

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

| | | | |
|----------------------|--|---|---------------------------------|
| AGENDA TITLE: | Adoption of Ordinance No. 839 – Amending the Development Code to Expand the Deep Green Incentive Program | | |
| DEPARTMENT: | Planning & Community Development | | |
| PRESENTED BY: | Miranda Redinger, AICP, Senior Planner | | |
| ACTION: | <input checked="" type="checkbox"/> Ordinance | <input type="checkbox"/> Resolution | <input type="checkbox"/> Motion |
| | <input type="checkbox"/> Discussion | <input type="checkbox"/> Public Hearing | |

PROBLEM/ISSUE STATEMENT:

On April 17, 2017, the City Council adopted Ordinance No. 760, which created the Deep Green Incentive Program (DGIP). The DGIP was based on Seattle's Living Building Challenge Ordinance and meant to encourage deeper levels of green building throughout the City. In 2018, staff proposed expanding the DGIP in areas outside of MUR zoning districts to other commercial zoning districts in the City in response to Council direction to expand green building mandates.

The Planning Commission held a public hearing on proposed amendments to the DGIP and made a recommendation to Council to adopt an expansion to the DGIP. The Council discussed these proposed amendments on January 14, 2019. Proposed Ordinance No. 839 (Attachment A) provide for these proposed amendments.

At the Council Study Session on January 14, the Council generally supported the Planning Commission recommendation to expand the DGIP. However, Council expressed some concern about the potential parking incentives in the DGIP.

Tonight, Council is scheduled to continue to discuss and adopt proposed Ordinance No. 839.

RESOURCE/FINANCIAL IMPACT:

There is no direct cost to expanding the DGIP, although adding a fourth tier to the DGIP would allow for a 25% reduction in permit fees for Built Green 4-Star and Passive House Institute US (PHIUS+) projects in areas outside of the Mixed-Use Residential (MUR) zoning districts.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 839 with modifications as recommended in this staff report.

Approved By: City Manager City Attorney

BACKGROUND

In 2015, with the creation of the Mixed-Use Residential (MUR) zoning districts for the light rail subareas, the City mandated that any new building in the MUR be constructed at the Built-Green 4-Star Level (the “green building mandate”). In 2018, the City Council identified a goal to consider the expansion of green building mandates. Specifically, City Council Goal #2, Action Step #4 states the following (**emphasis added**):

Goal #2- Improve Shoreline's infrastructure to continue the delivery of highly-valued public services:

- *Action Step #4- Implement the 2018-2020 Priority Environmental Strategies, including achievement of citywide Salmon-Safe certification, **consideration of expanding green building mandates**, and appointment of a stakeholder committee to evaluate and develop a recommendation on the implementation of recommendations from the Climate Action Analysis for the 185th Street Station Subarea.*

Staff began work on this goal in 2018, and on August 2, 2018, the Planning Commission discussed various options for expanding the green building mandate to commercial zoning districts as directed by this Council Action Step. For the City, these districts are: Mixed Business (MB), Town Center (TC 1 – TC 4), Community Business (CB), and Neighborhood Business (NB). The staff report for this Planning Commission meeting is available at the following link:

<http://www.shorelinewa.gov/home/showdocument?id=39436>.

The Planning Commission did not reach consensus on a recommendation and requested staff to solicit additional input from green building certification agencies, the City's Economic Development Program Manager, and market-rate developers to inform a continued discussion.

The Planning Commission considered this issue again at its September 6, 2018 meeting, and based on the further research, the staff recommendation changed. Rather than expanding the green building mandate, staff proposed expanding the DGIP, Subchapter 9, SMC 20.50, by adding a fourth tier to include incentives for Built Green 4-Star and PHIUS+ projects in areas outside of MUR zoning. The staff report for the September 6th Planning Commission meeting is available at the following link:

<http://www.shorelinewa.gov/home/showdocument?id=40690>.

The Commission held a public hearing on these amended proposed amendments on October 18, 2018 and made a recommendation to Council to adopt an expansion to the DGIP as shown in Attachment A, Exhibit A to this staff report. The staff report for the October 18th Public Hearing is available at the following link:

<http://www.shorelinewa.gov/home/showdocument?id=41043>.

Due to a procedural issue, the Commission held a second Public Hearing on December 6, 2018. No changes were made to the Commission recommendation. The staff report for the December 6th Public Hearing is available at the following link:

<http://www.shorelinewa.gov/home/showdocument?id=41431>.

The Council then discussed the Planning Commission recommended amendments, which were presented in proposed Ordinance No. 839 (Attachment A), on January 14, 2019. Several questions were raised, and potential adoption of proposed Ordinance No. 839 was rescheduled from February 4 to April 1. The staff report for the January 14th Council Study Session is available at the following link:
<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport011419-9a.pdf>.

Tonight, Council is scheduled to continue to discuss and adopt proposed Ordinance No. 839.

DISCUSSION

At the January 14, 2019 Council Study Session, the Council generally supported the Planning Commission's recommendation to expand the DGIP rather than the green building mandate that currently exists only in light rail station subareas. Council also generally supported the Commission's recommendations regarding the tiered structure of comparable programs.

Parking Reduction Incentive

Although there was general support for the Planning Commission's recommendation, the Council expressed concern about the potential to make parking reductions cumulative.

The Planning Commission's recommendation for parking reductions would add another tier of parking reductions that follows the pattern of decreasing the available reduction by 15% per tier. This would create a Tier 4 in the DGIP, which would provide for a 5% parking reduction. Shoreline Municipal Code (SMC) Section 20.50.400 currently provides for potential parking reductions available through the DGIP in three tiers: Tier 1 is eligible for a 50% reduction, Tier 2 is eligible for a 35% reduction, and Tier 3 is eligible for a 20% reduction.

The Planning Commission's recommendation also makes all potential parking reductions cumulative. SMC 20.50.400 - Reductions to minimum parking requirements (relevant sections below), articulates multiple ways to achieve a parking reduction, but SMC 20.50.400(F) and 20.50.400(G) specify that reductions may not be combined. To paraphrase the intent of each subsection of SMC 20.50.400:

- A. Outlines a variety of criteria, including proximity to high-capacity transit service throughout the city, which must be combined in order to receive a parking reduction;
- B. Outlines parking reductions available through the DGIP;
- C. Is irrelevant to the current discussion;
- D. Is irrelevant to the current discussion;
- E. Outlines parking reductions for affordable housing;
- F. Outlines parking reductions for proximity to future light rail stations, but clarifies that these may not be combined with other reductions;
- G. Clarifies that parking reductions for affordable housing or DGIP may not be combined with reductions for criteria in Subsection A.

The Planning Commission's recommendation amends SMC 20.50.400(F) and deletes SMC 20.50.400(G) in its entirety, which allows for DGIP and affordable housing parking reductions to be combined with parking reductions for proximity to light rail stations or other high-capacity transit. To understand the implications of these proposed amendments to a variety of different theoretical projects, staff calculated potential reductions for theoretical projects in different zones, with different levels of green building and different levels of affordability for the January 14th staff report and presentation. For reference the Planning Commission recommendation for SMC 20.50.400 is below:

Planning Commission Recommendation for SMC 20.50.400- Reductions to Minimum Parking Requirements

- A. Reductions of up to 25 percent may be approved by the Director using a combination of the following criteria:
1. On-street parking along the parcel's street frontage.
 2. Shared parking agreement with nearby parcels within reasonable proximity where land uses do not have conflicting parking demands. The number of on-site parking stalls requested to be reduced must match the number provided in the agreement. A record on title with King County is required.
 3. Parking management plan according to criteria established by the Director.
 4. A City approved residential parking zone (RPZ) for the surrounding neighborhood within one-quarter mile radius of the subject development. The RPZ must be paid by the developer on an annual basis.
 5. A high-capacity transit service stop within one-quarter mile of the development property line with complete City approved curbs, sidewalks, and street crossings.
 6. A pedestrian public access easement that is eight feet wide, safely lit and connects through a parcel between minimally two different rights-of-way. This easement may include other pedestrian facilities such as walkways and plazas.
 7. City approved traffic calming or traffic diverting facilities to protect the surrounding single-family neighborhoods within one-quarter mile of the development.
 8. Retention of at least 20 percent of the significant trees on a site zoned MUR-70'.
 9. Replacement of all significant trees removed on a site zoned MUR-70' as follows:
 - a. One existing significant tree of eight inches in diameter at breast height for conifers or 12 inches in diameter at breast height for all others equals one new tree.
 - b. Each additional three inches in diameter at breast height equals one additional new tree, up to three trees per significant tree removed.
 - c. Minimum Size Requirements for Replacement Trees under This Provision. Deciduous trees shall be at least one and one-half inches in caliper and evergreens six feet in height.
- B. A project applying for parking reductions under the Deep Green Incentive Program may be eligible ~~for commercial and multi-family projects~~ based on the

~~intended certification they intend to achieve. No parking reductions will be eligible for single-family projects. Parking reductions are not available in R-4 and R-6 zones. Reductions will be based on the following tiers:~~

1. Tier 1 – Living Building or Living Community Challenge Certification: up to 50% reduction in parking required under SMC 20.50.390 for projects meeting the full International Living Future Institute (ILFI) program criteria;
2. Tier 2 – Living Building Petal or Emerald Star Certification: up to 35% reduction in parking required under 20.50.390 for projects meeting the respective ILFI or Built Green program criteria;
3. Tier 3 - LEED Platinum, 5-Star, ~~or Net Zero Energy Building~~/Salmon Safe, or PHIUS+ Source Zero/Salmon Safe Certification: up to 20% reduction in parking required under 20.50.390 for projects meeting the respective US Green Building Council, Built Green, ~~or ILFI, PHIUS and/or~~ Salmon Safe program criteria.
4. Tier 4- PHIUS+ or 4-Star Certification: up to 5% reduction in parking required under 20.50.390 for projects meeting the respective PHIUS or Built Green program criteria.

E. Reductions of up to 50 percent may be approved by the Director for the portion of housing providing low income housing units that are 60 percent of AMI or less as defined by the U.S. Department of Housing and Urban Development.

F. A parking reduction of 25 percent may be approved by the Director for multifamily development within one-quarter mile of the light rail station. These parking reductions may not be combined with parking reductions identified in subsections A, ~~B~~ and E of this section.

~~G. Parking reductions for affordable housing or the Deep Green Incentive Program may not be combined with parking reductions identified in subsection A of this section.~~

Council Questions and Concerns Regarding Parking Reductions

As noted above, Councilmembers had concerns with the Planning Commission's recommendation to make all parking reductions cumulative. The primary concern was that reducing parking below the level needed to actually serve development would result in spillover and make it more difficult for existing residents to utilize on-street parking.

Councilmembers also requested additional information regarding the parking reduction incentives. These Council questions and answers from staff are provided below. To obtain this information, staff consulted with representatives from the King County Department of Community and Human Services; Housing Development Consortium; affordable, senior, and market-rate housing providers; Federal Highway Administration (FHWA); and Puget Sound Regional Council (PSRC).

Council Question #1 - What other incentives are available in the DGIP aside from parking reductions?

The DGIP offers a wide variety of incentives, which fall into two categories. The first is a potential fee waiver or reduction, which could include waiving pre-application and a certain percentage of application fees, based on tier, and possibly reducing transportation impact fees, based on project-specific analysis.

The second type of incentive would be the ability to grant certain departures from Development Code standards so that the project would be able to meet certification requirements for a specific green building protocol. An example is the ability to waive standards for structural building overhangs and minor architectural encroachments into the right-of-way. This was necessary to construct the Bullitt Center in Seattle because the photovoltaic array required to produce enough net annual power to classify the building as “living” exceeded the available roof area.

Other potential departures include density bonus, lot coverage, use provisions, standards for storage of solid-waste containers, and height bonus. It is important to note that there are limitations and conditions on most of these departures. Density bonuses are only available with a 10,000 sq. ft. minimum lot size. Parking reductions and density bonuses are not allowed in single family zoning; height bonuses are not allowed in R-4, R-6, R-8, or MUR-35’ zones; and reductions to open space or setback requirements are not allowed in any zoning designations.

Council Question #2 - What is the correlation between household income bracket and rate of car ownership?

The assumption that affordable and senior housing reduces the need for parking because lower income and advanced age reduce rates of car ownership is used frequently by advocates of these types of projects when requesting parking reductions. However, this assumption is difficult to prove and may be misleading.

It is true that extremely low-income households are more likely to own fewer cars than households in higher income brackets. The table below is extrapolated from a Federal Highway Administration (FHWA) *2017 National Household Travel Survey* illustrating the number of household vehicles for this income level. Note that King County Area Median Income (AMI) brackets do not exactly match FHWA income brackets.

| | Percent of Households Whose Income is Less than 30% AMI, or below \$30,100 for a four-person household (King County 2018 AMI) | | |
|----------------------|--|--------------------------|--------------------------|
| # of Vehicles | Less than \$10,000 | \$10,000-\$14,999 | \$15,000-\$24,999 |
| 0 | 43.5% | 26.8% | 12.6% |
| 1 | 41.1% | 51.9% | 56.3% |
| 2 | 9.8% | 15.4% | 21.7% |

The majority of these households are more likely to own zero vehicles than two, but most do own one vehicle. Compare this to the number of vehicles owned by higher income households according to the same FHWA Travel Survey.

| | Percent of Households Whose Income is Greater than 100% AMI, or above \$100,000 for a four-person household (King County 2018 AMI) | | |
|----------------------|---|----------------------------|----------------------------|
| # of Vehicles | \$100,000-\$124,999 | \$125,000-\$149,999 | \$150,000-\$199,999 |
| 0 | 1.9% | 2.2% | 2.4% |
| 1 | 16.2% | 11.9% | 13.8% |
| 2 | 43.1% | 46.0% | 42.8% |

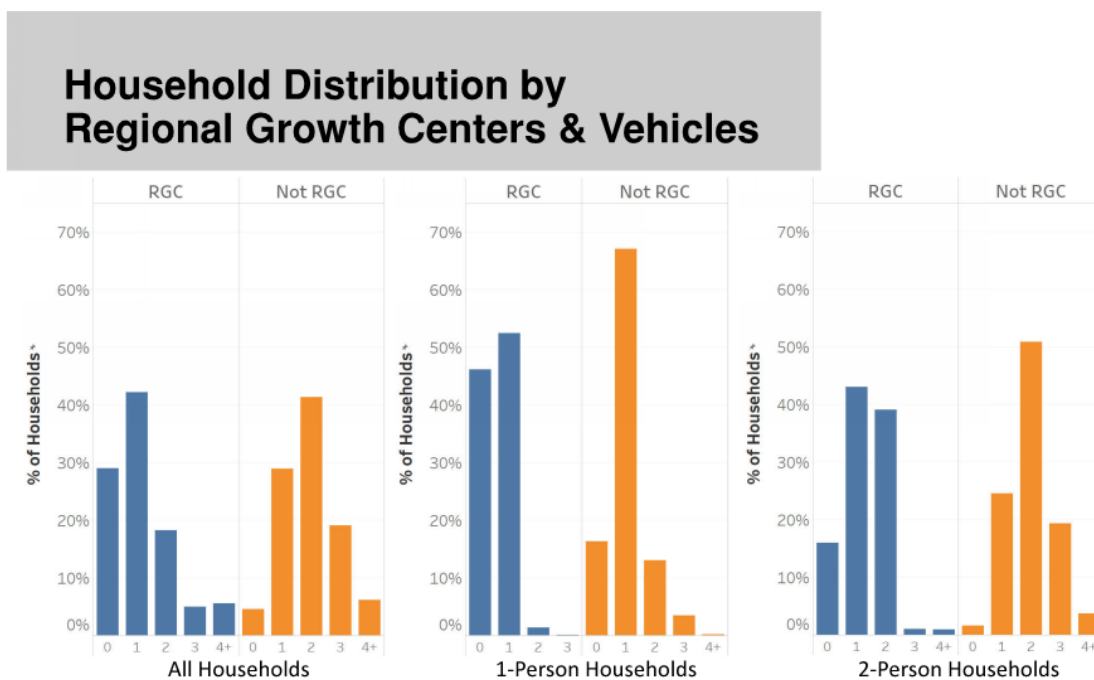
The majority of these households are more likely to own two vehicles than zero. Compare both of these to the number of vehicles owned by more modest income households according to the same FHWA Travel Survey.

| | Percent of Households Whose Income is 30%-80% AMI, or \$25,000-\$74,999 for a four-person household (King County 2018 AMI) | | |
|----------------------|---|--------------------------|--------------------------|
| # of Vehicles | \$25,000-\$34,999 | \$35,000-\$49,999 | \$50,000-\$74,999 |
| 0 | 6.9% | 3.8% | 3.3% |
| 1 | 50.6% | 42.4% | 31.0% |
| 2 | 28.1% | 33.0% | 38.4% |

The majority of these households own one vehicle, but are more likely to own two than zero.

These numbers do not substantiate claims that affordable housing serving populations above 30% AMI has a significantly lower parking demand than market-rate housing. Perhaps the biggest distinction regarding vehicle ownership between different income brackets is not the number of cars, but the price point for them. That said, there are other reasons to reduce parking requirements for affordable housing, primarily based on reducing the cost to develop this community amenity.

However, there are other factors that can influence rates of vehicle ownership. According to PSRC's 2017 *Puget Sound Regional Household Travel Survey*, one such factor is living within a Regional Growth Center (RGC), which is assumed to have better access to transit. The graph below illustrates this point by comparing the number of vehicles for various household sizes within and outside of RGCs. Note that households within RGCs are far more likely to own zero or one vehicle, as opposed to households not in RGCs, which are more likely to own one or two.



Council Question #3 - How do apartment managers dispense available parking stalls when there is not a one unit/one stall ratio and they are not allowed to unbundle the cost of parking from the cost of rent?

SMC 20.50.390 establishes standards for minimum off-street parking requirements, including 0.75 stalls per studio or one-bedroom apartment unit. SMC 20.50.410(C) states that *“Parking for residential units must be included in the rental or sale price of the unit. Parking spaces cannot be rented, leased, sold, or otherwise be separate from the rental or sales price of a residential unit.”*

On January 14, Council asked how parking is allocated utilizing a ratio of 0.75 stalls per unit if managers can not charge separately for parking spaces. The simplest answer is that they do not assign stalls, and spaces are occupied on a first-come/first-served basis, with residents that arrive home after all stalls have been utilized forced to find parking outside of the building.

SMC 20.50.400(A) outlines criteria for potential reductions to minimum parking requirements. This includes the ability to develop a parking management plan, which combined with at least one other criterium, could allow the Director to approve a parking reduction of up to 25%.

One recent example from an approved parking management plan shows how the dilemma of more units than stalls can be handled creatively, using a multimodal approach. The solution for this 241-unit apartment building, located near the Interurban Trail and RapidRide bus service on Aurora Avenue N, was to offer residents a choice. Upon signing a lease, the tenant chooses an assigned parking space or a fully paid ORCA card. Tenants who choose the parking space are assigned a specific stall. Tenants who chose the ORCA card are not issued a key fob, which is necessary to gain access to the parking garage. Secure bike parking and other on-site amenities are provided to reduce resident dependence on automobiles. Provisions and a Cash Guarantee for establishing a Residential Parking Zone, upon a finding by the City Engineer that this is necessary to mitigate parking impacts of the project, are also included in the parking management plan.

Staff Conclusions Regarding the Council’s Parking Questions

Based on the research conducted to answer Council questions, staff concludes the following:

- There is not a demonstrated nexus between affordable housing and reduced vehicle ownership to sufficiently justify making parking reductions for affordable housing cumulative with other options, unless the reduction is specific to extremely low-income housing (< 30% AMI).
- If Council would like to support creation of affordable housing by reducing parking requirements, and therefore the cost to develop such units, that may be a reasonable incentive to encourage local affordability.
- There is a nexus between proximity to transit and common green building amenities like bike parking to reduced parking demand.

Options for Adoption of Proposed Ordinance No. 839

The following options are available to Council regarding proposed Ordinance No. 839:

1. Adopt the Planning Commission's recommendation:

- If Council is comfortable with the proposed code language from the Planning Commission, including cumulative parking reductions, Council should move to adopt proposed Ordinance No. 839.

2. Modify the Planning Commission's recommendation:

- a. Council could modify the Planning Commission's recommendation by changing the percentage reduction between tiers.
 - If the Council would like to offer a parking reduction for a potential Tier 4 that is greater than 5%, one option would be to restructure the percentage reduction for each tier. An example would be to decrease the reduction by 10 percentage points instead of 15:
 1. Tier 1 could still offer a 50% reduction
 2. Tier 2 could offer a 40% reduction instead of 35%
 3. Tier 3 could offer a 30% reduction instead of 20%
 4. Tier 4 could offer a 20% reduction instead of 5%

Proposed Motion language is:

"I move to modify the Planning Commission recommendation for SMC 20.50.400(B)(1-4) to revise the percentage of maximum available parking reduction from 35% to 40% for Tier 2, from 20% to 30% for Tier 3, and from 5% to 20% for Tier 4."

- b. Council could also reject or modify the portion of the Planning Commission's recommendation to make parking reductions cumulative.
 - Council may choose to make parking reductions cumulative or not, or create a combination of reductions that may be cumulative, regardless of whether it modifies the tiered incentive for parking reduction. Two (2) options for motion language for this are below.
- i. To make parking reductions for green building and proximity to light rail cumulative, but not for criteria in SMC 20.50.400(A) or affordable housing, the **proposed motion language is:**
"I move to modify the Planning Commission recommendation to SMC 20.50.400(F) to unstrike "E", so "B" would be the only item removed from this regulation and unstrike SMC 20.50.400(G) in its entirety so no changes would be made to this regulation."
- ii. To not allow any parking reductions to be cumulative, the **proposed motion language is:**
"I move to reject, in its entirety, the Planning Commission's recommendation to amend SMC 20.50.400(F) and to delete SMC 20.50.400(G)."

Staff Recommendation for Proposed Ordinance No. 839

Staff recommends that Council adopt the Planning Commission recommendation with the pair of modifications below. Numbers match motion language in the previous section.

- 2a:** This would change the tiered structure of parking reductions for the DGIP from 15-percentage points between tiers to 10-percentage points.
- 2b(i):** This would make parking reductions for the DGIP cumulative with those for proximity to light rail, but not with those for RapidRide transit or affordable housing. Staff believes that there is a greater nexus between proximity to fixed-rail transit and reduced dependence on single-occupancy vehicle ownership than for affordable housing or transit stops that could change locations over time.

It is important to note that the potential amendments above are independent from each other and Council could choose to advance one, both, or neither.

RESOURCE/FINANCIAL IMPACT

There is no direct cost to expanding this program, although adding a fourth tier to the Deep Green Incentive Program would allow for a 25% reduction in permit fees for Built Green 4-Star and Passive House Institute US (PHIUS+) projects in areas outside of the Mixed-Use Residential (MUR) zones.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 839 with modifications as recommended in this staff report.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 839

Attachment A, Exhibit A: Proposed Development Code Amendments

ORDINANCE NO. 839

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON
AMENDING CHAPTERS 20.20, 20.30 AND 20.50 OF THE SHORELINE
MUNICIPAL CODE TITLE 20, THE UNIFIED DEVELOPMENT CODE,
TO EXPAND THE DEEP GREEN INCENTIVE PROGRAM.**

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington, and planning pursuant to the Growth Management Act, Title 36.70A RCW; and

WHEREAS, Shoreline Municipal Code (SMC) Title 20 is the Unified Development Code setting forth the zoning and development regulations for the City; and

WHEREAS, on April 17, 2017, the City Council adopted Ordinance No. 760 establishing a Deep Green Incentive Program to encourage the development of buildings that meet the criteria for sustainable certification through a variety of incentives; and

WHEREAS, certain portions of these green building regulations are mandated in the Mixed Use Residential (MUR) zones of the City's Light Rail Station Subareas; and

WHEREAS, on August 2, 2018, the Shoreline Planning Commission considered Planning Staff's recommendation to expand the green building mandate to commercial zoning districts throughout the City; and

WHEREAS, subsequently, Planning Staff solicited input from stakeholders and determined that rather than expanding the green building mandate, incentives would be provided for projects outside of the MUR zoning districts; and

WHEREAS, on September 6, 2018, the Planning Commission considered Planning Staff's revised recommendation; and

WHEREAS, on October 18, 2018, the Shoreline Planning Commission held a public hearing on the proposed amendments so as to receive public testimony and concurred with Planning Staff's recommendation for incentives outside of the MUR zoning districts; and

WHEREAS, the City provided public notice of the amendments and the public hearing as provided in SMC 20.30.070; and

WHEREAS, pursuant to RCW 36.70A.370, the City has utilized the process established by the Washington State Attorney General so as to assure the protection of private property rights; and

WHEREAS, pursuant to RCW 36.70A.106, the City has provided the Washington State Department of Commerce with a 60-day notice of its intent to adopt the amendment(s) to its Unified Development Code; and

WHEREAS, the environmental impacts of the amendments resulted in the issuance of a Determination of Non-Significance (DNS) issued on November 15, 2018 pursuant to the State Environmental Policy Act (SEPA); and

WHEREAS, to ensure procedural compliance with SEPA, the Shoreline Planning Commission held a second public hearing on December 6, 2018 and affirmed its October 18, 2018 recommendation; and

WHEREAS, on January 14, 2019, the City Council held a study session on the proposed amendments as recommended by the Planning Commission; and

WHEREAS, the City Council has considered the entire public record, public comments, written and oral, and the Planning Commission's recommendation; and

WHEREAS, the City Council has determined that the amendments are consistent with and implement the Shoreline Comprehensive Plan and serves the purpose of the Unified Development Code as set forth in SMC 20.10.020;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment. Chapters 20.20, 20.30, and 20.50 of Title 20 of the Shoreline Municipal Code, Unified Development Code are amended as set forth in Exhibit A to this Ordinance.

Section 2. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 3. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any person or situation.

Section 4. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON APRIL 1, 2019.

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: , 2019
Effective Date: , 2019

Exhibit A to Ordinance No. 839

**Amendments to Shoreline Municipal Code Title 20
Chapters 20.20, 20.30, and 20.50**

20.20.016 D definitions.

Deep Green- refers to an advanced level of green building that requires more stringent standards for energy and water use, stormwater runoff, site development, materials, and indoor air quality than required by the Building Code. With regard to the Deep Green Incentive Program, this definition is divided into tiers based on certification programs as follows:

- Tier 1- International Living Future Institute's (ILFI) Living Building Challenge™ or Living Community Challenge™;
- Tier 2- ILFI's Petal Recognition™ or Built Green's Emerald Star™; and
- Tier 3- US Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Platinum™; Built Green's 5-Star™; or ILFI's Net Zero Energy Building™ (NZEB) or Passive House Institute US's (PHIUS)+Shift Zero™, in combination with Salmon Safe™ where applicable.
- Tier 4- Built Green's 4-Star™ or PHIUS+™.

20.30.080 Preapplication meeting.

A preapplication meeting is required prior to submitting an application for any project requesting departures through the Deep Green Incentive Program to discuss why departures are necessary to achieve certification through International Living Future Institute, Built Green, US Green Building Council, Passive House Institute US, or Salmon Safe programs. A representative from the prospective certifying agency(ies) will be invited to the meeting, but their attendance is not mandatory. If the project would not otherwise require a preapplication meeting, the fee for the preapplication meeting will be waived.

20.30.297 Administrative Design Review (Type A).

1. Administrative Design Review approval of departures from the design standards in SMC 20.50.220 through 20.50.250 and SMC 20.50.530 through 20.50.610 shall be granted by the Director upon their finding that the departure is:
 - a) Consistent with the purposes or intent of the applicable subsections; or
 - b) Justified due to unusual site constraints so that meeting the design standards represents a hardship to achieving full development potential.
2. Projects applying for the Deep Green Incentive Program by certifying through ~~for certification under~~ the Living Building or Community Challenge, Petal Recognition, Emerald Star, LEED-Platinum, 5-Star, 4-Star, PHIUS+, PHIUS+ Source Zero/Salmon Safe, or Net Zero Energy Building/Salmon Safe programs may receive departures from development standards under SMC 20.40, 20.50, 20.60, and/or 20.70 upon the Director's finding that the departures meet A and/or B above, and as further described under 20.50.630. Submittal documents shall include proof of enrollment in the programs listed above.

20.40.046(D) Mixed-Use Residential Zones

~~D. Four Star Built Green construction is required all MUR zones.~~ Construction in MUR zones must achieve green building certification through one of the following protocols: Built Green 4-Star or PHIUS+. If an affordable housing or school project is required to certify through the Evergreen Sustainable Development Standard, this protocol shall fulfill the requirement. If a project utilizes a more stringent certification protocol through the Deep Green Incentive Program, this shall fulfill the requirement.

20.50.400 Reductions to minimum parking requirements.

B. A project applying for parking reductions under the Deep Green Incentive Program may be eligible ~~for commercial and multi-family projects based on the intended certification they intend to achieve. No parking reductions will be eligible for single-family projects.~~ Parking reductions are not available in R-4 and R-6 zones. Reductions will be based on the following tiers:

1. Tier 1 – Living Building or Living Community Challenge Certification: up to 50% reduction in parking required under 20.50.390 for projects meeting the full International Living Future Institute (ILFI) program criteria;
2. Tier 2 – Living Building Petal or Emerald Star Certification: up to 35% reduction in parking required under 20.50.390 for projects meeting the respective ILFI or Built Green program criteria;
3. Tier 3 - LEED Platinum, 5-Star, PHIUS+ Source Zero/Salmon Safe, or Net Zero Energy Building/Salmon Safe Certification: up to 20% reduction in parking required under 20.50.390 for projects meeting the respective US Green Building Council, Built Green, PHIUS, ~~or ILFI and/or~~ Salmon Safe program criteria.
4. Tier 4- PHIUS+ or 4-Star: up to 5% reduction in parking required under 20.50.390 for projects meeting the PHIUS or Built Green program criteria.

C. In the event that the Director approves reductions in the parking requirement, the basis for the determination shall be articulated in writing.

D. The Director may impose performance standards and conditions of approval on a project, including a financial guarantee.

E. Reductions of up to 50 percent may be approved by the Director for the portion of housing providing low income housing units that are 60 percent of AMI or less as defined by the U.S. Department of Housing and Urban Development.

F. A parking reduction of 25 percent may be approved by the Director for multifamily development within one-quarter mile of the light rail station. These parking reductions may not be combined with parking reductions identified in subsections A, ~~B, and E~~ of this section.

~~G. Parking reductions for affordable housing or the Deep Green Incentive Program may not be combined with parking reductions identified in subsection A of this section.~~

Subchapter 9: 20.50.630 – Deep Green Incentive Program (DGIP)

A. **Purpose.** The purpose of this section is to establish an incentive program for Living and Deep Green Buildings in the City of Shoreline. The goal of the DGIP is to encourage development that meets the International Living Future Institute's (ILFI) Living Building Challenge™, Living Community Challenge™, Petal Recognition™, or

~~Net Zero Energy Building~~TM (NZE~~B~~) programs; Built Green's Emerald StarTM ~~or~~, 5-StarTM, ~~or~~ 4-StarTM programs; the US Green Building Council's (USGBC) Leadership in Energy and Environmental DesignTM (LEED) Platinum program; Passive House Institute USTM's PHIUS+ ~~or~~ PHIUS+Source Zero programs; and/or the Salmon SafeTM program by:

1. encouraging development that will serve as a model for other projects throughout the city and region resulting in the construction of more Living and Deep Green Buildings; and
2. allowing for departures from Code requirements to remove regulatory barriers.

B. Project qualification.

1. Application requirements. In order to request exemptions, waivers, or other incentives through the Deep Green Incentive Program, the applicant or owner shall submit a summary demonstrating how their project will meet each of the requirements of the relevant certification program, such as including an overall design concept, proposed energy balance, proposed water balance, and descriptions of innovative systems.
2. Qualification process. An eligible project shall qualify for the DGIP upon determination by the Director that it has submitted a complete application pursuant to SMC 20.30.297 Administrative Design Review, and has complied with the application requirements of this subsection.
3. The project must be registered with the appropriate third-party certification entity such as the International Living Future Institute, Built Green, US Green Building Council, Passive House Institute US, or Salmon Safe.
4. Projects requesting departures under the DGIP shall meet the current version of the appropriate certification program, which will qualify them for one of the following tiered packages of incentives:
 - a. Tier 1 - Living Building Challenge or Living Community Challenge Certification: achieve all of the Imperatives of the ILFI programs;
 - b. Tier 2 – Emerald Star or Petal Certification: satisfy requirements of Built Green program or three or more ILFI Petals, including at least one of the following- Water, Energy, or Materials; ~~or~~
 - c. Tier 3- LEED Platinum, 5-Star, PHIUS+ Source Zero plus Salmon Safe, or NZEB plus Salmon Safe: satisfy requirements of the respective USGBC, Built Green, PHIUS, ~~or~~ ILFI, ~~and/or~~ Salmon Safe programs. The addition of Salmon Safe certification to PHIUS+ Source Zero or ~~NZEB~~ projects is not required for detached single-family projects; ~~or~~
 - d. Tier 4- PHIUS+ or 4-Star: achieve all requirements of the PHIUS or Built Green programs.

C. Director's determination. All Shoreline Deep Green Incentive Program projects are subject to review by the Director under Section 20.30.297. Any departures from the Shoreline Development Code (SMC Title 20) must be approved by the Director prior to submittal of building permit application.

D. Incentives. A project qualifying for the Shoreline Deep Green Incentive Program will be granted the following tiered incentive packages, based on the certification program for which they are applying:

1. A project qualifying for Tier 1 - Living Building Challenge or Living Community Challenge may be granted a waiver of up to 100% City-imposed pre-application and permit application fees. A project qualifying for Tier 2 – Emerald Star or Petal Recognition may be granted a waiver of up to 75% of City-imposed application fees. A project qualifying for Tier 3 – LEED Platinum, 5-Star, PHIUS+ Source Zero/Salmon Safe, or NZEB/Salmon Safe may be granted a waiver of up to 50% of City-imposed application fees. A project qualifying for Tier 4- PHIUS+ or 4-Star may be granted a waiver of up to 25% of City-imposed application fees.
2. Projects qualifying for the DGIP may be granted a reduced Transportation Impact Fee based on a project-level Transportation Impact Analysis.
3. Departures from Development Code requirements when in compliance with SMC 20.50.630(E).
4. Expedited permit review without additional fees provided in SMC Chapter 3.01

E. Departures from Development Code requirements. The following requirements must be met in order to approve departures from Development Code requirements:

1. The departure would result in a development that meets the goals of the Shoreline Deep Green Incentive Program and would not conflict with the health and safety of the community. In making this recommendation, the Director shall consider the extent to which the anticipated environmental performance of the building would be substantially compromised without the departures.
2. A Neighborhood Meeting is required for projects departing from standards in the R-4 or R-6 zones.
3. Departures from the following regulations may be granted for projects qualifying for the Shoreline Deep Green Incentive Program:
 - a. SMC 20.50.020. Residential density limits
 - i. Tier 1 – Living Building Challenge or Living Community Challenge Certification: up to 100% bonus for the base density allowed under zoning designation for projects meeting the full Challenge criteria;
 - ii. Tier 2 – Emerald Star or Living Building Petal Certification: up to 75% bonus for the base density allowed under zoning designation for projects meeting the program criteria;
 - iii. Tier 3 - LEED Platinum, 5-Star, or PHIUS+ Source Zero/Salmon Safe or NZEB/Salmon Safe Certification: up to 50% bonus for the base density allowed under zoning designation for projects meeting the program criteria;
 - iv. Tier 4- PHIUS+ or 4-Star: up to 25% bonus for the base density allowed under zoning designation for projects meeting the program criteria.

Minimum lot size of 10,000 square feet is required in all zones with a density maximum in order to request a density bonus. Density bonus is not available in R-4 and R-6 zones. Any additional units granted would be required to be built to the same green building standard as the first.

- b. SMC 20.50.390. Parking requirements (not applicable in R-4 and R-6 zones):
 - i. Tier 1 – Living Building Challenge or Living Community Challenge Certification: up to 50% reduction in parking required under 20.50.390 for projects meeting the full Challenge criteria;
 - ii. Tier 2 – Emerald Star or Living Building Petal Certification: up to 35% reduction in parking required under 20.50.390 for projects meeting the program criteria;
 - iii. Tier 3 - LEED Platinum, 5-Star, PHIUS+ Source Zero/Salmon Safe, or NZEB/Salmon Safe Certification: up to 20% reduction in parking required under 20.50.390 for projects meeting the program criteria.
 - iv. Tier 4- PHIUS+ or 4-Star Certification: up to 5% reduction in parking required under 20.50.390 for projects meeting the program criteria.
- c. Lot coverage standards, as determined necessary by the Director;
- d. Use provisions, as determined necessary by the Director
- e. Standards for storage of solid-waste containers;
- f. Standards for structural building overhangs and minor architectural encroachments into the right-of-way;
- g. Structure height bonus up to 10 feet for development in a zone with height limit of 35 feet. Height bonus is not available in R-4, R-6, R-8, and MUR-35' zones. Structure height bonus up to 20 feet for development in a zone with a height limit of 45 feet or greater; and
- h. A rooftop feature may extend above the structure height bonus provided in SMC 20.50.020 or 20.50.050 if the extension is consistent with the applicable standards established for that rooftop feature within the zone.

F. Compliance with minimum standards.

1. For projects requesting departures, fee waivers, or other incentives under the Deep Green Incentive Program, the building permit application shall include a report from the design team demonstrating how the project is likely to achieve the elements of the program through which it intends to be certified.
2. For projects applying for an ILFI certification (Tiers 1, 2, or 3), after construction and within six (6) months of issuance of the Certificate of Occupancy, the applicant or owner must show proof that an LBC Preliminary Audit has been scheduled; such as a paid invoice and date of scheduled audit. After construction and within twelve months of issuance of Certificate of Occupancy, the applicant or owner must show a preliminary audit report from ILFI demonstrating project compliance with the Place, Materials, Indoor Air Quality, and Beauty/Inspiration Imperatives that do not require a performance period.
3. For projects aiming for Built Green Emerald Star (Tier 2), ~~or 5-Star (Tier 3), or 4-Star (Tier 4)~~ certification, after construction and within six (6) months of issuance

of the Certificate of Occupancy, the applicant or owner must show proof that the project successfully met Built Green certification by way of the Certificate of Merit from the program.

4. For projects pursuing LEED certification (Tier 3), the applicant or owner must show, after construction and within six (6) months of issuance of the Certificate of Occupancy, that the project has successfully completed the LEED Design Review phase by way of the final certification report.
5. For projects pursuing PHIUS+ (Tier 4) or PHIUS+ Source Zero certification (Tier 3), the applicant or owner must show, after construction and within six (6) months of issuance of the Certificate of Occupancy, that the project has successfully obtained the PHIUS+ or PHIUS+ Source Zero certification.
6. For projects pursuing Salmon Safe certification (Tier 3 in conjunction with ~~NZEB~~ or PHIUS+ Source Zero when applicable), the applicant or owner must show, after construction and within six (6) months of issuance of the Certificate of Occupancy, that the project has successfully obtained the Salmon Safe Certificate.
7. No later than two years after issuance of a final Certificate of Occupancy for the project, or such later date as requested in writing by the owner and approved by the Director for compelling circumstances, the owner shall submit to the Director the project's certification demonstrating how the project complies with the standards contained in this subsection. Compliance must be demonstrated through an independent certification from ILFI, ~~Built Green~~, or USGBC/Green Building Cascadia Institute (GBCI). A request for an extension to this requirement must be in writing and must contain detailed information about the need for the extension.
 - a. For projects pursuing ILFI certification (Living Building Challenge, Living Community Challenge, Petal Recognition, or ~~Net Zero Energy Building~~), performance based requirements such as energy and water must demonstrate compliance through certification from ILFI within the two year timeframe noted above.
 - ~~b. For projects pursuing Built Green certification post-occupancy compliance must be demonstrated with analysis proving 12 consecutive months of net zero energy performance and/or 70% reduction in occupant water use. It is the owner's responsibility to submit utility information to Built Green so analysis can be conducted and shown to the Director.~~
 - c. For projects pursuing LEED certification, the applicant or owner must show proof of certification by way of the final LEED Construction Review report and LEED Certificate issued by USGBC/GBCI.
8. If the Director determines that the report submitted provides satisfactory evidence that the project has complied with the standards contained in this subsection, the Director shall send the owner a written statement that the project has complied with the standards of the Shoreline Deep Green Incentive Program. If the Director determines that the project does not comply with the standards in this subsection, the Director shall notify the owner of the aspects in which the project does not comply. Components of the project that are included in order to

comply with the minimum standards of the Shoreline Deep Green Incentive Program shall remain for the life of the project.

9. Within 90 days after the Director notifies the owner of the ways in which the project does not comply, or such longer period as the Director may allow for justifiable cause, the owner may submit a supplemental report demonstrating that alterations or improvements have been made such that the project now meets the standards in this subsection.
10. If the owner fails to submit a supplemental report within the time allowed pursuant to this subsection, the Director shall determine that the project has failed to demonstrate full compliance with the standards contained in this subsection, and the owner shall be subject to penalties as set forth in subsection 20.30.770.