

SUBJECT: ZONE TEXT AMENDMENT TO AMEND DENSITY REQUIREMENTS FOR R3 AND R4 DISTRICTS; AMEND THE DENSITY BONUS CONCESSION MENU; AND TO AMEND THE APPLICABLE REVIEWING BODIES IN THE DEVELOPMENT REVIEW PROCESS

PREPARED BY: DEPARTMENT OF COMMUNITY DEVELOPMENT  
(Bianca Siegl, Long Range & Mobility Planning Manager)  
(Rachel Dimond, AICP, Senior Planner)

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### STATEMENT ON THE SUBJECT

The City Council directed staff to engage in a multi-family neighborhood study in 2015. As a result of this direction, staff engaged focus groups and conducted a survey of residents to understand development related concerns in the community. The key directives from council focused on the following:

1. Eliminating the 90% density requirement; and
2. Addressing height in R3 and R4; and
3. Streamlining the development review process to incentivize projects that do not request height bonuses.

In order to address the 90% density requirement, staff proposes elimination of the 90% density requirement for R3 and R4 Zone Districts. In order to ensure that new projects do not result in a net loss in units, another requirement was added to ensure no net loss in dwelling units, unless the number of existing dwelling units is more than the maximum dwelling units allowed by zoning. In that case, the new development would be required to provide the same number required by zoning (before any density bonus).

In order to address height in R3 and R4, staff evaluated a number of options. Ultimately, staff determined that lowering base height in R3 and R4 would necessitate a review of the General Plan, and would push most projects into utilization of the height density bonus concession. Instead, staff recommends a zone text amendment that would eliminate the additional story as a density bonus concession. Requests for an additional story would fall under the "other concession" category, and would require Planning Commission review, while other incentives could be approved at a staff level. This will incentivize projects to not request the extra story concession. Further, it would still result in projects meeting the height established in the General Plan.

In order to address the directive to streamline the development review process for certain projects, staff recommends administrative review be permitted for projects that meet ANY of the following criteria:

- R1 and R2 (no change)
- 6 or fewer units in R3 (previously 4 units)
- 12 or fewer units in R4 (previously 8 units or 9 with one inclusionary)
- Any project that does not utilize any state density bonus

Staff recommends that Planning Commission review be required for projects that do not meet the above criteria or includes the following:

- Any project that utilizes affordable housing concession 19.22.050E2f (Other concessions not listed)
- Tract maps only- condominiums will follow above guidelines on reviewing body

Condominium projects require tract map approval, which state law requires to be reviewed by Planning Commission and City Council. Today, condominium projects are reviewed as a package, with development permit and tract maps reviewed by Planning Commission. The proposed text amendment would separate the two items, allowing certain development permits to be reviewed administratively (should they meet the new administrative review criteria), while the tract map is reviewed separately by Planning Commission.

These changes will allow more projects to be administratively reviewed, and provides incentive for projects to not utilize a density bonus or request an additional story as a density bonus concession.

The draft language is included as follows for Long Range Subcommittee review. A public hearing is planned for the November 16, 2017 Planning Commission meeting.

### **PROPOSED ZONE TEXT AMENDMENT LANGUAGE**

New language is in **bold underline** and deletions are in ~~strikethrough~~.

19.06.080 R3 and R4 Zoning District Development Standards – Required Density.

All new residential projects in the R3 and R4 zoning districts shall be built to **have no net loss in dwelling units, unless the number of existing dwelling units is greater than allowed by zoning, in which case the project shall build to the maximum number of units allowed by the residential density requirements in Section 19.06.040.** ~~a minimum of the 90% of the density allowed by the zoning district. Notwithstanding the provisions of Section 19.22.040(A), if the maximum allowable density allows 11 units, an on-site inclusionary unit shall be incorporated into a project consisting of 10 units. This provision shall apply only if all existing dwelling units on the site are demolished and new dwelling units are constructed.~~

Chapter 19.22 Affordable Housing Requirements and Incentives  
 19.22.030 Affordable Units Required.

E. *Concessions*. In compliance with state law, projects that request a density bonus to provide on-site affordable housing are eligible for concessions as follows:

2. Available Concessions. The following concessions may be requested:
- ~~a. An additional story, not to exceed 10 feet of total project height; or~~
  - ~~b. a. Ten percent reduction in the minimum rear yard setback; or~~
  - ~~c. b. Ten percent reduction in the minimum front yard setback; or~~
  - ~~d. c. Ten percent reduction in the minimum side yard setback on one side; or~~
  - ~~e. d. Ten percent reduction in total common open space required; or~~
  - ~~f. e. Ten percent reduction in private open space for up to 50 percent of the units.~~
  - ~~g. f. Other regulatory concessions that result in identifiable, financially sufficient, and actual cost reductions. **Requests for this concession cannot be administratively approved.**~~

19.48.030 Review Authority.

Development permit applications shall be reviewed, approved, modified, or denied by the review authority identified in the following table. For review of amendments to already approved projects, see also Section 19.62.070, Amendments to Approved Projects.

TABLE 4-2: DEVELOPMENT PERMIT REVIEW AUTHORITY

Type of Use or Project	Review Authority	
	Director	Commission
<b>Residential Zoning Districts</b>		
Residential project: <del>4 or fewer units in R1, R2 &amp; R3 zones, except condominiums</del> <del>8 or fewer units in R4 zones (or 9 units where one is inclusionary), except condominiums</del> <b>4 or fewer units in R1 and R2</b> <b>6 or fewer units in R3 OR</b> <b>12 or fewer units in R4 OR</b> <b>Any project in R1, R2, R3 or R4 that does not utilize any state density bonus or affordable housing concessions or incentives</b>	X	

Residential project: <del>5 or more units in R1, R2 &amp; R3 zones</del> <del>9 or more units (10 or more if at least 1 is inclusionary) in R4 zones</del> <b>5 or more units in R1 and R2 OR</b> <b>7 or more units in R3 OR</b> <b>13 or more units in R4</b> <b>Any project that utilizes affordable housing concession 19.22.050E2f (Other concessions not listed)</b> <b>Any project that utilizes multiple bonuses</b>		X
Residential condominiums <b>tract maps only</b>		X