

Affordable Housing Modified Development Standards Zoning Code Text Amendment

Narrative and Regional Conformance Analysis

Narrative

The purpose of Division 10-30.20: Affordable Housing Incentives of the Zoning Code is to implement the Regional Plan and Incentive Policy for Affordable Housing (IPAH) policies, in order to encourage the preservation and production of affordable dwelling units and to assist in addressing Flagstaff's housing crisis that was declared by the previous City Council (Resolution No. 2020-66). The Zoning Code currently incorporates density bonuses, reductions in forest resources, landscape requirements and parking requirements, and a 15% modification to Property Development Standards.

The proposed amendment will incorporate additional provisions into the Affordable Housing Incentives, which will allow the City Council to approve modifications to the Property Development Standards (e.g., area, width, lot size, setbacks, open space, etc.) that are greater than 15%, excluding building height, density, outdoor lighting, signs, and the standards or guidelines applicable to a property with a historic, landmark or airport overlay zone. The provisions would be valid for permanently affordable housing developments, as defined in the code, which provide 100% of the dwelling units to persons or families with a household income equal to 80% or less of the area median income for the City of Flagstaff.

The proposed provisions are intended to allow property owners of affordable housing developments to request modifications to the Property Development Standards that may not be easily addressed as part of the design. Modifications greater than 15% will require City Council approval and modifications 15% or less that are currently allowed will still be approved by the Planning Director as. Additionally, it allows for the presentation of alternative design solutions. Another example of a modification could be a change in the parking requirements to a rate that is less than one space per dwelling unit and is more appropriate for the development, such as the parking requirements for an affordable housing senior living development. When a parking modification is proposed, provisions have been incorporated that require the Development Site to be within 1,320 feet or a greater distance approved by the City Council.

Regional Plan Conformance

The Regional Plan analysis supports the required finding of conformance for the proposed Zoning Code Text Amendment and demonstrates the manner in which it implements the related City policies. The Regional Plan has 97 goals and over 300 policies, which sometimes conflict or are given different weight in decision making. The applicable policies are analyzed by chapter below. No conflicting policies were identified with the proposed amendment.

Chapter VIII - Community Character

- Policy CC.2.7. Protect existing historic districts from encroachment by land uses that compromise the historic characteristics of the district.
- Policy CC.3.1. Encourage neighborhood design to be respectful of traditional development patterns and enhance the overall community image.
- Policy CC.3.2. Maintain and enhance existing buildings and blend well-designed new buildings into existing neighborhoods.
- Goal CC.4. Design and develop all projects to be contextually sensitive, to enhance a positive image and identity for the region.

In order to achieve the implementation of the above-referenced policies, modifications to the standards and guidelines of historic and landmark overlay zones have been excluded from the allowed adjustments proposed in the amendment. The purpose of the exclusion is to ensure that developments

in these overlays maintain the character that the overlays are intended to protect. For properties that are not in a historic and landmark overlay, findings have been incorporated to require the City Council to ascertain that the proposed development maintains consistency with the character of other existing developments in the area and is similar in quality of market-rate developments. The City Council will also be able to reference an areas specific plans as a source for defining a neighborhood's character in relation to a requested modification.

Chapter IX – Growth Areas & Land Use

- Policy LU.1.6. Establish greater flexibility in development standards and processes to assist developers in overcoming challenges posed by redevelopment and infill sites.
- Policy LU.10.3. Value the Historic Neighborhoods established around downtown by maintaining and improving their highly walkable character, transit accessibility, diverse mix of land uses, and historic building form.
- Policy LU.16.1. Encourage the continued intensification, expansion, and protection of existing industrial, warehousing, and distribution uses from encroachment where appropriate.

The primary purpose of the proposed amendment is to encourage affordable housing through flexible Property Development Standards that permit the incorporation of alternative design solutions and resolve challenges that potentially increase the cost of housing or minimize the number of units provided. In addition, the proposed amendment excludes the ability to modify the standards and guidelines of the historic and landmark overlays, thereby assisting in maintaining the historic building forms and patterns that these overlays are intended to protect. The provisions of the Airport Overlay (AO) zone have also been exempted from the allowable modifications. This exemption is meant to assist in ensuring that uses are precluded from areas that may otherwise encroach on the current and future airport expansion and operations in accordance with FAA policies.

Chapter XIV - Economic Development

- Policy ED.3.8. Protect existing business and industrial land uses from encroachment and allow for their expansion.
- Policy ED.7.1. Support planning, design, and development that positively, creatively, and flexibly contribute to the community image.

In order to effectuate the above-referenced policies, the Airport Overlay (AO) zone has been exempted from the allowable modifications under the proposed amendment. This exclusion assists in maintaining the flexibility of airport operations, business and industrial uses within the overlay which may otherwise be hindered by residential encroachments. In addition, the proposed amendment allows for the use of the flexible Property Development Standards to achieve creative design solutions that contribute to the contextual area. To ensure that the proposed design solution contributes to the community image, the City Council is required to ascertain that the development is consistent with the contextual area. It should be noted that this amendment will not eliminate the need to rezone a property if it is currently zoned Research and Development (RD), Light Industrial (LI), Light Industrial-Open (LI-O), Heavy Industrial (HI) and Heavy Industrial-Open (HI-O). Therefore, the proposed amendment will not impact the supply of land available for employment uses.

Chapter XIII – Neighborhoods, Housing, & Urban Conservation

- Policy NH.1.1. Preserve and enhance existing neighborhoods.
- Goal NH.3. Make available a variety of housing types at different price points, to provide housing opportunity for all economic sectors.
- Policy NH.3.5. Encourage and incentivize affordable housing.

- Policy NH.6.1. Promote quality redevelopment and infill projects that are contextual with surrounding neighborhoods. When planning for redevelopment, the needs of existing residents should be addressed as early as possible in the development process.

The proposed amendment fosters the implementation of the above-mentioned policies by encouraging and incentivizing affordable housing through modifications to a zone's Property Development Standards. One of the purposes of the proposed amendment is to minimize regulatory challenges that may limit the ability to provide housing for persons and families of varying household incomes. The amendment also includes provisions that the City Council shall ascertain consistency of the proposed development with the contextual area and its similarity in quality to market-rate developments.