

Land Use & Climate Change Advisory Committee

Background Paper: Recommendation Statement with Preliminary Cost Information Developer Incentives – Technical Guidance

Recommendation 5a

Require state agencies to provide technical assistance to local governments regarding various developer incentives to encourage compact development. The LUCC recommends state agencies provide technical assistance to local jurisdictions regarding the availability of and ways to achieve the increased use of various developer incentives that are currently allowed under existing state law and which could play an important role in achieving sustainable compact development and the state’s vehicle miles traveled reduction and greenhouse gas emissions reductions targets in urban growth areas or urban centers. The technical assistance could provide an array of potential developer incentives that could be offered by a local government, as well as an assessment of the strengths and weaknesses of each type of incentive. The guidance could identify model language and examples of jurisdictions that have or are using the incentive.

Potential incentives that could be addressed include:

- Reduce or eliminate parking requirements in urban centers or targeted areas
- Provide exemptions from certain development fees in targeted areas
- Reduce impact fees for high-density in-fill projects within Urban Growth Areas
- Establish voluntary Climate Benefit Districts in targeted areas (this is an idea currently being developed by interested professionals at Foster Pepper LLC and Mithun Urban Planners and Architects)
- Use maximum exemption levels permitted in SEPA for categorical exemptions in Urban Growth Areas or areas targeted for compact development. (WAC 197-11-305, -800(1)(c), -800(1)(a) and (2)) <http://apps.leg.wa.gov/WAC/default.aspx?cite=197-11-800>

General assessment of state and local resources needed, financial and otherwise, needed to fully implement the idea.

In a bill proposed last year, CTED considered the costs associated with a major update of existing technical guidance. The numbers below reflect the anticipated CTED costs. In addition, WSDOT would have staff costs associated with this proposal. Major focuses of the new guidance would likely be:

- Identification of developer incentives currently available to cities and counties that may encourage compact development;
- Identification of the strengths and weaknesses (“tradeoffs”) of the developer incentives
- Developing a list of ideas to consider for the various developer incentives; and
- Examples of local governments that have used the developer incentives being considered.

CTED's estimate would be \$110,266 in the first year, \$37,755 in the second year. This would provide for part-time staff to manage a consultant contract to complete the guidance update. It also would provide for workshops to present the new guidance to local governments to assist in their implementation.