

## **INFILL DEVELOPMENT INCENTIVES** **RECOMMENDED BY THE GENERAL ADVISORY PANEL (GAP)**

Some jurisdictions designate specific districts as priorities for infill development and grant incentives for projects only in those districts. Such designations often come about as part of a redevelopment process and thus many infill incentives, for example, those related to the upgrading of infrastructure and amenities in a particular area, are spearheaded by the local redevelopment authority. Other localities take a more ad hoc approach, granting incentives to projects in any area of the city as long as they meet particular criteria. In other instances, local planning commissions are given the latitude to waive certain zoning requirements for infill projects.

### **1) Adopt Infrastructure Strategies that Support Development in Infill Areas**

Infrastructure may be undersized by current standards or densities, or may be deteriorated or requiring replacement particularly for a larger infill project. There are a number of strategies related to infrastructure to increase the attractiveness of infill areas relative to outlying areas.

#### **Establish Focused Public Investment Areas**

Local jurisdictions can set the stage for infill development by using focused public investment strategies to direct growth and to target infill areas within urban areas. Within these focused public investment areas (FPIAs), local government will take a more proactive role in providing infrastructure and shaping growth. Such focused public investment can fill the gaps where basic infrastructure is missing or needs upgrading. In addition, directing desirable amenities such as parks or libraries to these areas can boost investor confidence in the market potential and stimulate surrounding private investment. Because of the expense of major public facilities, the FPIA program provides a compelling incentive for developing first in infill areas in designated FPIAs. The development of infill areas becomes increasingly attractive and profitable relative to sites outside of FPIAs.

#### **Tie Infrastructure Policy to Service Area Tiers**

A "tiering" of urban services can be used to accomplish similar objectives to those addressed by the focused public investment approach. The primary purpose of the technique is to assure a logical sequence of growth outward from developed areas. Generally, the designated tiers are in the form of concentric circles around existing urban centers. Local jurisdictions assume a greater share of the public improvements costs in the inner rings as an incentive to develop these areas first. Designating tiers which stage growth over time also allows service providers to better anticipate, plan and provide for growth. As the first tiers are fully developed, the next tiers in line become target areas for development.

#### **Reduce Impact Fees in Target Growth Areas**

Local governments can also enhance the relative attractiveness of infill area development by exempting developers from any fee associated with the provision of services within designated infill areas. If lower fees and standards are required in target infill areas than in more remote areas, these policies will provide incentives to develop in the target areas first. Level-of-service standards establish the minimum amount and quality of public facilities and services that must be provided to satisfy community needs. Impact fees are fees a local jurisdiction charges new

development to at least partially fund off-site public facilities and services made necessary by the new development. Service standards and impact fees are meant to assure that there are adequate facilities and services to support new development. Infill development results in higher average densities so that ongoing costs can be spread over a greater population base as existing facilities are more fully utilized.

## **2) Implement a Parcel Assembly Program and Strategic Land Banking**

Assembling small, individual parcels into larger blocks under common ownership can greatly enhance their development potential. Most large developers are used to working with parcels of 20 acres or more, making the development of relatively small infill parcels less attractive. Purchasing land under fragmented ownership can be time-consuming and costly for a developer. Far-sighted cities can aid this process by assembling, improving land and clearing title so the jurisdiction can better control development and assure that the development is consistent with community goals.

## **3) Provide Community Information and Sponsor Infill Demonstration Projects**

Objections raised by community residents at community meetings can result in delays or even a decision to deny a project. Because time is money, developers have one more reason to avoid the potential hassles of infill sites. Local jurisdictions can pave the way for responsible infill development by providing information which can reduce neighborhood resistance to well-designed, new infill development. To convince neighborhood residents, illustrations and demonstration projects may be most effective.

## **4) Consider (or Support Legislation for) Tax Incentives to Promote Infill Housing Adopt a Tax Increment Financing Program (TIF)**

Tax increment financing (TIF) is becoming an increasingly popular way to finance public investment and to stimulate private investment in infill or redevelopment districts. TIFs in Louisiana have evolved in to using sales tax in lieu of an incremental property tax. The municipality will make infrastructure improvements which will attract private investment. The TIF captures the additional tax from increased property values or sales tax and those funds are used for pre-determined improvements in that district.

## **5) Revise Codes to Eliminate Excessive Standards**

Adopting more flexible or less restrictive standards can allow infill development where existing regulations discourage such development. The size or configuration of these older parcels may make it difficult or impossible to develop while meeting current standards. Development code changes are generally possible while still maintaining desired neighborhood qualities, if a city is clear about what it is really trying to achieve. A number of communities have found that reduced residential lot sizes, reduced or averaged setbacks and reduced street and parking standards can stimulate development while producing attractive and livable neighborhoods.

### **Ease Standards for Pre-Existing (Nonconforming) Lots**

If a pre-existing lot does not meet current minimum lot size standards, it cannot be developed without special approvals. Variances or permits for nonconforming development may be

necessary for infill parcel development, if more restrictive standards have replaced standards in effect when infill parcels were created.

### **Reducing Street and Parking Standards**

Smart growth encompasses narrower streets to reduce through traffic and the potential for accidents on residential streets as cars are forced to slow down. Narrower streets also have a pedestrian feel which contributes to neighborhood livability. Also, reducing the amount of abundant, free parking available in fringe areas makes in-city locations (which typically lack such abundant parking) relatively more attractive. For example, reduce parking space standards and encourage the use of parking garages possibly through public/private partnerships or by utilizing tax-free/low-interest bonds for parking facility construction and financing.

## **6) Revise Codes to Provide Flexibility for Special Infill Situations**

### **Provide for Planning Variances or Waivers**

Variances or waivers are granted to remedy some hardship or difficulty in using a site because of the physical characteristics of the property. In contrast, a planning variance is granted to allow departures from similar type zoning ordinance standards if it would result in improved zoning and planning and would benefit the community. Such a planning variance or waiver must be specifically provided for in ordinances to avoid abuse. It will be a much more successful tool if guidelines/criteria for determining benefit are predetermined.

### **Provide Flexibility for Site Development Through Planned Developments**

Many communities provide the flexibility to deviate from zoning requirements, particularly dimensional standards, in exchange for well-integrated planned developments which meet (or exceed) the intent of the community's development codes. Any open spaces in planned developments should be carefully located and integrated with the community's overall open space system. Urban (infill) area planned development provisions may emphasize other purposes such as a unified approach to neighborhood development, more flexible development standards, a greater mixing of housing types and land uses including more affordable types of housing and convenience services, a more efficient arrangement of structures, streets, utility networks or other public improvements and in general, a more creative and aesthetic approach to land development. Clustering development can also facilitate the buffering of development such as attached housing or convenience commercial from surrounding neighborhoods. A Traditional Neighborhood Development ordinance targeted at infill areas is one method on implementing this method.

### **Use Flexible Performance Standards that Emphasize Outcomes**

Local zoning ordinances traditionally establish many separate districts specifying a compatible set of permitted land uses in each district. In general, these set standards do not take into account conditions which vary from site to site. In contrast, performance zoning/standards focus on directly controlling the impacts of a development. Many communities are now incorporating some performance standards into their traditional zoning to allow greater mixing while improving compatibility. These performance standards spell out the desired end result (for instance, having on-site parking that is not visible from the street) but allow flexibility in the particular means or approach for achieving that objective (underground parking, landscaping, berming, or change in topography could be used to accomplish this objective).

### **Streamline Development Review Process to Avoid Unnecessary Delay**

A project will be more profitable (or more feasible) to the extent that the developer can proceed quickly through the permit approval. Developers particularly fear the kinds of unpredictable project delays resulting from neighborhood opposition at public hearings, which they view as more likely in infill development situations. Procedures with particular promise include:

- pre-application conferences between applicants and staff to clarify expectations and requirements;
- "one-stop shopping"(where most development-related permits are handled through one department);
- a checklist available that outlines what required studies, like drainage studies, are to be submitted with the development application;
- administrative review and action on permits involving minor impacts (handled by staff or hearing examiner rather than scheduling hearings before a commission);
- assigning a single staff contact to help an applicant throughout a project;
- using technical review committees to coordinate multiple department review;
- encouraging early meetings with neighbors;
- permitting more uses "by-right" (ensuring that a permit is issued, provided that specific, well-crafted standards are met, rather than rely on discretionary review by commissions);
- and using computers to track permit status, to schedule permit actions and to facilitate simultaneous review of applications.

In addition, some communities have developed fast-track permit procedures applied within target infill development areas to increase the relative attractiveness of infill sites.

### **Allow Well-Designed, Well-Located Multifamily Housing By-Right**

Multi-family development offers the opportunity for higher densities and potentially greater profits for infill developers. Some multifamily housing is desirable to meet the needs of those who prefer the affordability or the more maintenance-free living and/or convenient locations which multi-family living offers. Through the use of incentives, greenspace should be provided for the residents. A way to address concerns over multifamily development is to solicit active neighborhood or coterie (if there is a neighborhood plan) involvement when developing standards and to employ good design and siting criteria to minimize impacts. A "by right" zoning designation makes affordable housing development easier by eliminating the need to obtain a special use permit or undergo a zoning change approval process. The replacement of traditional zoning with a SmartCode would not circumvent the use of "by right" zoning designation as an incentive.

### **Assist Infill Developer with Obtaining Favorable Financing Terms/Reducing Risk**

Private developers are more likely to take on infill development if they are able to reduce risks or costs to an acceptable level. Local jurisdictions may directly provide loans or grants to assist in the development of publicly or privately-owned housing, provided it is for low-income persons. Lower interest rates could be provided for the construction and/or purchase of property or by offering lower interest rates for second mortgages with the involvement of the Lafayette Public Trust Finance Authority. A financial consortium of local banks could offer a package of benefits and groups working to achieve affordable housing could partner with a developer to provide a guaranteed group of purchasers. The Housing Advisory Committee (HAC) can assist in developing developer programs or acting as a conduit with the development industry for the construction of multi-family low cost housing.

### **Zone for Mixed-Use Development**

Traditional zoning has emphasized the separation of land uses. Smart growth principles emphasize the creation of integrated, multi-use districts that blend housing, services, recreation and jobs. Local governments may put in place a residential/mixed-use zoning designation to specifically encourage infill practices such as allowing housing development above stores. This enables residents to be closer to the services they use on a daily basis. SmartCode is an alternative to traditional zoning that focuses on the desired built form and not the use.

### **7) Implement Strategies to Make Developments Attractive to Potential Residents**

If infill development is to take place at a significant scale, it must be attractive to sufficient numbers of potential residents and businesses. Developers will not undertake infill development if there is not a sufficient demand for in-city living. In-city neighborhoods also must offer qualities and amenities not available in outlying areas to successfully compete with suburban locations.

#### **Encourage Convenient Commercial Services to Support Neighborhood Needs**

Average household size has declined to 2.6 persons per household. As a result, fewer people live in central cities who can support in-city businesses and services. At the same time, the automobile, refrigeration and spacious suburban sites with abundant parking have contributed to trends toward larger stores serving a larger service area. Some cities have succeeded in attracting critical businesses and services (even large discount retail) back to inner city neighborhoods. The addition of higher density housing types, matched to emerging housing needs, can compensate for customer base loss related to smaller household size. Improved pedestrian and transit facilities can facilitate access to such businesses.

#### **Increase Access to Job Opportunities and Programs for Infill Residents**

While jobs were once concentrated in central cities, most new jobs are now created in newer suburbs or outside of cities. The mobility provided by the automobile, the opportunity for home ownership offered by veteran housing programs and federal mortgage guarantees, and concerns about crime, the quality of public schools and similar issues helped fuel a migration of families out of central city neighborhoods. Businesses soon followed their customers and labor pool outward. In addition, lower land costs were attractive to industries which benefited from spread-out single-story development and inexpensive parking. Mixed use developments offer additional opportunities for jobs in close proximity to housing for residents of varying income levels. Recognizing the mismatch between the job skills of many inner-city residents and the majority of newly created jobs, some communities have incorporated job training and placement programs into new infill developments.

#### **Employ Crime Prevention Design to Promote Security/Retain Families**

In addition to the draw of suburban jobs, conditions such as high crime and poor quality of education can make inner-city neighborhoods less attractive. Crime Prevention Through Environmental Design (CPTED) standards should be applied to high crime areas. For example, there should be increased pedestrian-level lighting, path designs which avoid blind corners and provide escape route choices, use of only low fences or see-through landscaping, and building entrances, which are visible from public streets or places, will reduce potential hiding places for a criminal. Similarly, use of lighting and first or second story windows (not entirely covered by signs), front porches overlooking paths, parking areas, and public areas, and a variety of land uses

with 24-hour activity, can provide informal surveillance which tends to discourage crime perpetrators. Use of traffic calming devices which greatly slow traffic on local streets may have similar effects while still allowing convenient vehicular and pedestrian circulation. In addition, community policing programs which emphasize working with community residents for crime prevention rather than only responding to crime, seem to be reducing crime rates. A return to foot patrols or alternative forms of transporations, like sequays, in many communities provides more face-to-face contact and opportunity to build trust among community residents while increasing visibility of the police presence in the neighborhoods. Offering incentives for police officers to reside in targetted communties will assist in the reduction of crime or the improved perception of safety.

### **Using LCG's Public Electric Utility (LUS) to Give Energy Breaks**

Use utilities in a package of incentives similar to what is offered for large manufacturers (ie. reduced utilities for a specific period of time). Infill residential developments could market energy breaks for a time period to new purchasers. Mixed use development could be encouraged by reducing utility rates for living space built above retail/office space. LUS should champion conservation efforts by coordinating Leadership in Energy and Environmental Design (LEED) standards with an incentive package.

### **8) Implement Strategies to Make Developments Acceptable to Existing Residents**

Existing residents have frequently succeeded in blocking or delaying new development on vacant infill sites. Such neighborhood resistance, and the potential for costly delays, makes many developers reluctant to pursue infill development opportunities. Neighborhood residents may be concerned about new development and increased density for a variety of reasons. Concerns about overloaded/overcrowded public facilities such as schools and parks, and increased traffic on residential streets are often raised at public hearings. Most of the strategies described in the last section which aim to make infill locations more attractive to potential residents, will also serve to make new infill development more acceptable to existing residents. If there is an adopted neighborhood plan with a coterie, this group can review and advise on infill development. In addition, the following strategies address concerns that existing residents frequently express, when faced with new development in their neighborhoods.

### **Adopt Design Standards/Guidelines for Improved Compatibility**

#### **Purpose and Use**

A number of communities are developing and using design guidelines (1) to clarify what aspects of the community's existing character are valued by the community and what are the community's expectations for new development, (2) to ensure that new development complements rather than disrupts existing neighborhood character, (3) to ensure that new development is well connected to the larger neighborhood through continuous streets and sidewalk patterns and other visual and functional linkages, and (4) to raise the general quality of development. Design guidelines can allow flexible choices for preserving those qualities that are vitally important to community residents, but which are difficult to quantify in prescriptive zoning standards. Design guidelines can be tailored to unique situations and to address the relationship between properties. Therefore, they can achieve results that cannot be accomplished by conventional zoning regulations that are applied across the board. Design guidelines offer an effective way of illustrating and communicating desired qualitative relationships between uses. Surveys of existing structures, block patterns and district character are recommended to document the existing context. The guidelines will be better supported by community residents to the extent that community residents

are involved in developing guidelines and the guidelines express what qualities are most valued by the community. Design guidelines typically address aspects of site design which can improve compatibility such as landscaping, buffering, parking and garage placement, relation of buildings to the street, sidewalk circulation or fencing. In addition, they typically address compatibility of building design, which may include similar scale, proportions and mass, window patterns and shape, roof shape, building materials or facade features, such as porches. In general, guidelines for infill within stable neighborhoods.

### **Review Process**

Communities have chosen different routes for applying design guidelines. Some communities have voluntary guidelines. By alerting developers about what type of development the community desires, the guidelines may influence developers to incorporate desired features. To the extent that developers believe their proposed development will sail more smoothly through the process, they may be motivated to observe the guidelines.

### **Ensure Housing Types that are Compatible with Existing Types**

The previous section discussed how careful design can contribute to a good fit with the neighborhood context. In addition, the type of housing can ease acceptance when fitting into an established neighborhood. A number of intermediate-density housing types have the potential for fitting more smoothly into established neighborhoods. As noted earlier, many Americans still cherish the idea of a single family house on an individual lot in a single family neighborhood. Therefore, the key then becomes how does the development industry incorporate as many characteristics of a single family home into these medium and higher density products.

### **Employ Traffic Calming**

The earlier section on crime reduction notes that restricting the ease of access and through traffic on residential streets may reduce crime potential. In addition, "traffic calming" devices are being successfully used as approaches to slow or divert traffic away from residential streets for increased traffic safety and improved neighborhood quality. Traffic calming usually involves physical changes to local access streets to reduce vehicle speeds and volumes and other disruptive effects of automobile traffic on neighborhoods. To be successful, traffic calming should be applied in an integrated manner across a larger area rather than only at an isolated site. Traffic calming should also redirect traffic to more efficient thoroughfares, which can increase the overall street system capacity. In addition, the reduced traffic and vehicle speeds resulting from traffic calming helps minimize traffic and noise and pollution in neighborhoods. Reduced dominance by automobiles enables people to more comfortably use their streets for other purposes, whether walking, bicycling, socializing or washing a car. Traffic calming devices such as traffic islands can also provide an opportunity for attractive landscaping at neighborhood entry points. Other devices, like speed bumps and roundabout devices should be attractive and well designed. Where new residential streets are planned, narrower street widths and parking lanes on the street make it less comfortable to travel fast. Existing streets can also be retrofitted with a number of traffic calming devices. This is not to suggest that cul-de-sacs or reduced connectivity, ie. stub roads, are the answer, but instead just to decrease volume and speed of traffic. Interconnectivity is important to the efficiency of the overall transportation network, it increases eyes-on-the-street for safety and increases walkability.