

2024 DOWNTOWN CODE AMENDMENT

Frequently Asked Questions

REVIEW THE FULL DRAFT AT: [NASHVILLE.GOV/2024DTC](https://nashville.gov/2024DTC)

What is the project background?

The Downtown Code (“DTC”) and Bonus Height Program (“BHP”) were both adopted in 2010. The BHP was created as a voluntary program to allow developments to realize increased building height by providing public benefits. Given the immense growth and evolution of the downtown core in the subsequent years, The Planning Department has launched the proposed code amendment process to better reflects current market conditions.

Eighty-nine percent (89%) of bonus height certified through the BHP to date has been earned through a bonus option that involves vehicular parking – which is not required by the DTC. This has resulted in other, more-valuable bonus options often getting passed over and not used. These findings, additional patterns and trends, and the concept of a BHP amendment were presented to the Metropolitan Planning Commission (“MPC”) on March 7, 2023. [At this work session](#), Commissioners encouraged Planning Staff to further explore updates to the BHP that would align its incentives with present-day priorities.

In April 2023, Planning Staff released [a survey](#) to gauge stakeholders’ current and future priorities related to Downtown

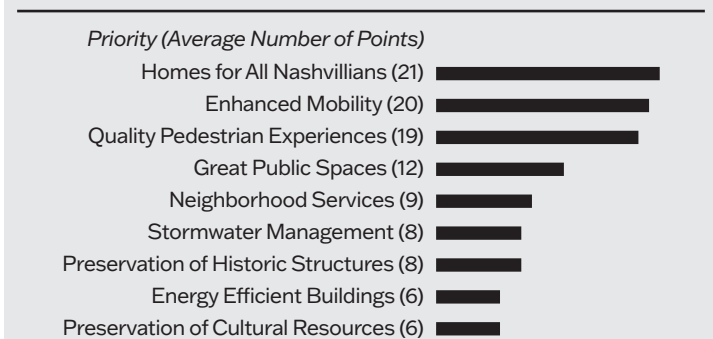
development. Within the month, 118 responses to the survey were recorded. Notably, none of the top three survey responses were currently incentivized within the BHP (Figure 1).

Incorporating feedback from the survey and the MPC work session, Planning Staff released a first draft of a BHP amendment in May 2023. The weeks following the release were spent gathering stakeholder feedback. A common theme among the development community was concerns over how the BHP changes would impact current and future market conditions. To understand this, Planning Staff brought on a consultants, HR&A Advisors and Gensler, to conduct a market study as a basis for recommendations now incorporated into a revised draft of the BHP amendment.

What have been the project’s major milestones?

2023	
March 7	MPC Work Session
April	Downtown Nashville Priorities Survey
May 8	Draft BHP Amendment released for feedback
May	BHP Stakeholder Engagement (including survey)
August	BHP Engagement Summary posted online
August	Market study scoped with external stakeholders
Fall	Market study RFP and Task Order process
2024	
January	Planning’s consultants initiate market study work
January	Consultants speak with developers and brokers
June	Market study findings presented to stakeholders
August	Final market study report delivered to Planning
September	Draft recommendations shared with stakeholders
October	Fall 2024 DTC Amendment released for feedback

FIGURE 1. PRIORITIES FOR DOWNTOWN’S BUILT FORM



I have a project in development that uses current BHP bonus options. What should I do?

To allow for DTC development proposals currently in later design phases to advance as planned, projects shall be able to utilize either the 2010 BHP or the 2024 BHP for a period of one year, following the Council Bill’s effective date, subject to the following:

- This choice shall not be construed as a right in perpetuity to not conform with any future alterations to the DTC.
- Projects proposing to use the 2010 BHP shall submit for Concept Plan approval within six months of the effective date, and the project shall certify its bonus height with the Planning Commission within one year of the effective date.
- Projects that have earned and certified transferrable entitlements pursuant to the 2010 BHP shall be permitted to retain, use, and transfer those entitlements, provided, however, that projects that have certified bonus height under the 2010 BHP but have not constructed during the development vesting periods provided by state statute (and as provided for by the Metropolitan Government in RS2014-1330), Such projects shall forfeit any entitlements earned, including transferrable entitlements. If those projects do subsequently proceed, they will need to apply for bonus height again under the 2024 BHP, or under the 2010 BHP if they meet the grace period deadlines described above.
- Mixing and matching between the 2010 BHP and 2024 BHP is not allowed, including, but not limited to, mixing individual bonus options, and utilizing any changes in the bonus height maximums for the property.

Where is the affordable housing bonus?

The Metro Nashville Planning Department is currently exploring how voluntary attainable housing incentives, authorized by [HB 2623/SB 2496](#) – can be integrated into the Metropolitan Code of Ordinances. We may update the BHP at a later date to incorporate this as a bonus.

Will Planning increase DTC entitlements?

The results of the Downtown Nashville Market Study and Entitlements Analysis found that the DTC has almost three times the zoning capacity that development demand is projected to require through 2040. The 2024 DTC Amendment, therefore, does not propose increases to DTC entitlements. However, the amendment does propose increasing the ‘Bonus Height Maximums’ in the Gulch South and Lafayette Subdistricts to high-rise height to align with the market study’s finding that mid-rise construction is not financially feasible.

The Planning Department will continue to assess and consider changes to DTC entitlements upon the conclusion of several in-process studies that are aiming to inform countywide growth strategies (including the Unified Housing Strategy, the Housing & Infrastructure Study, and the Countywide Conservation Study).

What is the Downtown Market Study and how did it inform these proposed updates?

Requested by the development community in 2023, the market study’s main objectives were to assess Downtown’s current and future market conditions, and how the BHP and the DTC align with those conditions. You can read more about the market study, conducted by consultants HR&A Advisors and Gensler, including the revisions to the BHP proposal at nashville.gov/2024DTC.

What happened to some of the bonus options proposed in 2023?

The Market Study evaluated each 2010 bonus option, and each proposed 2023 bonus option to determine which were financially feasible and based on reasonable market expectations. Through this process, several bonus options, proposed in the 2023 BHP draft, were determined too complex to calibrate or too expensive. Based on the analysis, Planning Staff excluded several bonus options from the revised draft.

How do these proposed updates interact with the Overall Height Modification (OHM) tool?

The functions of the BHP and OHM tools will remain the same. The OHM tool should be requested for heights that exceed the site’s Bonus Height Maximum. OHM projects should ensure that additional height requested is merited by exhausting efforts to use all appropriate bonuses available in the BHP.

How do these proposed updates interact with the DTC Design Guidelines (DTC DG) tool?

The functions of the BHP and DTC DG tools will remain the same – the BHP as a voluntary incentive program and the DTC DG as a resource to be referenced by all development proposals throughout their design review process. As a reminder, any regulatory standard in the DTC shall not relieve a project of the review process associated with a Concept Plan application.

How do these proposed updates impact the East Bank Subdistrict of the DTC?

The East Bank Subdistrict of the DTC does not permit bonus height, therefore, updates to the BHP do not impact these properties. However, outdoor spaces proposed in the East Bank Subdistrict must follow the new outdoor space standards as they apply throughout the entire DTC.

What happened to the caps on the use of individual bonus options?

Based on recommendations from the market study, the proposed BHP updates remove the caps on individual bonus options. Developers will be able to use each bonus option to an unlimited extent, up to the site’s Bonus Height Maximum.