

MEMORANDUM

TO: Ordinance Revisions Committee

FROM: Planning Staff

DATE: May 28, 2019

SUBJECT: Amendment to UDC Section 5.18.6 Premiums

The Planning Commission has been asked to recommend amendments to UDC Section 5.18.6 Premiums to increase the public benefit created by the downtown affordable housing premium with the goal of increasing the number of affordable housing units or payments into the Affordable Housing Fund. A portion of its April 12, 2019 working session was devoted to a preliminary discussion of how to approach this task.

Section 5.18.6

1. Residential Use Premium Option

- a. In D1 and D2 districts, 0.75 square foot of Floor Area in excess of the normal maximum Floor Area Ratio shall be allowed for each square foot of Floor Area, regardless of location within the Building, used for Multiple-Family Dwellings. Every sleeping room in the Building shall have at least 1 window, sliding glass door, skylight, or other acceptable light transmitting media facing directly to the outdoors. The minimum total glazed area for every sleeping room shall be not less than 8% of the Floor Area of such room.
- b. If Dwelling Units constitute a portion of a mixed use Building, Dwelling Units must be completed and receive a certificate of occupancy in advance or at the same time as the certificate of occupancy for nonresidential use, or the property owner shall provide a performance bond for the residential use at the time the certificate of occupancy is requested, subject to the provisions of Section **Error! Reference source not found.**

2. Affordable Housing Premium Option

In D1 and D2 districts, 3,000 square feet of Floor Area in excess of the normal maximum Floor Area Ratio shall be allowed for each on-site Dwelling Unit designated as Affordable Housing for Lower Income Households. In the D1 district, the normal maximum Floor Area Ratio with premiums (700%) may be exceeded, up to a maximum of 900%, to provide Dwelling Units designated as affordable to lower income households. Designated units shall have a minimum of 600 square feet of Floor Area and shall remain affordable for the life of the Building. Provisions to implement the affordable housing premium option shall meet requirements for Affordable Housing for Lower Income Households, as determined by the Office of Community Development.

Amendment Approaches

A) *Keep current framework, adding a requirement for affordable dwelling units as a percentage of all dwelling units.*

1. Residential Use Premium Option

In D1 and D2 districts, 0.75 square foot of Floor Area in excess of the normal maximum Floor Area Ratio shall be allowed for each square foot of Floor Area used for Multiple-Family Dwellings when 15% of all dwelling units are affordable housing for lower income households.

- a. Every sleeping room in the Building shall have at least 1 window, sliding glass door, skylight, or other acceptable light transmitting media facing directly to the outdoors. The minimum total glazed area for every sleeping room shall be not less than 8% of the Floor Area of such room.
- b. If Dwelling Units constitute a portion of a mixed use Building, Dwelling Units must be completed and receive a certificate of occupancy in advance or at the same time as the certificate of occupancy for nonresidential use, or the property owner shall provide a performance bond for the residential use at the time the certificate of occupancy is requested, subject to the provisions of Section **Error! Reference source not found.**
- c. Provisions to implement the affordable housing premium option shall meet requirements for Affordable Housing for Lower Income Households, as determined by the Office of Community Development.

2. Affordable Housing Premium Option

In D1 and D2 districts, 3,000 square feet of Floor Area in excess of the normal maximum Floor Area Ratio shall be allowed for each on-site Dwelling Unit designated as Affordable Housing for Lower Income Households. In the D1 district, the normal maximum Floor Area Ratio with premiums (700%) may be exceeded, up to a maximum of 900%, to provide Dwelling Units designated as affordable to lower income households. ~~Designated units shall have a minimum of 600 square feet of Floor Area and shall remain affordable for the life of the Building.~~ Provisions to implement the affordable housing premium option shall meet requirements for Affordable Housing for Lower Income Households, as determined by the Office of Community Development.

B. *Combine residential and affordable housing options.*

1. Affordable Residential Premium Option

In D1 and D2 districts, for every on-site dwelling unit designated as affordable housing for lower income households, an additional 3,000 square feet of floor area shall be allowed in excess of the normal maximum FAR up to the premium maximum FAR in Table 5:17-4.

- a. In the D1 district, when one-third of the total dwelling units in the building are designated as affordable housing for lower income households or when one-fourth of the total dwelling units in the building are designated as affordable housing for very low income households, an additional 200% of FAR shall be allowed up to a maximum of 900% FAR.
- b. Every sleeping room in the Building shall have at least 1 window, sliding glass door, skylight, or other acceptable light transmitting media facing directly to the outdoors. The minimum total glazed area for every sleeping room shall be not less than 8% of the Floor Area of such room.

- c. If Dwelling Units constitute a portion of a mixed use Building, Dwelling Units must be completed and receive a certificate of occupancy in advance or at the same time as the certificate of occupancy for nonresidential use, or the property owner shall provide a performance bond for the residential use at the time the certificate of occupancy is requested, subject to the provisions of Section **Error! Reference source not found..**
- d. Provisions to implement the affordable housing premium option shall meet requirements for Affordable Housing for Lower Income Households, as determined by the Office of Community Development.

C) Create a graduated scale for residential premium options

1. Affordable Residential Premium Options

In the D1 and D2 districts, the normal maximum FAR may be exceeded up to the premium maximum FAR in Table 5:17-4 in the following increments.

FAR Award	Premium	Provisions
D1: 150% D2: 100%	10% of all dwelling units are affordable to lower income households	Must be provided on-site.
D1: 300% D2: 200%	20% of all dwelling units are affordable to lower income households	Must be provided on-site
D1: 500%	40% of all dwelling units are affordable to lower income households	Half of affordable units must be provided on-site. Half may be provided by payment in lieu.