

INCENTIVES

SMARTCODE MODULE

PREPARED BY DUANY PLATER-ZYBERK & CO. AND SANDY SORLIEN

Correction does much, but encouragement does more.

Johann Wolfgang von Goethe

1.7 INCENTIVES

If the SmartCode is adopted as a parallel code (i.e., mapped and available as an option by right, with the old code also available), or as a floating zone (unmapped, a code without a regulating plan), it is advisable to incentivize its use. Each of these provisions should be discussed and accepted dependent on local circumstances, for they may not prove to be true incentives, nor politically feasible.

1.7.1 The phrase “to the extent authorized by state law” should be superfluous in a properly calibrated code. It should be possible to determine whether the municipality can legally grant an incentive. Subsections (a) through (h) are types of incentives that have been used in various jurisdictions, but the calibrator should not avoid research and wordsmithing, while being aggressive and creative.

1.7.1a Whether a public hearing is required or optional is typically a matter of state law. For the SmartCode, the ideal process concludes that the required hearings were, in effect, complied with in the process of the adoption of the code by the Legislative Body. Therefore if a plan follows the code without need of Warrants or Variances, it has been effectively approved under the authority of the code-approval hearings. These conditions must therefore be verified by an attorney.

Many state codes have mandatory time periods in which applications must be heard. Care must be taken not to delay non-SmartCode projects past those deadlines.

1.7.1 g & h Tax relief is specific to local authority.

1.8 AFFORDABLE HOUSING INCENTIVES

See also the notes for 1.7.1a, g & h above. Other incentives may be added particular to the local situation. For example, if there are oversized lots in an area where the community supports adding affordable housing, a subdivision incentive may be possible, whereby a property owner can create a substandard lot if it is dedicated to a deed-restricted affordable unit.

Municipalities may want to specify a percentage of affordable housing after which the incentives would apply.

It is important to design affordable units so that there is no discernable outward difference between them and nearby market rate units.

For more detailed policy provisions, see the Affordable Housing Policy Module at www.transect.org.

ARTICLE 1. GENERAL TO ALL PLANS**1.7 INCENTIVES**

- 1.7.1 To encourage the use of this Code, the **Legislative Body** grants the following incentives, to the extent authorized by state law:
- a. Applications under this Code **shall** be processed administratively by the CRC rather than through public hearing.
 - b. Applications under this Code **shall** be processed with priority over those under the existing conventional zoning code, including those with earlier filing dates.
 - c. The municipality **shall** waive or reduce review fees.
 - d. The municipality **may** increase Density by the **subsidized** Transfer of Development Rights.
 - e. The municipality **shall** waive the traffic impact report.
 - f. The municipality **shall** construct and maintain those internal Thoroughfares that through-connect to adjacent sites.
 - g. The municipality **shall** maintain property taxes at the level prior to the approval, until such time as a certificate of occupancy has been issued for each building.
 - h. The municipality **shall** provide tax relief to first-time buyers of dwellings and newly created businesses within Zones T4, T5 and T6.

1.8 AFFORDABLE HOUSING INCENTIVES

- 1.8.1 To encourage the provision of Affordable Housing, the **Legislative Body** grants the following incentives:
- a. Applications containing Affordable Housing that meets this Code shall be processed administratively by the CRC. Others shall be processed by Variance.
 - b. Applications containing Affordable Housing shall be processed with priority over others, including those with earlier filing dates, providing that other applications are not pushed past their deadlines.
 - c. Highest priority for processing and for approval shall be given to applications involving partnership with a community land trust or other non-profit organization responsible for ensuring the long-term retention of the Affordable Housing.
 - d. The municipality shall waive or reduce review fees for applications containing Affordable Housing.
 - e. The municipality may increase Density for projects containing Affordable Housing.
 - f. The municipality may waive or reduce parking requirements for Affordable Housing units located within a quarter mile of a transit stop.
 - g. The municipality shall provide a property tax exemption for Affordable Housing units meeting established criteria.