of the Council principles offer guidance for thinking about the incentive system.

Mr. Stroh said there are a variety of documents to be referenced in considering the incentive system. He noted that the Urban Design Framework was included in the packet; it shows some of the existing urban design elements and concepts that are reflected in the current code. While the document likely will be updated based on the work of the committee, it serves as a good reference document. He pointed out that the results of the Downtown charrette were also included in the project Briefing Book. The Great Streets

report has a number of elements that may be achieved through public spending or private development through incentives. In addition, the public input received to date and committee discussions have generated a menu of items for consideration, including the notion that the different areas of the Downtown are emerging with individual characters.

Mr. Ferris pointed out that the current list of amenities was developed some 30 years ago at a time when Downtown Bellevue was a lot different. Clearly there were a lot of surface parking lots and very little structured parking, and there was an incentive on the part of the City to see more structured parking created. The committee is focused on the issue of livability and to that end the amenities and factors that contribute the most to livability should be highlighted, and once a list is populated the next step should be to identify the incentives that would achieve those goals. He added that the comments from the Bellevue Downtown Association about having a different approach for each of the Downtown districts were somewhat disconcerting; that would require nine different amenities lists and nine different sets of priorities. He agreed that some amenities may be more appropriate in some districts than in others.

Mr. Bannon commented that weather protection is a livability component that could be achieved either by requirement or through incentives.

Ms. Jackson suggested that some elements seen as aspirational 30 years ago would be considered requirements now.

Mr. Ferris suggested the activating of streets should not be uniformly tied to the entire Downtown area. The shopping, entertainment and commerce streets along with the Pedestrian Corridor do need an emphasis on activating the streets, but there are other streets with a more passive, green and friendly front that are not intended to be high energy areas.

Mr. Bannon noted that there are many examples of strong urban spaces that are publicly accessible in the Downtown, but there are also some that have not been done quite as well. Designers now are taking a much closer look at gathering spaces, both on rooftops and in and around buildings, and using them to provide a greater sense of air and light. If done well, designs that promote open space, air and light will enhance the Downtown.

Mr. Chaplin allowed that tall buildings have impacts in terms of shadow and wind that contribute to how useable plazas are. One thing that could be looked at is the extension of plazas vertically. Such spaces can be created on rooftops and there should be an incentive for activating roofs. High-rise office and residential occupants should not have to look down on a sea of HVAC units. If they can see green rooftops they will have a visual connection of being part of the park and a green city. Plaza placement is critical to how usable they are and the degree to which they benefit the public.

Continuing, Mr. Chaplin suggested there is merit to the Bellevue Downtown Association's proposal to treat the various Downtown districts differently in terms of the incentive system. There are many elements of the current incentive system that clearly do

not work in some districts, and there are some elements that only work in certain districts. There is a reason why some of the incentives on the list have never been utilized. Residential is on the list as an incentive. Most projects, however, do not use the incentive to get their bonus points; they use other elements because they are getting free FAR anyway. Where 30 years ago an incentive was needed to get residential units developed, in the current environment residential can easily be generated by the FAR bonus.

Mr. Chaplin asked for clarification regarding the proposal by the Bellevue Downtown Association to level the playing field for residential and commercial buildings. From the audience, Mr. Brand testified that under the current system, commercial can achieve only half the height a residential building can achieve. Mr. Chaplin pointed out that residential floor plates are necessarily different from those of commercial developments.

Mr. Ferris explained that residential developments have requirements for windows that allow light and air into the rooms, and that keep their floor plates from being more than 70 feet wide. A residential building, especially if located on a superblock, simply cannot fill the site. An office building can spread from property line to property line with huge floor plates. Leveling the field would not yield much housing because housing could not compete. There needs to be recognition of that fact, not an equalization.

Ms. Maxwell observed that there are marquees, arcades and awnings as part of developments in the Downtown, yet pedestrians still are not fully protected. She suggested that what is needed is a description of what is wanted relative to weather protection rather than details about how to implement it. That sort of thing should apply to all districts.

Mr. Helland said his reading of the materials supplied by the staff left him unclear as to how the amenities came to be, and if there are still compelling reasons to have some of them. He said it is difficult to say if the list of amenities is complete or not. Ms. Stout agreed with the proposal of Mr. Ferris to take a close look at what elements are really needed to support livability. There are some items on the current incentive list that have never been satisfied that Downtown and some adjacent neighborhoods need. Childcare and human services are two such items.

Ms. Powell observed that the amenities for public meeting rooms, childcare services, retail food, public restrooms, performing arts space, space for non-profits and social services, and the donation of park property have not been achieved through the current amenity system. She allowed that to accomplish any of those items will require funding and it may be time to start talking about pooling resources to make them more of a reality. Downtown residents and office workers should not have to wait another 30 years to get a childcare facility in the Downtown, or a public restroom.

Mr. Bannon pointed out that there are in fact childcare services and public restrooms in the Downtown. What is clear, however, is that developers have not found those incentives to be attractive options.

Mr. Ferris stressed the need to avoid focusing on how to achieve certain results in favor of highlighting the ideas that are important. Once the list is generated, attention can be given to solving the needs. The amenity incentive system is one solution, but there are others, some of which are not at the disposal of the committee, and it may take a combination of things to make them happen.

Ms. Stout said the concept of third places, which are places for people to come together apart from work and home, is not on the incentives list. One need only look at Crossroads to understand the concept.

Ms. Jackson suggested the topic of plazas should be meshed with green space. Some plazas could serve as public gathering spaces but because they are totally uninviting they are useless as a public benefit. The plaza at the City Center development is surrounded by tall buildings and to get in to it is very difficult for anyone not already in one of the surrounding buildings. The site is called out as open space in the Downtown, but it is not actually open space except as a corridor for the people who work adjacent to it. Plazas should be required to be inviting by being green and having benches for people to sit.

Mr. Chaplin said good design can include combining outdoor and indoor spaces to give people the sense that they are outdoors when actually they are indoors and protected from the weather. He also highlighted the need to understand what aftereffects may result from incentives or requirements. Underground parking is always a big issue, but taking away the incentive for it could have an impact, particularly if a development elects to place its required parking above grade. The Pedestrian Corridor is a great idea but the way it is incentivized is through development, so if not everyone participates the corridor will never be a holistic element. Hopefully in the next round of development some of the existing gaps will get filled in, but it is equally likely that some gaps will never get filled in. Non-residential development is allowed above 300 feet for those who contribute to the Pedestrian Corridor, but the bonus should also be available to developers who choose to include plaza space in the right location that will be just as usable to pedestrians.

Co-chair Laing said the list submitted by the Bellevue Downtown Association resonated with him for a variety of reasons. One cannot talk about removing major amenities such as structured parking without also increasing the base FAR to match what would have been allowed with underground parking. The same is true for making a distinction between residential and commercial. If there is acceptance of the impacts associated with the bulk and height of a building regardless of how it is massed, it really does not matter what is inside the building. He said he opposed having specific uses as part of an amenity system. By way of illustration, he said if a developer were to come in and agree to include a daycare center and thus receive bonus floor area, no one can say what will happen if the space dedicated for the daycare never gets filled, or if the space is rented but the daycare provider eventually goes out of business. It is not possible for the City to require the removal of the bonused floor area, or impose a restriction on leasing that portion of the building to any use other than a daycare. Involving uses as incentives is a poor approach. The same can be said of pedestrian-oriented frontage as an incentive; it can in fact be argued that every use is pedestrian-oriented because walking is always

involved even if it is only from the car or bus. The current approach allows increased height and FAR in exchange for the provision of ground level retail space, and the developers often need the bonuses in order to make their projects pencil out. The risk, however, is that those ground-level spaces will be empty where there is no market for the space, and the City's remedy when a developer chooses to locate a non-pedestrian-oriented in the space is limited to forcing the space to remain empty, not the removal of the bonused floor area and height. The Land Use Code therefore becomes an instrument to cause blight or halt development, neither of which is a desired outcome.

Co-chair Laing agreed that marquees and awnings should be required rather than incentivized features. If they are removed from the list of amenities, however, the logical next step would be to increase the base FAR and height and require weather protection. With regard to public open space and plazas, he said the problem is the underlying parcels often have different owners. Large-scale amenities like plazas and pocket parks require all the property owners to cooperate. The Pedestrian Corridor is a wonderful plan, but unless everyone is on board it will never be fully implemented. He agreed that plazas should not always have to be at the ground level, but in all cases good planning is needed in order to yield truly useful and welcoming spaces.

Ms. Jackson agreed that specific uses are the bailiwick of the market and as such should not be incentivized.

Ms. Stout said there are services desperately need to be available within the confines of the Downtown, but they do not necessarily fit as amenities. Childcare is available in the Downtown, but the use may simply be pushed out as the next wave of development occurs.

Ms. Maxwell said the Downtown Plan that was set in motion in 1981 has delivered a very good product. However, the City is at the juncture of needing to look at build-out without necessarily just trying to force more of the same. Things have changed. There would be benefit in having a professionally-based committee conduct preliminary design review for each of the nine Downtown districts before developers move ahead with spending significant money on final design. If childcare, green space or any of the other amenities are needed, each development should accommodate it within its own immediate area of the community. It will take a different approach to get there, such as applying incentives and bonus points by area based on the advice of a small group of professionals, residents and merchants.

Mr. Bannon commented that what is economically feasible and makes sense for a developer, when tied to a vision for a particular area of the Downtown, brings about a lot of opportunity. It is in the City's best interest to have projects maximize their FAR and get the most out of each site while still delivering designs and amenities that mesh with the overall vision. There is a balance that needs to be sought between flexibility and predictability. A developer should be able to come in with a creative concept and meet with staff that have some discretion to help shape the project. A separate citizen panel may play into that approach as well.

Mr. Chaplin commented that there are many success stories in the Downtown that have come about as a result of the code. He said some tweaks may be needed, but the code does not need a complete overhaul. Developers are willing to invest in the community when given the opportunity. There are a lot of fees required for each project and if a developer could have some say in using the funds for a specific project in a location they are developing, the results could be very beneficial. The design charrette yielded a number of great ideas that developers would love to create, but there just is no pathway open to them, either because they do not own the land needed or because the fees they paid out leave them without enough funds.

Co-chair Laing noted that development projects are required to pay traffic impact fees based on a set formula. Those fees must be spent on transportation projects, but the City can spend them anywhere it wants within the City limits for projects that will have no benefit at all for the Downtown project that has to pay the fees.

Mr. Ferris cautioned the committee to avoid overstepping its bounds. He clarified that the City Council has charge of the impact fee program and determines what the fees should be and where they should be spent. The issue is not on the committee's plate.

Mr. Helland pointed out that continued development of the Downtown will have traffic impacts. He agreed the committee has not been charged with deciding how traffic impact fees should be spent, but if there are useful amenities related to traffic and congestion, they should be included on the list.

Co-chair Laing asked if the committee were interested in talking about incentives specifically related to the parks and open spaces that exist in the Downtown.

Ms. Powell said she would favor having that discussion.

Mr. Ferris noted from the packet materials that a need for some larger parks has been identified for the Downtown districts that currently do not have green space. It just happens that the quadrant in which Downtown Park is located is the same quadrant where the Meydenbauer Bay Park is located, so it would be difficult to argue in favor of adding even more green space there. He said the difficult thing is coming up with the land to create parks and open space in an urban setting, especially a park the size of Ashwood Park. Around the country there are a number of successes involving smaller parks that have family features. It would be far easier to pull off a collection of smaller parks in the areas of the Downtown that are not currently represented than to try aggregating the resources needed to create a single large park.

Ms. Jackson said she initially opposed the idea of allowing more height in the DT-OLB district as proposed by the focus group participants, but said she could be persuaded if the buildings were taller and thinner in exchange for more open and green space.

Mr. Bannon pointed out that an effort to update the Downtown Transportation Plan is underway concurrently and it will have some handoffs to the committee at some point, particularly with regard to sidewalks, crosswalks, planter strips and potential amenities such as pedestrian bridges in the Downtown.

Ms. Maxwell said she walks often in the Downtown and has found some of the existing plazas to be fantastic spaces. What is lacking, however, is a good system of wayfinding. If a plaza cannot be found, it will not be used. Wayfinding is relatively inexpensive and should be a part of every new development.

Mr. Chaplin said the Avalon Towers plaza is a case in point. It was constructed as part of a development project, but few know where it is. It should be clarified that this is not a space open to the public. It did not earn FAR. Had the plaza been located with more of a presence on the street instead of elevated where it is, it would be well known and used. There is some history relating to the Downtown zoning lines; they have remained as originally established and they should always stay where they are. The permanence has helped both the Downtown and adjacent property owners and has contributed to the success story that is Downtown. There are other elements of the code, the lines of which should not be fuzzed. Amenities fall into that category to some degree. Pedestrian-oriented frontage and street-level retail yields a one-for-one FAR bonus, but often it is placed in the wrong location. Developers say they were forced to put in street-front retail that they cannot lease, but the fact is they put it in to get the free FAR but often the problem is the space is simply in the wrong location. Street-level retail is something that could be addressed on a district-by-district basis. Pedestrian-oriented frontage is all about relating buildings to the street, but in the areas where retail may not be the right choice, some other use or design option may be appropriate.

Ms. Maxwell reiterated the comment that the committee needs a broad description of the purpose of each amenity, not necessarily a design description for each. She also reiterated her view that a preliminary development design review with really good input would help. Co-chair Laing asked Ms. Maxwell if the approach taken by Seattle's design review boards is what she had in mind, and she responded affirmatively, adding that their approach brings both predictability and flexibility to the table. How Bellevue would choose to implement it would be up to Bellevue.

Ms. Lopez asked if a design review board would add more predictability, take away from predictability, or just add more time to the development process. Mr. Ferris said it would all depend on the process implemented. In Seattle, each district has a different design review board made up from people in the local community, very few of which have any real estate experience. They come to the table with different views on what they want and they critique the work of a professional designer on how the architecture should be done. For the development design team, the approach is very frustrating. The boards are advisory only and the staff or the City Council makes the ultimate decision, so the process can end up being unpredictable and certainly can add time. There certainly could be another way to do it, possibly with boards made up of professionals.

Mr. Bannon pointed out that the City has had larger projects in the Downtown provide a public meeting opportunity to allow the public to engage with the design staff, the developer and the property owner. The meetings have proved to be instructive and helpful, but they involve far less process than a design review board would involve. He added that that design charrette information from 2004 looks toward themes and historical elements already present in each Downtown district with an eye on creating a cohesive whole while maintaining the distinctions of each district. Much of Bellevue is new, but it still has historical characteristics to preserve.

Mr. Ferris commented that Bellevue is unique and challenging given the way the superblocks have been laid out. If all street frontage is required to have retail, the lack of demand for that much retail will leave blank spaces. Concentrating active street uses into appropriate districts will have just the opposite effect. The City should encourage pedestrian traffic along the shopping and entertainment streets by having a requirement for street-level retail and weather protection. Retail shops with a street presence interspersed with stores or uses that do not present a face to the street will have a very hard time making a go of it, especially if pedestrians must walk an entire big block to get to them. Big doors are inviting and no doors kill street activity. Retail can create energy and a theme for what is going on above. Because developers know that, they often get yoga studios or some other use that does not pay a lot of rent but which energize the street to locate at the street level knowing that the development above will benefit from it.

Ms. Jackson agreed. She said if she worked in an office high above the street she would prefer to have yoga classes, a dry cleaner or a gym at the street level over high-end retail uses.

****BREAK****

Mr. Helland shared with the committee a laundry list of items, saying he did not know if they belonged on the list of amenities or not. He first asked the overarching question of how the Downtown relates to the I-405 corridor and other neighborhoods and if the city's thinking is that most new housing units will be the Downtown and the Bel-Red corridor. He said all sorts of opportunities could arise if the area to the east of I-405 were to be connected to the Downtown, possibly with a lid having a signature big open space or park. With an increasing number of housing units comes the need for schools and increased fire and police protection. The ideas from the design charrette and Great Streets report are intriguing, but there are questions as to how to connect those ideas to the amenities list.

Mr. Chaplin commented that developers who have been in the community for many years are in a unique position to know firsthand what the community is seeking as well as what works and what does not work. Flexibility comes in with the ability to work with the staff to accommodate something that will benefit their project as well as the community. Flexibility allows for predictability in terms of an end product.

Co-chair Laing said Seattle has a process through its design review that allows developers to vary from the code on some elements if it can be shown that a proposal will result in a better project. He asked Mr. Chaplin to share his thoughts about the design departure approach utilized in Seattle. Mr. Chaplin said design is very subjective and there are varying opinions as to what constitutes good design and what constitutes bad design. In the past, developers coming in for design review have worked with a city planner to show how their proposed project meets the intent of the Land Use Code. More recently ways have been sought to bring additional internal planners into the discussions. The staff now have weekly interdepartmental meetings in which they discuss projects as a group. That approach actually lays somewhere in-between design review boards and review by just a land use planner. It certainly allows for taking the wider view in terms of what other projects have been proposed. There is still a lot of development yet to occur in the Downtown, and it would be helpful from a land use standpoint for developers to be able to show equivalency.

Ms. Powell stressed the need to hear from the citizenry in addition to developers and professional staff. Adjacent neighborhoods should have a say in code applications in that they have a particular interest in predictability and flexibility. The code exists to protect the citizens as well as to offer predictability to developers. A design review committee could serve as the link to the neighborhoods.

Mr. King briefly reviewed with the committee his notes of issues for staff to follow-up on and analyze.

5. NEXT STEPS

Co-chair Laing said discussion regarding the amenity system will be continued at the next meeting. He said he would discuss with Co-chair Simas how best to talk again about the affordable housing issue.

Ms. Powell said she would like to elevate the discussion regarding the need for more parks and open space in the Downtown. There was general agreement to discuss open space as a critical component of Downtown livability.

Answering a question asked by Ms. Lopez about when the committee will make decisions regarding which amenities to keep and which to leave out, Co-chair Laing said under the process that has been established the committee is only in step one of a two-step process. Following the more general brainstorming, staff will present the committee with a range of alternatives. That is the point where the committee will begin to formulate a detailed recommendation.

Mr. Bannon suggested the committee would benefit from a presentation by staff on how developers go about earning FAR and height, whether the process is formulaic or discretionary. Co-chair Laing agreed it would be useful to have included in the next packet information about other tools, such as concomitant zoning agreements, development agreements and site-specific rezones.

6. PUBLIC COMMENT

Ms. Heather Trescases spoke as director of the Eastside Heritage Center. She said the Downtown has seen significant growth over the years and the Eastside Heritage Center fully supports the process of reviewing the plans and codes that apply in the Downtown, all while recognizing the past efforts and history that are represented in the current policies. The process is an opportunity to tell the Bellevue story. Bellevue is a destination for businesses and residents of the greater Eastside, but it is now also a growing destination for tourists. Providing a sense of place for the community and visitors alike will be critical to the character and vibrancy of the Downtown. There are historical elements extant in the Downtown that should be honored, and that can be done through interpretive signage, preservation of historic structures and/or features, building design elements that reflect past history and historic images. She said some public benefit amenities are for all intents and purposes uses, so to take uses as amenities off the list completely could have a downside. The possibility of including them is part of the flexibility that is needed.

Mr. Carl Vander Hoek with Vander Hoek Corporation agreed with the need to preserve history and culture in the Downtown. Such actions should be included on the amenity incentives list. The land use audit includes the notion of preserving historical and cultural elements, and calls out the need for open space, pet areas, affordable housing, outdoor seating areas, children's play areas, a Downtown community center, and revisiting the code every ten years. There is a need to prioritize the amenities list according to their value and points. Things like public parking, childcare, pools and fire stations are very expensive and are things the citizens look to the City to provide. He agreed that some amenities are appropriate to some districts but not to others and a district-by-district approach would address that issue. Most amenities are provided because people want them. Rooftop plazas can be a wonderful amenity, but the tricky part is accessing them. He suggested the list of amenities should include sports facilities, row housing, shared public bikes, electric car charging stations, fiber optic infrastructure, parking for scooters, and kiosks for tourists. There needs to be discussion regarding the use of traffic impact fees and how they are allocated, and the notion of fees in lieu provided there is good oversight to assure monies are spent for the intended outcomes.

Mr. Chaplin took a moment to clarify his comments regarding impact fees. He said he would like to see a system under which the developers who pay the fees could take them and do a private/public project specifically.

7. ADJOURN

A motion to adjourn was made by Commissioner Stout. The motion was seconded by Mr. Chaplin and it carried unanimously.

Co-chair Laing adjourned the meeting at 9:32 p.m.



September 18, 2013

Bellevue Downtown Association Comments for Downtown Livability Initiative Advisory Committee

On behalf of the Bellevue Downtown Association, we thank the Advisory Committee for your time and commitment to this important step for downtown and the city. Our Land Use & Livability Committee continues to work alongside this effort to provide meaningful input from our members who represent a broad spectrum of businesses, residents, developers and owners.

The BDA's goals for this work program reflect our shared vision for downtown as the economic and cultural heart of the Eastside.

1. Attract and enable the city's most concentrated development downtown.
2. Optimize development economics in order to generate desired public benefits.
3. Achieve excellent urban design and strong architectural interest in the built environment.
4. Enhance downtown's neighborhood identities, character and pedestrian environment.
5. Integrate with transportation, parking and utility planning and support the BDA's Downtown Access Strategy.

To support the Advisory Committee's work to improve the amenity incentive system and design guidelines, we recommend the following concepts:

1. Use a district-by-district approach for the amenities. Consider the needs of each district.
2. Use a separate set of design guidelines for each district that includes photos and drawings that illustrate conceptually how different amenities can be implemented.
3. Motivate developers with higher ratios for the most desired amenities.
4. Encourage projects to maximize their site's potential with higher base/minimum FARs in all downtown zones. (For this to be truly effective, height limits should also be increased.)
5. Establish a more regular check-in/update on the amenity bonus system. Is it working? Have desired amenities changed?
6. Similar to practices in other well-designed urban centers, allow extra height and/or FAR increases at or beyond the maximums if projects deliver required elements, plus extraordinary design and amenity benefits. Consider a separate discretionary process for these projects.
7. Level the dimensional requirements, allowances, and bonuses for nonresidential and residential uses.
8. Expand the criteria or definitions for allowed pedestrian-oriented frontages. The current requirements are outdated and lead to vacant storefronts.
9. If the underground parking incentive is removed, or greatly reduced, then increase the base FAR accordingly to prevent a de facto downzone.
10. The development process should be efficient, predictable and encourage creative design.
11. Focus design guidelines and amenities to encourage increased setbacks and taller, thinner buildings. The outcome should help reduce building mass and bulk, provide for more open space at the street level, create viewscales, and allow for iconic structures.

Fellow Downtown Livability Study Committee members:

I realize that I should clarify my intent regarding statements about a “preliminary design review”.

Mid-life Crisis and Buildout Implementation

At almost 35 years of initial implementation, the downtown is at a mid-live crisis! Buildout goals should be analyzed and assessed, and converted into district visions with enabling specific amenity bonuses. What I am suggesting, and wish staff to develop as an *alternative* for CAC consideration, is the establishment and continuing use of downtown district development planning committees...separate from specific project design reviews.

District Development Planning Committees

The *committee* that I propose, based in and formed out of land owners, developers, businesses and residents of the district with a useful component of COB staff, would be tasked to provide analysis of the baseline development situation in each district, interpret the codes and amenity bonuses in relation to the land use of developable properties there, and prioritize those amenities that implement that district's vision as it networks into the whole of downtown as buildout occurs.

District-Specific Amenities

We have discussed the advisability of retaining certain strongly advised amenity bonuses for downtown as a whole and designate separate specific amenity bonuses for the pursuit of district functionality and character. District amenities should be established by the CAC in our current task. Continuing, each *committee*, would utilize these amenities to provide visionary planning. The *committee* would regularly register continuing analysis of amenity bonus system to COB Planning.

Iconic Development Projects

We have also discussed the possibilities of allowing additional height in downtown. I would like to explore the discretionary allowance of iconic projects...that may or may not involve additional height... at one per district. Iconic development in each district would provide

- identity and image elements for Bellevue, downtown and neighborhood districts,
- visitor interest and awe,
- stimulation and variety of commerce and
- residential neighborhood appeal.

An array of icons should be considered during *committee* analysis, and implementation should be regulated by the amenity system. I advise that icons involving height over current allowance not be allowed in Perimeter design districts A and B. I suggest visionary icons such as

- a character way finding and/or pedestrian circulation system,
- a vertical multilevel green space,
- an active recreation experience,
- a significant link to Meydenbauer Bay
- a vertical university/education campus,
- a heritage experience,
- an art incubator...factory/residence and marketplace,
- a significant, unusual and extraordinary vertically designed architectural feature,
- a fire station as a component of a compatible development.

**Thank you for your attention,
L Lee Maxwell**

From: dwights30@comcast.net
Sent: Wednesday, October 02, 2013 9:57 AM
To: Wilma, Patti
Cc: Kost, Glenn; McCormick-Huentelman, Mike
Subject: Re: Questionable Livability Report Recommendation for Ashwood Park Master Plan Update

Dear Patti, Thank you for this clarification regarding the 2004 Comprehensive Subarea Plan for Downtown. **Please include these additional comments below, provided for further clarifications of our concerns, to the Advisory Committee.**

FYI, over two-hundred (200+) Ashwood resident's signatures were presented to revise the flawed Downtown planning; and urged badly needed Park's funding for improvements for Ashwood Park. An additional two-hundred eighty-five (285) signatures have been gathered during 2013 from Ashwood Park user-patrons plus residents and businesses of the Ashwood Community.

However, the 2008 Parks Levy totally disregarded and did not fund ANY basic improvements for Ashwood Park. Basic Code standards for safety and hygiene, access for handicapped patrons, safe sidewalks, adequate parking, basics like restrooms, lighting, benches for seating and posting of Bellevue Parks rules e.g. hours of operation and dogs-on-leash have been wrongfully avoided or discarded? for what possible purpose?? Many children (sports teams) use Ashwood Park and deserve suitably safe access and services like any other major park Downtown or other neighborhoods. Who is standing against these Code and "usability-basics"? We do not understand? Please update the Downtown Livability Standards & Codes to address requirements for compliance; and move forward with meeting the needs of Downtown residential communities.

Improved Land-Use codes are important for effectiveness of Downtown's future development standards. Not just effectiveness but high risks for civil actions or large, consequential penalties should an unsuspecting park's patron or a child be wrongfully harmed, injured or even disabled. Somehow, the City of Bellevue Planners and Parks officials have avoided considering such fundamental risks and need for funding. No other parks have been allowed to have such glaring lack of facilities, safety or hygiene deficiencies or lack-of-access-issues. We wonder why this situation is continuing despite neighborhood urgings? How can this make any sense?

Starting this month such important issues will begin to be openly and directly presented to Parks Board Members urging timely action and decisions. The entire City Council (except Kevin Wallace who didn't respond) and Mayor Lee have already been informed of recommendations that make excellent use of such a valuable Ashwood Park Green Space for a multi-generational outdoor recreation use by thousands of park users and residents of surrounding communities like McCormick Park neighborhood. This will also be true for users from all around Bellevue (all Communities), Issaquah, Kirkland etc to the new KidsQuest Museum site starting 2014 immediately bordering Ashwood Park. There is a sense of urgency to act in timely fashion. Thank you.

Sincerely, Dwight & Mary Schrag
Ashwood Park Community Residents

From: PWilma@bellevuewa.gov
To: dwights30@comcast.net
Cc: EAKing@bellevuewa.gov
Sent: Tuesday, October 1, 2013 1:57:59 PM
Subject: RE: Questionable Livability Report Recommendation for Ashwood Park Master Plan Update

Mr. Schrag –

Thank you for your comments. We appreciate your interest in the Livability work and staying up to date on the Advisory Committee's progress.

The text you highlight below regarding the update of the Ashwood Park Master Plan is taken from the existing Comprehensive Plan Subarea Plan for the Downtown that was adopted in 2004. We provided this information in the context of existing conditions and vision in the "Urban Design Framework Plan" to give the Advisory Committee background and context for their work on the Land Use Code update. I encourage you to attend one of their meetings and let the committee know your concerns. That meeting is set for October 16th at 6:30 in City Hall. We will include this email in their next committee meeting materials to make sure they do get your comments.

POLICY S-DT-117. Update the Ashwood Park master plan to reflect a contemporary vision for the site that considers some community center functions while retaining significant passive open space use. Explore partnerships for development consistent with the vision.

The committee has not addressed Ashwood Park specifically to –date. Changes or improvements to it would not really something they recommend but more a responsibility of the Parks Board.

Let me know if you have other questions.

Patti Wilma

From: dwights30@comcast.net [mailto:dwights30@comcast.net]
Sent: Tuesday, October 01, 2013 12:00 PM
To: Wilma, Patti
Subject: Questionable Livability Report Recommendation for Ashwood Park Master Plan Update

Dear Patti:

We are wondering "why??" regarding the new (Sept 18) Downtown Livability Report recommendations covering Ashwood Park utilization in some policy-depth. Where do these concept ideas come from??

This seems like "Bad News" for residents, businesses, retirement centers and ALL park users. Leaders in the Ashwood Community have routinely and regularly given your planners our needs to **"Keep Ashwood Park Green"**. This means funding for improving the park as one with trees and typical greenery, child friendly exercise area, decent sidewalk for access by elderly users, restrooms, park benches, picnic tables like all other large park areas in Bellevue. All members of the

City Council have been briefed on the Community needs (except for Council Member Kevin Wallace who declined to participate). Bluntly, is Kevin Wallace instigating your team's suggested policies? If not, who??

Before finalizing, can your team's recommended policy changes for Ashwood Downtown Livability be fully, transparently, openly discussed with Ashwood residents and leaders in the Ashwood Community please? When can we sit down with your team to review these questionable recommendations??

Reading the fine print, there is still seemingly a questionable Bellevue push for a Community Center in the Park for the new parks plan update. "QUOTE:" Page 22, 9-18-2013 Bellevue Downtown Livability Initiative (PDF) *Downtown's two existing parks: Downtown Park and Ashwood Park, are located in the Downtown's southwest and northeast quadrants, respectively. Both feature large lawn areas and have other major attractions near-by to increase their visibility and activity. The Downtown Subarea Plan calls for the completion of phased development of Downtown Park and the enhancement of its visual and functional presence along Bellevue way.*

The Plan also states: *"Update the Ashwood Park master plan to reflect a contemporary vision for the site that considers some community center functions while retaining significant passive open space use. Explore partnerships for development consistent with this vision."*

Possibly, this may sound like "Good News" if residents and community leaders can fully understand and be clear about your team's intent re: There is a Policy statement S-DT-72 suggesting a **"partnership" to put the 3rd Place location along the North side of the Library property.** This appears like a potentially "ideal concept" for such an Ashwood Community site. Parking is available in the new KCLS garage, as well as many additional meeting rooms inside the library. 8,000 to 10,000 sf could easily fit into a cantilevered overhead Library extension; or even the narrow strip of Park's land to the North of the new garage.

May we discuss the intent for these proposed policy/standards? re: ASHWOOD PARK - Home to the King County Library, Ashwood Park, and dense urban housing. Future improvements to Ashwood Park will play a large role in the maturation of the district.

- POLICY S-DT-69. Encourage other civic users to locate in this district, using the King County Library as an anchor.
- POLICY S-DT-72. Encourage expansion of the King County Library to the north. Explore a potential partnership to develop appropriate community center facilities as part of the expansion.

Thank you for your prompt attention to these matters.

Dwight & Mary Schrag
Ashwood Park Neighborhood Residents

From: Alaric Bien <alaricbien@gmail.com>
Sent: Friday, September 13, 2013 12:03 PM
To: DowntownLivability
Subject: Downtown Bellevue

As a resident who is raising 2 children in Bellevue, I am very concerned about livability and affordability in Downtown Bellevue as well as other parts of our city. I am afraid that many of our young people will not be able to return to the great community in which they were raised because they will simply be priced out of the housing market.

Downtown and the Bel-Red Corridor with East Link transportation options provide excellent opportunities to make this a city in which ALL people can work and live. We owe it to our younger generation to plan for their future.

Please work to ensure affordable housing throughout our city.

Alaric Bien
resident
15818 SE 13th St
Bellevue, WA 98008



DATE: October 1, 2013

TO: Downtown Livability Initiative Advisory Committee

FROM: Kevin McDonald, AICP, Senior Transportation Planner, 452-4558
kmcdonald@bellevuewa.gov

SUBJECT: Downtown Transportation Plan:
Transportation Commission referrals to the Downtown Livability Initiative
Advisory Committee
<http://www.bellevuewa.gov/downtown-transportation-plan-update.htm>

INTRODUCTION

The update to the Downtown Transportation Plan addresses mobility issues and challenges and supports Downtown growth and urban livability looking out to 2030.

Council directed the Transportation Commission to serve as the primary advisory body for the Downtown Transportation Plan. In that capacity, the Commission has gathered considerable data on Downtown mobility and has sought information and comments from the community of Downtown residents, employees and visitors.

Now the Commission has developed a recommendation that includes mobility options for drivers, transit riders, bicyclists and pedestrians. Included in the suite of recommended components are several types of facility that are governed by the Land Use Code, and thus are under the umbrella of the Downtown livability Initiative. This recommendation represents a milestone in the Downtown Transportation Plan in that it defines the mobility options – however additional work is required to craft policies and project descriptions that would be included in the Downtown Subarea Plan

This memo briefly describes the Commission’s recommended mobility options and the referrals of various components that are within the scope of the Downtown Land Use Code to the Downtown Livability Initiative Steering Committee.

Improving Mobility

The Transportation Commission recommends a general plan to improve Downtown mobility and specific strategies to enhance each mode. Everyone who wants to get around safely and comfortably in Downtown Bellevue will find value in this plan, whether they choose to get around in a car, on a bus, on a bicycle or other wheels, or on their own feet. Through public and

private investments in transportation infrastructure, the plan enhances Downtown vitality and economic development, improves sustainability, and supports livability and public health.

Multimodal Strategies

A multimodal strategy for 2030 is the foundation of the Downtown Transportation Plan recommendation and includes investments in all modes.

Recommended mobility options will give people more choices in how they get around to/from and within Downtown Bellevue. The Downtown Transportation Plan envisions a future for Downtown where walking is easy, enjoyable and healthful; bicycling is comfortable for people of all ages and abilities; transit is a reliable way to get around; and driving a car is a viable option. Specific mobility strategies are intended to achieve the following outcomes:

- **Roadway capacity:** Downtown mobility improves largely through investments outside of Downtown on the City's arterial system and the regional freeway system. Traffic operations technology continually enhances the traffic signal system to get the most out of the efficient Downtown street grid.
- **Transit service:** Improvements include transit routing changes to disperse transit service Downtown, and the planned addition of light rail service. Transit passenger comfort, access, and information are integrated into bus stops and transit stations, while speed and reliability improvements enhance transit service.
- **Pedestrian facilities:** An upgraded walking environment is achieved in conjunction with the Downtown Livability Initiative by widening sidewalks, improving landscaping, enhancing crosswalks, adding mid-block crossings, and implementing design improvements to through-block connections and the Pedestrian Corridor.
- **Bicycle access:** Bicycling Downtown is largely on shared roadways, with some dedicated bicycle lanes and off-street paths that provide access to local neighborhoods and regional facilities. End-of-ride facilities such as sidewalk bike racks, bike corrals, and secure bike parking in buildings and transit stations will support commuters and recreational riders.

Transit Passenger Comfort, Access and Information

To ensure that the transit passenger has comfortable and convenient access to the transit system, the Downtown Transportation Plan recommends four types of transit stop that are based largely on ridership. Transit stop improvements could be implemented by the City, the transit agencies, or incorporated into new development. The latter method is referred to the Downtown Livability Initiative as a component for consideration in the amenity incentive system.

Bicycle Facilities

On-street and off-street bicycle facilities would serve Downtown commuters and recreational riders, and support non-motorized access to employment, parks, shopping, residences, and transit. Bicycle facility components would consist of lane markings, wayfinding, signal actuation, and end-of-ride facilities that would be implemented depending on the need and the context. Bicycle parking for commuters would be developed on-site through development review. A recommended Land Use Code amendment would require secure on-site bicycle parking, lockers and showers in new development.

Pedestrian Facilities

Walking is a significant portion of the daily activity of people in Downtown Bellevue, and will be an increasingly important element of economic vitality, Downtown livability and personal health. Pedestrians need safe and accessible, comfortable and convenient places to walk. The Downtown Transportation Plan will augment decades of public and private investments to recommend further improvements to the pedestrian environment.

There are four components of the Downtown pedestrian environment that the Downtown Transportation Plan addresses: sidewalks/curbside landscaping; crosswalks; mid-block crossings; and through-block connections. The Pedestrian Corridor is a separate and important component of Downtown pedestrian and bicycle mobility. Pedestrian facility recommendations referred to Downtown Livability are as follows:

Sidewalks

Sidewalks in Downtown Bellevue provide fundamental infrastructure for pedestrian mobility and incorporate urban design features that enhance livability. The Downtown Land Use Code (20.25A.060 Walkways and sidewalks) prescribes the width of sidewalks and the landscaping treatment adjacent to the street – thus this topic is in the purview of the Downtown Livability Initiative Steering Committee.

The Downtown Transportation Plan recommends increasing the required sidewalk width along certain heavily travelled sidewalk segments such as along 106th Avenue NE, where 20-foot wide sidewalks (including a 4-foot curbside landscape area) to accommodate pedestrians, window shoppers, and café seating on this designated “Entertainment” avenue. Please see Attachment 1 for recommended sidewalk width changes.

Curbside Landscaping

Along streets where pedestrians need a buffer from traffic, the Downtown Transportation Plan recommends installing a continuous landscape planter with street trees along the curbside edge of the sidewalk instead of the street trees in tree grates as currently required in the Land Use Code. This treatment is popular with pedestrians where it has been implemented along

portions of Bellevue Way, NE 4th Street, 112th Avenue NE and other Downtown streets, and it is a good growing environment for street trees. A landscaped planter with street trees is also recommended for 100th Avenue NE and 101st Avenue NE to provide a nice walking environment between the Downtown Park and Meydenbauer Park. Please refer to Attachment 1 for locations where a change from street trees to landscape strip is recommended.

Through-Block Connection Design Concepts

Through-block connections help to break up the Downtown superblocks into more manageable sizes for pedestrians by providing walkways between or sometimes through buildings. The Land Use Code requires that through-block connections be incorporated in new development; design guidelines are provided and basic wayfinding is required. In practice, the design of the existing through-block connections is so variable that people are uncertain as to whether they are welcome, and required public access wayfinding does not let a person know where the through-block connection will lead. To enhance pedestrian navigation, the Downtown Transportation Plan recommends that some design refinements include: standard public access wayfinding; commonly recognizable paving material or inlays; and universal accessibility according to ADA standards.

NE 6th Street Pedestrian Corridor Design Concepts

The NE 6th Street Pedestrian Corridor is a high priority route for both walking and bicycling, yet the existing design is not entirely accessible for non-motorized travelers. Sections of the corridor are difficult for wheeled users to navigate due to narrow passages, steep sections, tight turns, stairs, and poor sightlines. The Pedestrian Corridor will be an increasingly important connection as new development occurs along the corridor and light rail becomes an anchor destination on the east end.

The Downtown Transportation Plan refers a concept design to the Downtown Livability Initiative that is intended to better accommodate wheeled users. Recommended design components consist of special paving treatments, wayfinding and widening.

Miscellaneous Curbside Uses

A vibrant urban center is host to activities within the street right-of-way that cannot always be predicted or planned for. Many of these miscellaneous curbside uses come and go in a flash, while others may require more time and space. It is the latter type that the Downtown Transportation Plan addresses with policy recommendations as follows:

Curbside Parcel/Freight Loading/Unloading

Within Downtown, large-scale loading activity typically occurs within on-site locations that are designed and designated for new projects through development review and permit approval. Smaller deliveries may occur on-site, in designated on-street loading zones, and also randomly

at the curb or in the center turn lane. The Downtown Transportation Plan recommends better integrating on-site loading space and/or creating designated curb loading space through development review. Ensure also that the on-site design and location of loading docks and circulation provide for expeditious loading to encourage this activity to occur on-site rather than on the street.

Curbside Passenger Pick-Up/Drop-Off

Part of the unscripted urbanism of a vibrant mixed-use urban center is the transfer of pedestrians between vehicles and the sidewalk. While there is no specific “best practice” guidance for managing this activity, active loading or unloading is typically accommodated in designated curbside areas. The Downtown Transportation Plan recommends integrating new time-limited curbside space for passenger pick-up and drop-off through development review.

Summary of “Referrals” to the Downtown Livability Initiative

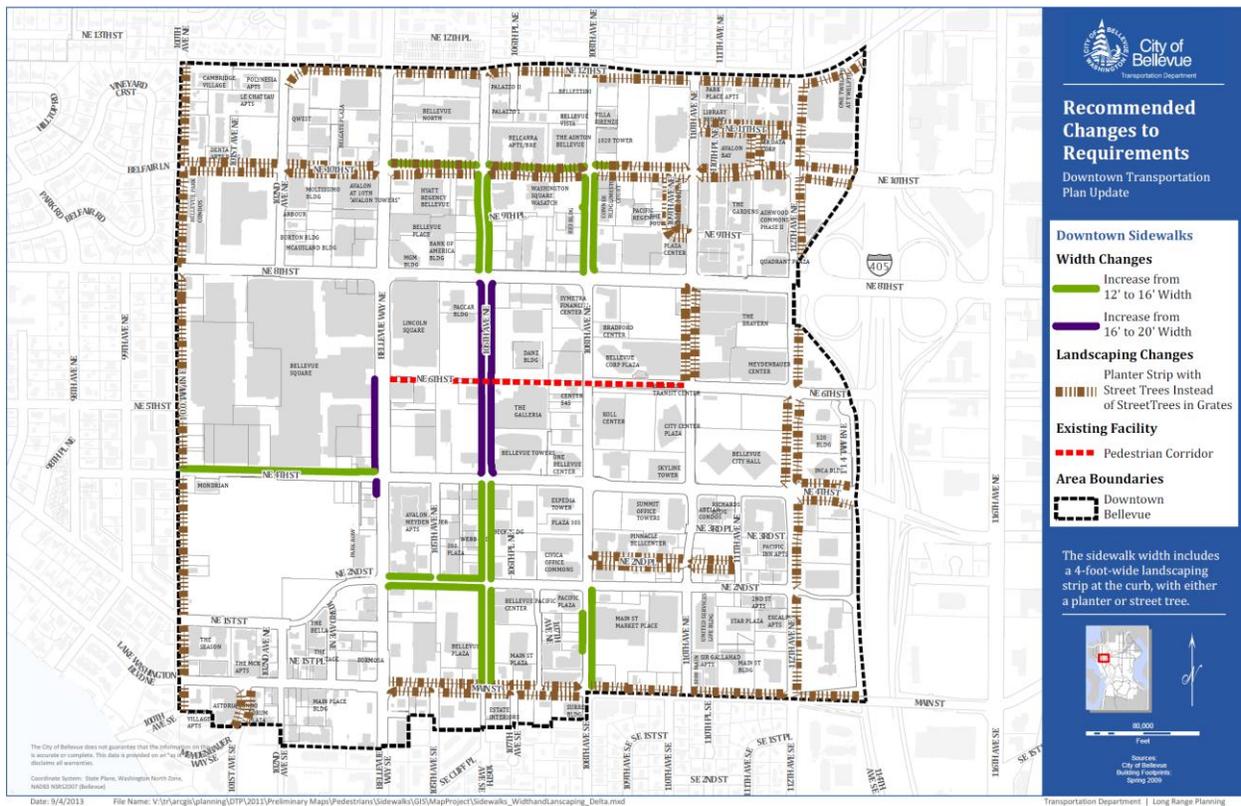
The Downtown Livability Initiative Steering Committee will make recommendations to the City Council on Land Use Code amendments that will address urban design and site development considerations. Some mobility facilities the Transportation Commission has considered are embedded in the Land Use Code and are therefore under the umbrella of the Downtown Livability Initiative. These are summarized here:

- **Transit Passenger Comfort, Access and information**
 - Provide an incentive for developers to include and incorporate transit passenger enhancements in new projects that are located near existing or planned transit stops
- **Sidewalk Width**
 - Increase width from 12 to 16 feet and from 16 to 20 feet (including curbside landscaping) along specified street segments
- **Curbside Landscaping**
 - Require planter strip with street trees instead of street trees in tree grates along specified street segments
- **Through-Block Connections**
 - Refine design guidelines to enhance pedestrian access and navigation through “superblocks”
- **Pedestrian Corridor Design Components**
 - Refine design guidelines to better accommodate wheeled users and enhance access to transit and businesses along the Corridor
- **On-Site Bicycle Parking Facilities (End-of-Ride)**
 - Require secure, long-term, on-site bicycle parking as a component of new development, plus lockers and showers to support bicycle commuting.
- **Curbside Parcel/Freight Loading/Unloading**

- Integrate on-site loading space and/or create designated curb loading space through development review. Ensure that the on-site design and location of loading docks and circulation provide for expeditious loading to encourage this activity to occur on-site rather than on the street.
- **Curbside Passenger Pick-Up/Drop-Off**
 - Integrate new time-limited curbside space for passenger pick-up and drop-off through development review.

ATTACHMENT 1

Sidewalk and Landscaping Recommendations Map (Changes from existing Land Use Code)





Downtown Livability

Downtown Livability Amenity Ideas for Consideration

Homework Assignment - Requested due date: October 15, 2013

Ideas for changes to the list of Downtown amenities have been collected since our first open house in November of 2012. Feedback from focus groups, walking tours, written and oral comment, and committee discussion have been compiled into four categories:

- 1) Existing Amenity list
- 2) Ideas discussed by the Advisory Committee
- 3) Ideas from the Charrette Book and Green Street Plan
- 4) Ideas from the public

We are asking that each committee member fill out the attached forms and return to Patti Wilma by end of day Tuesday, October 15th. This way we will be able to compile your responses and present them at the Wednesday committee meeting.

Future work will focus on other issues such as establishing the correct incentive ratios that are fair and feasible in the market, potential modification of the base FAR, Downtown-wide or district specific criteria, reducing the number of amenities, and flexibility in the system.

Please If you have any questions please contact:

Patti Wilma 425/452-4114 pwilma@bellevuewa.gov

or

Emil King 425/452-7223 eaking@bellevuewa.gov

Downtown Livability Amenity Ideas for Consideration

Existing Amenity List See LUC 20.25A.030.C for detailed descriptions	Importance to Achieving Downtown Livability (1 low - 5 high)	Explore Retaining as Incentive	Require Outright with Potential of Raised Base FAR	Acquire by Other Means (i.e. Design Guidelines, CIP, Pub/Prvt Partnership)
Open/Green/Gathering Space				
1. Major Pedestrian Corridor				
2. Outdoor Plaza				
3. Landscape Feature				
4. Enclosed Plaza				
5. Landscape Area				
6. Active Recreation Area				
7. Donation of Park Property				
8. Residential Entry Courtyard				
Weather Protection				
9. Marquee				
10. Awning				
11. Arcade				
Parking				
12. Underground Parking				
13. Above Grade Parking				
14. Above grade Parking in a Res. Bldg				
Uses				
15. Pedestrian Oriented Frontage				
16. Public Meeting Rooms				
17. Residential Uses				
18. Child Care Services				
19. Retail Food				
20. Performing Arts Space				
21. Space for Non-profit Social Svcs				
Art Features				
22. Sculpture				
23. Water Feature				

Instructions:

1. Complete column 2 by rating selected amenities for their value in achieving Downtown Livability with consideration of the City Council Principles for this initiative (section 1 of Briefing Book).
2. Complete columns 3-5 with "Y/N".
3. Return to Patti Wilma at pwilma@bellevuewa.gov by October 15th – end of day.

Downtown Livability Amenity Ideas for Consideration

New Ideas Discussed in Committee as of 9/18/13	Importance to Achieving Downtown Livability (1 low - 5 high)	Explore Adding as Incentive	Require Outright with Potential of Raised Base FAR	Acquire by Other Means (i.e. Design Guidelines, CIP, Pub/Prvt Partnership)
Open/Green/Gathering Space				
Third places (social gathering place outside home and work)				
Upper level plaza				
Green Space				
Park Lid on I-405				
Open space as part of a Downtown Open Space Master Plan				
Activated Rooftops				
Weather Protection				
Canopies at corners				
Design/Art Features				
Art space				
Iconic Features (i.e. rooftop, tower, water feature)				
Wayfinding				
Other				
Sustainable Features/Practices				
Affordable Housing				
Fire Station				
School				

Instructions:

1. Complete column 2 by rating selected amenities for their value in achieving Downtown Livability with consideration of the City Council Principles for this initiative (section 1 of Briefing Book).
2. Complete columns 3-5 with "Y/N".
3. Return to Patti Wilma at pwilma@bellevuewa.gov by October 15th – end of day.

Downtown Livability Amenity Ideas for Consideration

Charrette Ideas See Charrette Book (Sec. 4 of Briefing Book) for detailed description	Importance to Achieving Downtown Livability (1 low - 5 high)	Explore Retaining as Incentive	Require Outright with Potential of Raised Base FAR	Acquire by Other Means (i.e. Design Guidelines, CIP, Pub/Prvt Partnership)
NOMA/Ashwood				
NE 10th as Green Street - 14 ft min sidewalk w/ landscape buffer and urban courtyards at street. pg. 14				
Edge Park at NE 10th and 112th pg. 31-34				
Interior pathway system with gardens open to the public. pg. 17-19				
NOMA/Northwest Village				
Alleys with addresses through superblocks (activated odd number streets and through block connections pg. 23				
Gateway at 10th & Bellevue Way - signals transition on 10th from busier east side to quieter west side. pg. 24				
Landscaped medians. pg. 25				
Pocket parks & urban courtyards - part of established open space network. Pg. 26				
Technology Learning Museum. Pg. 39, 40				
Village Square near QFC. Pg. 43				
Green Streets pg. 47				
Large public gathering places. pg. 48				
Eastside Center				
MPOS off-center (in addition to Ped. Cor.) pg. 54-55				
Artist live/work spaces				
Farmers Market space				
NE 4th enhanced as "Park Street Boulevard" pg. 61, 121				
Ridge to Bay trail - Ped Corridor to Meydenbauer Bay pgs.62-65				
Brand Signature Streets with unique design features pg. 66-70				
Downtown Circulator pg. 72, 96				
Water feature along Ped Corridor to connect Fountain Court City Hall pg. 79				
SOMA				
Lake to Lake Trail pg. 100				
Landscape Medians Main St and NE 4th pg. 100, 121				
NE 2nd park block developed as Charles Street Park. Pg. 126-129				

Downtown Livability Amenity Ideas for Consideration

Charrette Ideas See Charrette Book (Sec. 4 of Briefing Book) for detailed description	Importance to Achieving Downtown Livability (1 low - 5 high)	Explore Retaining as Incentive	Require Outright with Potential of Raised Base FAR	Acquire by Other Means (i.e. Design Guidelines, CIP, Pub/Prvt Partnership)
Art Mews on odd numbered streets. Closeable for events. Pg. 102,103				
Continuous east/west connect at approx. NE 1st Old Bellevue - 110th NE. pg. 104				
Mid-Block Park - ped. only path				
Water features as recurring iconic design feature. Pg. 134				
Green Streets -odd numbered N/S streets. 14 ft. sidewalks w/ 7 ft planters. Pg. 105				
Old Bellevue				
Downtown Park Energizers active rec, band shell, wading pool, skate park, concessions, link to marina, etc. pg. 110				
Ellis Portal - NE entry to Park at Bellevue Way & NE 4th. Pg. 111				
Public parking garages for "park-once" concept. Pg. 118				
Major water feature connecting Downtown Park to Meydenbauer Bay. Pg. 133				

Instructions:

1. Complete column 2 by rating selected amenities for their value in achieving Downtown Livability with consideration of the City Council Principles for this initiative (section 1 of Briefing Book).
2. Complete columns 3-5 with "Y/N".
3. Return to Patti Wilma at pwilma@bellevuewa.gov by October 15th – end of day.

Downtown Livability Amenity Ideas for Consideration

Green Streets Ideas See Great Street Plan (Sec. 4 of Briefing Book) for specific locations	Importance to Achieving Downtown Livability (1 low - 5 high)	Explore Adding as Incentive	Require Outright with Potential Raised Base FAR	Acquire by Other Means (i.e. Design Guidelines, CIP, Pub/Prvt Partnership)
Bellevue Way NE / Shopping Street				
Extra wide sidewalk for Art walk frontage NE 6 th – NE 4 th				
Planted median				
Curbside planting strip				
106th NE / Entertainment Street				
Extra wide sidewalk for markets, festivals, etc. NE 4 th – NE 8 th				
Celebrated intersection treatment				
108th NE / Commerce Street				
Bike route facilities				
18 Ft sidewalk at for existing tree preservation NE 6 th –NE 8 th				
Curbside planting strip				
Planted median				
NE 4th / Crosstown Connection				
Extra wide sidewalk for terraced frontage 110 th – 108 th				
Curbside planting strip				
Planted median				
Gateway NE 4 th @ 112 th NE				
NE 8th / Crosstown Connection				
Extra wide sidewalk for garden walk frontage 110 th – 108 th				
Landmark tree preservation				
Significant tree planting				
Planted median				
Gateway at 100 th and 112 th				
All				
Implementation of Art Elements Plan				
Art walk plaza				
Pocket plaza				
Use of Toolkit Elements				
Midblock Crossings				
Celebrated intersection treatment				

Instructions:

1. Complete column 2 by rating selected amenities for their value in achieving Downtown Livability with consideration of the City Council Principles for this initiative (section 1 of Briefing Book).
2. Complete columns 3-5 with “Y/N”.
3. Return to Patti Wilma at pwilma@bellevuewa.gov by October 15th – end of day.

Downtown Livability Amenity Ideas for Consideration

Other Ideas from the Public From written and oral comment since 11/29/12	Importance to Achieving Downtown Livability (1 low - 5 high)	Explore Adding as Incentive	Require Outright with Potential of Raised Base FAR	Acquire by Other Means (i.e. Design Guidelines, CIP, Pub/Prvt Partnership)
Open/Green/Gathering Spaces				
Event space in lobbies				
Connectivity through plazas and blocks				
Connections to neighborhoods and districts				
Enhanced sidewalks				
Midblock crossings				
Child play areas				
Pet friendly space/off-leash dog park				
Green space that is part of a complete Downtown system				
City Park Improvements, i.e. Ashwood				
Parking				
Scooter parking				
Electric car charging				
ADA parking above minimum				
Bike parking and other facilities				
Public parking garage				
Uses				
No POF bonus in Perimeter				
Row housing				
Zip car type service				
Shared public bikes				
Sports facilities				
Universities / schools				
Financial, real estate, medical as POF				
Diversity of housing type				
Family-size housing				
Community center				
Non-profit organizations				
Food carts				
Design/Art Features				
Historic preservation				
Historic building elements				
Interpretive signage				
Increased setbacks for light/air				
Small lot interesting architecture				
Pedestrian scaled lighting				
Seating/benches				
Continuous weather protection				

Downtown Livability Amenity Ideas for Consideration

Other Ideas from the Public From written and oral comment since 11/29/12	Importance to Achieving Downtown Livability (1 low - 5 high)	Explore Adding as Incentive	Require Outright with Potential of Raised Base FAR	Acquire by Other Means (i.e. Design Guidelines, CIP, Pub/Prvt Partnership)
Other				
0-carbon footprint				
Fiber optic infrastructure				
On-site storm water drainage systems				
Fee in lieu system				
Exempt affordable housing from FAR				

Instructions:

1. Complete column 2 by rating selected amenities for their value in achieving Downtown Livability with consideration of the City Council Principles for this initiative (section 1 of Briefing Book).
2. Complete columns 3-5 with "Y/N".
3. Return to Patti Wilma at pwilma@bellevuewa.gov by October 15th – end of day.

REVIEW OF INCENTIVE ZONING PRACTICES

City of Bellevue Downtown Livability Initiative

1.0 INTRODUCTION

1.1 Context for Review

The City of Bellevue is engaged in a targeted review of regulations that guide downtown development and land use activity, particularly looking at opportunities to revise and modernize the current Amenity Incentive System found in LUC 20.25A.030. This effort will involve a number of inter-related elements including urban design, signage, parking, and a stakeholder outreach effort to engage key interests in any potential regulatory changes.

The original system was conceived in 1981 when the overall area was up-zoned and a new land use code for Downtown Bellevue was adopted. This system provided the opportunity to tie higher allowable building heights and floor area ratios (FARs) to the provision of public amenities. The original incentive system included 16 amenities to choose from, and was “calibrated” with bonus ratios based on the economic benefit of being able to develop more building square footage compared with the estimated cost of constructing the amenity.

The current incentive system is a key land use regulation used to support the Downtown area. It is focused on encouraging residential development, structured or underground parking, and public open spaces, and other amenities in exchange for additional height and building area. Each of the Downtown zoning districts and overlays has a base and maximum height and FAR. The current incentive system lists out 23 amenities, each with specific design criteria and bonus rate based on the underlying zoning that is used to calculate the amount of additional floor area earned.

1.2 Purpose of Review

This memorandum focuses on researching other practices in incentive zoning being used successfully in other cities to provide a range of public amenities. This review first provides a brief discussion of policies issue related to incentive zoning, an overview of how incentive zoning works, and follows up with a select review of case studies of practices in other cities. Lastly, the review then assesses the applicability of these tools for the City.

2.0 SUMMARY OF POLICY AND REDESIGN ISSUES

Incentive zoning programs encourage the private sector to develop community amenities and public benefits through a unique combination of zoning configurations and economic incentives. Experience with other programs has shown that this tool is most effective when the right balance is struck between the demand for density increases and the bonus amenity.

2.1 Key Issues for Incentive zoning in Bellevue

Program Goals

Cities must develop clear goals for what they would like their incentive zoning programs to achieve. As part of this, they must decide on how narrow or broad they want to target the urban design, public amenities, or other public benefits to be achieved. Bellevue’s existing system, adopted in

1981, encourages residential development, structured or underground parking, public open spaces, and other amenities in exchange for additional height and building area.

Amenity and Public Benefit Selection

The City will need to target and structure its amenities and public benefits to be delivered through incentive zoning. The current program is urban design focused, but its target could be shifted to other public benefits such as affordable housing or other community facilities. Regardless, the selection of bonus program amenities must be tied to broader public goals.

Geography

Some cities have restricted the program to certain areas or even to certain zones within an area. Further, some cities have different goals for different areas. Ideally this would be part of the discussion around program goals. Regardless, the structure and pricing of the program should be viewed within a broader context of where the City would like to incent growth while providing for the community benefits necessary to support higher levels of growth and activity.

Incentive zoning should also be viewed from a program perspective relative to other places in the City and region where incentive zoning is in place so that overall city goals are supported (i.e. directing growth into desire areas). In addition, it could be viewed through a development competitiveness perspective. On the latter, there are two sides to the issue: 1) the City would like to “price” development competitively in the region so that it realizes the investment envisioned as part of its long-term growth plans; while balancing, 2) the City’s need to support the types of vibrant communities by creating a high quality physical and social built environments where high levels of human activity can thrive.

Incentive Zone Structure

The structure of incentive zoning has four key issues.

- First, the city must decide on where the base (or by-right) zoning ends and where the incentive zoning begins.
- Second, city must decide how much of the total zoning envelope should be achievable by the incentive zone increment.
- Third, for the development bonus to be enough of an incentive, the existing zoning should be sufficiently low, but not so low that the validity of the base zoning is called into question. Likewise, density bonuses should be large enough to attract new development but not so large that new densities cannot be served by community infrastructure – or that there is not a plan to serve that increment above capacity.
- Fourth, the city will need to decide if there will be some prioritization of benefits (e.g. incentive must be earned in a certain order) and whether certain incentives will be capped.

Incentive Pricing and Implementation

Pricing is most the complex (and often controversial) aspect of incentive zoning. Valuing both the cost of providing the amenity (or public benefit) and the value of the incentive (typically additional floor area) so that the bonus value exceeds the amenity value is a challenging exercise. The value of floor area is dynamic and subject to many different and volatile factors.

The value of an amenity is also difficult to determine since “costs” are also a dynamic and differ by amenity. The City of Bellevue’s policymakers must be aware of potential “effective tax” effects of an incentive program where the cost of the amenity outweighs the value of the incentive offset (discussed in Section 4.5).

Regardless, investment and development cycles are dynamic and unpredictable and the city will want to weigh strategies that provide some flexibility in the program. For example, this could include options like off-site alternatives or fee in-lieu payments.

3.0 INCENTIVE ZONING 101

3.1 History

Incentive zoning was a reaction during the 1950's and 60's to Euclidean zoning and its focus on the rigid separation of uses. The tool sought to improve community design by targeting private developers to build design amenities through a myriad of incentives. The tool gradually migrated to more broadly include other public benefits such as affordable housing – in some cases in the context of inclusionary zoning (see below).

Chicago was the first City to use zoning bonuses in 1957 by granting bonus floor area in exchange for public plazas and arcades. New York City followed after in 1961 by adding a bonus for extra floor space to encourage developers of office buildings and apartment towers to incorporate plazas into their projects. While incentive zoning started as tool to incent building and site design features, it has evolved to address other public policy objectives in human services (affordable housing, child care, education, etc.) and other community and public interests (amenities, transit stops, conservation priorities, etc.)

3.2 Distinction (and some similarities) with Inclusionary Zoning

Inclusionary zoning is a tool to implement affordable housing by requiring affordable housing units to be included as a part of new buildings (either on-site or off-site). Inclusionary zoning programs can be either voluntary or mandatory, and they were a response to exclusionary zoning practices of the 1960s that sought to keep out low-income and racial populations. Voluntary inclusionary zoning programs are more similar to incentive zoning programs in that they link private economic benefit to the provision of the public benefit. In other parts of the country, hybrid programs may include affordable housing requirements combined with zoning incentives that offset added development costs.

Set-aside requirements are an important component of inclusionary zoning ordinances because they dictate the number of residential units a developer must reserve for low- and moderate-income individuals. Set-aside requirements are typically expressed as a percentage of the total number of housing units included in a project, and they can be different for rental and owner-occupied housing.

Washington's law allows a version of inclusionary zoning (see below). Recent amendments to the Growth Management Act and other state laws allow jurisdictions to enact or expand affordable housing incentive programs as long as they are tied to an up-zone or other regulatory changes that increase an area's development capacity. The Cities of Kirkland and Issaquah in Washington State have moved forward their incentive zoning programs to have this inclusionary element.

In other parts of the country, incentive zoning and inclusionary zoning have been implemented in tandem in many hybrid formats, often in conjunction with other economic development and affordable housing programs.

3.3 Washington State Enabling Legislation

There are two laws that provide guidance for incentive zoning in Washington. RCW 82.02.020 authorizes non-housing bonus for benefits that mitigate direct development impacts. RCW 36.70A.540 allows affordable housing zoning incentives with the following conditions:

- Income and housing cost limits (Permits up to 80% AMI for Rental and 100% AMI for Ownership).
- Minimum 50 year affordability.
- Fee-in-lieu must achieve result equal or better than on-site affordable housing, as long as the payment does not exceed the approximate cost of developing the same number and quality of housing units that would otherwise be developed.
- The jurisdiction may establish a minimum amount of affordable housing that must be provided by all residential developments being built under the revised regulations, consistent with the requirements of this section.

4.0 PRINCIPLES OF INCENTIVE ZONING

The following section describes key elements of incentive zoning programs as used by other cities.

4.1 Purpose of Incentive Zoning

Incentive zoning is a simple concept based on the valuation of land as defined by the intensity of uses permitted. In general, the higher the intensity allowed, the higher the value of the land itself, and, assuming development to the maximum, the greater the value of any building developed on it. Incentive zoning is a voluntary program that offers property owners the option of obtaining an increased intensity of development over existing limits.

This intensity bonus is the "incentive". To obtain the bonuses, developers must provide stipulated types of improvements or other public benefits as proscribed by a jurisdiction's program. Importantly, there must be demand to exceed the base zoning. Incentive zoning is a voluntary program and the value of the incentive should seek to induce, rather than discourage, participation.

4.2 Selection of Public Amenities and Benefits

Local jurisdictions should target and structure their amenities and public benefits, delivered through incentive zoning, based on the policy goals being served. As stated earlier, traditional incentive zoning programs were focused on softening the hard urban landscapes of downtowns through the targeting of plazas and arcades. These design elements grew to include streetscape improvements and more recently other community benefits like affordable housing and community facilities.

The selection of bonus program amenities must be tied to the broader public goals that that an agency is trying to achieve in a particular area. Likewise, like all land use programs, the amenity incentive system is subject to legal considerations under state and federal law that seek to balance the government's protection of the public good and the burden on the developer.

4.3 Specification of the Incentive or Cost Offset

While most incentive and inclusionary zoning programs provide for additional floor area beyond the base development capacity by providing public benefits, programs also provide other departures from the base zoning instead of additional floor area as the incentive. The value of the incentive has to outweigh the cost of the mandated improvements or public benefits to be provided. This

would not necessarily be true for some true inclusionary programs. The range of incentives used by other cities is described below.

Increased Densities

As discussed, most programs provide for additional floor area beyond the base development capacity up to a maximum by providing public benefits according to specified conditions. Most incentives are typically enacted through establishing a ratio, such as additional floor area per square foot of public open space on site.

Increased Height

Increased height has been used by some jurisdictions both in tandem and independent of FAR requirements. When height is offered independent of FAR, the key issue is how different types of development marginally value the additional height, particularly as buildings move up code/construction type and/or cost breakpoints (i.e. wood to concrete/steel construction). For instance, high-end and luxury residential may be able to extract premium rents to offset the higher costs of going higher. However, some types of development may encounter some price ceilings that may not be able to outpace the incremental costs associated with going higher.

Fee Reductions and Exemptions

Development application, permit, and impact fees can add substantially to the cost of development. Consequently, waiver, reduction or deferral of fees for the public benefit or amenity can provide a significant cost reduction to the project. While outright exemption of fees controlled by the local jurisdiction will obviously provide the greatest benefit to developer, cities may not choose to waive some fees because they are needed to pay for the particular service, function, or infrastructure for which they are levied. Here, the city will need to find alternative substitutes to make up for the foregone revenue.

Other Types of Land Use Incentives

Traditional incentive zoning in the form of increased density may be combined with other types of incentives to achieve public objectives. Typically, there is no direct financial cost to the local government and the value to the developer can be significant. For example, items typically seen here are reductions for parking standards or modifications in architectural design requirements that exceed minimum building standards.

Financial Incentives

The local jurisdiction could also provide for some form of financial incentive. In Washington, the most applicable form of direct financial assistance would come in the form of the multifamily property tax exemption. This incentive would only apply on projects with housing and the amount of assistance would help off-set the cost of providing affordable units if the jurisdiction's incentive program included affordable housing goals.

4.4 Alternatives to on-site performance

Most incentive zoning programs seek on-site performance. This means that amenities or affordable housing are delivered on the same site as the development. This is the preferred route for most programs. Some jurisdictions have included alternatives to on-site development such as in-lieu fee options, land dedication, off-site development, transfer credits, or some combinations thereof. Including these types of alternatives allows the jurisdictions and developers some flexibility to meet or exceed the program goals or requirements. If alternatives to on-site performance are pursued, it is important for the City to specify how those alternatives serve the specified program goals.

Off-site Development

Another alternative is to allow developers to construct the community improvements on another site if it meets jurisdictional requirement. Some communities increase the inclusionary requirement for off-site development in order to encourage on-site development. This type of alternative is seen mostly in inclusionary zoning programs where affordable housing is typically the public benefit sought.

In-lieu Fee Options

An in-lieu fee option permits the developer to pay an amount equivalent to the cost of producing the community amenity or public benefit on-site. Here the local jurisdiction has discretion on fee setting as it applies to different types of development. For example, it could provide the option to all developments or limit the option to smaller developments. The fees are typically collected and deposited into accounts to fund particular program goals (i.e. affordable housing, parks, etc.).

Land Dedication

This option permits a developer to dedicate a site to the municipality on which the community amenities or public benefits can be achieved. This is a common alternative in affordable housing programs.

Transfer of Credits

The transfer of credits functions similar to the off-site development by allowing developers to receive credits against their incentive through other projects. For example, if a developer were to exceed the amenity standards on one project in a qualifying area, it could then “bank” those credits to be applied for incentive zoning in another project.

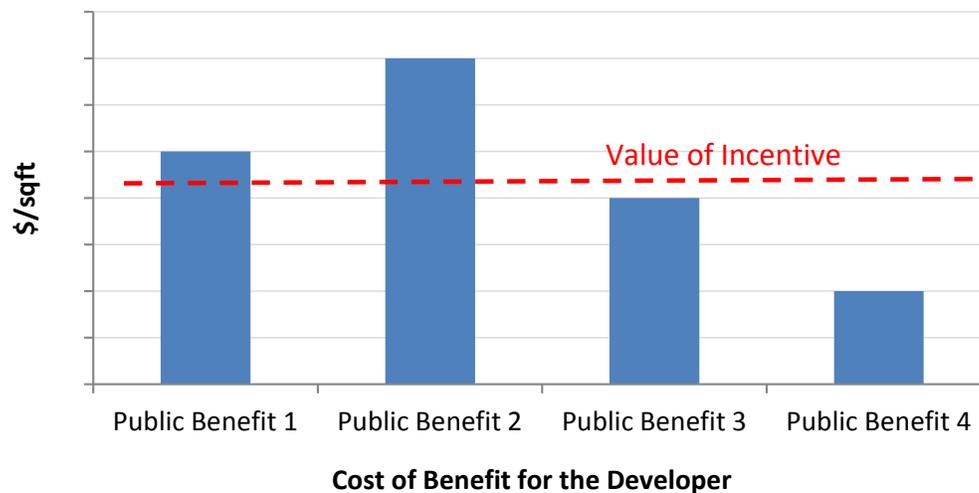
4.5 Economics of Incentive Zoning

To date, there has not been a great deal of empirical research on the impacts of incentive and inclusionary programs. However, it is worth pausing to consider the development economics that are at the heart of the program’s technical structure.

Density bonuses (or other incentives discussed in Section 4.3) are the incentives (or cost offsets) used to induce development with incentive zoning. The bonus (or incentive) essentially lowers the average development cost of the project by allowing developers to spread a constant amount of land costs over a larger project (lower average cost). More speculatively, it might allow the developer to earn additional profit on the larger project. However, it is also necessary to consider the marginal cost/revenue proposition of going bigger/taller in a project – especially if that project switches type of construction (i.e. wood frame to concrete/steel).

In most cases, the larger additional density (or incentive) allowed under the program, the greater the offsetting profit for the developer. **The challenge that all incentive programs face is to figure out where the offsetting profit of additional project size is less than, equal to, or greater than in an incentive zoning program compared to a situation where there is with no density bonus under the base zoning** – in other words, the incentive for additional density must actually be an incentive. This issue is shown illustratively in Exhibit 1, where the “value” of the incentive (normalized on a square foot basis) to the developer (shown by the red line) is compared to the developer’s cost of providing a specified public benefit. Developers will typically provide the benefit with the lowest cost relative to the value of the incentive, Public Benefit 4 in the chart in this example, even if other benefits also cost less than the value of the incentive.

Exhibit 1: Public Benefit Value to Incentive Value



Source: BERK, 2013.

In the case where the extra profits are less under the incentive zoning than under the base zoning, the theoretical “incentive” is not attractive to the developer and is extremely unlikely to be utilized.

There are different analytical approaches to solving for the challenge above. Based on a national review of approaches¹, there are roughly five different perspectives. However, they all share similar foundations in development economics and evaluating development feasibility. Here, development financial pro-formas and residual land analyses are the tools needed to construct models to meet the approaches depending on my form the public benefits and incentives take.

- **Equivalent Land-Cost.** Compares the costs of providing the amenity to the cost a developer would incur by purchasing additional land to achieve the same overall project density allowed with the bonus.
- **Equivalent Development Rights.** Considers what a developer would have to pay to acquire additional development space or rights on the open market and not merely additional land acquisition costs.
- **Return-on-Investment.** Measures the potential benefits to a developer of the amenities and the bonus and calibrates to make the bonus a solid return on investment
- **Marginal Cost-to-Profit.** Compares the marginal profits derived from bonus space to the cost of the amenity that the developer would choose to provide.
- **Cost-Plus.** Attempts to determine the square footage of bonus space needed to compensate a developer for building a particular amenity.

¹ Incentive Zoning, Meeting Urban Design and Affordable Housing Objectives. Marya Morris, 2000.

5.0 CASE STUDIES

The structures of incentive zoning programs vary widely across jurisdictions, reflecting local differences in policy goals, market and political conditions, and enabling state legislation. To aid in the analysis, this section profiles seven different cities for how they have constructed their incentive and/or inclusionary zoning programs.

In addition, each city's incentive zoning program varies in its "incentive-ness" or "inclusionary-ness" based on how mandatory or optional the program is for developers. Seattle, Portland, and parts of the Chicago program are optional, while parts of Chicago, Denver, and Vancouver are more mandatory. All of the programs are similar in that they try to offset the cost of providing the public benefit with some type of development incentive or provide options to performing the public benefit on-site.

5.1 Seattle

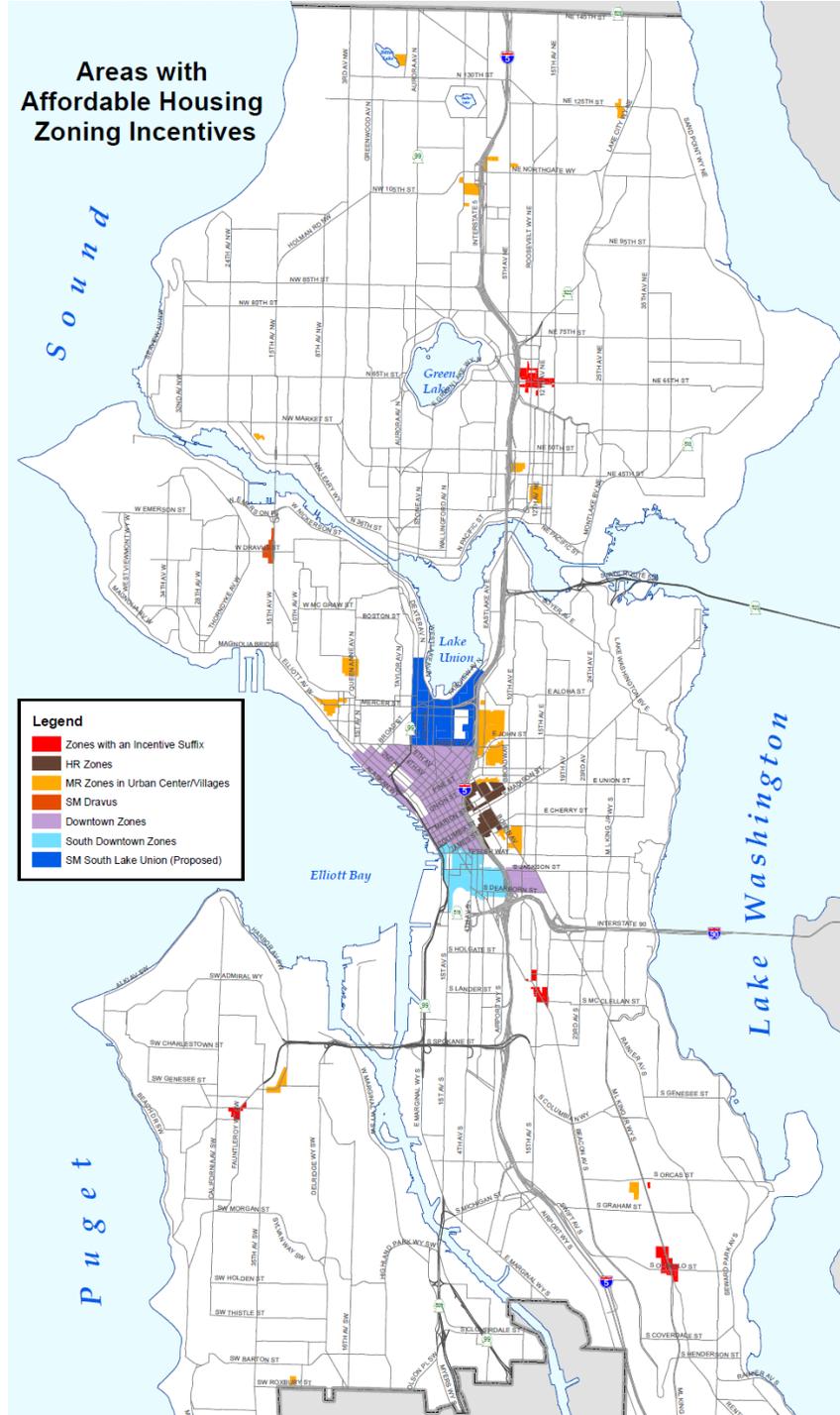
Program Summary

The City of Seattle's incentive zoning program is primarily targeted at the provision of affordable housing. However, the program allows for other public amenities, which differ by geographic area. The affordable housing is intended to primarily serve Seattle's moderate-wage workers (those earning between 60% and 80% of area median income, or AMI). These incentives options are available in areas where there are rezones to allow additional development shown in Exhibit 2.

There are two general provisions for the program. In zones with height of 85 feet or less, all benefit is direct to affordable housing. In zones with height greater than 85 feet, the benefit is split between affordable housing and other amenities. Commercial projects have 75% directed at affordable housing and 25% other benefits, and residential projects have 60% directed at affordable housing and 40% at other benefits.² The other types of public benefits vary by zone but generally include open space, green street improvements, on-site amenities, or transfer of development rights (TDR to protect historic structures, create open space, or protection regional farms and forests), and child care facilities.

² At this time, the Non-Residential Bonus Program is available in Downtown on lots zoned DOC1, DOC2, DMC 125, DCM 160, DMC 240, and DMC 340; in South Downtown on lots zoned IDM, DMR, and DMC; and in certain South Lake Union zones. The Residential Bonus Program is available in Downtown on sites zoned DOC1 Unlimited/450-Unlimited, DOC2 500/300-500, DMC 240/290-400, and DMC 340/290-400; in South Downtown on sites zoned DMC, DMR, IDM, IDR, and in certain PSM zones; on lots in any zones with an incentive zoning suffix; on lots zoned MR or MR/85 that are located in an urban village, urban center, or the Station Area Overlay District; and on lots zoned HR; and in the Dravus neighborhood on lots zoned SM/D/40-85.

Exhibit 2: Seattle Public Benefit Areas



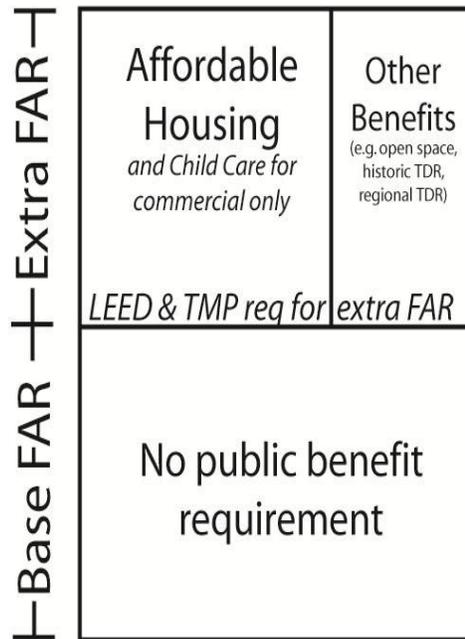
Source: City of Seattle, 2013.

In addition, at certain threshold criteria, developers must also meet certain minimum requirements to use the incentive zoning program. These minimum requirements vary by zone, but generally include green building certification through LEED or Built Green and creation of a Transportation Management Plan.

The City also offers a fee in-lieu program but not in zones with less than an 85' height limit. Affordable housing provided on-site or off-site must be affordable for 50 years for a household

making 80% of AMI for rental and 100% of AMI for occupant-owned units, except in Downtown where it is also 80% for occupant-owned units.

Exhibit 3: Seattle Public Benefit Structure



Source: City of Seattle, 2013.

Program Highlights

To date, few projects have exercised the performance option with only 44 units produced over the last five years that the program has been established. However, the fee in-lieu has generated \$28.6M, which has been leveraged into over 1,000 affordable units throughout the city.

Pricing Strategy

The City uses a residual land value analysis to assess a developer’s willingness-to-pay threshold for additional square footage above the base zoning as a benchmark for pricing. To achieve extra floor area by providing affordable housing, the developer can do one or more of the following:

- Provide affordable housing units on-site or off-site equal to 15.6% of the extra floor area obtained for commercial floor area and 14.0% for residential floor area
- Pay a fee-in-lieu of \$18.75 per gross square foot of bonus floor area for commercial area or \$15.15 for residential (note: these fees are being increased in South Lake Union to \$24.43 and \$21.68, respectively, and are proposed to be increased in Downtown as well)
- Purchase transfer of development rights to preserve existing affordable housing (for commercial only)

The value of the fee-in-lieu is then used to calibrate the value of the other non-housing public benefits.

Other Program Considerations

The structure and pricing of the incentive zoning program proved to be one of the more contentious elements of the South Lake Union Rezone. The crux of the discussion centered on the technical merits of what the incentive pricing arrangement should be. The recommendation from

the Department of Planning and Development was countered with a three separate proposals from the City Council – these price proposals were all backed with similar analyses where specific assumptions on rents and construction costs differed. While there was enough consensus among the City Council to raise the price for South Lake Union, it kicked off two separate efforts (one by the Council and one by the Mayor) to evaluate and make recommendations to the City’s incentive zoning program. Both studies are currently underway and will be submitted to the to the City Council in early 2014.

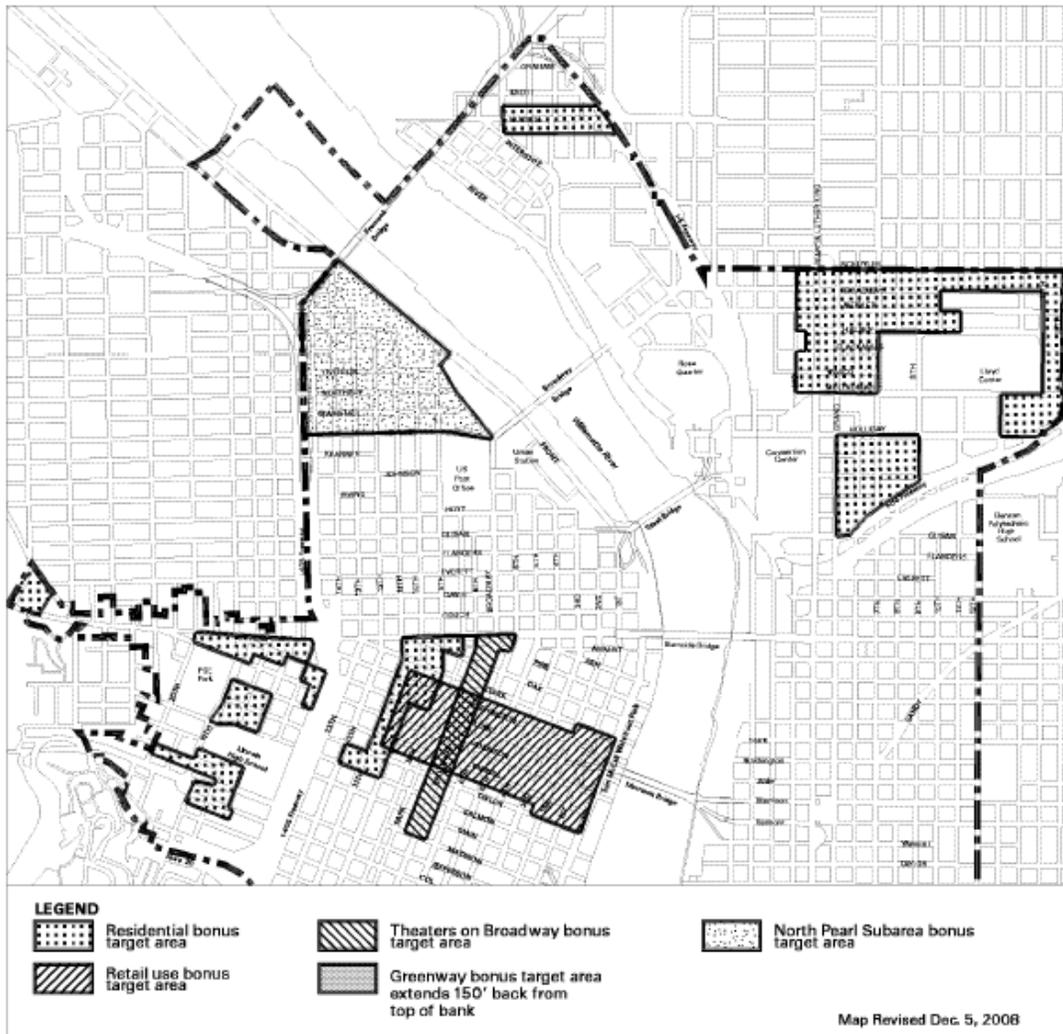
5.2 Portland

Program Summary

The City of Portland has several different incentive zoning programs and transfer of development rights programs that allow additional density and/or building area for different parts of the city. A number of the incentives have been in place since 1988, when the program was first established. Relevant for this study is Portland’s incentive zoning specific to the Central City Plan District, which generally includes the downtown, Pearl District, South Waterfront, Lloyd District, and Central Eastside. The purpose of the incentive zoning in the Central City Plan District is to realize the development of facilities and amenities that implement Portland’s Central City Plan. The City’s program for the Central City Plan Area includes bonus floor area for 18 different bonus options, such as providing amenities, desired uses, larger residential units, affordable housing, open space, and below grade parking. Projects may use more than one option in most cases.

Portland has established specific target areas for different bonus options within the Central City Plan District. Projects within the residential or greenway bonus target areas must use that bonus option before any other bonus options can be used. Other bonus options are restricted to the specific bonus target area or certain zones. Exhibit 4 shows target areas for specific bonus options for the northern portion of the Central City Plan District.

Exhibit 4: Central City Bonus Options Target Areas



Source: City of Portland, 2008

Floor area bonuses available in areas outside of South Waterfront Subdistrict include:

- Residential use: earns additional floor area in CX and EX zones.
- Day care: earns additional floor area in CX, EX, and RX zones.
- Retail use: earns additional floor area in retail bonus target area.
- Rooftop gardens: earns additional floor area in CX, EX, and RX zones.
- Eco-roof: an eco-roof certified by the Bureau of Environmental Services earns additional floor area.
- “Theaters on Broadway”: Projects providing theaters receive additional floor area in Broadway Theater bonus target area.
- “Percent for Art”: the commitment 1% or more of their threshold value to public art earns additional floor area in all zones. Threshold value is the total construction costs listed in the project’s building permits.

- Water features or public fountains: the commitment 1% or more of their threshold value to water features earn additional floor area in CX, EX, and RX zones.
- Locker Room: the provision of a locker room, including showers and dressing areas, and extra long-term bike parking earn additional floor area in CX and EX zones.
- Large dwelling units: Projects with dwelling units larger than 750 square feet earn additional floor area for each square foot over 750 in the West End subarea.
- Efficient family size units: Projects with at least 20 efficient family size units (less than 1,200 square feet with three bedrooms or less than 1,000 square feet with two bedrooms), an outdoor play area, and an indoor common room earn additional floor area in the North Pearl Subarea.
- Middle income housing: Projects with 30% of dwelling units affordable to households earning less than 150% of the area median family income earn additional floor area.
- Small development site: Projects on total lot sizes less than 15,000 square feet earn additional floor area in the West End Subarea.
- Affordable housing Replacement Fund (AHRF): Contributions to the AHRF of \$20.50 earn one square foot of additional floor area.
- Below-grade parking: parking on-site and below grade earns additional floor area in the West End Subarea.

Floor area bonuses only within the South Waterfront Subdistrict include:

- South Waterfront Willamette River Greenway: The provision of open space abutting the South Waterfront Greenway earns additional floor area in the Subdistrict. The open space must be dedicated to the City or an easement must allow public access to the open space.
- Open space: Projects with open space open to the public earn additional floor area not included as part of the Greenway bonus.
- Open space fund: Contributions to the South Waterfront Public Open Space Fund of \$20.50 earn one square foot of additional floor area.
- Large household dwelling units: Projects with dwelling units with more than two bedrooms earn 150 square feet of additional floor area for each additional bedroom.

In addition to floor area bonuses, projects may also earn additional building height within certain designated areas. Height bonuses are allowed for floor area bonus options listed above as well as from the transfer of floor area from sites occupied by single-room occupancy buildings and historic landmarks. The amount of height bonus allowed depends on whether the lot is greater than or less than 40,000 square feet and the amount of floor area bonus earned. Other height bonus options include:

- Housing: bonus height may be awarded if it is for housing.
- High ceilings: bonus height may be awarded for projects with residential uses with ceiling heights above eight feet in the West End Subarea.
- South Waterfront Subdistrict: Projects with bonus or transferred floor area receive additional height of 125 up to a maximum of 250 total feet.

Program Highlights

A 2007 study of the City's programs by Johnson Gardner found that Central City bonus options were used 63 times between 1988 and 2006. More than half (34) of the options used were the residential use bonus option. All other options were used much less frequently. Eco-roofs were the second most used option with six cases. In addition, a summary of remarks from private and public stakeholders generally agreed that the program could benefit from increased simplicity and flexibility.

Pricing Strategy

The City uses ratios of bonus floor area based on the amount of amenity provided. The implicit value of bonus FAR is equal to the difference in the residual value of land underneath the development, when considered with and without the bonus FAR. The program also has fee options for contributions to the Affordable Housing Replacement Fund or the South Waterfront Public Open Space Fund, which are set at \$20.50 per square foot of bonus floor area.

Other Program Considerations

Portland's bonus program competes with the transfer of development rights program in the Central City where developers desire to increase density beyond the base zoning. The transfer of floor area process is conducted through a negotiated process. The 2007 Johnson Gardner study found that transfer options were often more competitive based on price because of the negotiated process led to a lower price for additional floor area. The implications of this are that the bonus program may be underutilized and the program's goals of implementing the Central City Plan objections may not be fully realized.

The City of Portland is also in the process of reevaluating their bonus system for the Central City Plan District. As part of this process, the City is considering focusing on options that are priorities and potentially reducing the number of bonus options available, especially for those that are seldom used. The update process will also reset thresholds and ratios to be more competitive based on the current market conditions. Lastly, the City may consider making some bonus options requirements instead of incentives.

5.3 Denver

Program Summary

The City of Denver's incentive zoning program, the Inclusionary Housing Ordinance (IHO), requires private developers that provide for 30 or more for-sale units, either through new construction or substantial rehabilitation at one location, to provide a certain percent of affordable units through on-site, off-site, or fee-in-lieu methods. There are exemptions and alternatives for buildings with smaller unit counts. In addition, projects with fewer than 30 for-sale home or rental dwelling units, may voluntarily request the incentives available through the IHO.

On-site and off-site compliance methods require the concurrent development of a number of Moderately Priced Dwelling Units (MPDUs) equal to 10% of the development. In most circumstances, MPDU's are units affordable to households earning 80% or less of the area median income. These MPDUs must be sized (with two, three, and four bedrooms) in proportion to the development. For high cost structures, developers may be permitted to provide MPDUs that are of the same type as at least 90 percent of the market rate units in that development.

The IHO allows for three types of incentives for applicants developing MPDUs. The primary incentive is providing cash rebates to the developer based on the number of affordable units provided. The rebates are funded from the Housing Incentive Program Fund supported by a variety

of housing and exemption programs, primarily the IHO fee-in-lieu option. The IHO also provides an enhanced cash rebate, which provides a larger rebate for units affordable to even lower income households, those at or below 60% of the area median income. A third incentive involves supplementary incentives such as density bonuses, parking reductions, or expedited permit review.

- **Standard cash incentives.** Each applicant is eligible to receive a \$5,500 rebate for each sale or rental MPDU. Incentives must be paid after the sale has closed and the claim made in the calendar year in which the sale occurs.
- **Enhanced cash incentives.** Applicants who provide MPDUs are eligible to receive a \$10,000 rebate for each for-sale unit that is affordable to households earning no more than 60% of Area Median Income (AMI).
- **Supplemental Density, Parking, and Expedited review bonus incentives.** In addition to the standard and enhanced incentives above, applicants will be eligible for one or more supplemental incentives, which include a 10% density bonus, 20% parking reduction, and 180-day expedited review process, provided that provisions set forth in the zoning code and application requirements for expedited review are met.
 - 10% density bonus. Developers of MPDUs may request a density bonus as a supplemental incentive to complying with IHO, such that additional units due to the density bonus shall have the same MPDU requirement ratio as is applicable to the entire development and the bonus shall result in a minimum of one additional MPDU.
 - 20% parking reduction. Developers may request a parking reduction incentive, whereby they have to provide up to 20% less parking, if they provide one additional MPDU for every 10 parking spaces reduced.
 - Expedited review. Applicants may apply to receive an expedited review, if they are complying with all IHO and development plan checklist requirements.

For developments with two hundred or more units, the rebate cannot exceed \$250,000 total per year for an individual development. In addition, units built in one year may not be “carried over” to the next year and included in that year’s rebate. Alternative methods of compliance with IHO include:

- Building at least one additional MPDU as approved by the Director at one or more alternative sites in the same or an adjoining statistical neighborhood as defined by DHND.
- Build more MPDUs at one or more other sites within one half miles of a light rail or commuter rail station and approved by the Director.
- Contribute to the Housing Incentive Program Fund an amount equal to 50% of the price per MPDU required.

Program Highlights

No information at this time.

Pricing Strategy

The fee-in-lieu is priced equal to 50% of the sales price per MPDU required that are not provided as part of the development. This price is based on an assumption that the profit margin on the sales of the MPDU would be no more than 50% of the sale price, thus making the effective cost of the MPDU less than that of the fund contribution. The sales price of the MPDU is based on the maximum sales price calculated by the city, not including homeowner association fees.

Other Program Considerations

The city is in the midst of a program audit and review meant to look at the program's strengths and weaknesses and make recommendations on improvement. There has been some criticism that the requirement of concurrent MPDU development has increased development costs and, consequently, housing costs for everyone above 80% of AMI. Since the affordable housing units are only available to a small portion of Denver's population (those below 80% of AMI—although ostensible also above about 60% and therefore disqualified for public housing) this has done little to provide affordable housing to many lower to middle income Denver residents.

5.4 Chicago

Program Summary

The City of Chicago has several different approaches to incentive zoning. Their program has evolved to more specifically focus on affordable housing while still covering many traditional urban design elements. The Downtown Affordable Housing Zone Bonus offers additional square footage for residential development projects in downtown zoning districts in exchange for affordable housing on-site or a financial contribution to the City's Affordable Housing Opportunity Fund. Projects that operate in the downtown zoning districts and rezone to a higher FAR must provide on-site affordable housing or contribute to the Affordable Housing Opportunity Fund.

The FAR incentive program also covers an array of urban design elements, which are listed below:

- Public plazas and pocket parks are eligible for floor area bonuses provided they meet certain minimum standards
- Chicago Riverwalk improvements include open spaces, parks and public access corridors along the Chicago River.
- Winter gardens are enclosed gardens that offer public gathering, rest and warmth in colder weather.
- Indoor through-block-connections allow pedestrian circulation and create pedestrian scales for larger blocks.
- Outdoor through-block-connections facilitate pedestrian circulation and create pedestrian scales for larger blocks
- Sidewalk widening where buildings are set exceptionally far back to create a wider sidewalk for pedestrians and for the planting of trees, landscaping, outdoor seating, bus shelters or other amenities.
- Arcades offer weather protection for pedestrians
- Water features in public open spaces
- Upper-level setbacks
- Lower-level planting terraces
- Green roofs
- Underground parking and loading
- Above-ground parking concealed by occupiable floor space
- Off-site park and open space contributions
- Streetscape improvements

- Transit station improvements
- Pedway improvements
- Adopt-a-landmark

In addition, the Chicago Public Schools Capital Improvement Program offers floor areas bonuses for construction of new public schools to promote private-sector participation due to issues of overcrowding and building decay of old public schools. Each program has a certain procedure and specific regulations that apply. The specifics of this program are negotiated on case by case basis.

Program Highlights

No data at this time.

Pricing Strategy

The City of Chicago uses a few different methods for determining the prices for public benefits. One method is based on the ratio of square footage of amenity provided relative to the total lot size and FAR allowed. Another method uses a weighted equivalent cost-of-land approach, which set bonus floor area based on a developer's contribution for an amenity in relation to the value of the property within the appropriate geographic area. The City's affordable housing bonus also uses a separate method for on-site and off-site affordable housing.

Below are examples of how the bonus calculations work for each of the different methods.

FAR Based: Formula for the provision of a public plaza bonus

Bonus FAR = (area of plaza or park ÷ lot area) × 1.0 × base FAR.

Using the minimum required plaza size of 4,000 square feet on a one acre lot with a base FAR of 10.0, a hypothetical project could receive bonus FAR of 0.91 or 40,000 square feet.

Weighted Cost-of-Land: Formula for Pedway improvements bonus

Cost of 1 square foot of floor area = 80% × median cost of land per buildable square foot.

If 80% of the median land cost was \$25.00 per square foot and the value of the Pedway improvements was \$100,000, a developer would be able to build 4,000 additional square feet of floor area. The cost of land used for the analysis comes from the City's Department of Housing and Economic Development based on land sales for the last five years.

On-Site Affordable Housing: Formula for affordable housing zoning bonus

Bonus floor area = sum of floor area in affordable units X 4.0.

Off-site Affordable Housing: Formula for affordable housing zoning bonus

Financial contribution = Bonus floor area achieved via affordable housing zoning bonus X 80% median cost of land per buildable square foot as set by median land sales.

Other Program Considerations

Following a thorough review of the density bonus program in the early 2000s and responding to the need to create more affordable neighborhoods, the Affordable Housing Zoning Bonus was created in 2004 to support the City's Affordable Housing Opportunity Fund.

5.5 Vancouver, BC

Program Summary

Vancouver, British Columbia uses Community Amenity Contributions (CACs) to help build amenities such as park space, libraries, childcare facilities, community centers, transportation services, cultural facilities, and/or Neighborhood Housing Demonstration Projects to support additional residents and employees in growing areas of the city. Developers are required to provide CACs, cash, or in-kind contributions, when the City Council grants rezoning privileges. Rezones are needed when the development of the property does not conform to current regulations in that zone. Rezone can be done in three ways:

- Change to a custom site-specific zone, which is intended for special uses or forms of development. The City has over 400 sites that have their own custom zone.
- Change from one standard zoning district to another, which is less common and primarily used to implement a Community Plan.
- Change to the rules of what is allowed in the existing zone, also known as a “text amendment”.

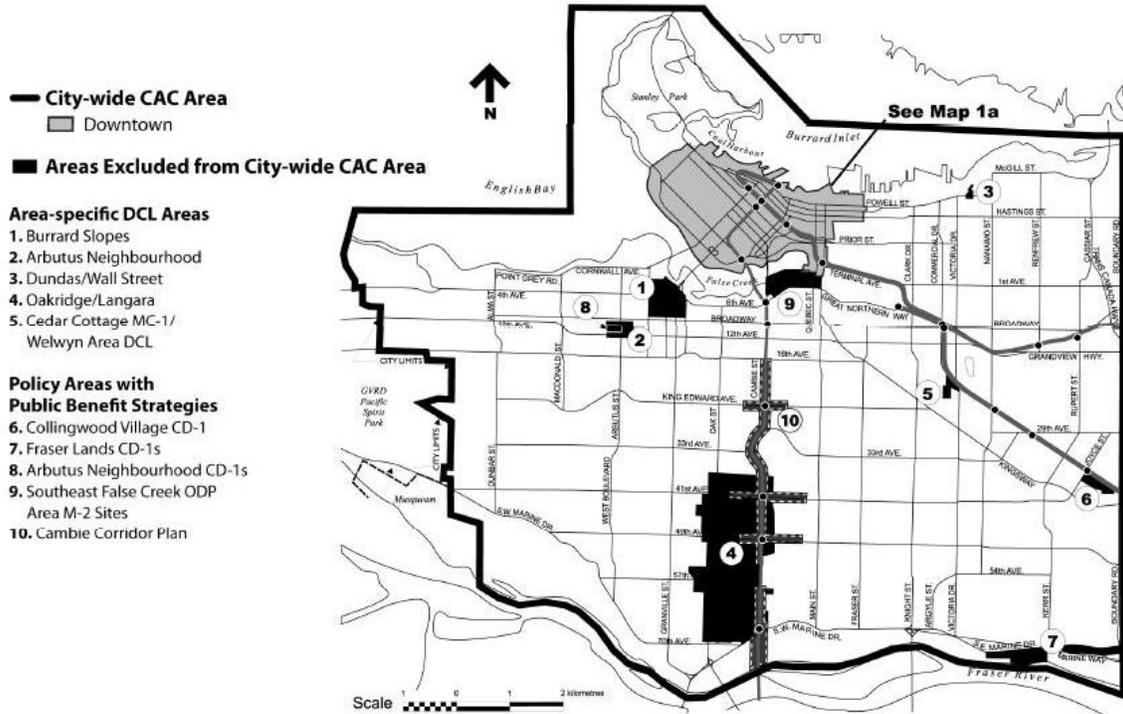
Some rezoning processes are exempt from providing a CAC for different reasons including the lack of an increase in total floor space, social housing, public schools and places of worship. The program was officially started in 1999.

CAC policies differ based on geography and how much planning and land use changes will take place with the rezone. There are two types of CAC Policy areas in Vancouver. The City Wide CAC Area, which is depicted in Exhibit 5, and Specific Policy Areas, including the downtown, which is shown in Exhibit 6. All downtown areas are negotiated on a case-by-case basis. The rest of the city is negotiated on a site-by-site basis.

In addition, there is a process for determining which specific amenities should be provided that has to be approved by the City Council. Criteria for CACs include that they must be

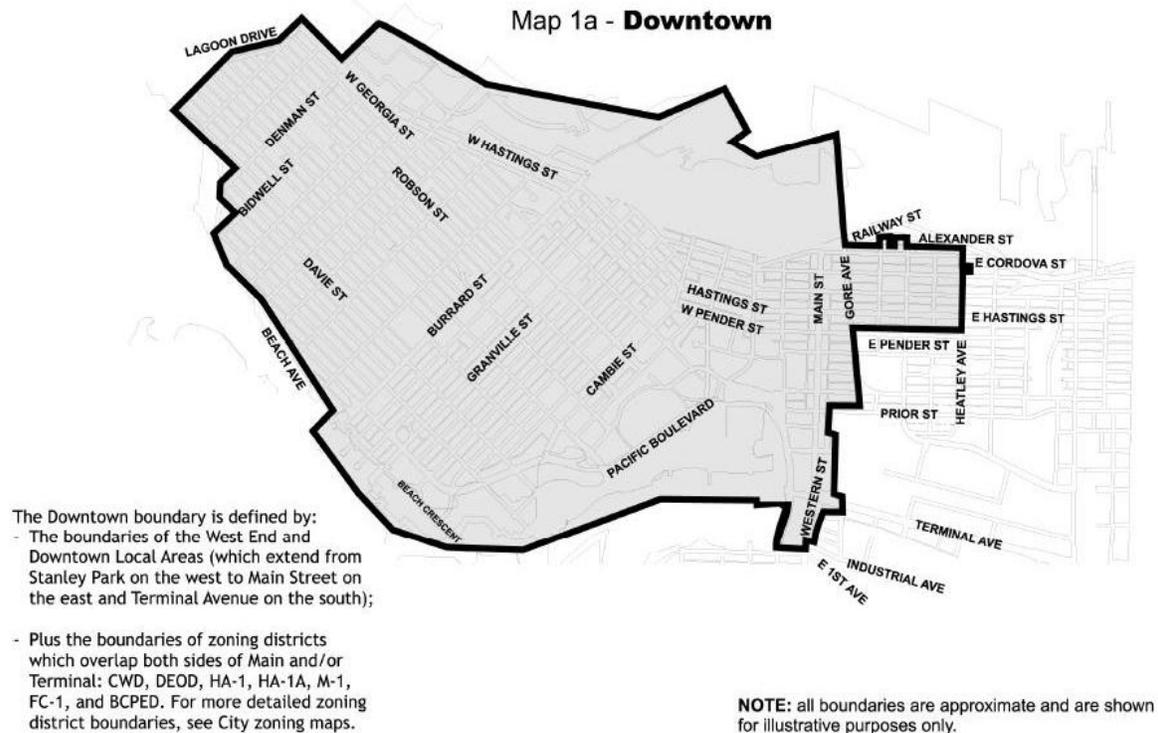
- located in the community that the rezoning takes place,
- growth related,
- operationally viable,
- within City servicing standards, and
- identified through an assessment.

Exhibit 5: CAC Policy Areas



Source: City of Vancouver, 2013.

Exhibit 6: CAC Policy Areas



Source: City of Vancouver, 2013.

Program Highlights

Overall, the Community Amenity Contributions have produced many projects in rezoned neighborhoods including:

- Creating parks and community gardens,
- Restoration and preservation of heritage buildings,
- Funding affordable housing,
- Transportation improvements and greenways,
- Increased public library space,
- Increasing the availability of child care, and
- Providing more community and cultural amenities.

Pricing Strategy

Vancouver established a fixed price for CACs based on looking at other real estate transactions to provide a rough estimate of what the additional land value was worth to the city. Projects using Standard rezoning have a CAC rate of \$32.29 per square meter. This refers only to the net increase in floor space allowed by the new zoning. Under, non-standard rezoning the price is negotiated.

The pricing was established in 1999, and it has not been updated since because the majority of rezoning projects do not use the fixed price. Instead, over 90% of the CAC project's prices are negotiated. When a fixed price is used, it is usually for low value property.

Other Program Considerations

The differential between fees charged by local municipalities in British Columbia has created some controversy recently. Some development interests in the Vancouver contend that high costs of development could be helping to drive up housing prices in the City of Vancouver. While there is no empirical work to back up that claim, differential rates of community amenity charges between the City and surrounding suburbs show much higher charges in the city.

In addition, the negotiation process does not add a lot of certainty for the developer. This uncertainty causes some issues as developers are not aware of how much money they need to set aside for CACs when planning their projects. Making the CAC rate fixed would be easier for the developer. However, fixed rate policies do not reflect the nuances of the city real estate. The benefit of negotiation based process is that every transaction reflects the land value at the current time and place, ensuring the City receives the most benefit.

An annual report goes out to the City Council based on the CAC programs that have been negotiated. The report quantifies the results of how many rezoning applications were processed, how many amenities were received, and what cash contributions were collected.

Based on an interview with Chris Clibbon, a Planner for the City of Vancouver, potential program improvements include moving towards multiple fixed rate CACs to give developers more certainty. Another recommendation included utilizing an inflationary index that would reflect more current rates, similar to what is done through another City of Vancouver program, the Development Cost Levies, which gets adjusted annually based on property inflation.



Downtown Livability

Date: October 8, 2013
 To: Downtown Livability Advisory Committee
 From: City of Bellevue Staff
 Subject: Seattle Homes Within Reach - Multifamily Tax Exemption Program

This summary of Seattle’s Multifamily Property Tax Exemption program is being provided to supplement the previous materials given to the committee on the topic of housing affordability. Since 1998 the City of Seattle has offered short-term tax exemptions on multifamily residential development in exchange for affordable units. In 2008, Mayor Greg Nickels expanded the program and called it the “Mayor’s Homes Within Reach” program. Seattle has returned to calling the program the Multifamily Property Tax Exemption (MFTE) Program.

As described on the [Seattle Office of Housing webpage www.seattle.gov/housing/incentives/mfte](http://www.seattle.gov/housing/incentives/mfte) Seattle’s MFTE Program provides a tax exemption for up to 12 years for multifamily projects in exchange for setting aside 20% of the units for moderate-wage workers. Projects must be located in one of Seattle’s 39 residential targeted areas. The tax exemption is on residential improvements; the land and any non-residential component of the project (retail, commercial, office space, etc.) will be taxed on full assessed value.

Consistent with the state enabling legislation (RCW Chapter 84.14) jurisdictions may adopt a short term tax exemption on multifamily development as an incentive for affordable housing, economic development or other public benefit. The legislation requires that the public benefit be commensurate to the tax benefit received. Seattle has periodically adjusted affordability levels in order to maintain a program that offers an incentive to the developer and a commensurate public benefit. For rental units affordability levels have been set within the range of 60% to 90% of area median income. Seattle’s affordability requirements and rent limits were last updated in 2011, as follows:

For rental projects; the tax exemption is available for all units, and a minimum of 20% of the units must be rented to households with incomes:

- At or below 65% of median for studio units
- At or below 75% of median for 1-bedroom units
- At or below 85% of median for 2-bedroom and larger units

For homeownership projects; the tax exemption is available only for those units occupied by income-eligible households. The units must be sold to households with income at time of purchase that does not exceed:

- 100% of median income for studio and 1-bedroom units
- 120% of median income for 2-bedroom and larger units

Since 1998, 107 multifamily projects including 6 condominium projects received approved applications for Seattle’s MFTE. Each of these projects included a minimum of 20% affordable units. Distribution of affordable units by size and program date is as follows:

Distribution of Affordable Units (both Rental and For-Sale) by Size, 1998-2012 – Based on approved applications

	Program 1 1998-2002	Program 2 2004-2008	Program 3 2008-2010	Program 4 2011	Program 4 2012	TOTAL
Studio	41	201	354	138	393	1127
1BR	79	529	619	197	289	1713
2BR	33	424	206	67	87	817
3+BR	16	38	18	1	5	78
Total	169	1192	1197	403	774	3735

Source: City of Seattle MFTE Program: 2012 Status Report to City Council