

Stakeholder Feedback Summary:

Planned Unit Development Density Bonus Program

On June 24, 2015, the Office of Neighborhood Housing and Community Development (NHCD) facilitated a stakeholder meeting to review draft staff recommended amendments to the Planned Unit Development Density Bonus Program.

In response to City Council Resolution 20140925-090, NHCD has prepared draft recommendations for potential code amendments to the Planned Unit Development Density Bonus Program specifically related to the sections regulating the requirement for on-site affordable housing units and the potential for developers to pay a fee-in-lieu of this requirement.

Stakeholder feedback was focused on three major themes:

1. Benefits and challenges of required on-site affordable units versus a fee-in-lieu of on-site affordable units.
2. Should developments made up solely of non-residential uses be subject to an affordability requirement in exchange for receiving a density bonus?
3. Additional recommendations and concerns related to the Planned Unit Development ordinance but not addressed in the staff recommended amendments

Fee-in-Lieu option vs. Onsite only

- On-site affordable units requirement helps City to achieve geographic dispersion goals
- Fee-in-lieu option should be an administrative process rather than require City Council approval
- In the staff recommended amendments the “infeasibility” required for fee approval should be tied to more than just economics alone
- Fee-in-lieu should also be considered in low opportunity areas with a high concentration of affordable units
- Staff should clarify language in recommended amendments to reflect that all requests for a fee-in-lieu approval will be taken forward to City Council
 - This could be stated explicitly in procedural guidelines or rules

Require developments with non-residential uses to pay a fee-in-lieu of affordable housing units

- Planned Unit Developments with no residential use provide community benefits in the form of additional tax revenue and jobs
- There is a nexus between the additional jobs created by commercial developments and an increased demand for affordable housing and therefore commercial developments receiving a density bonus should make a contribution to affordable housing
- Adding a fee on non-residential uses could create a disincentive for participation in the density bonus program

- Instead of a fee-in-lieu of on-site affordable units in commercial developments, a portion of the additional tax revenue created by new commercial developments could be dedicated to the City's affordable housing trust fund.

Additional recommendations and comments

- There should be a set process for determination of Planned Unit Development baseline zoning that is inclusive of many departments including Neighborhood Housing and Community Development
- The City should review the current policy related to requests for a fee-in-lieu payment refund
- Could the options of all on-site affordable units, all fee-in-lieu, or a portion of each be handled administratively rather than the fee requiring City Council approval?
- It is important to have the fee-in-lieu requests be approved by City Council because the affordability question should be a public conversation
- The City should review the set fee-in-lieu amount for Planned Unit Developments