

Attachment 2

Bonus Density: Summary of code amendments

The Frisco bonus density incentive dates back to 1998 with the adoption of Ordinance 98-7. The original code provision was only applicable to the Central Core Zone District. It required that at least one unit or a minimum of 25% of the total number of bonus units (whichever was greater) was deed-restricted. Additionally, at least one deed-restricted unit had to be a minimum of one-bedroom in size and all units had to be at least 500 square feet.

Later that year, the bonus density code was revised again under Ordinance 98-17, to specify that the 500 square-foot-minimum only applied to studios, and no more than half of the bonus units could be studios.

In 2005, the approval of Ordinance 05-28 expanded the bonus density incentive to the Accommodations Zone District, but the parameters were slightly different. A minimum of 50% of the total number of bonus units had to be deed restricted.

Shortly thereafter, the definition of '*Affordable Housing*' was revised with Ordinance 05-31 and required that deed-restricted units generated through the bonus density incentive were proportional in size to the corresponding bonus market-rate units.

In 2006, Town Council expanded the density bonus incentive to include a third zone district: the Mixed Use Zone District (refer to Ordinance 06-02). To qualify, at least 50% of the bonus units had to be deed restricted.

At the subsequent Town Council meeting two weeks later, the Central Core Zone District density bonus incentive, was revised to match that of the Mixed Use Zone District (refer to Ordinance 06-03). The revision increased the required number of deed-restricted units from 25% to 50% of the total number of bonus units, and the unit mix and square footage requirements were deleted from the code language. However, that language was added back into the code when a formal definition of '*density bonus*' was adopted with Ordinance 06-06. The density bonus definition required that a minimum of 50% of the total number of bonus units were deed restricted, at least one affordable unit was one-bedroom in size, and that any studio had to be at least 500 square feet.

Also in 2006, Ordinance 06-22 further revised the qualifications for density bonus within the definition of '*Affordable Housing*.' The definition already stated that, to qualify for the density bonus, the required deed-restricted units had to be proportional in size to the additional bonus market-rate units. However, the revision further specified that the smallest deed-restricted unit could be no more than fifteen percent smaller in gross floor area than the largest bonus market-rate unit.

On February 26, 2008, Town Council approved Ordinance 07-14, amending the bonus density incentive to create an off-site option. The developer could either elect to provide 50% of the total

number of bonus units as affordable deed-restricted units on-site, or the developer could instead choose to provide at least two affordable housing units for each corresponding bonus dwelling unit at an off-site location within the Town of Frisco boundaries. This amendment only applied to the Mixed Use and Central Core Zone Districts. It also added a definition of off-site affordable housing to clarify that the Summit Combined Housing Authority (SCHA) would oversee the marketing and sale of all affordable housing established through any Town program, in addition to having SCHA qualify individuals for the units.

On April 14, 2009, Town Council approved Ordinance 09-07 and Ordinance 09-08. The purpose of these two Ordinances was to make the bonus density incentive language uniform throughout the Town Code.

In 2017 with adoption of the new Unified Development Code (UDC), the Accommodations Zone District became the Gateway Zone District, which included the bonus density incentive.

On April 9, 2019, the bonus density incentive was again revised, with the approval of Ordinance 19-04, which added the requirement that all affordable housing units generated by the bonus density incentive had to be deed-restricted at 100% of the area median income (AMI).

In 2022, bonus density incentives were again discussed and modified within the Town Code. At that time, Staff had requested the same amendment being outlined in this staff report with specific language being proposed as:

B. Density Bonuses

1. Central Core, Gateway, and Mixed-Use Districts

In the CC, GW, and MU Districts, a density bonus over the maximum allowable density is available if approved by Planning Commission, provided that:

- a. A minimum of 50 percent of the total number of bonus units is provided as affordable housing deed-restricted for sale or rent to persons earning a maximum of 100 percent of the area median income, at a rate established by the Summit Combined Housing Authority for that income level, and pursuant to the other criteria as established from time to time by the Town or the Summit Combined Housing Authority; or
- b. For each bonus dwelling unit allowed, at least two affordable housing units are provided on property outside of the subject property, but within the Town of Frisco or within ~~one (1) mile of any corporate limit of the Town of Frisco~~ the Ten Mile Basin; or
- c. A minimum of 100 percent of the total number of bonus units is provided as workforce housing deed-restricted for sale or rent to persons earning a living working for a business located in Summit County for a minimum of 30 hours per week, on average per year; or
- ~~b.d.~~ A minimum of 50 percent of the total number of bonus units is provided as affordable housing deed-restricted for sale or rent in accordance with the Low Income Housing Tax Credits (LIHTC) program deed restriction requirements, and the units must be deed-restricted as affordable housing in perpetuity.

With regards to proposed B.1.c. as highlighted above, the Planning Commission recommended that the bonus units in Option 3 have both an appreciation cap and a 160% Area Median Income (AMI) requirement. Town Council then reviewed the proposed amendments at a July 12, 2022 work session at which time they directed Staff to proceed with modifications based on the Planning Commission recommendations. At that time, the code was amended to be the current language that exists today which limits bonus density units to be restricted

On April 11, 2023, Town Council approved Ordinance 23-10. The purpose of the Ordinance was to provide code based incentives to developers of affordable housing in the community while retaining consistency with other types of development within the Town.

On February 13, 2024, Town Council approved Ordinance 24-03. The purpose of the Ordinance was to continue to provide code based incentives to developers of affordable and workforce housing. Within this Code modification, the AMI was again modified for bonus units through discussion and direction by Planning Commission and Town Council regarding town housing needs. The language approved as of February 13, 2024 is what is currently in the Code and states with regards to bonus density:

B. Density Bonuses.

1. Central Core, Gateway, Mixed-Use and Residential High Density Districts. In the CC, GW, MU, and RH Districts, a density bonus over the maximum allowable density is available if approved by Planning Commission, provided that:

- a. For projects that contain residential units being developed that are not restricted to affordable and/or workforce housing, a minimum of 50 percent of the total number of bonus units is provided as affordable housing deed-restricted for occupancy for purchase to households earning up to a maximum 140 percent area median income (AMI), or maximum 120 percent AMI for rental, with an average AMI not to exceed 100 percent at a rate established by the Summit Combined Housing Authority for that income level, and pursuant to the other criteria as established from time to time by the Town or the Summit Combined Housing Authority; or*
- b. For projects that are being developed with all residential units restricted to affordable and/or workforce housing, bonus units shall be provided as affordable deed-restricted housing being available for purchase or rent to households earning, on average, an income up to 120 percent of the area median income (AMI), at a rate established by the Summit Combined Housing Authority for that income level, and pursuant to the other criteria as established from time to time by the Town or the Summit Combined Housing Authority; or*
- c. For each bonus dwelling unit allowed, at least two affordable housing units are provided on property outside of the subject property, but within the Town of Frisco or within one mile of any corporate limit of the Town of Frisco; or*
- d. A minimum of 50 percent of the total number of bonus units is provided as affordable housing restricted for rent in accordance with the Low-Income Housing Tax Credits*

(LIHTC) program requirements, with such units being nonetheless deed-restricted under the Town's standard covenant, to be effective only upon termination of the LIHTC restrictions.