

## **#D-117 DENSITY BONUSES**

### **General Description**

Density bonuses are a particular type of zoning incentive that permits developers to build at higher than allowed densities in exchange for provision of a defined public benefit. The added density is intended to compensate the developer with additional revenue, recognizing the added costs of the public benefit. Staff requested review of current bonus density criteria to ensure that an increased number of dwelling units results in a true public benefit that would otherwise not be achieved. During review, staff considered which provisions would be most beneficial to the community, and where the public benefits would best serve the community and residents while minimizing potential adverse impacts of increased density. Staff proposes that bonus density only be offered in exchange for affordable housing, and that eligibility be expanded to include the following areas:

1. Areas with high economic opportunity (Regional Growth Center)
2. Areas with high mobility opportunity (Regional Growth Center and future transit-oriented development in the CO Zone)
3. The Sunset Area (where the City is committed to spurring redevelopment)
4. Where tax and fee waiver incentives are currently offered for affordable housing (the downtown and Sunset Area)

### **Assessment of Existing Code**

Bonus density is currently offered in the R-14, RMF, and COR zones for providing affordable housing, housing with relatively low-impact to the environment (e.g., LEED construction), civic uses (e.g., recreation center, meeting hall, etc.), alley-accessed units, additional open space, critical area enhancement, or an overall design that exceeds standards. Certain provisions need to be paired and only grant bonus density for a specified number of units per zone. For example, if at least 50% of units in an R-14 development are accessed by alley, and an active common area (e.g., sports courts, pool, etc.) is provided, a developer can be granted an additional four dwelling units per net acre. Assisted living facilities (facilities with limited medical care) also receive bonus density but without needing to satisfy criteria, which is proposed to be preserved.

Staff believes that some of the bonus criteria do not provide public benefits that justify the increased density. For example, an additional 25 dwelling units per acre could be granted to a COR development with LEED-certified structures, extra open space with active or passive recreation facilities, and an overall design of the development that exceeds code requirements. While all of these provisions arguably provide a public benefit, they are generally favorable to the residents of the development rather than the general public. Having a bonus program that is tied to numerous community goals may dilute the effectiveness of the City's goal to increase affordable housing choices.

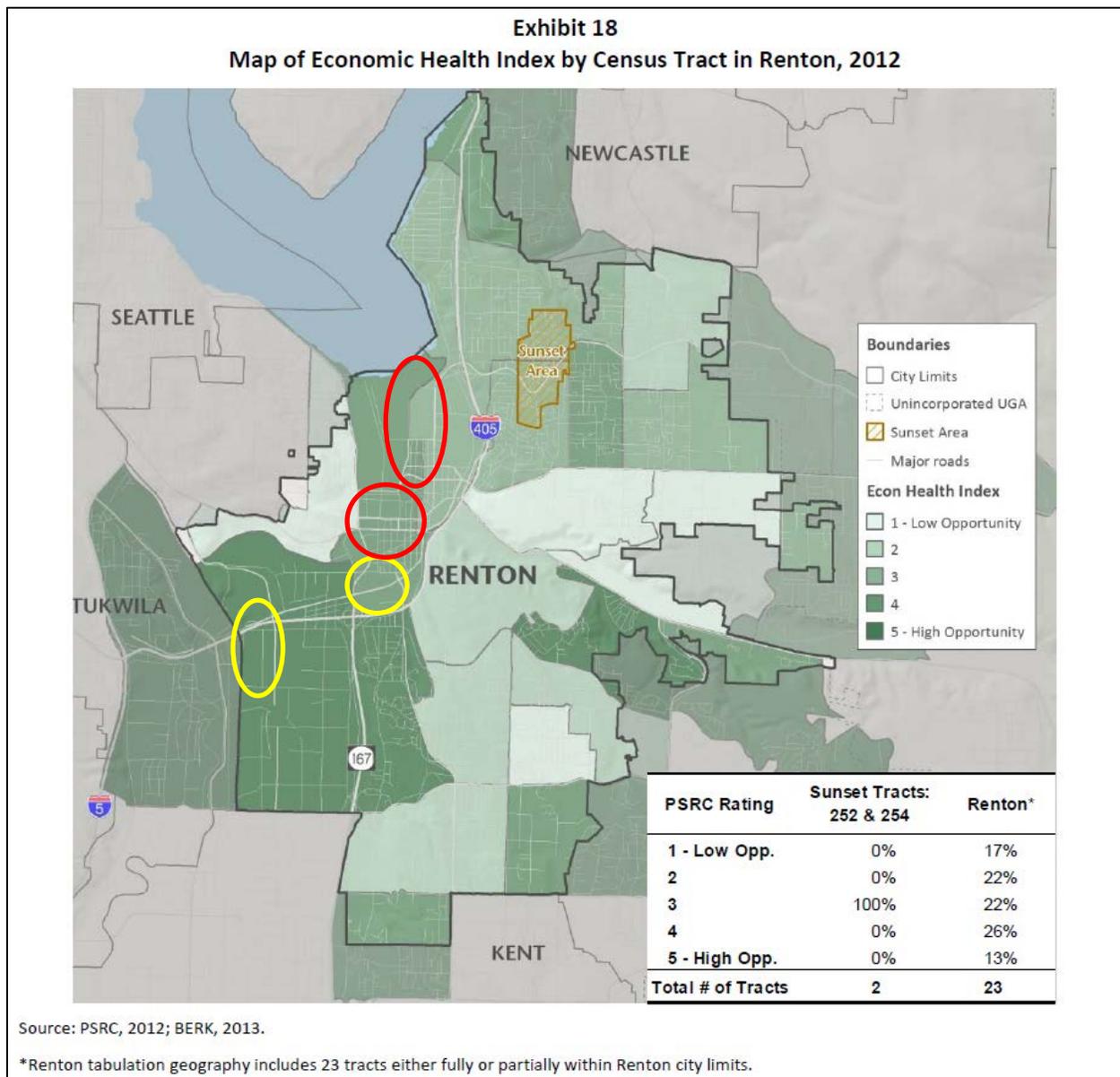
### **Proposed Amendments to Code**

Providing more housing that is affordable to people with low income is a need identified in the 2014 Community Needs Assessment for Housing and Human Services (CNA), and a goal of both the Housing and Human Services Element of the Comprehensive Plan, and the 2009 Sunset

Area Community Investment Strategy. As such, staff proposes to refocus the purpose of bonus density provisions on the goal of ensuring that Renton’s future housing stock meets the local demand for affordable housing.

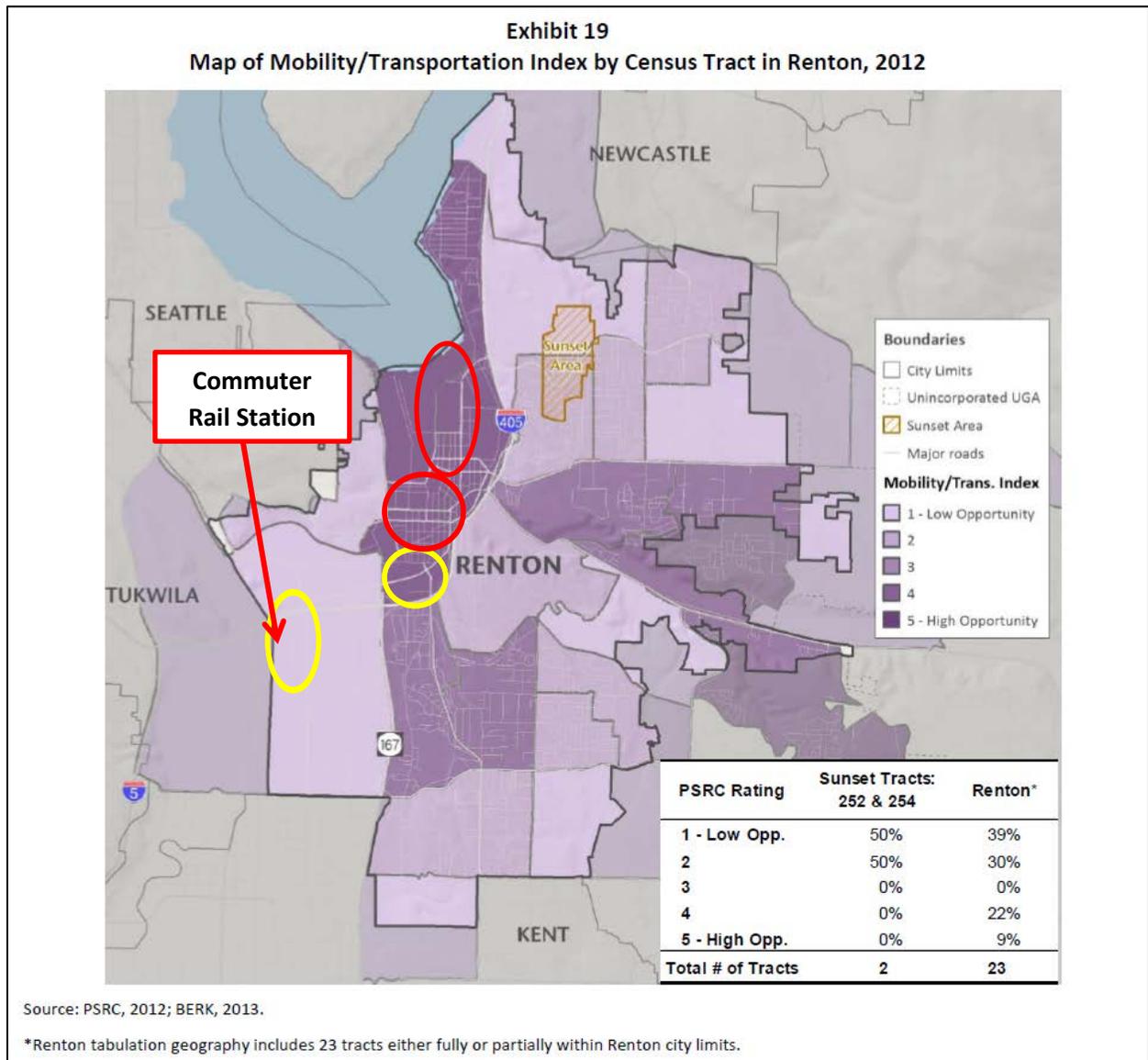
*Economic Opportunity*

There are certain areas of the City where affordable housing would be most beneficial to the residents. According to the CNA, affordable housing should be located in areas that offer economic, social, and transportation opportunities. Exhibit 18 of the CNA (shown below) shows the economic health rating of census tracts, or portions thereof, within City limits. The rating scheme is based on three measures of economic health: (1) access to living wage jobs, (2) job growth trends, and (3) the unemployment rate. The map indicates moderate to high economic opportunity in the City’s Regional Growth Center (generally the downtown and northward through the UC Zone, marked by the red circles), and areas eligible for future transit-oriented development (TOD) in the CO Zone (yellow circles).



*Mobility Opportunity*

Transportation and mobility are important components of all forms of opportunity. Mobility barriers can limit a household’s ability to obtain basic goods and services, receive medical or dental care, commute to a job, and maintain employment. Renton’s Regional Growth Center and possible TOD development in the CO Zone are well served by existing transportation infrastructure and services. Exhibit 19 of the CNA (shown below) provides a Transportation/ Mobility rating distribution for Renton based on four measures: (1) average cost of commute, (2) access to transit, (3) transit cost, and (4) walkability. Although the averaged mobility factors resulted in a low rating for the census tracts that generally comprise the expansive “valley,” possible multi-family development in that area would be within ¼ mile of the commuter rail station.



*The Sunset Area*

The Sunset Area (shown in Exhibit 18 and 19) is an ethnically diverse, low-income neighborhood in the City of Renton. It includes the City’s largest public housing community, Sunset Terrace, and is a community revitalization priority. Since the late 1990s, the City has focused on this area for targeted improvement and investment, and along with its partners, continues to seek opportunities for coordinated redevelopment driven by a community vision. The vision aims to catalyze private property development, create opportunities for market-rate and affordable housing, and stimulate retail investment. The City believes the Sunset Area has significant market potential because it has relatively strong transportation access, a convenient location, and existing amenities. Bonus density is usually offered by jurisdictions as a tool to encourage development, and therefore the Sunset Area is included as a proposed location eligible for revised bonus density provisions.

*Complementary Fee Waivers / Tax Exemptions*

In addition to being the focus of public investment and having indicators of relatively high economic and mobility opportunities, the creation of affordable housing in CD and R-14 zoned properties in the downtown and CV, RMF, and R-14 zoned properties in the Sunset Area is encouraged by Title IV provisions that offer fee waivers (building permits, impact fees, etc.), and time-limited property tax exemptions for the creation of affordable housing (RMC 4-1-210 and 4-1-220 respectively). These existing provisions reinforce the notion that affordable housing should be encouraged in the downtown and Sunset Area.

**Summary**

Bonus density eligibility is proposed to be expanded to include the CD and UC zones within the Regional Growth Center, the CV Zone in the Sunset Area, and CO Zone within ¼ mile of a qualifying transit service (RapidRide bus stop, dedicated Park and Ride, or a commuter rail station), as shown in the following table. For both new and expanded areas, each affordable unit provided would grant a bonus market-rate unit on a 1:1 ratio, up to 30% above the allowed density. Per state law (RCW 36.70A.540), new or amended density bonus programs must establish affordable housing income levels that equal a maximum of 50% of county median family income for rental housing and 80% of median county family income for ownership housing. Affordable housing incentive programs require that units remain affordable for 50 years.

Area	Subject Zone(s)	Base Density	Existing Bonus Units	Proposed Bonus Units
<b>Regional Growth Center</b>	CD	100	NA	30% above allowed density
	UC	85/150*	NA	
<b>Sunset Area</b>	CV	80	NA	
<b>1/4 mile from transit</b>	CO	150	NA	
<b>Existing Bonus Density Provisions</b>				
<b>Citywide</b>	R-14	14	4	30% above allowed density
	RMF	20	5	
	COR	50	25	
<b>Assisted Living (citywide)</b>	R-1, R-10, R-14, RMF, CV, CD, CO, COR, UC		1.5 times base density, or 18 du/acre in R-10 & R-14, and no limit in R-1	

\*If ground floor commercial is provided

Staff's proposal to restrict bonus density eligibility to the creation of affordable housing and expand its use to select zones in the City's Regional Growth Center, the Sunset Area, and future transit-oriented development in the CO Zone is in keeping with:

- The GMA,
- Vision 2040,
- King Countywide Planning Policies,
- Renton's Comprehensive Plan,
- Regional Growth Center goals/objectives, and
- The Sunset Area Community Investment Strategy

By enabling bonus density exclusively for affordable housing in areas that will best serve the residents, based on economic and mobility opportunities, the City can start to make meaningful inroads to diversifying housing options while minimizing adverse effects of density related to transportation.

### **Impact Analysis**

#### Effect on rate of growth, development, and conversion of land as envisioned in the Plan

Because the goal is to create affordable housing through private development by allowing density above that allowed in each zone, the rate of growth might increase but likely by negligible amounts.

#### Effect on the City's capacity to provide adequate public facilities

The areas to where bonus density is proposed to be expanded are well served by existing infrastructure and services, and therefore more able to accommodate additional density than other areas of the City.

#### Effect on the rate of population and employment growth

Units resulting from bonus density will provide additional housing capacity, but will likely have a negligible effect on the rate of population and employment growth.

#### Whether Plan objectives are being met as specified or remain valid and desirable

Plan objectives will be furthered by this proposed code amendment, specifically Goal L-B of the Land Use Element:

Goal L-B: Continue to build Renton's Regional Growth Center consistent with VISION 2040 to provide compact, pedestrian-oriented, mixed-use development to meet the demands of population and employment growth, while reducing the transportation-related and environmental impacts of growth.

#### Effect on general land values or housing costs

Because approval criteria for bonus density is proposed to be relegated to affordable housing, the proposed code amendments will likely result in more affordable housing than would be realized under current bonus density provisions.

#### Whether capital improvements or expenditures are being made or completed as expected

N/A

#### Consistency with GMA, the Plan, and Countywide Planning Policies

The proposed revisions are consistent with the GMA, specifically the following goal:

Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.” (RCW 36.70A.020)

The proposed revisions are consistent with the Countywide Planning Policies, specifically:

DP-32 Adopt a map and housing and employment growth targets in city comprehensive plans for each Urban Center, and adopt policies to promote and maintain quality of life in the Center through: A range of affordable and healthy housing choices.

H-5 Adopt policies, strategies, actions and regulations at the local and countywide levels that promote housing supply, affordability, and diversity, including those that address a significant share of the countywide need for housing affordable to very-low, low, and moderate income households. These strategies should address the following:

- a. Overall supply and diversity of housing, including both rental and ownership;
- b. Housing suitable for a range of household types and sizes;
- c. Affordability to very-low, low, and moderate income households;
- d. Housing suitable and affordable for households with special needs;
- e. Universal design and sustainable development of housing; and
- f. Housing supply, including affordable housing and special needs housing, within Urban Centers and in other areas planned for concentrations of mixed land uses.

H-9 Plan for housing that is accessible to major employment centers and affordable to the workforce in them so people of all incomes can live near or within reasonable commuting distance of their places of work. Encourage housing production at a level that improves the balance of housing to employment throughout the county.

H-18 Review and amend, a minimum every five years, the countywide and local housing policies and strategies, especially where monitoring indicates that adopted strategies are not resulting in adequate affordable housing to meet the jurisdiction’s share of the countywide need.

The proposed revisions are consistent with the Plan, specifically:

Policy L-2: Support compact urban development to improve health outcomes, support transit use, maximize land use efficiency, and maximize public investment in infrastructure and services.

Policy HHS-6: Implement inclusionary zoning provisions and other techniques that result in a range of housing types, at different densities, and prices in new developments that address the housing needs of all people at all stages of life, including vulnerable populations.

Policy HHS-9: Foster and locate new housing in proximity to Employment Centers and streets that have public transportation systems in place, that complements existing housing and furthers the City’s goal to achieve a housing stock that is affordable for the following minimum percentages of the City’s households, as determined by an Area Median Income (AMI) range:

Total Households AMI  
 12 % Below 30% (very low-income)  
 12 % 30 to 50% (low-income)  
 16 % 51 to 80% (moderate-income)

Policy HHS-12: Promote housing development in proximity to the City’s Employment Centers and other areas of the City that have jobs and work opportunities, or the potential for future job growth.

Policy HHS-25: Encourage construction of universally designed units, supportive housing arrangements, and transitional housing in close proximity (within one-quarter mile) to public transportation.

Effect on other considerations

N/A

**Staff Recommendation**

Amend Renton Municipal Code as described to relegate bonus density approval criteria to the provision of affordable dwelling units, and for the following zones:

Area	Subject Zone(s)	Base Density	Existing Bonus Units	Proposed Bonus Units
<b>Regional Growth Center</b>	CD	100	NA	30% above allowed density
	UC	85/150*	NA	
<b>Sunset Area</b>	CV	80	NA	
<b>1/4 mile from transit</b>	CO	150	NA	
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Additionally, staff recommends retaining a revised version of this docket item that will focus on evaluating needed public benefits in the Center Downtown (CD) Zone. Because the built environment of the downtown presents redevelopment complexities and needs for an area that serves a wide ranging business and resident population, certain amenities might be more valued than would be in other areas of the City. For example, a small open space in the densely populated downtown would likely have more use and neighborhood appreciation than would a small open space in an R-14 neighborhood with less density and fewer non-resident visitors.

Staff would also like to evaluate the density bonus increases for Assisted Living Facilities during Docket #125, which will address the allowed locations and intensity at which these facilities may be developed.

**Implementation Requirements**

Adopt an ordinance amending RMC 4-9-065, Bonus Density Review.