




DOWNTOWN DENSITY
BONUS PROGRAM
RECALIBRATION



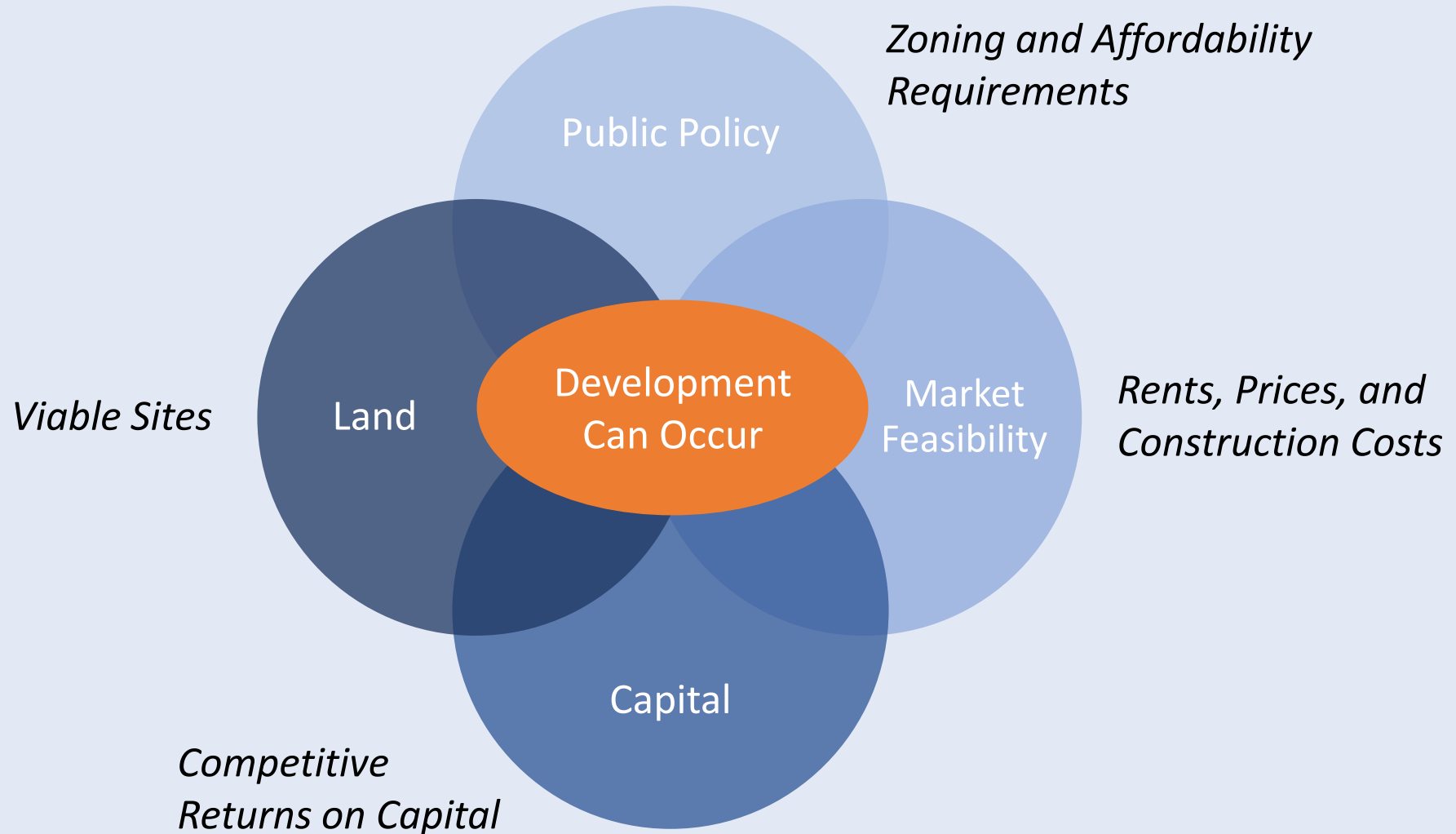
DOWNTOWN COMMISSION

February 19, 2020

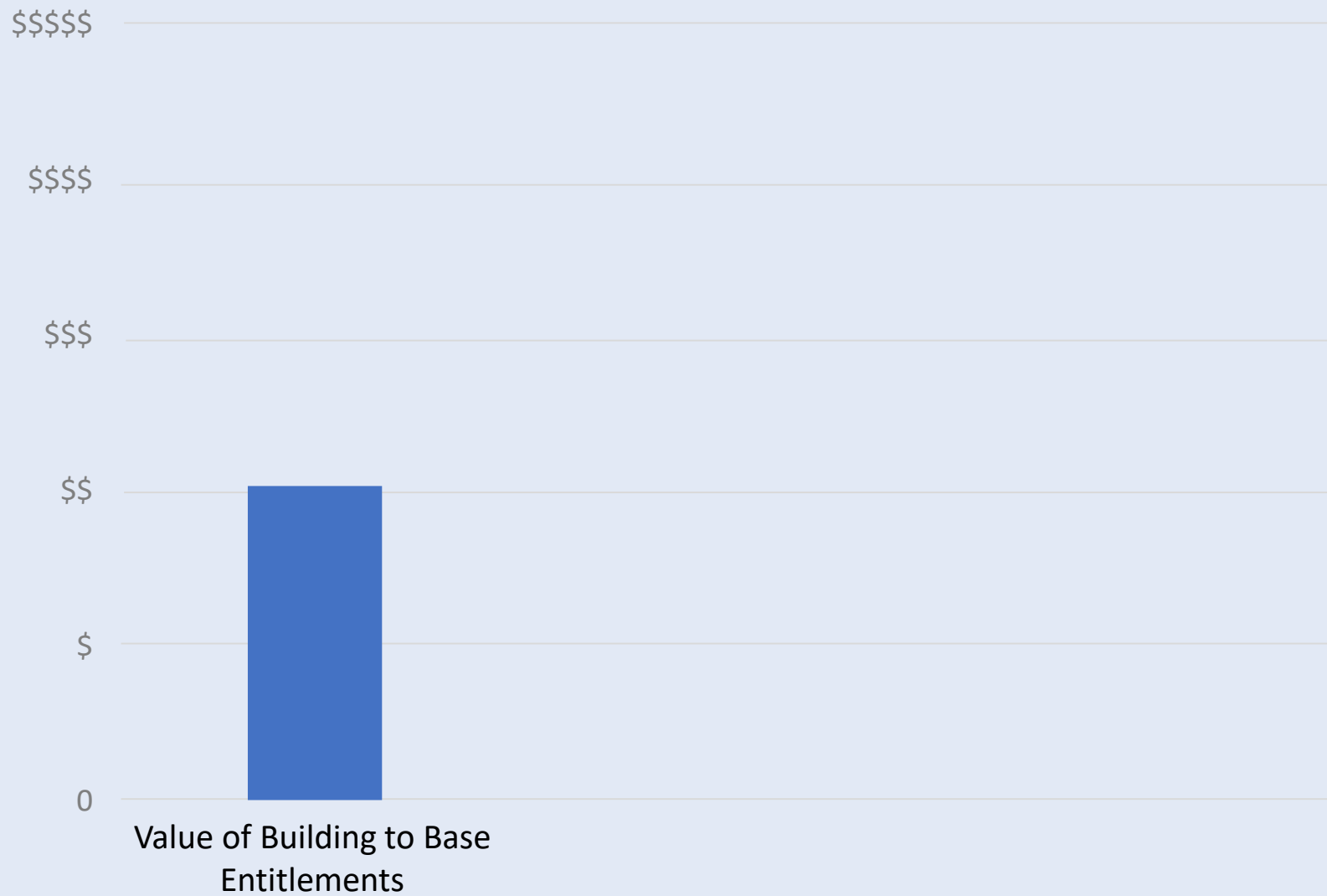


Real Estate Development Fundamentals

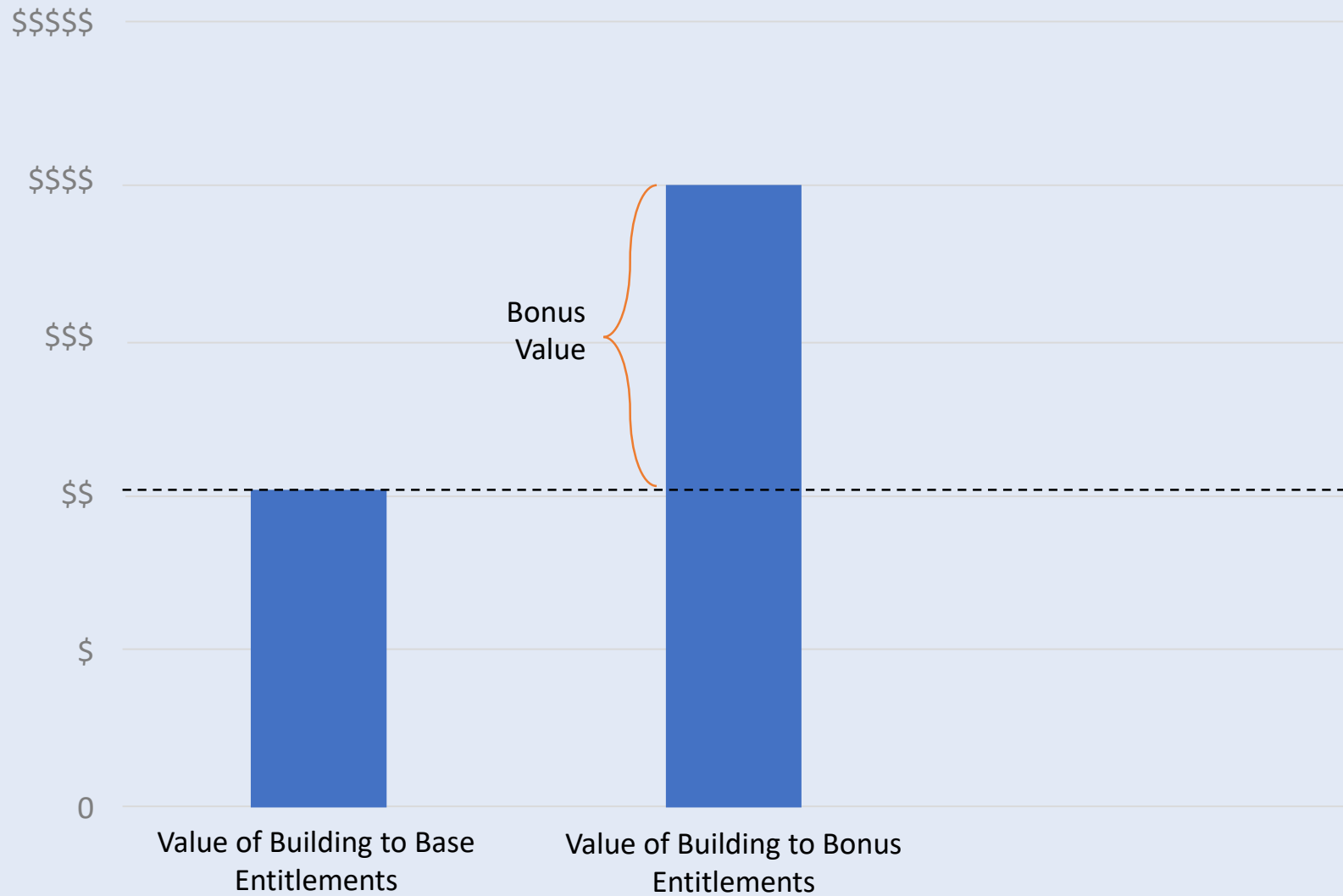
Real Estate Development Fundamentals



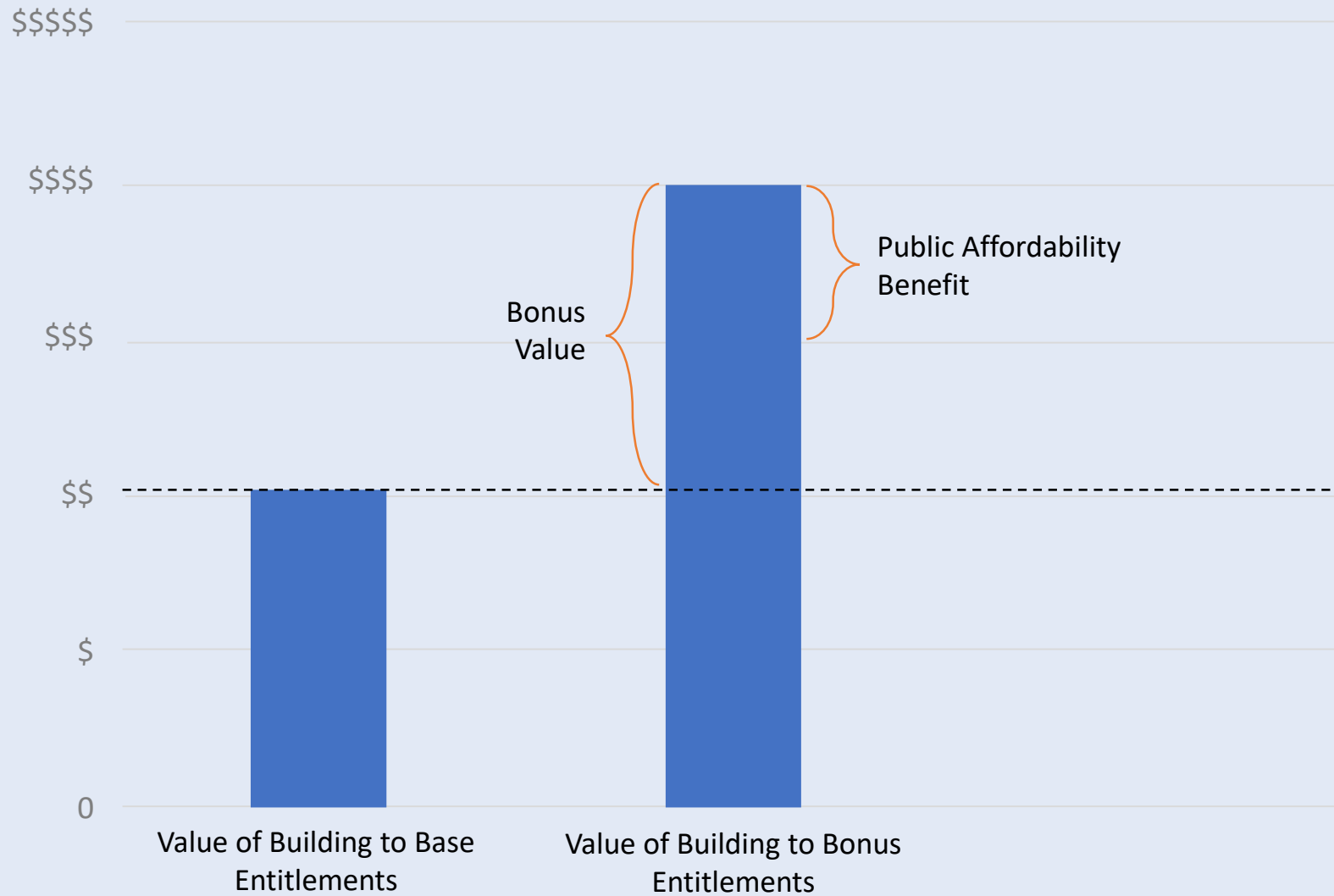
Real Estate Development Fundamentals



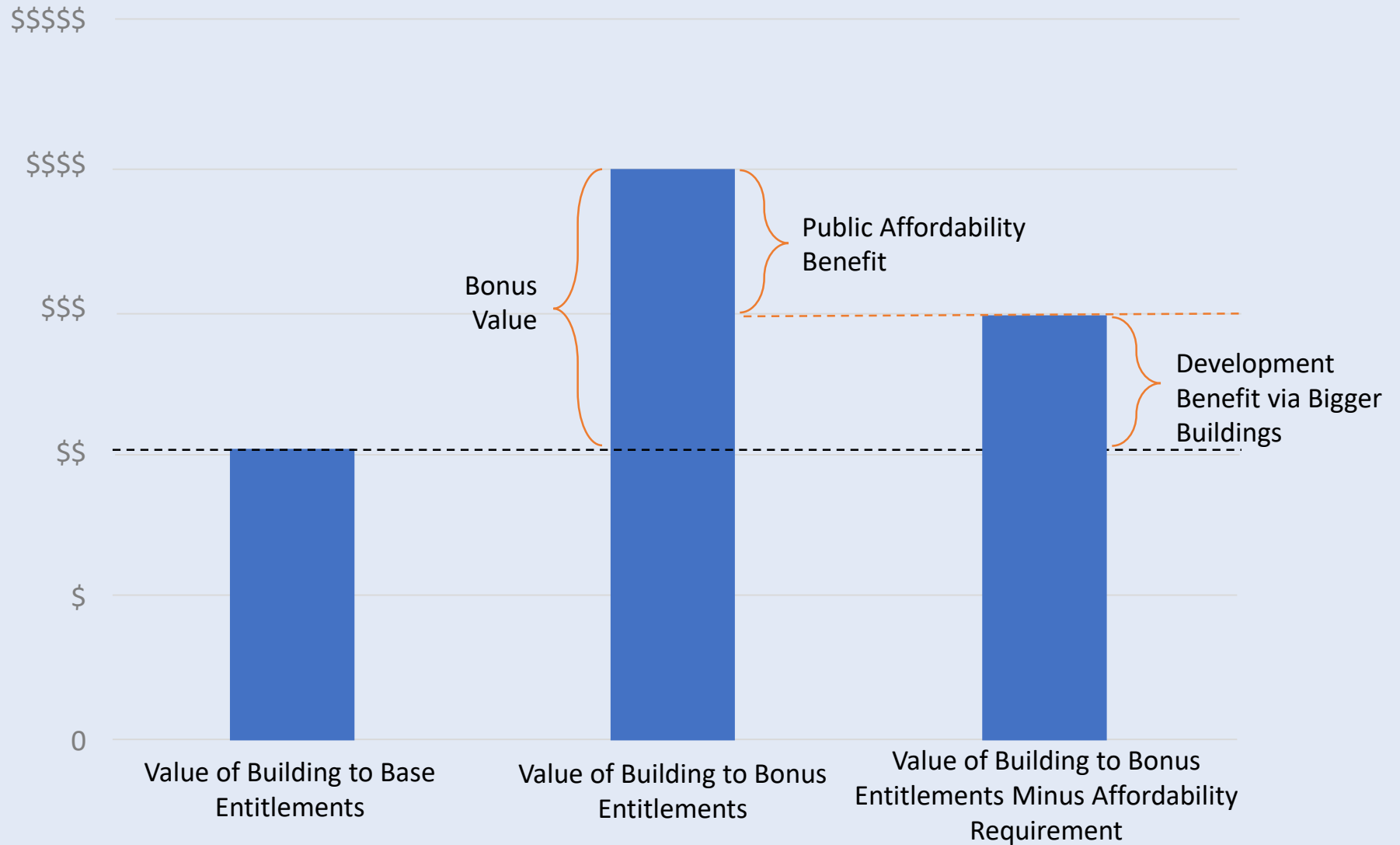
Real Estate Development Fundamentals



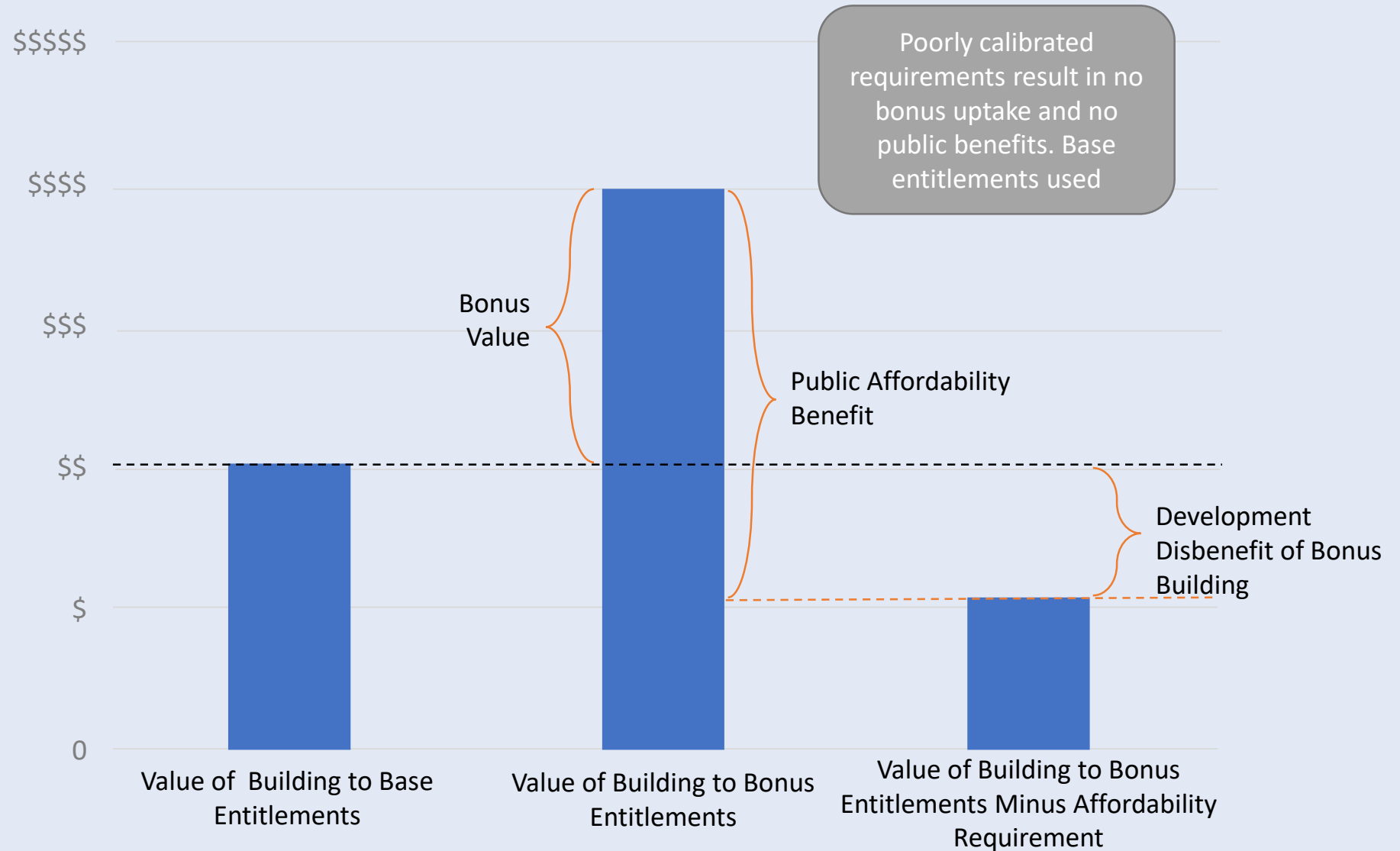
Real Estate Development Fundamentals



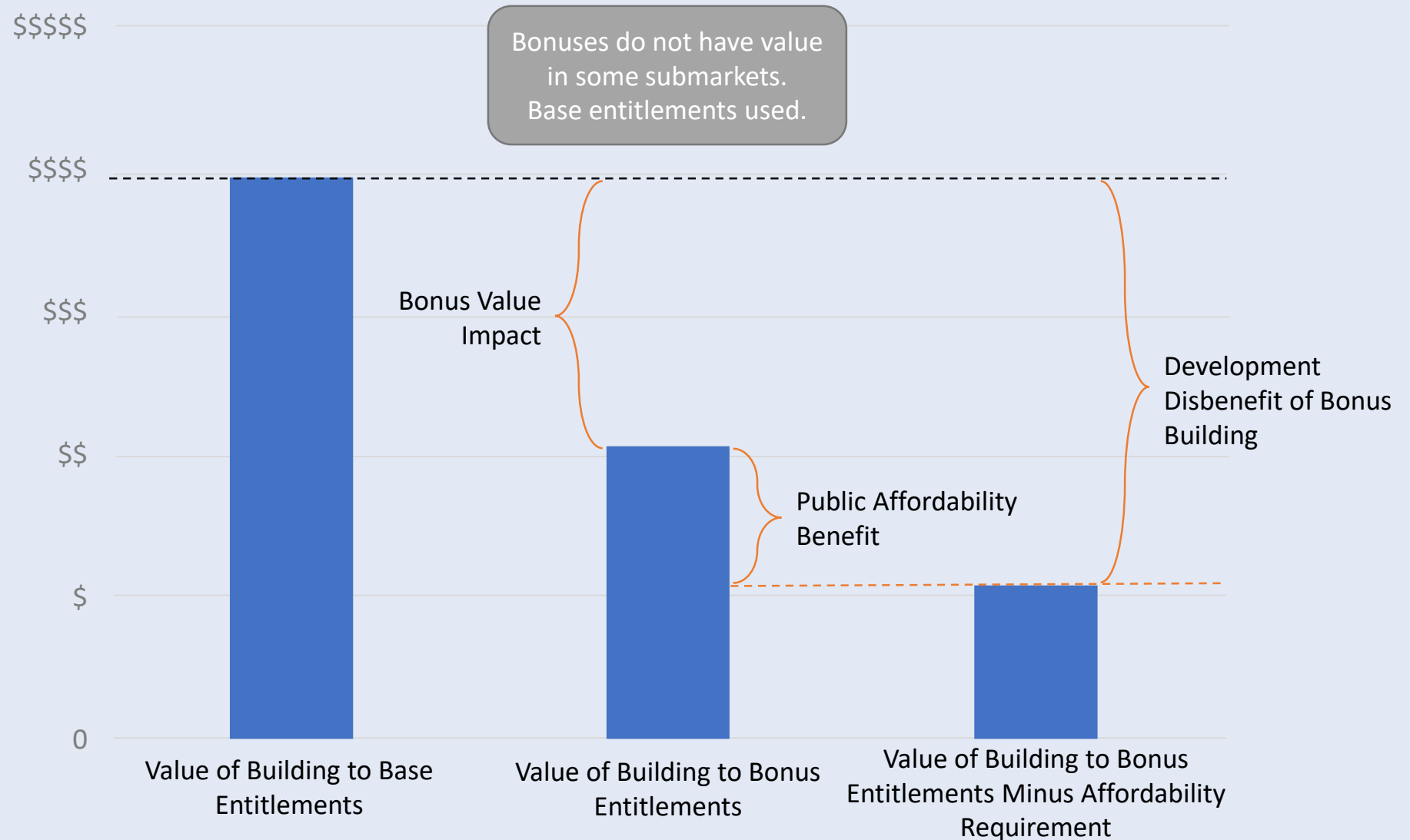
Real Estate Development Fundamentals



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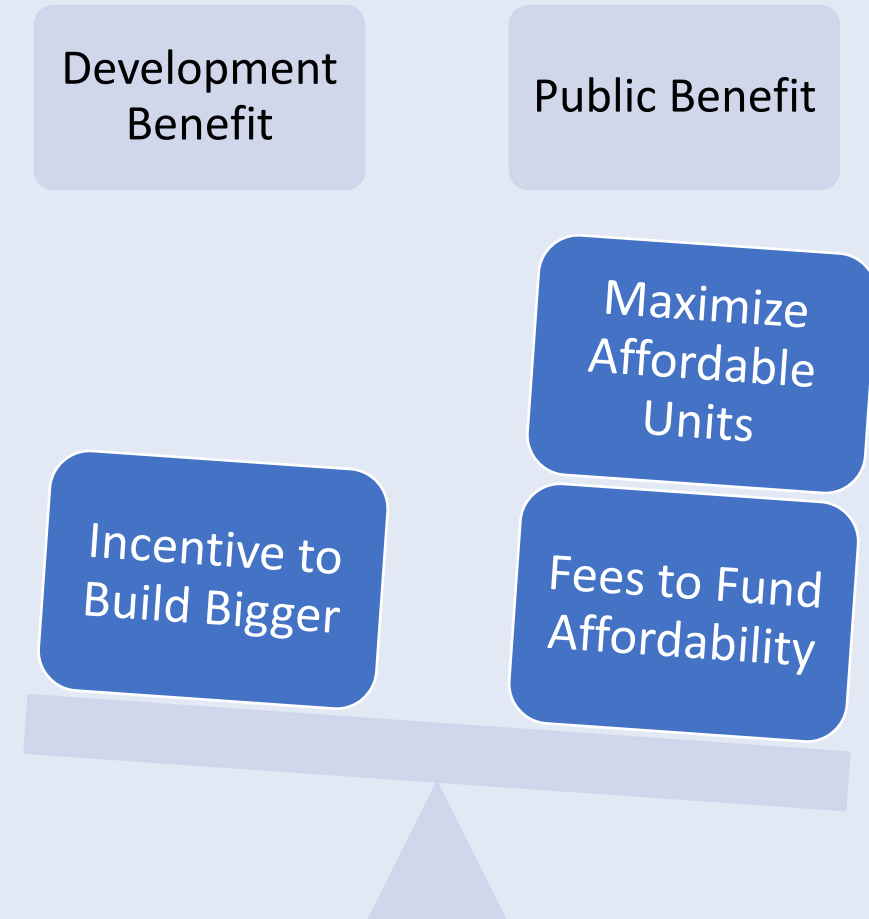


Real Estate Development Fundamentals



Density Bonus Calibration

- Careful calibration to weigh development benefit and public benefit
- Without participation in the bonus, no bonus units – market-rate or affordable – will be constructed
- Careful calibration needed to maximize public benefit and achieve policy goals





Downtown Density Bonus Program In-Lieu Fee Recalibration

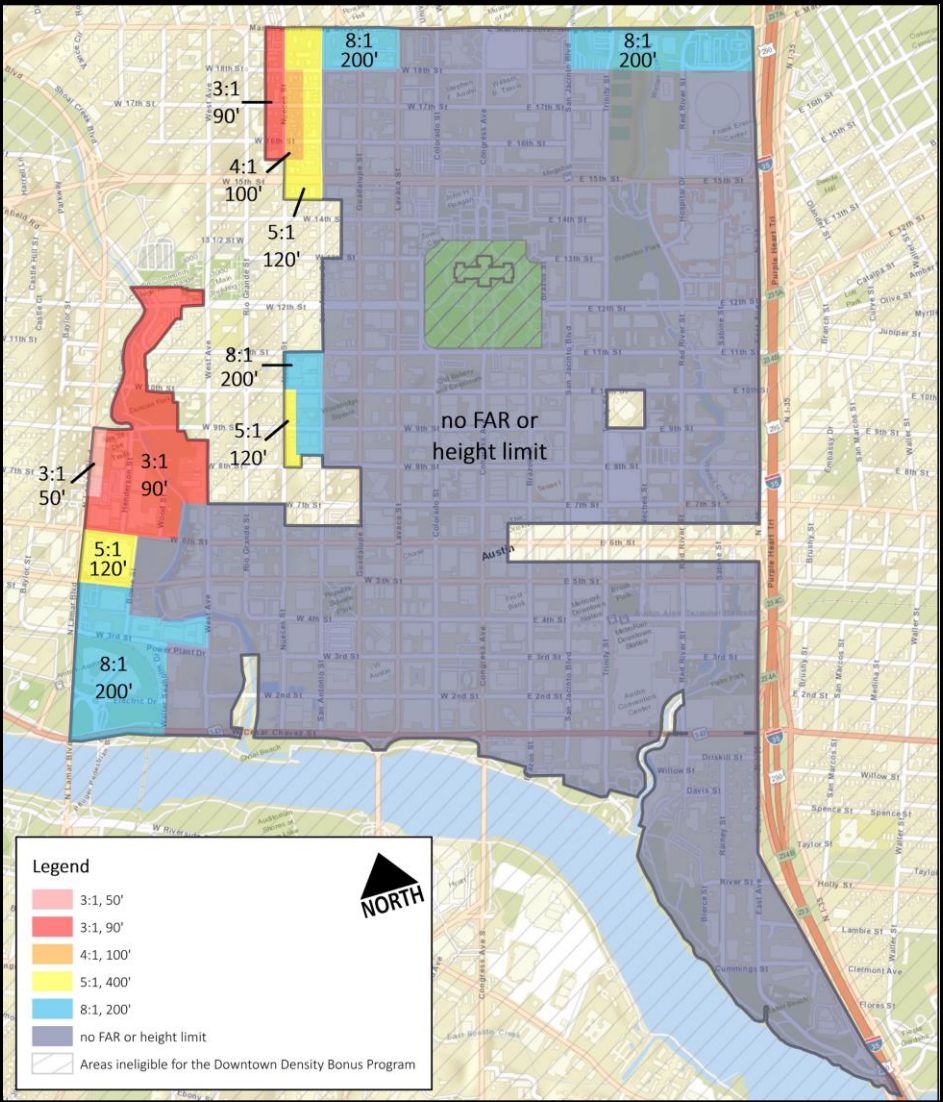


DOWNTOWN BONUS PROGRAM CHANGES

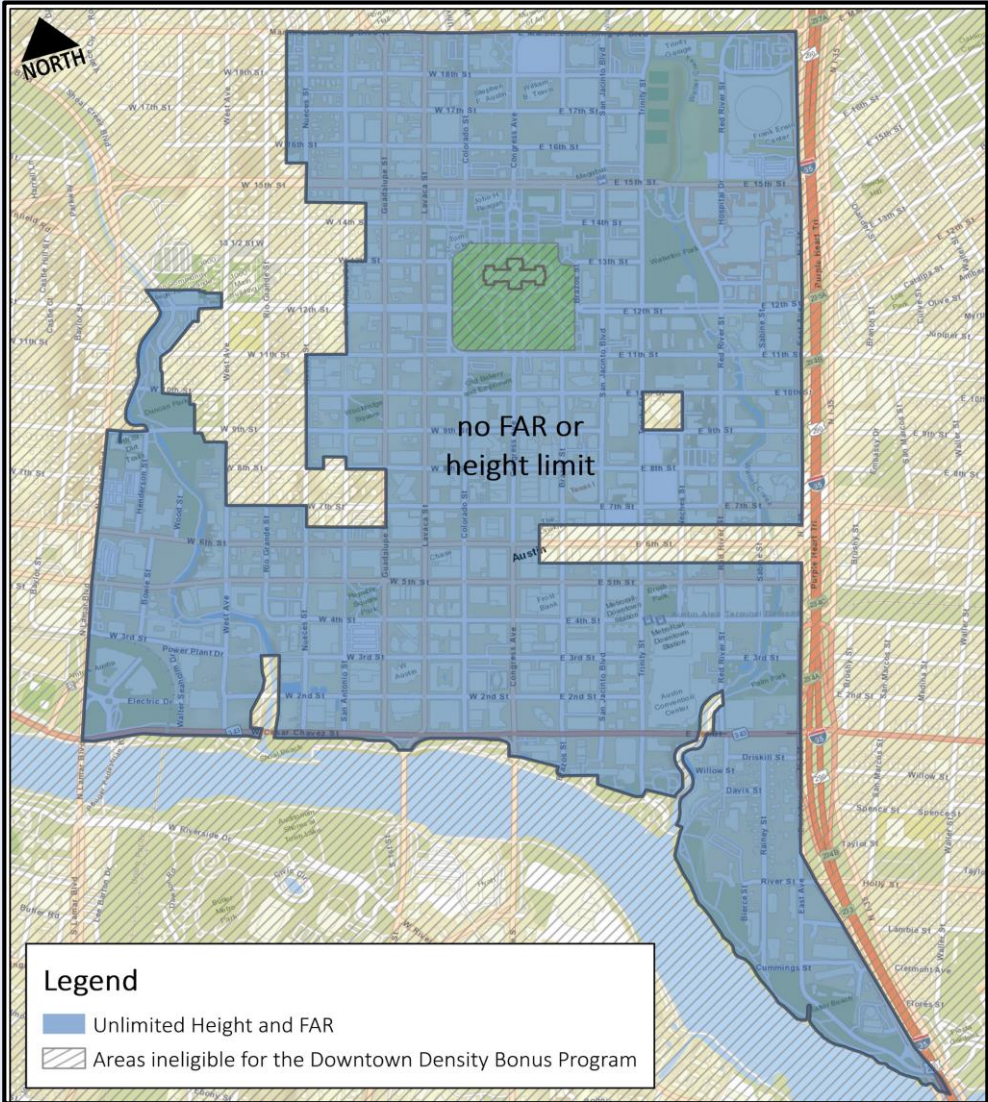
Council Direction

“Allow an unlimited CC bonus across Downtown, except do not map this unlimited bonus in the small area of Downtown where there currently is no bonus, on first reading. Council intends to add a bonus with new height and density in this northwest area on second reading, while maintaining a transition in height to areas that are primarily Residential House-Scale within the Downtown area. This transition in heights is to be considered the transition zone for house-scale areas in the Downtown. Staff and stakeholders should explore options for achieving this goal.”

DOWNTOWN BONUS PROGRAM CHANGES



1st Reading Draft

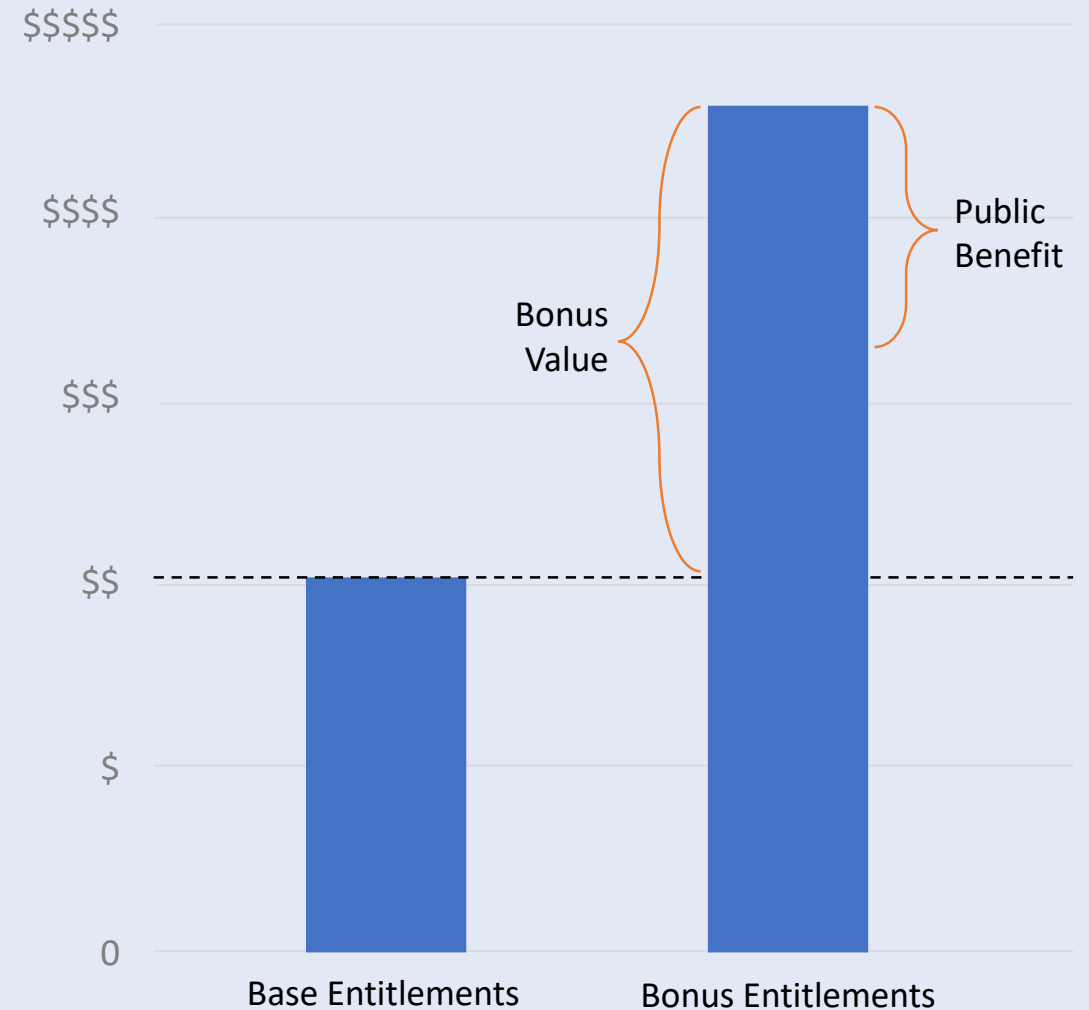


2nd Reading Draft

Fee Calibration

ANALYZE BONUS VALUE

1. Gather base, bonus, and max bonus entitlements
 - i. Five+ downtown specifications
2. Consider prototypical buildings for base and bonus entitlements on a variety of parcel sizes
3. Calculate the difference in value between base and bonus prototypes



Fee Calibration

DEFINE POLICY GEOGRAPHIES AND FEES

1. Test fees under various policy geographies
 - i. Based on existing bonus policy geography
 - ii. Based on geographies defined in subdistrict plans
 - iii. Based on market sub-geographies
 - iv. Based on bonus entitlement geographies
 - v. Based on base entitlement geographies
2. Define optimal fee specification, balancing fee precision with policy legibility



Fee Calibration

RECOMMENDED FEES IN DOWNTOWN

Bonus Area	Residential In-Lieu Fee per Square Foot*	Commercial In-Lieu Fee per Square Foot	Applicability
Downtown CC Zones	\$10	\$12	Fees per square foot of bonus
Downtown DC Zones	\$12	\$18	Fees per square foot of bonus
Downtown Rainey Subdistrict	\$5**	\$12 for CC Zones \$18 for DC Zones	Fees per square foot of bonus

* Residential fees could be higher if parking maximums in the draft code were adjusted. Currently, condominium sale prices are associated with parking provision at approximately one and a half stalls per unit.

** This district requires that a developer provide some on-site affordable units, even when paying a fee in lieu of providing other required units.

QUESTIONS