

**PLANNING AND DEVELOPMENT SERVICES REPORT**

**Zoning Code Text Amendment**

**PUBLIC HEARING**

**PZ-21-00019**

**DATE: February 11, 2021**

**MEETING DATE: March 10, 2021**

**REPORT BY: Dan Symer, AICP**

**REQUEST:**

City's request for a Zoning Code Text Amendment to incorporate provisions into the Affordable Housing Incentives and the Parking Adjustments.

**STAFF RECOMMENDATION:**

Staff recommends the Planning and Zoning Commission, in accordance with this report, find that the required findings of the Zoning Code have been met, and that the Planning and Zoning Commission make a recommendation to the City Council for approval of the Zoning Code Text Amendment.

---

**I. Proposed Amendment:**

The proposed amendment (Attachment 2) incorporates into the Affordable Housing Incentives certain provisions that would allow the City Council to approve modifications to the Property Development Standards (e.g., area, width, lot size, setbacks, open space, etc.), 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 that 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 Zoning Code defines permanent affordability for affordable housing as a minimum of 30 years for developments with rental units and 99 years on for-sale units.

The intent of the proposed provisions is to implement the Regional Plan and Incentive Policy for Affordable Housing (IPAH) policies to provide flexibility and 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. Additionally, it allows for 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. It should be noted that this amendment is also being proposed to assist in addressing Flagstaff's housing crisis that was declared by the previous City Council (Resolution No. 2020-66).

In order to approve any request to modify the Property Development Standards, the City Council will be required to ascertain that the incorporated findings have been met. In summary, these findings are to ensure that the modification to the Property Development Standards maintain consistency with the Regional Plan (General Plan), will not cause health, safety, convenience, or welfare hazards, maintain consistency with other existing developments in the area, and the proposed development is similar in quality to other developments that are available to the public at the market rate. Moreover, an additional finding has been incorporated pertaining to the location of the Development Site to a transit stop. This finding is only applicable when a modification to the number of motor vehicle parking spaces required is proposed to be modified.

**II. Zoning Code Text Amendment**

The Planning Director shall provide a recommendation to the Planning and Zoning Commission for its review. The Director's recommendation shall be transmitted to the Planning and Zoning Commission in the form of a staff report prior to a scheduled

public hearing. The recommendation shall include the following: an evaluation of the consistency and conformance of the proposed amendment with the goals and policies of the General Plan and any applicable specific plans; the grounds for the recommendation based on the standards and purposes of the zones set forth in Section 10-40.20 (Establishment of Zones) of the Zoning Code; and a recommendation on whether the amendment should be granted or denied.

A Zoning Code Text Amendment shall be evaluated based on the following findings:

**A. Finding #1:**

**The proposed amendment is consistent with and conforms to the objectives and policies of the General Plan and any applicable specific plan;**

The primary purpose of the amendment is to implement and maintain consistency and conformance with the goals and policies of the Regional Plan (General Plan) while encouraging and incentivizing affordable housing through flexible land use development standards that are sensitive to the contextual surroundings. In order to achieve this purpose, the proposed amendment incorporates provisions to allow the City Council to approve modifications to the Property Development Standards of a zone, to accommodate permanently affordable housing developments, as defined in the Zoning Code. The affordable housing developments that qualify for the modification provision constitute developments that 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. In addition, criteria have been incorporated that require the City Council to find that the proposed modifications to the Property Development Standards maintain consistency with the Regional Plan (General Plan).

The proposed provisions and findings address multiple goals and policies of the Regional Plan. These include the following:

- Providing flexibility in the Property Development Standards to incentivize affordable housing developments that contribute to providing a variety of housing types in Flagstaff and to assist in overcoming design and development challenges of a property through the incorporation of creative solutions (Regional Plan Goal NH.3. and Policies ED.7.1., NH.3.5. and LU.1.6.);
- Requiring that the City Council find that the proposed modifications to the Property Development Standards maintain a development design that is contextually sensitive to the development patterns of the area/neighborhood in which the development is proposed (Regional Plan Goal CC.4. and Policies CC.3.1., CC.3.2., ED.7.1., NH.1.1., NH.6.1. and LU.1.6.);
- Protecting existing historic areas and building forms by prohibiting modifications to the Property Development Standards and guidelines of historic and landmark overlay zones<sup>1</sup> (Policies CC.2.7., LU.10.3., and NH.1.1.); and,
- Protecting the airport area from developments that may otherwise hinder current and future airport expansion operations by prohibiting modifications to the Airport Overlay (AO) zone (Policies ED.3.8. and LU.16.1.).

**B. Finding #2**

**The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City;**

The provisions of the amendment are not anticipated to be detrimental to the public interest, health, safety, convenience, or welfare of the city. In order to assist in the implementation of the Regional Plan's policies to encourage, incentivize, and increase the availability of affordable housing, the primary purpose of the amendment is to minimize regulatory constraints by allowing modifications to the Property Development Standards. Furthermore, the amendment includes provisions that require the City Council to find that the proposed modifications to the Property Development Standards will not be detrimental to the public interest, health, safety, convenience, or welfare and will not endanger, jeopardize,

---

<sup>1</sup> Currently there are three historic and landmark overlay zoning categories: Landmark Overlays (LO), the Townsite Overlay (TO) and the Downtown Overlay (DO).

or otherwise constitute a hazard to the property or improvements in the vicinity in which the development is located.

**C. Finding #3**

**The proposed amendment is internally consistent with other applicable provisions of this Zoning Code.**

The amendment does not substantively modify the existing provisions of the Zoning Code, and it is internally consistent with the code. Furthermore, the proposed amendment utilizes the existing format and does not conflict with other provisions of the Zoning Code. It maintains the Zoning Code's purpose as a comprehensive contemporary set of land uses and requirements that are straightforward, usable, and easily understood.

**III. CITIZEN PARTICIPATION**

Persons of interest on file with the Planning and Development Services section of the Community Development Division were notified of the Planning and Zoning Commission and City Council work sessions and public hearing via first-class mail. Moreover, notification of the work sessions and public hearings were published on the City's Facebook and Flagstaff Community Forum web pages and in the Arizona Daily Sun.

At the City Council meeting on February 9, 2021, one public comment was provided in support of the amendment. As of the date of this report, staff has received two sets of comments (Attachment 3) pertaining to the amendment from the public. In addition, two people responded to the Flagstaff Community Forum survey regarding this amendment. One indicated that he/she does not support the amendment, and the other respondent maintained a neutral position.

**IV. PLANNING AND ZONING COMMISSION WORK SESSION**

At the Planning and Zoning Commission Work Session of February 10, 2021, staff reviewed the text amendment application with the Commission. The Commission had a series of questions to clarify their understanding of the proposed Zoning Code Text Amendment. In summary, the Commission unanimously recommended that a maximum distance from a transit location be incorporated for any parking modification. The Commission also recommended, as part of the processing of a modification request for a property in a historic district, that staff obtain a recommendation from the Heritage Preservation Commission before presenting the request to the City Council. In addition, the Commission recommended that the following considerations be addressed as part of a future amendment: 1) a public notification requirement; and 2) incorporate a requirement for the Heritage Preservation Commission to make a recommendation to the City Council for any modification to the Property Development Standards of a zone for a property in a historic district. In order to address these concerns, the proposed Zoning Code Text Amendment has been modified to include notification and transit location requirements. Also, the standards and guidelines of the historic and landmark overlay zones have been exempted from the allowable modifications.

**V. CITY COUNCIL WORK SESSION**

At the City Council Work Session on February 9, 2021, staff reviewed the text amendment application with the City Council. The City Council had a series of questions to clarify their understanding of the proposed Zoning Code Text Amendment. In summary, the City Council was supportive of the amendment, although it was opined that when parking modifications are proposed, the Development Site should be near a transit stop and in an activity center. Additionally, it was stated that a menu of considerations should be incorporated for different quantities of affordable units and income ranges. In order to address these concerns, the proposed Zoning Code Text Amendment has been modified to include transit location requirements, and staff recommends incorporating the menu of considerations as part of the larger update to the Zoning Code's Affordable Housing Incentives later this year as a separate amendment.

**VI. Housing Commission Meeting:**

At the Housing Commission meeting on February 25, 2021, the Commission reviewed the text amendment application and provided a recommendation of approval to City Council. In addition, the Commission had clarification questions and provided the following comments: a concern was expressed regarding reducing the parking requirements, and caution should be taken if there was consideration to reduce the Area Median Income level that would be more exclusive.

**PZ-21-00019**  
**March 10, 2021**

**Attachments:**

1. Application Narrative and Regional Plan Analysis
2. Draft of Case No. PZ-21-00019 Zoning Code Text Amendment – 2021: Affordable Housing Modified Development Standards
3. Public Comments