



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DON REIMER, COMMUNITY DEVELOPMENT DIRECTOR
RE: PROPOSED AMENDMENTS TO THE UNIFIED DEVELOPMENT CODE FOR AFFORDABLE HOUSING INCENTIVES
DATE: JANUARY 17, 2023

Summary and Background: Affordable housing is one of Town Council's Strategic Plan High Priorities. For several months Town Council has been discussing with staff potential amendments to the Town Code that could facilitate development of affordable housing, including a potential workforce housing overlay, and additions to the density bonus provisions already in the Code. Town Council most recently discussed the density bonus at their September 27, 2022 meeting.

Since that time, a developer of a potential affordable housing project submitted a request for specific code amendments which could provide incentives to facilitate the project. Staff considered the modifications requested and other potential changes to create a series of proposed amendments to the Unified Development Code (UDC), Chapter 180 of Town Code.

Analysis: Town Code incentives currently available to developers of affordable housing are located in Section 180-5.5.1. '*Affordable Housing - Incentives*', and include provisions for Accessory Dwelling Units and Density Bonus. The Code amendments proposed and included in Attachment 1 would add a Density Bonus option for Low Income Housing Tax Credit (LIHTC) projects. LIHTC projects require that the units are deed-restricted to average 60% AMI, but do not allow restrictions on where the occupants work.

The proposed Code amendments would also add a new Section 180-5.5.1 C "Affordable Housing Development Incentive Program". This code section would create a set of incentives in the form of modifications to underlying zoning regulations for projects that meet specific deed-restricted housing thresholds. The program would be available for use for all properties in the Gateway, Central Core, Mixed-Use, and Residential -High, -Medium and -Low zone districts. The amendments include modifications to the following Code sections, as further detailed in Attachment 1:

- Density – allows increased density in the RH, RM, and RL zone districts where the density bonus provision is not currently permitted.
- Lot coverage – allows increased lot coverage
- Setback – allows reduced setbacks
- Building height – allow up to a 10% increase in building height
- Landscape – allows modifications to the landscape requirements

- Mixed Use – in the MU zone district, allows for a lower ratio of commercial to residential uses
- Bulk Plane – allows an increase volume of bulk plane envelope encroachments
- Parking – allows reductions in the amount of parking required by allowing some on-street parking or off-site parking under certain conditions, and encouraging use of transit and car-sharing services

Financial Impact: Providing Code incentives for affordable housing projects should result in development of additional affordable housing units. For Town housing development projects, an increased number of affordable housing units could be constructed on each development property, resulting in a cost per unit savings compared to what could be achieved under the current Code.

Alignment with Strategic Plan: In the 2020/21 Strategic Plan, Town Council identifies increasing full-time resident occupancy to 50% as a top priority, as a method to create an inclusive community. Additionally, Frisco Town Council aspires to double the amount of deed restricted workforce housing units within the next 5 years. The proposed Code Amendments provide incentives to developers, which also could be applied to Town projects, which will assist in achieving these goals.

Staff Recommendation: Staff recommends that Town Council review the proposed Code amendments and provide direction to staff to continue processing of the Code amendments, with the next step being review and recommendation by the Frisco Planning Commission.

Approved By:

Tom Fisher, Town Manager
Leslie Edwards, Finance Director

Attachments:

Attachment 1: Proposed Code Amendments