

## 6.15 Residential Density Bonuses - VC\_DRAFT #5 8.7.24

**6.15.1 Purpose:** The objective of this section is to enable more housing, specifically of the types that enable greater diversity and affordability of Richmond’s housing stock. This goal is elaborated in the Richmond Town Plan and the Chittenden County Regional Planning Commission’s ECOS Plan. This section is authorized by 24 VSA 4414 (7)(C).

**6.15.2 Applicability:** Residential density bonuses consist of dwelling units that may be developed in excess of the stated base residential density of certain zoning districts. These bonuses will be available only in the zoning districts that specifically allow them in the subsection of that district entitled “Residential Density,” and only as part of a residential or mixed-use PUD.

### **6.15.3 General requirements:**

- a) **2:1 bonus level:** Development of one unit of qualifying housing, as described in Section 6.15.4 below, shall allow for two additional market-rate units to be developed in addition to the qualifying unit, providing that the Total Maximum Density of the district in which the project is located is not exceeded.
- b) **4:1 bonus level:** Development of one unit of qualifying housing, as described in Section 6.15.5 below, shall allow for four additional market-rate units to be developed in addition to the qualifying unit, providing that the Total Maximum Density of the district in which the project is located is not exceeded.
- c) **Other bonus categories:** Provision of five parking spaces for public use, or five parking spaces to be leased to businesses other than the Creamery, as described in Section 6.15.6 below, shall allow for two additional units of market rate housing to be developed, providing that the Total Maximum Density of the district in which the project is located is not exceeded.
- d) Density bonus units shall adhere to all other requirements of the district where they are to be developed.
- e) All verifications and certifications will be the responsibility of the developer and will be submitted to the Richmond Planning and Zoning Department, or to the Housing Committee if designated, on the appropriate forms (see Section 6.15.7).
- f) Any reference to “AMI” shall refer to the current VHFA chart entitled “Maximum rent and purchase price affordability thresholds by income and household size,” and shall reference the “Chittenden, Franklin, Grand Isle” line. “AMI” refers to the column titled “Income level.” For the purposes of

section 6.15.4, - “workforce housing” - the column entitled “Income threshold by household size” shall be ignored.

- g) Projects qualifying under Section 6.16 and 24 VSA 4303(2) “Affordable Housing Development” shall not be eligible for additional density bonus units under this section.

#### **6.15.4 Types of residential density bonus units available at a 2:1 bonus level:**

**a) Workforce housing (rent limited only)** - Rental dwelling units whose total annual rental cost and associated expenses do not exceed 80% AMI for the size of unit, or saleable dwelling units whose purchase costs do not exceed 120% of AMI for the size of the unit. There is no requirement that the renters or purchasers of workforce units adhere to the VHFA income limitations for this category of bonus units. The costs of a rental unit shall be verified once for each new tenant in that unit for a minimum of 15 years, and a 3% per year maximum rent increase shall be allowed. The cost of a saleable unit shall be verified once at the time of purchase.

**b) Senior / Adaptable housing:** dwelling units that are designed and constructed for those with physical limitations, with features as listed below : *(guidelines TBD)*

#### **6.15.5 Types of residential bonus units available at a 4:1 bonus level:**

**a) True, income-sensitive affordable housing (rent limited and income sensitive)** - A dwelling unit that meets the definition “affordable housing” as defined in 24 VSA 4303(1). This type of density bonus unit has two criteria that must be certified for rental or saleable units, with a maximum rent increase of 3% per year for rental units: 1) all costs associated with the rental or sale must meet AMI standards for the size of the unit; 2) each new tenant’s or purchaser’s income must be ascertained at the time of the rental or sale. For this category, the column headed “Income threshold by household size” on the VHFA chart must be utilized, and the % of median income shall be 80% or less for rental units, and 120% or less for saleable units. For example, the creation of 2 true, income-sensitive affordable units allows for the creation of an additional 8 market-rate units for a total of 10 additional units. The number of qualifying affordable units may not equal or exceed 20% of the total project units. For a different pathway allowing a residential density increase, see Section 6.16, statutorily-designated “**affordable housing development.**”

#### **6.15.6 Parking bonuses:**

**a) Public parking:** The creation of five parking spaces that are dedicated to the town for public parking in perpetuity. The spaces shall be identified and signposted prior to the CO.

**b) Leased parking:** The creation of five parking spaces that are offered for paid leasing to businesses other than the Creamery in perpetuity. The leased parking spaces shall be offered annually at a rate set by, and paid to, the Applicant, and shall be maintained, including, but not limited to, plowing, restriping, and resurfacing as needed, by the Applicant. The spaces shall be identified and signposted prior to the CO, and the Applicant shall report annually to the Planning and Zoning Department whether the spaces are leased, if so, to whom, and the leasing rate.

#### **6.15.7 Application and Verification procedures (TBD)**