



**Community Development Department
Planning and Development Services**

Date: August 12, 2020
TO: Planning and Zoning Commission
FROM: Dan Symer, AICP, Zoning Code Manager
Through: Alaxandra Pucciarelli, Current Planning Manager
RE: Planning and Zoning Commission Work Session

I. **Request:**

Case No. PZ-19-00125 Updates to Zoning Code 2020 - High Occupancy Housing Land Use: Request for a work session with the Planning and Zoning Commission to discuss the City's request to amend the Zoning Code pertaining to the goals, policies, and implementation strategies of the High Occupancy Housing Specific Plan.

II. **Purpose of the Work Session:**

The work session with the Planning and Zoning Commission is required as a "Citizen Review Session" in compliance with Section 10-20.50.040 (Procedures) of the Zoning Code and applicable state law. The purpose of the work session is for staff to present an overview of the proposed amendment, to allow interested residents to provide their ideas, suggestions, and concerns, and for the Commission to ask questions, seek clarification, and discuss the amendment, as well as offer alternate suggestions and ideas. The Commission will take no action at this work session. After the work session, staff will revise the proposed amendment. The amendment will then be presented to the Commission at a public hearing for consideration and action. Once a recommendation is received, a public hearing will be scheduled with the City Council. The anticipated timeline for the amendment is as follows:

- August 25, 2020 – City Council Work Session
- August 26, 2020 – Planning and Zoning Commission Work Session
- September 23, 2020 – Potential Planning and Zoning Commission Public Hearing
- October 2020 – Potential City Council Public Hearing (1st Reading of Ordinance)
- October 2020 – Potential City Council Public Hearing (2nd Reading of Ordinance/Adoption)

III. **Planning and Zoning Commission Questions:**

For your reference, below is a general overview of the questions on which staff is seeking the Planning and Zoning Commission's comments and direction.

- Does the Planning and Zoning Commission have any recommended modifications or considerations on the proposed Zoning Code Text Amendment?

- Does the Planning and Zoning Commission desire to maintain staff's proposal to apply the proposed Bedroom-to-Dwelling Unit Distribution to large HOHDs and MHOHDs, and Bedroom-to-Dwelling Unit Ratio to small and medium HOHDs and MHOHDs?

Please refer to the discussion in section VII.A. of the report.

- Does the Planning and Zoning Commission desire to maintain staff's proposed definition of Single-Family HOHD, or one of the alternative definitions?

Please refer to the discussion in section VII.C. of the report.

IV. **Introduction:**

In February 2018, the City Council adopted the citywide High Occupancy Housing Specific Plan (HOH Plan). The HOH Plan was developed in response to the community's dialogue about previously proposed high-intensity mid-rise developments near historic neighborhoods that primarily catered to college students. The HOH Plan is intended to provide direction in the form of goals and policies to accommodate a variety of housing options in areas of the city that can support infill, redevelopment, and mixed-use activities. These goals and policies are intended to enhance and maintain the city's character and guide future developments that would be considered High Occupancy Housing (HOH). It should be noted that the HOH Plan's listed implementation strategies about the Zoning Code amendments (Pages 102, 103, 105, and 106 of the HOH Plan) "...may be accomplished through another method..." to achieve "...the goals and policies of the HOH Specific Plan and the Regional Plan" (Page 99 of the HOH Plan).

After the adoption of the HOH Plan, staff received direction and affirmation from City Council on October 8, 2019, to address smaller developments that may also be considered as HOH. The smaller HOH developments that staff was directed to consider are single-family, two-unit (duplex), three-unit (triplex), and multiple-family developments that were not addressed in the HOH Plan.

It should be noted that the HOH Plan did not scrutinize addressing smaller HOH developments. For context, the HOH Plan defines an HOH development as any development that has at least 30 units or 75 bedrooms per acre (Page 2 and 110 of the HOH Plan). When the HOH Plan was developed, the Plan primarily focused on large-scale developments. Developments that were included in the HOH Plan analysis were The HUB, The Standard, Village at Aspen Place, Fremont Station, etc.

V. **Overview of Proposed Amendment:**

To implement the goals, policies, and implementation strategies of the High Occupancy Housing Specific Plan, the proposed amendment (Attachment 1) includes multiple changes to the Zoning Code. New provisions are being added, and several existing regulations are being modified. The most significant of the modifications include the:

- Removal of the Rooming and Boarding Land Use;
- Incorporation of the proposed High Occupancy Housing Development (HOHD) and Mixed-Use High Occupancy Housing Development (MHOHD) related land uses;
- Incorporation of the maximum bedrooms per acre allowed for developments in the Non-Transect Zones, and additional allowances in the pedestrian shed of an activity center;
- Incorporation of the maximum dwelling units per acre allowed for mixed-use developments in Commercial Zones without a Conditional Use Permit, and additional allowances in the pedestrian shed of an activity center;
- Incorporation of a Conditional Use Permit requirement for an HOHD and MHOHD in the Transect Zones;

- Incorporation of the HOHD and MHOHD use specific standards;
- Incorporation of the Transit Pass Parking Reduction Pilot Program;
- Incorporation and modifications to the parking requirements;
- Incorporation of bicycle space requirements for an HOHD and MHOHD; and
- Incorporation of design requirements for bicycle racks, bins, and storage facilities.

It should be noted that the density bonus provisions for complying with the Affordable Housing Incentives or the Residential Sustainable Building Standards are not being modified by this amendment. Therefore as a matter of practice, a corresponding 2.5 bedrooms per acre will be allowed for each dwelling unit that is allowed as a density bonus without requiring a Conditional Use Permit for a HOHD or MHOHD.

Summary of the Staff Revisions to the Zoning Code:

The proposed amendment includes:

1. Residential Zones (Section 10-40.30.030):

- The following land uses have been added to Table 10-40.30.030.B.: High Occupancy Housing Development, Single-Family; High Occupancy Housing Development, Two-units; High Occupancy Housing Development, Three-units; and High Occupancy Housing Development, Four-units and Greater.
- The Rooming and Boarding Facilities land use has been deleted from Table 10-40.30.030.B.
- The gross density provisions of Table 10-40.30.030.C. have been updated to include provisions for the properties zoned with the Resource Protection Overlay in and outside of a pedestrian shed of an activity center.
- Bedrooms per acre provisions have been added to Table 10-40.30.030.C. for multiple-family developments that have more than four dwelling units.

2. Commercial Zones (Section 10-40.30.040):

- The following land uses have been added to Table 10-40.30.040.B.: High Occupancy Housing Development, Single-Family; High Occupancy Housing Development, Two-units; High Occupancy Housing Development, Three-units; High Occupancy Housing Development, Four-units and Greater; and Mixed-Use High Occupancy Housing Development.
- The Rooming and Boarding Facilities land use has been deleted from Table 10-40.30.040.B.
- The gross density provisions of Table 10-40.30.040.C. have been updated to include provisions for an HOHD and MHOHD in and outside of a pedestrian shed of an activity center.
- Bedrooms per acre provisions have been added to Table 10-40.30.040.C. for multiple-family developments that have more than four dwelling units.

3. T3 Neighborhood I (T3N.1) Standards (10-40.40.050):

- The following land use has been added to Table H.: High Occupancy Housing Development, Single-Family.
- The Rooming and Boarding Facilities land use has been deleted from Table H.

4. T3 Neighborhood 2 (T3N.2) Standards (10-40.40.060):

- The following land uses have been added to Table H.: High Occupancy Housing Development, Single-Family; High Occupancy Housing Development, Two-units; High Occupancy Housing Development, Three-units; and High Occupancy Housing Development, Four-units and Greater.
 - The Rooming and Boarding Facilities land use has been deleted from Table H.
5. **T4 Neighborhood 1 (T4N.1) Standards (10-40.40.070):**
- The following land uses have been added to Table I.: High Occupancy Housing Development, Single-Family; High Occupancy Housing Development, Two-units; High Occupancy Housing Development, Three-units; and High Occupancy Housing Development, Four-units and Greater.
 - The Rooming and Boarding Facilities land use has been deleted from Table I.
6. **T4 Neighborhood 2 (T4N.2) Standards (10-40.40.080):**
- The following land uses have been added to Table I.: High Occupancy Housing Development, Single-Family; High Occupancy Housing Development, Two-units; High Occupancy Housing Development, Three-units; and High Occupancy Housing Development, Four-units and Greater.
 - The Rooming and Boarding Facilities land use has been deleted from Table I.
7. **T5 Main Street (T5) Standards (10-40.40.090):**
- The following land uses have been added to Table I.: High Occupancy Housing Development, Three-units; High Occupancy Housing Development, Four-units and Greater; and Mixed-Use High Occupancy Housing Development.
 - The Rooming and Boarding Facilities land use has been deleted from Table I.
8. **T6 Downtown (T6) Standards (Section 10-40.40.100):**
- The following land uses have been added to Table H.: High Occupancy Housing Development, Three-units; High Occupancy Housing Development, Four-units and Greater; and Mixed-Use High Occupancy Housing Development.
 - The Rooming and Boarding Facilities land use has been deleted from Table H.
9. **Specific to Uses (Division 10-40.60):** Added Section 10-40.60.175, High Occupancy Housing Developments, and Mixed-Use High Occupancy Housing Developments. This section includes the use of specific standards and regulations related to:
- General Requirements;
 - Building Footprint Sizes and Separation Requirements;
 - Waste Management Plan;
 - Crime Free Multi-Housing Program; and
 - Additional Conditional Use Permit Criteria.
10. **Mixed Use (10-40.60.260):** Subsection D has been updated to remove the regulations that conflict with the proposed HOHD and MHOHD provisions.
11. **Parking Standards (Division 10-50.80):** Added Section 10-50.80.061, Transit Pass Parking Reduction Pilot Program, and related regulations.

12. **Number of Motor Vehicle Parking Spaces Required (Section 10-50.80.040):** Modified the existing parking requirements for single-family dwellings, added clarifications, and incorporated parking requirements for the HOHD and MHOHD.
13. **Bicycle Parking (Section 10-50.80.050):** Updated the existing requirements and added requirements for the HOHD and MHOHD, including design requirements.
14. **Parking Adjustments (Section 10-50.80.060):** Updated the existing requirements to include provisions for HOHDs and MHOHDs. Also, the parking study requirements have been updated to include requirement clarifications and when a request for a parking reduction requires the City Council approval.
15. **Parking Standards (Division 10-50.80):** Incorporated a provision for a Transit Pass Parking Reduction Pilot Program for HOHDs and MHOHDs.
16. **Parking Spaces, Parking Lot Design and Layout (Section 10-50.80.080):** Updated the existing requirements to limit the use of tandem parking spaces to single-family attached and detached dwelling units and duplex developments in the Non-Transect Residential Zones.
17. **Specific to Building Types (Division 10-50.110):** The following sections have been modified to remove the allowance for tandem parking: 10-50.110.080, 10-50.110.090, 10-50.110.100, 10-50.110.110, and 10-50.110.120.
18. **Definition of Specialized Terms, Phrases, and Building Functions (Division 10-80.20):** The following definitions have been added: High Occupancy Housing Development (HOHD); High Occupancy Housing Development, Single-Family; High Occupancy Housing Development, Two-units; High Occupancy Housing Development, Three-units; High Occupancy Housing Development, Four-units and Greater; Mixed-Use High Occupancy Housing Development (MHOHD); Ratio, Bedroom-to-Dwelling Unit; and Ratio, Bedroom-to-Sanitation Facility.
19. **Flagstaff Zoning Code, Appendices (Title 10):** Added Appendix 1.4 Bicycle Parking Space Design Requirements. This appendix includes regulations and design requirements for bicycle parking spaces.

VI. Summary of May 27, 2020, Planning and Zoning Commission Work Session Comments:

At the May 27, 2020 Planning and Zoning Commission meeting, a member of the Planning and Zoning Commission requested City staff to return with the dwelling unit distribution for the Commons at the Sawmill. This request pertained to having a minimum number of studio/one-bedroom units and a maximum number of four bedrooms or more units. The dwelling unit distribution is:

- Studio units: 52 ≈ 27% of the total units
- Two-bedroom units: 86 ≈ 44% of the total units
- Three-bedroom units: 56 ≈ 29% of the total units
- Total: 194 dwelling units

VII. Summary of June 11, 2020, City Council Work Session Comments and Directions:

At the June 11, 2020 City Council Work Session meeting, the City Council requested staff to:

- Incorporate a requirement for large HOHD and MHOHD developments to have a minimum number of studio/one-bedroom units and a maximum number of four bedrooms or more units (Bedroom-to-Dwelling Unit Distribution);
- Return with information regarding the cost implication of requiring alternative floor plans as part of the application for an HOHD or MHOHD; and
- Consider an alternative definition for a single-family attached or detached dwelling unit that may be considered an HOHD.

Staff's responses to the City Council's requests are described below.

A. Bedroom-to-Dwelling Unit Distribution

To accommodate the City Council request, the proposed draft incorporates two provisions. The Bedroom-to-Dwelling Unit Distribution would regulate large-scale HOHDs and MHOHDs, and the Bedroom-to-Dwelling Unit Ratio would regulate medium- and small-scale HOHDs. Below are the provisions.

1. Bedroom-to-Dwelling Unit Distribution. An HOHD or MHOHD that has more than 29 dwelling units per acre, or more than 72.5 bedrooms per acre, excluding a Single-Family HOHD, shall have:
 - A minimum of 20% of the bedrooms contained in studio and/or one-bedroom dwelling units; and
 - A maximum of 30% of bedrooms contained in dwelling units with four bedrooms or more.
2. Bedroom-to-Dwelling Unit Ratio. An HOHD or MHOHD that has 29 dwelling units per acre or less, or 72.5 bedrooms per acre or less, excluding a Single-Family HOHD, shall not exceed a Bedroom-to-Dwelling Unit Ratio greater than 3.5.

Example of the Bedroom-to-Dwelling Unit Distribution.

- An HOHD Development Site in the Highway Commercial (HC) zone exceeds 29 dwelling units per acre and has more than 72.5 bedrooms per acre. The HOHD Development Site contains 850 bedrooms. In accordance with the provision, the following would apply:
 1. Minimum number of studio and/or one-bedroom dwelling units: $850 \times 20\% = 170$.
 2. Maximum number of bedrooms that may be contained in dwelling units with four or more bedrooms: $850 \times 30\% = 255$ bedrooms.
- Based on the calculations above, the bedrooms of the HOHD Development Site could be divided among the different unit types as follows:

Studio units: 20	Three-bedroom units: 73
One-bedroom units: 150	Four-bedroom units: 60
Two-bedroom units: 103	Five-bedroom units: 3

Note. The Bedroom-to-Dwelling Unit Ratio in the example is approximately 2.08.

It should be noted that the maximum Bedroom-to-Dwelling Unit Ratio that can be obtained with the Bedroom-to-Dwelling Unit Distribution requirement is approximately 2.72.

Example of a medium-sized HOHD with a Bedroom-to-Dwelling Unit Ratio.

- A two-acre HOHD Development Site contains 87 bedrooms and 25 dwelling units. Since the HOHD Development Site is less than 29 dwelling units per acre and has less than 72.5 bedrooms per acre, the Bedroom-to-Dwelling Unit Ratio would be used.
- The Bedroom-to-Dwelling Unit Ratio allows the bedrooms of an HOHD and MHOHD Development Site to be distributed in different configurations. Below is a possible bedroom distribution for the development example above.

Three-bedroom units: 19

Five-bedroom units: 6

This example has a Bedroom-to-Dwelling Unit Ratio of approximately 3.48.

The Bedroom-to-Dwelling Unit Ratio provides the property owner the most flexibility to distribute the bedrooms among the dwelling units and to address market conditions. Also, it allows small- and medium-sized HOHDs and MHOHDs to consist entirely of three-bedroom dwelling units, which would not be allowed with the Bedroom-to-Dwelling Unit Distribution.

It should be noted that the Bedroom-to-Dwelling Unit Ratio allows a maximum of seven bedrooms in a two-unit HOHD or MHOHD, and a maximum of 11 bedrooms in a three-unit HOHD or MHOHD.

Alternatively, it may be desirable to use the Bedroom-to-Dwelling Unit Ratio or the Bedroom-to-Dwelling Unit Distribution for all HOHDs and MHOHDs. If it is chosen to use the Bedroom-to-Dwelling Unit Ratio for all HOHDs and MHOHDs, the desired Bedroom-to-Dwelling Unit Distribution would not be a requirement. If it is chosen to use the Bedroom-to-Dwelling Unit Distribution for all HOHDs and MHOHDs, there are bedroom distribution challenges with smaller HOHDs and MHOHDs.

The Bedroom-to-Dwelling Unit Distribution could cause smaller HOHDs or MHOHDs to have fewer bedrooms than the amount allowed for a development that would not be considered an HOHD or MHOHD. For example, if a property owner wants to develop a three-unit HOHD with 12 bedrooms, the Bedroom-to-Dwelling Unit Distribution would require two one-bedroom dwelling units and one unit would be allowed to have four bedrooms. The total allowed bedrooms would be six, which is less than the number of bedrooms allowed before the development would be required to obtain an HOHD or MHOHD Conditional Use Permit. The number of bedrooms allowed in a three-unit HOHD without an HOHD or MHOHD Conditional Use Permit is nine.

If the Bedroom-to-Dwelling Unit Distribution is to be incorporated for small and medium HOHDs and MHOHDs, staff recommends using the Bedroom-to-Dwelling Unit Ratio for the two- and three-unit HOHDs and MHOHDs. The Bedroom-to-Dwelling Unit Ratio would allow a more practical distribution of bedrooms in these development types.

B. Cost Implication of Requiring Alternative Floor Plans

The City Council asked the staff to return with information regarding the cost implication of requiring alternative floor plans as part of the application for an HOHD or MHOHD. Staff spoke with Todd & Associates Inc, ORB Architecture, LLC, Humphreys & Partners Architects, L.P., and Shepley Bulfinch Richardson & Abbott, Inc. These architectural firms have all submitted apartment designs to the City of Flagstaff. All of the individuals that staff spoke with indicated that the cost is minimal if the client requests the alternative designs as part of the initial design

development. Three representatives indicated that a request for alternative floor plan configurations is not unusual, especially in the current financial market.

C. *Alternative Definition for a Single-Family Attached or Detached Dwelling Unit HOHD*

For discussion, the staff was requested to return to the City Council with an alternative definition for a single-family attached or detached dwelling unit that may be considered an HOHD. Members of the City Council expressed concerns that the proposed definition of a Single-Family HOHD may allow a single-family house on a lot over 10,000 square feet to be used as an HOHD. Below are two alternative definitions of a Single-Family HOHD:

- High Occupancy Housing Development, Single-Family: A single-family attached or detached dwelling unit with:
 - a. A Bedroom-to-Sanitation Facility Ratio less than or equal to 1.2, and
 - b. Five or more bedrooms.
- High Occupancy Housing Development, Single-Family: A single-family attached or detached dwelling unit with:
 - a. Seven or more bedrooms, or
 - b. Five or more sanitation facilities.

Attachment 2 is a table distribution demonstrating how the above provisions would apply to a Single-Family HOHD.

Staff's proposed definition of a Single-Family HOHD is provided below:

- High Occupancy Housing Development, Single-Family: A single-family attached or detached dwelling unit with five bedrooms or more:
 - a. On a lot or parcel containing 10,000 square feet or less; and
 - b. Has a Bedroom-to-Sanitation Facility Ratio less than or equal to 1.2.

It should be noted that an applicant for a single-family dwelling unit on a platted lot is allowed to submit for a building permit without any prior review by City staff. Therefore, it will be possible that an applicant of a Single-Family HOHD may not be informed that they need to obtain a Conditional Use Permit until after they have submitted for permit review. Considerable consternation is feasible since the applicant will have invested time and money in construction documents that will not be approved if they do not obtain a Conditional Use Permit for a Single-Family HOHD. Also, the applicant may not be able to comply with the requirements of a Single-Family HOHD. In addition, the time necessary to submit and obtain a decision for a Single-Family HOHD Conditional Use Permit would be an additional delay. Furthermore, there will be an additional cost to the applicant to submit for a Conditional Use Permit and produce the required information.

As it pertains to single-family dwelling units on unplatted lots, an applicant is required to submit a Concept Site Plan for staff review before submitting for a building permit. Therefore, an applicant may be notified of a Single-Family HOHD Conditional Use Permit requirement at that time. It should be noted that additional information that is currently not required to be submitted may be necessary for staff to decide if an HOHD Conditional Use Permit is required. Also, there will be an additional delay and cost associated with submitting and obtaining a Single-Family HOHD Conditional Use Permit decision.

VIII. **Findings:**

At the September 23, 2020 Planning and Zoning Commission meeting, the Commission will be requested to make a recommendation to the City Council on the proposed amendments based on the required findings specified in the Zoning Code. For your reference and discussion purposes, the required findings are specified below.

1. The proposed amendment is consistent with and conforms to the objectives and policies of the General Plan and any applicable specific plan;
2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience or welfare of the City; and
3. The proposed amendment is internally consistent with other applicable provisions of this Zoning Code.

IX. **Community Involvement:**

Public input was received at the public meetings held on August 19, 2019, February 13 and 14, 2020, and through the City's online Community Forum (https://www.opentownhall.com/portals/227/Issue_7685) (Attachment 3). Also, work sessions with the Planning and Zoning Commission were held on August 14, 2019 and May 27, 2020., and with the City Council on October 8, 2019 and June 11, 2020. In addition, staff received several comments regarding HOH developments from the Southside stakeholders' group that was formed to assist in the development of the proposed Southside specific plan. These meetings were held over the past year.

On August 12, 2020, the Planning and Zoning Commission voted to continue its work session on the proposed amendment to the August 26, 2020 Planning and Zoning Commission meeting. Persons of interest on file with the Planning and Development Services section of the Community Development department were notified of the Planning and Zoning Commission work session via first class mail. Also, notification of the work session was published on the City's Facebook web page and in the Arizona Daily Sun.

X. **Conclusion:**

As indicated above, the purpose of the work session is for staff to present an overview of the proposed amendment to the Zoning Code and allow interested individuals, residents, and business owners to provide commentary. In addition, the work session allows the Commission to ask questions, seek clarification, have discussions, and offer comments on the proposed amendment. No formal recommendation or action by the Commission to the City Council is to occur at the work session. Additional opportunities for discussion, public comment, and action by the Commission will occur at a future public hearing.

Attachments:

1. Draft of the High Occupancy Housing Amendment
2. Single-Family High Occupancy Housing Development Concept Definition Distribution
3. Public Comments