



Potential Tools to Implement Olympia Downtown Strategy (DTS)

This list summarizes potential business and development tools available to local jurisdictions in Washington State. As noted in the second column, many of these tools are already being used by the City of Olympia (or in some cases, an applicable partner). The DTS recommends additional tools to promote the City’s housing goals be determined as part of forming a comprehensive housing strategy.

Tool	✓ In effect in Olympia * Priority to add + In effect, but DTS recommends action	Description	Application and/or Source of Funds	Opportunities	Challenges	Notes	
Planning and Zoning							
1	Expedited permit review process		Expedite building permits for pre-approved development types or green buildings. (Also see SEPA exemption #3)	Limited costs generally paid for through development fees	<ul style="list-style-type: none"> • Can be targeted to a specific development type that meets defined community goals • Can save projects time in development process, which produces financial savings 	<ul style="list-style-type: none"> • May not have a large enough impact on development bottom line to change financial viability of project • There are limits to how quickly the City can review an application that is complex or has a public comment period 	The City is more focused on #2
2	Streamline permitting processes	✓	Avoid inefficient permitting processes that create confusion, cost and waste for applicants, the public and the City. Rather, the City envisions a permit process that allows for electronic submittal and review, real time tracking of inspections results, easier access to public information, and is accessible 24/7.	CP&D is implementing a new enterprise software system known as SmartGov, which will allow for enhanced access to our land use, permit & inspection processes	<ul style="list-style-type: none"> • Staff has invested time and energy in applying “lean” techniques to the development review process, including streamlining the intake and final inspections processes 	<ul style="list-style-type: none"> • It is challenging to institute system changes during periods of high activity. 	The City will continue to build a lean culture that provides for efficient processes and open and transparent access to information

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3	SEPA Exemptions/Planned Action	√	For areas where an Environmental Impact Statement was completed for a comprehensive plan or subarea plan, this tool limits or eliminates the need for additional environmental review for each individual development project.	Planned actions require city funding up-front for the initial EIS, and additional definition of specific area-wide environmental impacts. Fund source is at city's discretion.	<ul style="list-style-type: none"> • Can rely on the existing EIS completed for Olympia Comp Plan. • Reduces time and cost of permitting process for development this is consistent with Comp Plan and EIS. • Removes or significantly lessens risk of an appeal of permit issuance. 	Keeps the public notice and comment opportunities in the Olympia Municipal Code for individual project proposals, but removes the additional SEPA process and comment opportunity.	<p>DTS recommends establishing Downtown as a SEPA exemption area</p> <p>SEPA exemption under consideration in 2017</p>
4	Inclusionary Zoning		Require or provide incentives to ensure a proportion of units within new housing developments are committed to be affordable to low-income segments of population	Cost is typically borne by private housing developers as part of market-rate development	Can provide additional housing units for low-income segment of population. Units are mixed with market-rate units within same development.	Increases cost of overall development, which can raise rental rates for remaining units within that development. With incentive-based approaches, these cost increases may be offset by the value of the incentives.	Generally works best in very strong housing market conditions
5	Eliminate off street parking requirements	+	General concept is that minimum parking requirements increase the cost of projects and can hinder multifamily development. However, there are currently no minimum parking requirements for residential projects located in Downtown, and commercial parking requirements are somewhat reduced. Even so, developers still strive to provide between .75 and 1.0 parking stalls per residential unit	The City has engaged a parking consultant to review its parking requirements and develop a comprehensive parking strategy	<ul style="list-style-type: none"> • The parking strategy will include recommendations for parking management, parking facilities and supply including surface lots and potential parking structures. • The parking strategy will examine the residential parking program and its impacts on businesses and other Downtown users. 	<ul style="list-style-type: none"> • Elimination of parking requirements can have unintended consequences on surrounding on-street parking 	DTS recommends completion of a Parking strategy, which may result in a recommendation to further reduce commercial parking requirements or other measures

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6	Enact high-density and multiple family zoning	√	<p>The general concept is that low density zoning results in inefficient use of land and infrastructure; higher density zoning in urban areas increases housing opportunities, reduces costs and helps transit.</p> <p>Downtown Olympia is comprised of a variety of zoning districts that range from UW-H 35 to DB that allow buildings between 35 feet and 90 feet with bonuses for residential development. The density of a project like 123 4th Ave is over 200 units per acre.</p>	Part of the development code	<ul style="list-style-type: none"> Rezoning undeveloped parcels in existing neighborhoods could help to increase overall densities Looking strategically for opportunities to increase density within high density corridors and near neighborhood centers and existing commercial centers like the mall 	<ul style="list-style-type: none"> There does not appear to be demand for greater densities in the Downtown at this time Rezoning undeveloped parcels in existing neighborhoods would likely result in neighborhood opposition 	In effect for most of Downtown. A broader review of “missing middle housing” is planned for 2017. This exercise will focus on ways to increase density in existing neighborhoods, and could impact the SE area of Downtown.
7	Allow Accessory Dwelling Units	√	<p>Accessory dwelling units (ADU’s) are smaller homes either attached or detached located on a single family lot. ADUs can add density to neighborhoods, increase access to homeownership by creating rental income for owners and provide affordable housing for renters. Olympia’s development code includes provisions for ADUs, however, few ADUs have been constructed in the City, and some barriers have been identified in the regulations .</p>	Part of the development code	<ul style="list-style-type: none"> ADUs are a viable means to increase density in existing neighborhoods Amending regulations may make adding ADU’s to single family properties more feasible 	<ul style="list-style-type: none"> ADUs can create parking and other conflicts in existing neighborhoods 	Allowed in all residential zones, but improvements could be made. ADU’s are a likely option in the SE Downtown neighborhood. The 2017 review of the “missing middle” will review the City’s ADU regulations, and evaluate potential changes to make these a more viable option.

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8	Establish Density Bonuses	√	To encourage more residential development in Downtown, Olympia's development code allows two additional floors above the zoning height limits if the equivalent amount of residential is developed – in most of the DB and UW zoned areas	Part of the development code	<ul style="list-style-type: none"> • Can stimulate development of housing by making the projects more cost effective 	<ul style="list-style-type: none"> • Building heights above 75 feet require Type I or Type II construction that is more costly than the Type V construction allowed at lower heights 	Two recent projects took advantage of the height bonus option and the developers tell us it was a key component to feasibility: 123 4 th and Columbia Place
Capital Improvements							
9	Capital Facilities Plan projects	+	Funding of infrastructure for projects of high priority in Downtown or citywide	Most appropriate for core infrastructure such as roads, utilities & public facilities	<ul style="list-style-type: none"> • To use CFP process consistent with state GMA. • Related funding options include Transportation Benefit District (TBD) & Transportation Improvement Program (TIP) • Could include General Obligation or Revenue Bonds or other new funding sources 	<ul style="list-style-type: none"> • Downtown funding allocations typically compete with other project priorities citywide. 	DTS recommends 5 key street segments improved – these would be part of the CFP
10	Transportation Benefit District	√	Independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district	State-authorized fees on vehicle license tabs Governed by separate board. Olympia TBD is citywide.	Provides additional funding for transportation improvements	Increased fees to citizens	Olympia's TBD funds pavement management, and these funds are being directed toward DTS street improvements over the next 6 years

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11	Metropolitan Parks District	√	Junior property taxing district with special taxing authority for the management, control, improvement, maintenance, and acquisition of parks, pathways, boulevards, recreational facilities, programs, and services	Voted property tax	Provides additional funding for parks improvements	Increased taxes to city property owners, though voted. As a junior taxing district, may be subject to limitations on taxing authority.	Governed by separate board. Olympia MPD is citywide. The MPD has an inter-local agreement with the City of Olympia to provide staffing services.
12	Local Improvement District (RCW 35.43)	*	Assessment of property owners for the costs of a public improvement (as for public parking & transportation facilities, utility infrastructure or public facilities)	Most suited for improvements of widespread public benefit (such as for shared parking or streetscape)	<ul style="list-style-type: none"> • Can be paid over time via City bonds that are repaid by owner assessments (enforceable) • Widely used mechanism with payments structured proportionate to benefits 	<ul style="list-style-type: none"> • Subject to remonstrance if protested by owners paying 60%+ of improvement • Differential rate structures can be difficult to set • Not presently used in Olympia, but was used to fund the original phases of Percival Landing 	<p>DTS recommends the City explore this option</p> <p>Further analysis needed</p>
13	Parking & Business Improvement Area (RCW 35.87A)	√	Similar to LID, except that businesses rather than property owners are assessed. Can be used for promotion, management & planning as well as capital improvements.	<p>Staff support to PBIA Board is provided by the City</p> <p>Most appropriate for on-going programs rather than as source of funding for major capital improvement projects</p>	<ul style="list-style-type: none"> • Ability to assess businesses if more supportive than property owners. • Flexibility in assessment formula and ability to pay for operating as well as capital expenses. 	<ul style="list-style-type: none"> • Subject to remonstrance if opposed by owners paying 50%+ of proposed assessment • Less ability to enforce repayment, especially as collateral for bonding 	<p>DTS recommends the Board explore expanding the PBIA boundary</p> <p>Further analysis needed</p>

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14	Community Revitalization Financing (RCW 39.89)		Authorized by the 2001 Legislature. CRF enables 75% of added property tax generated within a geographically defined “increment area” to fund public improvements (infrastructure including park facilities) and spur development in areas characterized by unemployment & stagnant income growth. Can be general revenue or general obligation bonds.	Most suitable for Downtown projects that fit within the statutory definition of a public improvement and will directly stimulate an area in which substantial new private tax assessed valuation is being developed	<ul style="list-style-type: none"> • CRF may be coordinated with other programs by the local government or other jurisdictions • May receive less than full increment as long as bond payments are covered May be securitized by non-public participant. 	<ul style="list-style-type: none"> • CRF increment area requires prior written agreement from taxing districts levying 75%+ of regular property tax • Not usable for projects not covered by “public improvements” definition • City has no CRF experience & tool is not well used statewide 	Has been implemented in Spokane (Iron Bridge TIF area) Uncertain if available to us - Further analysis would be needed.
15	Community Economic Revitalization Board / Local Infrastructure Financing Tool Competitive Program (CERB/LIFT)	+ CERB direct funding: in effect – through competitive process. LIFT: Not in effect, and the program is not funded	Authorized by 2006 Legislature (E2SHB 2673) to fund infrastructure, including: roadway, utility, sidewalk, parking, public park/rec. facilities. Uses a form of tax increment financing with revenue or General Obligation bonds repaid over up to 25 years as a state sale & use tax credit matched by increased local funds (including local sales/use/property tax revenues) within a defined Revenue Development Area	In current form, CERB/LIFT is most suited for projects that involve committed on-site or nearby significant private investment. Projects funded to date in Bellingham, Spokane County, Vancouver, Bothell, Everett & Federal Way.	<ul style="list-style-type: none"> • Offers the most comprehensive form of tax increment financing available to date in Washington State • Added revenues return to local governments after bonds repaid • Authorizes securitization of debt from non-public participants, including the private developer with whom the sponsoring government has contracted for private improvements 	<ul style="list-style-type: none"> • Limited to projects involving private development that also increase RDA sales & property taxes • Limited to one RDA per county and maximum of \$1 million per year to any single project • Statewide cap of \$2.5 million for 2008 competitive funding 	Greater utility as a sustainable tool likely is predicated on future legislative amendments. LIFT has not received state funding per WA Dept. of Commerce website The DTS recommends applying for CERB funds as they become available

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16	Port District (RCW 53)	√	In addition to authority for harbor, transportation & industrial related facilities, Ports may improve land for commercial use, engage in economic development, use community revitalization financing and powers of a community renewal agency, and provide park & recreation facilities linked to water & transport activity	Property tax levy	<ul style="list-style-type: none"> Ports may annually levy up to \$0.45 per \$1,000 tax assessed value plus a 6-year (renewable) industrial development district levy of up to an added \$0.45 Non-voted property tax base provides stable funding for a range of economic development purposes 	<ul style="list-style-type: none"> Downtown development is often viewed as outside the purview of core Port operations & facilities 	Port of Olympia has been involved with several Downtown related development activities (e.g., East Bay, Port Plaza). The Port is a potential partner on future projects to meet Downtown goals.
17	Community Development Block Grant (CDBG)	√	CDBG projects require at least 51% of new jobs created to be for persons of low or moderate income. Project priorities cover expansion of economic opportunity, provision of decent housing & suitable living environment.	City receives annual entitlement grant	<ul style="list-style-type: none"> Funds are typically available for planning and implementation of community & economic development projects Can include Section 108 lending for economic development projects 	<ul style="list-style-type: none"> City receives about \$400,000/yr., and the funding is prioritized for low-income housing, sidewalks & 15% social services The federal program may be at risk of budget cuts 	
18	Community Development Corporation		For-profit or non-profit organizations governed by neighborhood representatives to revitalize disinvested neighborhoods.	Investments by individuals, faith-based organizations, small business owners or other local stakeholders	Can provide investments in affordable housing, support services and leadership development	<ul style="list-style-type: none"> Identifying investors Organizing and maintaining the organization 	

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Partnerships							
19	Community Renewal Area (RCW 35.81)	+	Adopted by the 2002 Legislature as a replacement for the state's urban renewal laws. Allows purchase of property, public improvements & public-private development pursuant to a community renewal plan within an area declared as "blighted." Funding can be provided by general obligation, revenue, or LID bonds. Allows for excess property & sales taxes to pay for capital costs for up to 5 yrs.	The City of Olympia adopted a CRA in 2015, and is currently working with private development teams on projects near Waster Street and 4 th Ave. Renewal areas have also been established in cities such as Anacortes, Bremerton (with Kitsap Housing) & Vancouver	<ul style="list-style-type: none"> • May be implemented directly by local government or delegated to another public body including PFD, PDA, port or housing authority • Can use with eminent domain for public use or community renewal • Could include a variety of public-private partnership approaches including: site assembly, public development offerings (RFP/RFQ) and ROI model for funding 	<ul style="list-style-type: none"> • Requirement for declaration of blight limits flexibility of program in some high performing urban centers • Does not directly provide new funding resources except as are already available to local municipalities 	The DTS recommends the City continue to pursue CRA projects
20	Public Development Authority (RCW 35.21.730-32.21.755)		Authorized as a "public corporation," a sub-agency of a city, town, or county with no defined authority. Intent is to improve administration of federal grant programs, improve governmental efficiency. PDA funds & indebtedness "shall not constitute public moneys or funds of any city, town, or county and at all times shall be kept segregated and set apart from other funds."	Potentially viable as a governing structure (with 49 PDAs statewide as of 2007) for public-private development	<ul style="list-style-type: none"> • Liabilities are those solely of the PDA and not those of the creating city or county • May avoid state "lending of credit" issues if project is funded through federal or non-state/ local contributed resources (with PDA serving a "conduit" role) • PDA property & revenues exempt from taxation – like town or county. 	<ul style="list-style-type: none"> • No power of eminent domain or ability to levy taxes/special assessments • No added advantages for locally generated municipal financing beyond what is already available to city & county governments. • Olympia has no PDA experience to date 	Advantages of this public organizational structure are greatest if significant federal or other non-local funding and/or public-private partnerships are involved

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22	Sale of Surplus Public Land	+	City-owned properties, such as surface parking lots, could be redeveloped under public/private partnerships to meet objectives (e.g., low income housing, parking structure, etc.)	The City Council would have to determine that City owned property is indeed 'surplus'. The City has previously sold surplus land to low income housing and homeless service organizations for \$1.	<ul style="list-style-type: none"> • Powerful tool to incentivize implementation of community goals • City can influence what is ultimately developed there 	<ul style="list-style-type: none"> • Limited resource 	<p>DTS recommends the City further consider how surplus properties could be used to meet Downtown goals</p> <p>Further analysis needed</p>
22	Housing Authority of Thurston County	√	Separate agency that funds housing projects throughout Thurston County	Funded from a variety of sources	<ul style="list-style-type: none"> • Decision structure for dispersing aggregate funds to create bigger impact 	<ul style="list-style-type: none"> • Olympia specific needs are balanced within broader regional needs • Limited resource 	Projects are proposed by the Housing Authority
23	Local Housing Levy		Currently proposed by local advocacy group as a levy option sent to the voters for additional property tax to fund housing for low to moderate income housing units	Would be a voter-approved optional tax	<ul style="list-style-type: none"> • Would provide additional housing units for low to moderate income segments of the city population 	Requires voter approval	More information needed. Local advocacy group currently proposing based on Bellingham model
24	Partner with non-profit community Development Corporations (CDCs),		CDCs have proven very efficient in providing affordable housing because they can combine funds from a variety of sources and also develop projects like a for-profit developer. They are particularly valuable for developing and managing affordable housing..	CDCs typically integrate funds from grants, gifts and government sources.	<ul style="list-style-type: none"> • The City might contribute a piece of property to a non-profit housing developer as a seed for an affordable housing project. • Because non-profits also manage properties, they can guarantee long term affordability. 	<ul style="list-style-type: none"> • CDC's require a fiscal resource base such as a piece of property. • Most projects rely on federal funding and federal funds are apparently diminishing. 	Working with non-profit housing providers or a PDA might be an efficient way to leverage housing levy funds.

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25	Main Street Program	√	Washington State’s program provides services and assistance for Downtown revitalization focused on organization, promotion, design & economic restructuring	Administered by the Olympia Downtown Association, which is at the top tier level of state Main Street designation	<ul style="list-style-type: none"> Program based on a proven model pioneered by the National Trust for Historic Preservation Offers a tiered approach to participation at the start-up, affiliate and designation levels 	<ul style="list-style-type: none"> Not suitable for Downtowns unprepared to commit staff resources. State funds limited for added cities @ top tier designation level (11 as of July 2008) 	The City often works in partnership with the ODA
26	Commercial Land Trust		Private non-profit enterprise owning and managing property or commercial lease space in trust for businesses that use that space	Varied-	Provides low-cost space for emerging businesses. Can mitigate the effects of speculative rent pricing and ensure long-term affordability for small businesses leasing space.	Start-up and operational funding for the non-profit enterprise	Typically operated as a non-profit organization
Fiscal Incentives							
27	Historic property tax ‘special valuation’ (RCW 84.26)	+	As adopted by the 1985 Washington State Legislature, historic properties may qualify for “special valuation” with rehabilitation improvements not taxed for 10 years. Available for designated properties or in the designated Downtown Historic District	Potential use for qualifying Downtown structures through local review process. Heritage Commission is lead entity	<ul style="list-style-type: none"> Available to commercial & residential structures Olympia has adopted a required local ordinance and a board to review applications 	<ul style="list-style-type: none"> Property must be listed in local or national historic register Rehabilitation costs must be 25%+ of a building’s assessed valuation prior to application 	<p>To enable more eligible properties, the DTS recommends the City consider updating the historic district boundary – this would follow a historic inventory that is underway</p> <p>Further analysis needed</p>

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28	Federal Historic Preservation Tax Credits	+	<p>The Tax Reform Act of 1986 provides tax credits of:</p> <ul style="list-style-type: none"> • 20% for certified rehab of certified historic commercial & rental residential structures • 10% for rehab of non-historic, non-residential buildings built pre 1936. Expenditures must exceed the adjusted basis of the building. 	<p>Potential use for qualifying Downtown structures through consultation with City & the WA State Historic Preservation Office</p>	<ul style="list-style-type: none"> • One of the most powerful federal tax incentives available • 20% applicable to structures in national historic districts • Substantial track record across the U.S. & state of Washington via the State Historic Preservation Office (SHPO) as first point of property owner contact 	<ul style="list-style-type: none"> • 20% tax credit projects must meet Secretary of Interior standards for “certified rehabilitations” • In some cases, cost of meeting rehab standards may equal or exceed value of the tax credit • No Downtown businesses have applied in recent years 	<p>To enable more eligible properties, the DTS recommends the City consider updating the historic district boundary, following the inventory</p> <p>Further analysis needed</p>
29	New Market Tax Credits	Not available for Downtown	<p>Federal program of tax credits over 7 years for up to 39% of the investment cost of qualified equity investments through a Certified Development Entity (CDE). Investments must be made in low income communities or for low income persons.</p>		<ul style="list-style-type: none"> • Most commercial & mixed use projects in low income communities qualify • Can use with historic tax credits • 294 awards have been made totaling \$16 billion across U.S. 	<ul style="list-style-type: none"> • Requires a commercial use component • Has required on-going reauthorization by Congress • Complex program needing experienced CDE partner 	<p>N/A in Downtown - Census tract does not qualify as low income.</p>

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30	HUD Section 108 loan guarantee	√	<p>HUD Section 108 is one mechanism that increases the capacity of block grants to assist with economic development projects, by enabling a community to borrow up to 5 times its annual CDBG allocation. Can be used for:</p> <ul style="list-style-type: none"> • Real Estate • Infrastructure improvements • Machinery/Equipment • Working Capital <p>Requires job creation in proportion to funding amount - 1 job per \$35,000 of assistance. While best suited to non-construction activities, can be used for construction (triggers prevailing wage requirements)</p>	Federal HUD funds	<ul style="list-style-type: none"> • Lower interest (typically 2% below market) loans • Max. 20 year term • Flexible terms can be structured depending on needs of business • Program has been run since 1974 and is seen as being fairly reliable 	<ul style="list-style-type: none"> • Process to secure loans/grants for individual projects can be lengthy (6-9 months) • Administration and projects must meet federal guidelines, such as Davis Bacon const. requirements • Amount of federal funding for CDBG has been diminishing over the past few years • Compliance requirements similar to CDBG program, incl. job creation reporting and compliance monitoring • Coordination and administration done by City staff 	The federal program may be at risk of budget cuts

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31	EB-5	√	Investment dollars for new commercial enterprises that will benefit the US economy primarily by creating new jobs for US citizens. There are two versions of the program: 1) the original program that requires foreign investor to commit \$1 million for eligible projects that create at least 10 full-time direct jobs, and 2) the newer program that allows foreign investors to commit \$500,000 in eligible projects within Targeted Employment Areas that create at least 10 direct and/or indirect jobs. In return for these investments foreigners seek US citizenship.	Requires foreign investment for eligible projects EB-5 program is managed through the US Dept. of Immigration. The WA Regional Center (WRC) located in Lacey raises foreign investment capital & encourages creation of new business opportunities to stimulate the regional economy through the EB-5 program.	<ul style="list-style-type: none"> • Relatively low-cost source of equity for appropriate projects • Projects can be construction (new or rehabilitation), or direct investments into businesses that will create required jobs • EB5 can be bundled with many other funding sources 	<ul style="list-style-type: none"> • \$500,000 program investor projects must be in an EB-5 eligible “targeted employment area” (TEA’s have unemployment rates in excess of 150% of the federal rate for a given year - TEAs are established and adjusted by the governors of each state) • Must meet job generation requirements within 2.5 years • Investors expect to get their equity investment repaid at the end of five years • It takes added time to secure EB5 funds due to federally required process steps 	The project constructed at 123 4th went through the WRC and EB-5 funding was provided by Lou Development LLC (Steven Lou)
32	Reduced building/ planning/ impact/ SDC fees	+	Concept is to reduce various development fees as an incentive to induce qualifying types of development or building features Currently, a variety of uses in the Downtown have lower impact fees relative to other areas of the city	General Fund or impact fund, respectively	<ul style="list-style-type: none"> • Increases development feasibility by reducing soft costs for developers • Fee cost structures are within City control and can be easier to manipulate than other components of the development cost structure 	<ul style="list-style-type: none"> • Reduces revenues to provide permitting & compliance services • If impact fees are reduced for some developments, that revenue burden will be shifted to other developments 	The DTS recommends City explore extending the lower impact fee benefit to additional uses (e.g., pharmacies do not currently have lower impact fees (or at least it’s not clear that they do)) Further analysis needed

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33	Brownfields Area-Wide or Property-Specific Grants/Loans	+	Federal and State funds for area-wide or property-specific grants or loans to assist with clean-up of sites with contamination	Several funding programs operated by the US Environmental Protection Agency (EPA), WA Depts. of Ecology and Commerce	Can reduce or remove risk for potential buyer of the property for redevelopment	<ul style="list-style-type: none"> • Several funding programs with varied eligibility requirements • Most are competitive application processes • EPA funds may be at risk of federal budget cuts 	DTS recommends applying for an EPA assessment grant, and other funds applicable to projects as opportunities arise
34	Multi-Family Tax Exemption (OMC 5.86)	√	A time-limited reduction in property taxes (8 years for market rate housing and 12 years if 20% of units are affordable housing) for new or rehabilitated multi-family residential units. Olympia has adopted 'target areas' for eligibility for this program, which includes Downtown.	Local taxing jurisdiction	<ul style="list-style-type: none"> • Increases the financial feasibility of property improvements • Often more politically acceptable than other funding sources; it does not require a budget allocation 	<ul style="list-style-type: none"> • Reduces general fund revenues for all overlapping taxing districts • Can require ongoing monitoring to ensure compliance and accountability 	The DTS feasibility study showed this to be one of the most powerful tools to incentivize housing development
35	HOME Investment Partnership Program (federal)	√	Funding for housing construction, rehabilitation and reinvestment	Federal funds	Additional funding for housing units	Must meet federal guidelines	CIP funding decisions made collectively at county-wide level. City of Olympia has seat at the table.

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36	Low-Income Housing Tax Credits (fed/state)	√ For qualifying projects through state-wide competitive process	Provides tax credits for acquisition, rehabilitation, new construction of rental housing targeted to lower-income households. At least 20% of residential units must be restricted to low income residents with income less than 50% median gross income of the area-or at least 40% of the units must be restricted to low income residents with income of 60% or less of the median gross income of the area.	Private and institutional investors/ Federal Government	<ul style="list-style-type: none"> • Can increase the supply of affordable housing in an area • Because they provide much of the equity needed for a project, a tax credit property can in turn offer lower, more affordable rents • Can be used to fund mixed-income projects • There are two types of LIHTCs, 4% (less money and less competitive) and 9% (more money but highly competitive) 	<ul style="list-style-type: none"> • States allocate federal housing tax credits through a competitive process. • Property must maintain compliance with program requirements to remain eligible. 	
37	Housing Trust Fund (state)	√ Yes, for qualifying projects through state-wide competitive process	Operated by Housing Finance Commission to provide funding for housing development throughout the state.	State funded & administered	Dedicated public revenue stream	Very competitive process for projects to receive funding	
38	Adaptive Re-Use District		An ordinance that allows some deviation from conventional regulatory standards (but not life safety or health standards) for adaptive reuse projects in a designated district. Also includes an expedited review process and provides additional staff assistance in preparing permit applications for re-use projects within the district.	Additional City permit review staff time is required but no public funds are required.	<ul style="list-style-type: none"> • Establishing an Adaptive Re-use district in the Art-Tech character area might be a good place to start. • Expedited review might be combined with staff assistance for securing funds from other incentive sources such as #27, #28, #29, #30, #32, #34, and #39. So there might be a staff resource to assist owner/developers to prepare projects combining incentives. 	The City of Olympia has already reviewed building and land use code standards to remove unnecessary hurdles so there may not be many opportunities to relax unnecessary standards. See also tool #1 Expedited permit review processes.	Los Angeles has a successful program that has encouraged dozens of projects. See http://preservation.lacity.org/incentives/adaptive-reuse-ordinance

Tool		✓ In effect in Olympia * Priority to add + In effect, but DTS recommends action	Description	Application and/or Source of Funds	Opportunities	Challenges	Notes
39	HUD 202 supportive housing for the elderly		Provides interest-free capital advances through a competitive process to private, nonprofit sponsors to finance housing development for low-income seniors. The nonprofit must provide a minimum capital investment equal to 0.5 percent of the HUD-approved capital advance, up to a maximum of \$25,000.	Federal HUD funds	<ul style="list-style-type: none"> • Occupancy in Section 202 housing is open to any very low-income household comprised of at least one person who is at least 62 years old at the time of initial occupancy • Capital advance does not have to be repaid as long as the project serves very low- income elderly persons for 40 years 	<ul style="list-style-type: none"> • Competitive process to secure loans/grants for individual projects • Difficulty in retaining experienced contractors over lengthy application and fund disbursement timeframes 	
40	Community Land Trust		A non-profit entity that holds land for the development of a community asset, such as affordable housing. The trust owns underlying land, while individuals or cooperatives own the buildings on the land.	Various. As a non-profit, the trust may access grant funding, donations, or other sources.	<ul style="list-style-type: none"> • Cost of homes is typically less, as buyers are purchasing the building only, and not also paying for the land • Homeowners within the trust gain equity, as the value of building improvements is generally credited back to the owner upon resale • The property is owned by the trust in perpetuity • The trust may provide land for other community assets, such as community gardens, community center, or small commercial space 	<ul style="list-style-type: none"> • Start-up and long-term management of the trust can be complicated • Funding for purchase of land may be challenging. 	There are numerous examples of community land trusts in Washington and nationwide
41	Limited Equity Housing Cooperative		Similar to a community land trust, except ownership is shared through a cooperative of residents Olympia has development code provisions for co-ops	Costs are generally shared among cooperative members	Community residents share in all decisions, costs and benefits of the property	<ul style="list-style-type: none"> • Self-governing can be challenging • Some cooperatives have long-term residents, making it somewhat difficult for new residents to join 	There is currently one cooperative operating in west Olympia

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42	Commercial Linkage fees		City-levied fees on commercial developments for nearby affordable housing, either by paying into an affordable housing fund or directly constructing affordable units	Commercial development fees	Increases the number of affordable housing units constructed	<ul style="list-style-type: none"> • Directly increases costs of commercial development, which can be passed on to customers or renters • May be a disincentive to commercial development in the community, particularly if neighboring jurisdictions do not adopt a similar approach 	Similar to inclusionary zoning, requires an extremely strong economic market
43	Tax vacant land or donate it to non-profit developers		Vacant land/building registration ordinances that require registration of vacant land and often require a fee. Fees increase the longer a property remains vacant. Some communities such as the City of Seattle have a landlord registry and inspection program. This program could be used to track vacant properties that can quickly become code enforcement and crime problems.		<ul style="list-style-type: none"> • Create a vacant property registry if a property remains vacant for more than a year • Could facilitate more responsive code enforcement response to nuisance properties • Property that is owned by the County for failure to pay back taxes could be used 	<ul style="list-style-type: none"> • Minimum housing standards generally enforced through code enforcement process • A new program would require resources and staffing 	Further study would be needed
44	Safety Improvement Loans or Grants	*	Create a low-interest loan or grant program to help property owners and small businesses cover costs associated with building rehabilitations, in particular structural assessments and installing fire sprinklers (identified as potential cost barriers by DTS participants.)	Unknown at this time – may be possible to use CDBG	<ul style="list-style-type: none"> • Could be used to improve safety in existing buildings where there is no permit activity to spark upgrade requirements • Non-local funds may include resources as diverse as CDBG & bank lending 	<ul style="list-style-type: none"> • Having a structural assessment does not necessarily lead to structural upgrades, which can be more costly 	DTS recommends the City explore options for such a program Further analysis needed

Tool		√ In effect in Olympia * Priority to add + In effect, but DTS recommends action	Description	Application and/or Source of Funds	Opportunities	Challenges	Notes
45	Façade Improvement Loans or Grants	*	<p>Create a low-interest loan or grant program to help property owners and small businesses cover costs for renovation of storefront façades.</p> <p>Might be accompanied by technical assistance to business & property owners focused on architectural design & cost estimating services.</p>	Unknown at this time – may be possible to use CDBG	<ul style="list-style-type: none"> • Non-local funds may include resources as diverse as CDBG & bank lending • Direct local City funding may be possible through mechanisms such as façade easements 	<ul style="list-style-type: none"> • For some buildings, investment need may extend well beyond façades to cover other building upkeep • In cases where demolition is the best option, the focus might shift to evaluation of options for façade preservation 	<p>DTS recommends the City explore options for such a program</p> <p>Further analysis needed</p>
46	Main Street Tax Credit Incentive Program (RCW 82.73)	√	Provides a 75% Business & Occupation (B&O) or Public Utility Tax (PUT) credit for private contributions to eligible Downtown or neighborhood commercial district revitalization organizations	Administered by the Olympia Downtown Association	<ul style="list-style-type: none"> • No restriction on use as long as non-profit meets its exempt purpose 	<ul style="list-style-type: none"> • Limited to a total of \$1.5 million in credits statewide & \$100,000 annually to each Downtown program 	In recent years the ODA and other Main Street administrators have been lobbying the State legislature to increase the budget from \$1.5 to \$3m due to growth of the program, but efforts have so far been unsuccessful
47	Grow Olympia Fund (GOF) Loans	√ Through contract with National Development Council (NDC)	<p>Small business loan fund for eligible improvements and expansions:</p> <ul style="list-style-type: none"> • Real Estate • Machinery/equipment • Working capital • Must meet Small Business Administration (SBA) eligibility guidelines • Tenant improvements by tenant businesses (if SBA eligible) 	Capital provided by NDC. City of Olympia contracts with NDC for Fund administration and loan servicing, primarily using Community Development Block Grant funds	<ul style="list-style-type: none"> • NDC's staff provides all underwriting packaging and coordination w/Small Business Association • NDC services the loan for the entire term • Below market financing (up to prime -1 depending on credit) as first position loan • Term varied with useful life of assets financed 	GOF capitalized at \$1 million	Oly Coffee Roasters used GOF funds for their recent expansion on 4 th Ave

