

South Downtown Planning Area:

Incentive Zoning and Housing

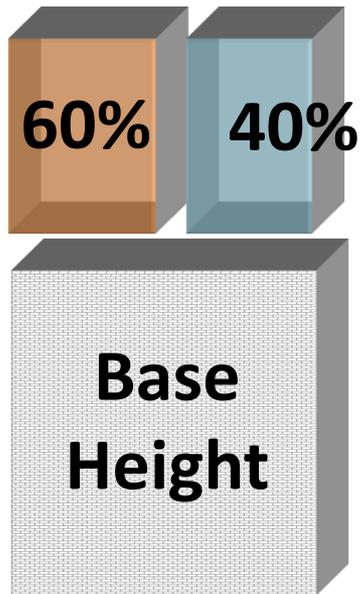
Presentation to the City
Council Committee on
the Built Environment

July 28, 2010



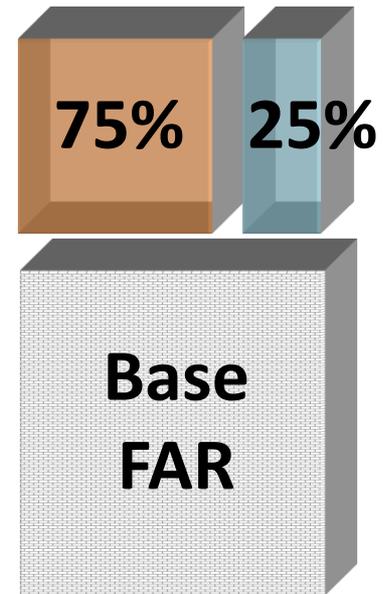
Residential Incentives

Affordable Housing Open Space, TDP



Commercial Incentives

Affordable Housing & Child Care Open Space, TDR



Extra Residential Floor Area in the IDR 45/125-240 Zone

60% Housing Bonus

11 floors above 125' = 47,520 net s.f.

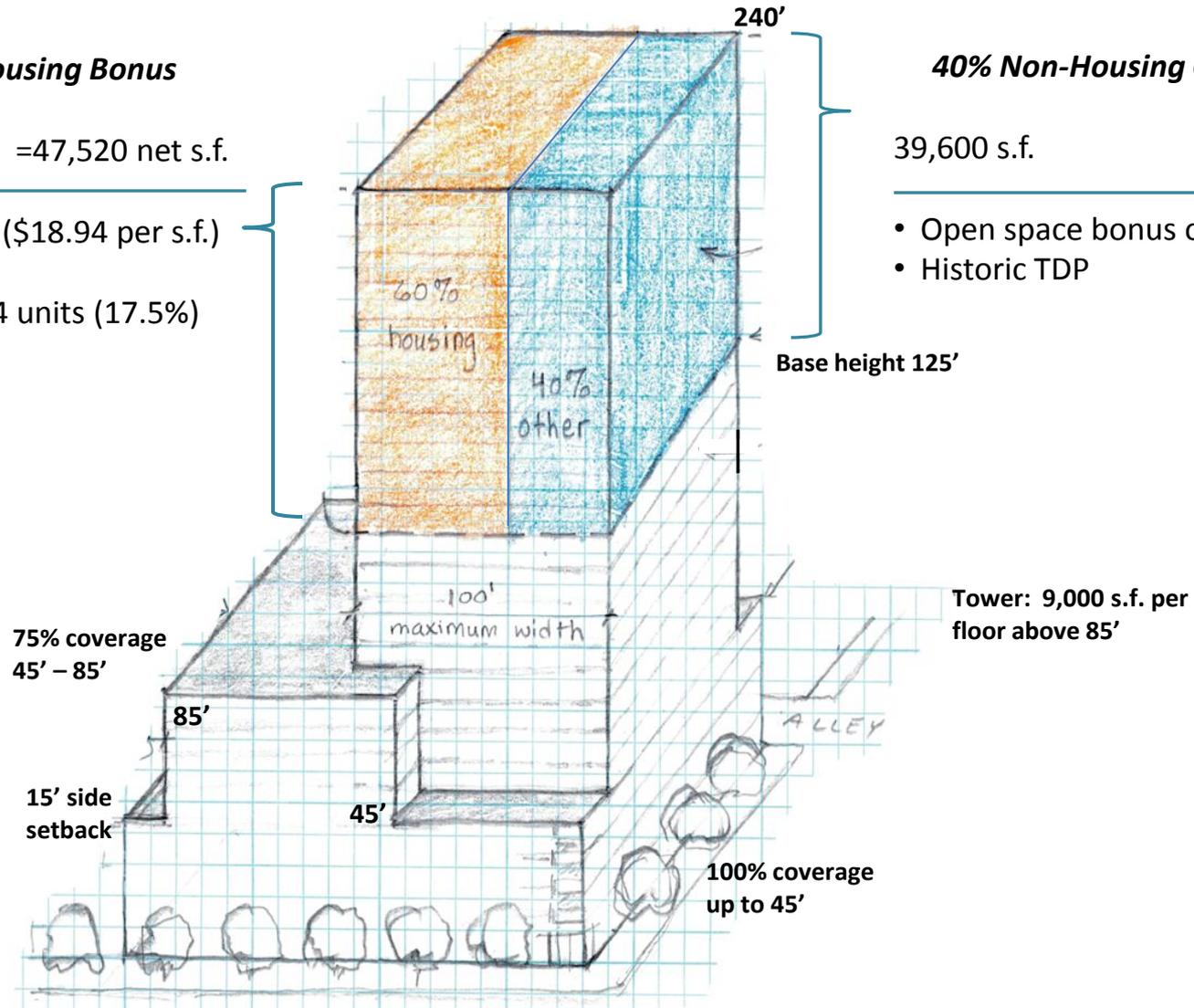
Payment: \$900,029 (\$18.94 per s.f.)
or

Performance: 11-14 units (17.5%)

40% Non-Housing Options

39,600 s.f.

- Open space bonus or TDP
- Historic TDP



Extra Commercial Floor Area in the IDM 150/ 85-150 Zone

75% Housing and Child Care

61,560 square feet

- Bonus payment option
@ \$22/ square foot : \$1,354,320

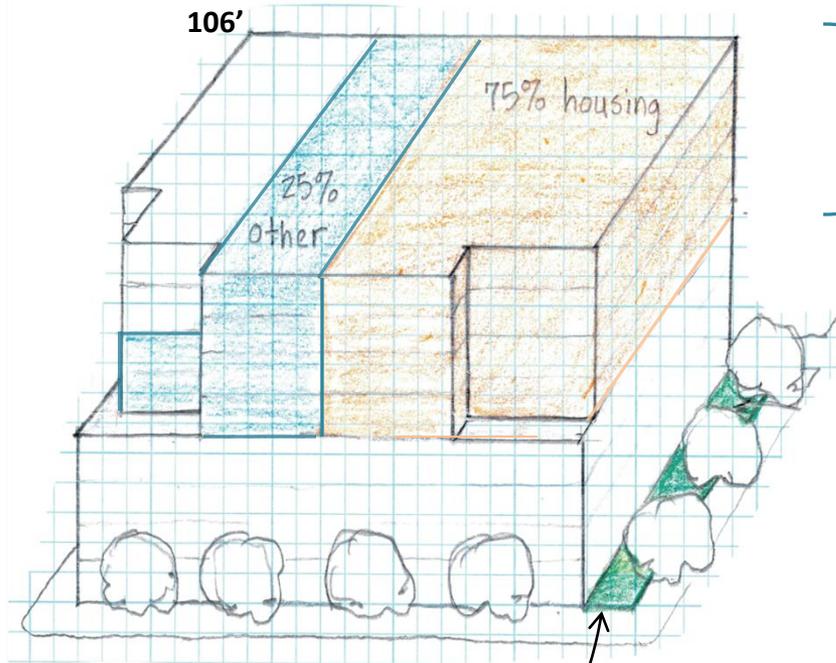
25% Non-Housing Options

20,520 square feet

- 6,120 s.f. extra floor area gained through
South Downtown Historic TDR or Open Space TDR
@ \$20/ square foot : \$122,400

and

- 14,400 s.f. extra floor area gained through
Downtown Bonus Amenities
@ 5:1 ratio: 2,880 s.f. parcel park



Extra
Commercial
Floor Area
(3 FAR):

82,080 s.f.

Extra Floor Area Non- Housing Options

Residential Program

Open Space Public Amenity

- Neighborhood open space
- Green street
- Mid block corridor
- Hillside terrace

TDP

- South Downtown Historic TDP
- Open space TDP

Commercial Program

Downtown Open Space Amenities

- Parcel parks
- Green street

TDR

- South Downtown Historic TDR
- Open Space TDR

Extra Floor Area

Potential Public Benefits (Non-Housing)

(Assumes South Downtown EIS Time Frame to 2030)

Residential Program

40% of total projected “extra”
floor area =
545,929 square feet throughout
South Downtown (to 2030)
is equivalent to:

\$ 8.2 million through TDP options*

13 historic buildings through South
Downtown Historic TDP**

15 open spaces through public
amenity options***

Commercial Program

25% of total projected “extra”
floor area=
351,117 square feet throughout
South Downtown (to 2030)
is equivalent to:

\$ 7.0 million through TDR options*

8 historic buildings through South
Downtown Historic TDR**

10 open spaces through public
amenity options***

* Assumes \$20 per sf for TDR; \$15 per sf for TDP

** Assumes 14,400 sf (quarter block) lot size @ 3 FAR per site

*** Assumes 7,000 sf open space size

South Downtown Historic TDR/ TDP Example



Alps Hotel at 615 South King Street

Lot area: 7,200 square feet, recently renovated

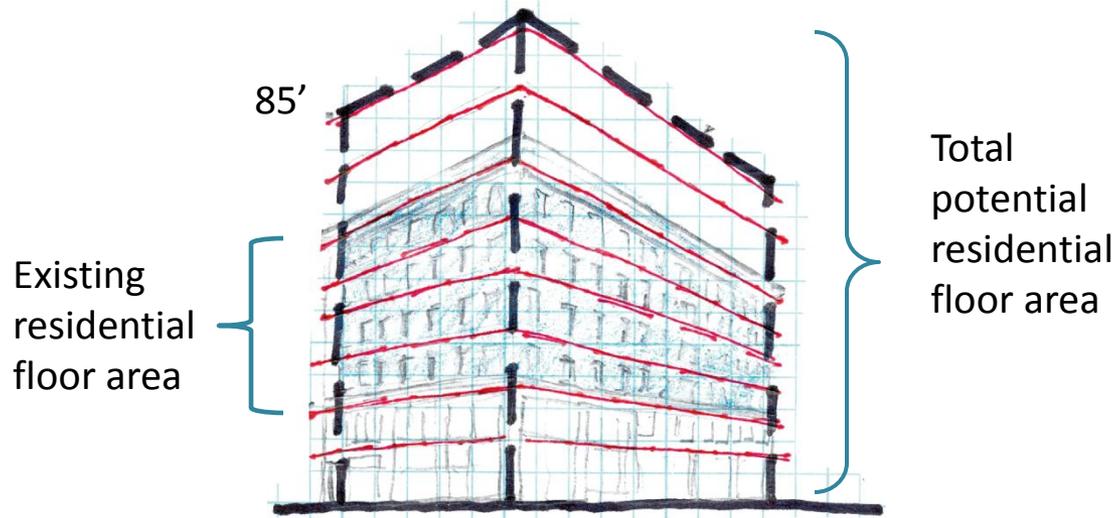
Use: residential/mixed use (4 floors of apartments above with ground floor retail and partial 2nd floor commercial)

Building area: 35,600 square feet above grade

4 floors of residential at 6,200 square feet/floor (24,800 square feet) +
1.5 floors of commercial floor area and ground floor residential lobby (10,800 square feet)

Current and proposed zoning: IDM 75-85

TDP: Residential Extra Floor Area Transfer Example



Potential residential floor area

48,960

minus

minus

Existing residential floor area

24,800

= TDP available to transfer

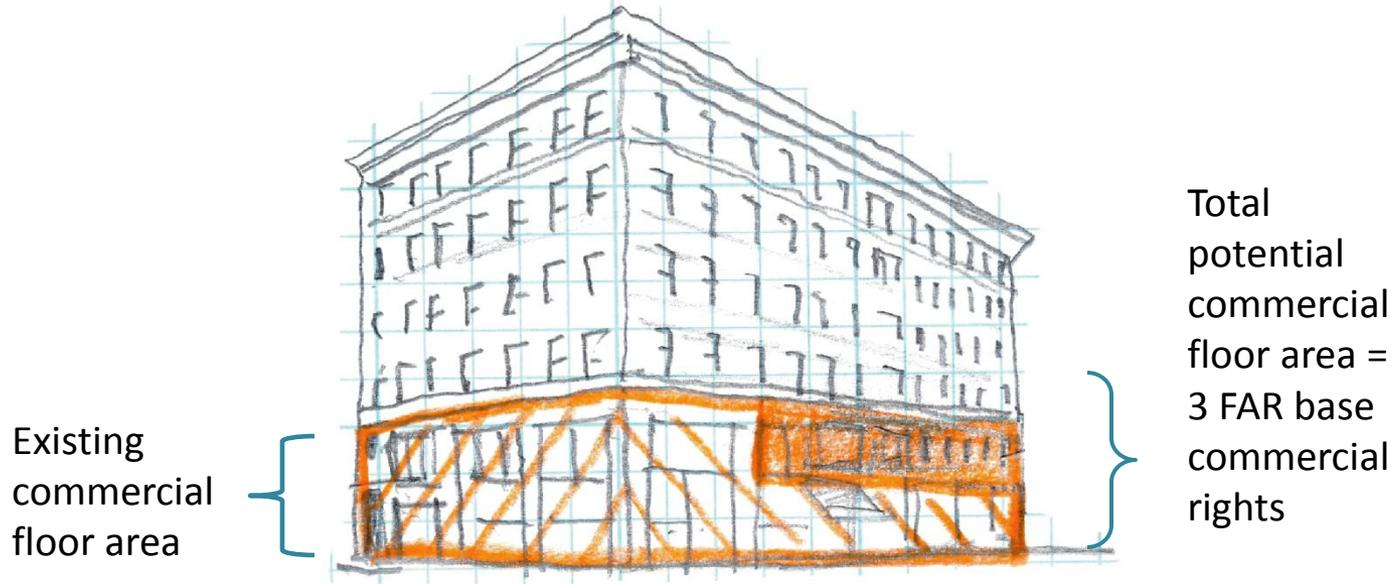
= 24,160 s.f. (3.36 FAR)

up to 3 FAR

3 FAR = 21,600 s.f.

@ \$15/s.f. = \$324,000

TDR: Commercial Extra Floor Area Transfer Example



Potential commercial floor area
minus

Existing commercial floor area

= TDR available to transfer
up to 3 FAR

21,600 (3 FAR)

minus

7,300 chargeable commercial floor area*

= 14,300 s.f. (2 FAR)

@\$20/ s.f. = \$286,000

* 10,800 s.f. total commercial floor area
minus 3,500 s.f. exempt street level uses

Potential Dollars generated from TDR/TDP Example Buildings from Chinatown/ID

| Building Name | Lot Square Feet | Address | TDP Up to 3 FAR @ \$15/ sf | TDR Up to 3 FAR @ \$20/ sf |
|--|--------------------|-----------------------------------|----------------------------------|----------------------------------|
| Atlas Hotel | 11,640 | 420 Maynard S. | \$ 523,800 | \$ 698,400 |
| Milwaukee Hotel/Goon Dip Building | 14,400 | 664 S. King St | \$ 648,000 | \$ 864,000 |
| Republic Hotel | 7,200 | 413 7th S. | \$ 324,000 | \$ 432,000 |
| Hip Sing Association Building/ Chinn Apartments | 3,360 | 418 8th Ave S | \$ 151,200 | \$ 201,600 |
| Hotel Publix | 7,200 | 504 5TH AVE S | \$ 324,000 | \$ 432,000 |
| Mar Building (Hong Kong Building) | 7,200 | 507 Maynard Ave S. | \$ 324,000 | \$ 432,000 |
| Alps Hotel | 7,200 | 625 South King Street | \$ 324,000 | \$ 432,000 |
| Louisa Hotel (Hudson Hotel) | 14,400 | S. King and 7 th Ave S | \$ 648,000 | \$ 864,000 |
| Kong Yick | 14,400 | 711 South King Street | \$ 648,000 | \$ 864,000 |
| Freeman Hotel | 14,400 | 725 South King Street | \$ 648,000 | \$ 864,000 |
| New American/Norway Hotel/ Bing Kung Association Apartments | 7,680 | S. King and 7 th Ave S | \$ 345,600 | \$ 460,800 |
| Eclipse Hotel | 7,200 | 670 S. Weller St. | \$ 324,000 | \$ 432,000 |

Other sources of funding for historic building renovations

- Historic Rehabilitation Tax Credits (federal)
- Special Tax Valuation for property taxes (local)
- New Market Tax Credits (federal)
- Low Income Housing Tax Credits (state)
- Preservation Easements (federal)
- Housing Levy funds (local)

South Downtown Housing Inventory

| | 0-50% AMI | 51-80% AMI | 81% + AMI | Totals: |
|---|-----------|------------|-----------|---------|
| Chinatown/International District (including Little Saigon) | | | | |
| Government-funded rentals | 1,086 | 213 | 48 | 1,347 |
| Market-rate rentals | 413 | 175 | 212 | 800 |
| Homeowner units | 0 | 0 | 247 | 247 |
| Subtotals: | 1,499 | 388 | 507 | 2,394 |
| | 63% | 16% | 21% | |
| Pioneer Square | | | | |
| Government-funded rentals | 624 | 143 | 4 | 771 |
| Market-rate rentals | 2 | 169 | 97 | 268 |
| Homeowner units | 0 | 0 | 244 | 244 |
| Subtotals: | 626 | 312 | 345 | 1,283 |
| | 49% | 24% | 27% | |
| South Downtown Totals | | | | |
| Government-funded rentals | 1,710 | 356 | 52 | 2,118 |
| Market-rate rentals | 415 | 344 | 309 | 1,068 |
| Homeowner units | 0 | 0 | 491 | 491 |
| Grand Totals: | 2,125 | 700 | 852 | 3,677 |
| | 58% | 19% | 23% | |

AMI = Area Median Income

Comprehensive Plan Unit Goals

- New unit production:
 - 20% units < 50% AMI
 - 17% units 51-80% AMI
 - 27% units 81-120% AMI
- 50% AMI = \$30,000/1-person HH; \$34,250/2-person HH
- 80% AMI = \$45,100/1-person HH; \$51,550/2-person HH

| % AMI = | Current | New (20 years) | Total: |
|------------|--------------|----------------|--------------|
| 0-50% AMI | 2,125 (58%) | 1,200 (20%) | 3,325 (34%) |
| 51-80% AMI | 700 (19%) | 1,020 (17%) | 1,720 (18%) |
| 81% + AMI | 852 (23%) | 3,780 (63%) | 4,632 (48%) |
| Totals: | 3,677 (100%) | 6,000 (100%) | 9,677 (100%) |

Reaching 2030 Numbers:

- Preserving current units:
 - City funding
 - Incentive zoning (TDR/TDP)
 - Monitoring HUD-subsidized projects
- New unit production:
 - Code changes
 - Incentive programs
 - City funding

Extra Floor Area Potential Affordable Housing

Residential Program

60% of total projected “extra”
floor area =
820,000 square feet

\$ 12.4 million through fee-in-lieu
or
175-200 units on-site

Commercial Program

75% of total projected “extra”
floor area=
1,053,000 square feet

\$ 19.7 million through cash payment
\$ 3.4 million for child care