

# Timber Sky Development Agreement 4<sup>th</sup> Amendment

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Zoning Code Manager  
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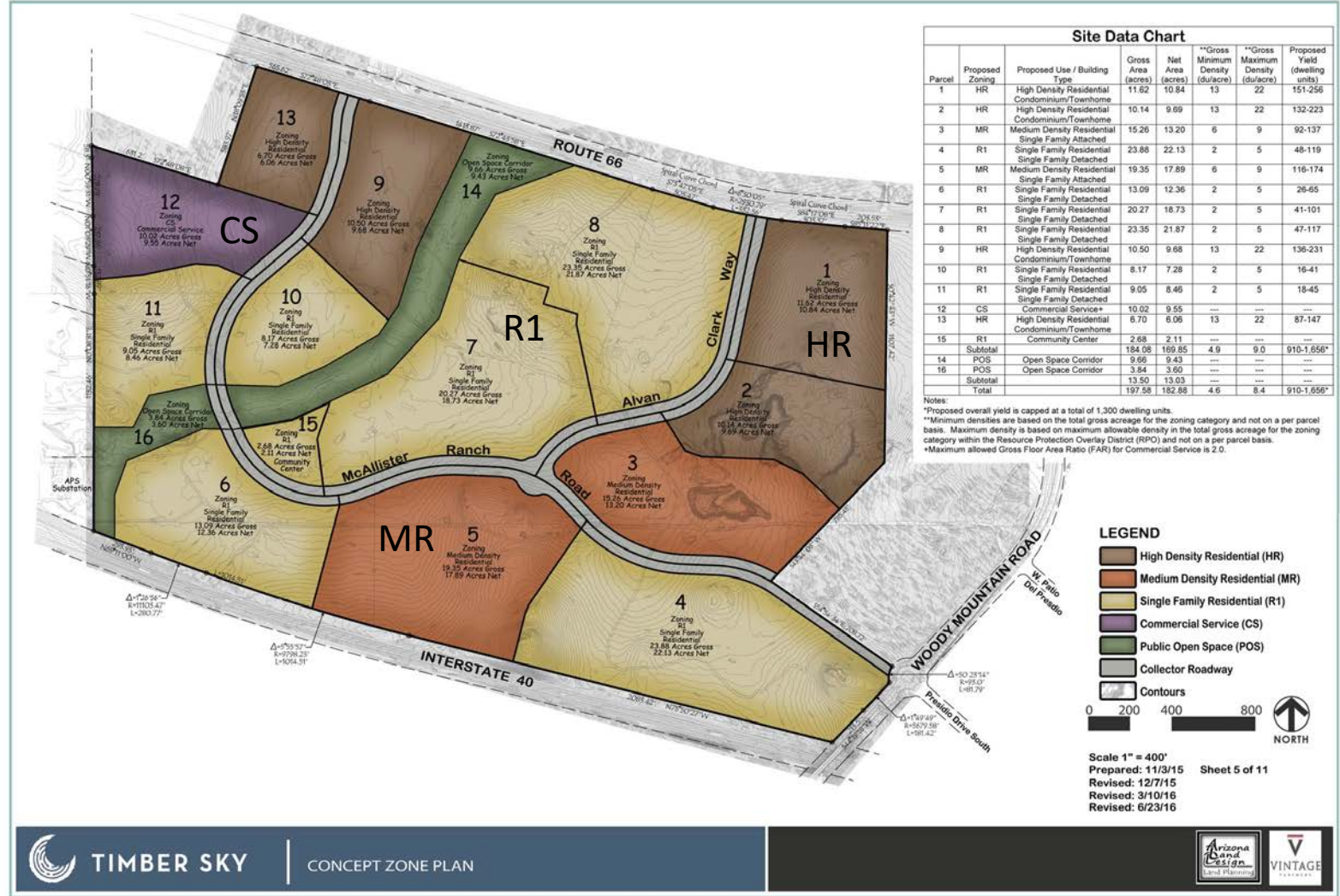




# Timber Sky Summary



- 2016 Annexation, Rezoning, and Block Plat approved by City Council in conjunction with Development Agreement.
- Minimum of 910 units and Maximum of 1,656 dwelling units
- 10.02 acres of commercial development





# Timber Sky Block Plat

## Block Plat

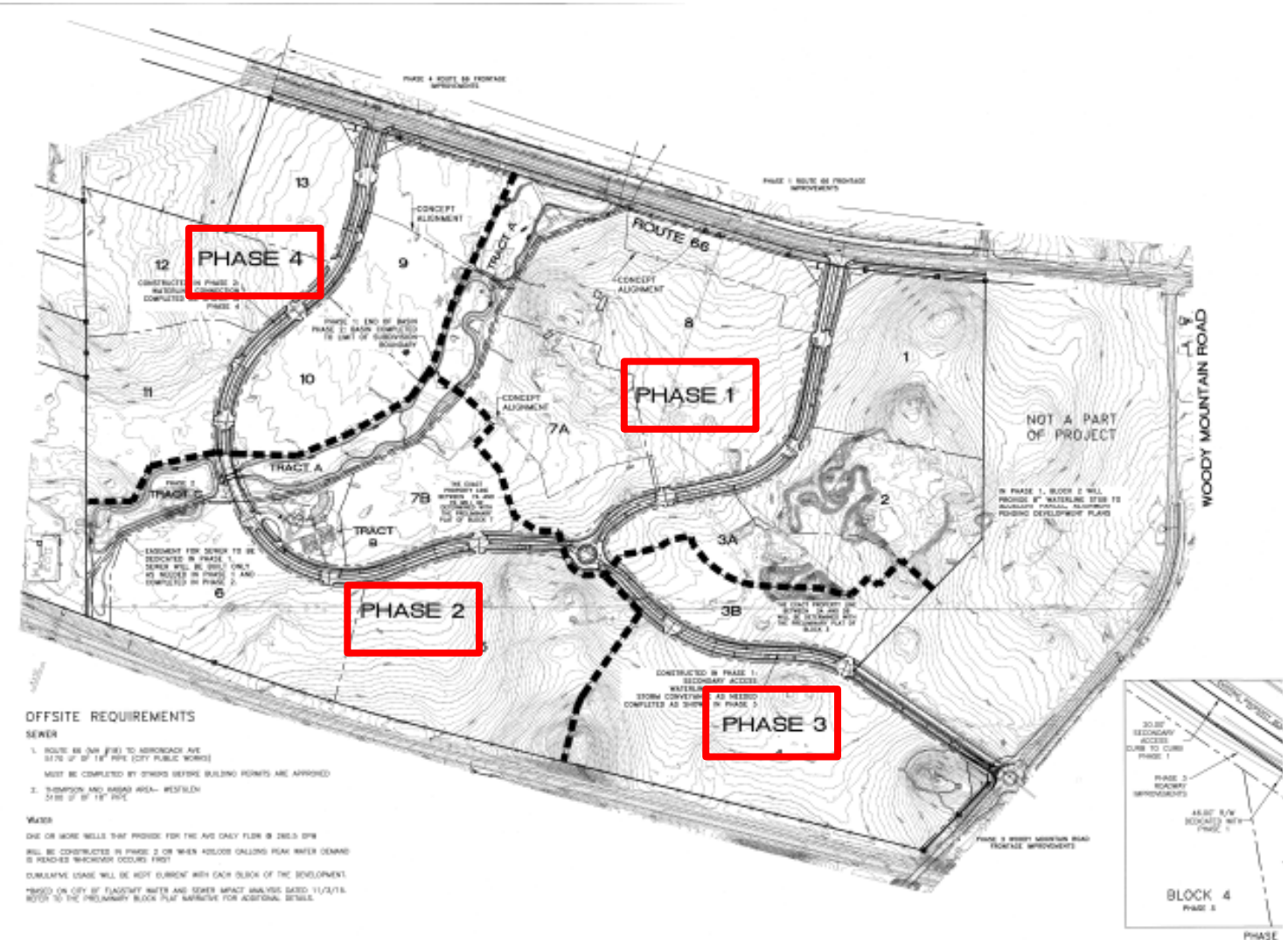
- 17 Blocks (2 blocks 3 & 7 are split over phases due to edge improvements)

## Phase 1 Block Plat

- Includes Blocks 1, 2, 3A, 7A & 8
- Final Plat approved 2017
- Blocks 8, 7A & 3A subdivided for single-family residential
- Blocks 1 & 2 remain undeveloped – no development proposals

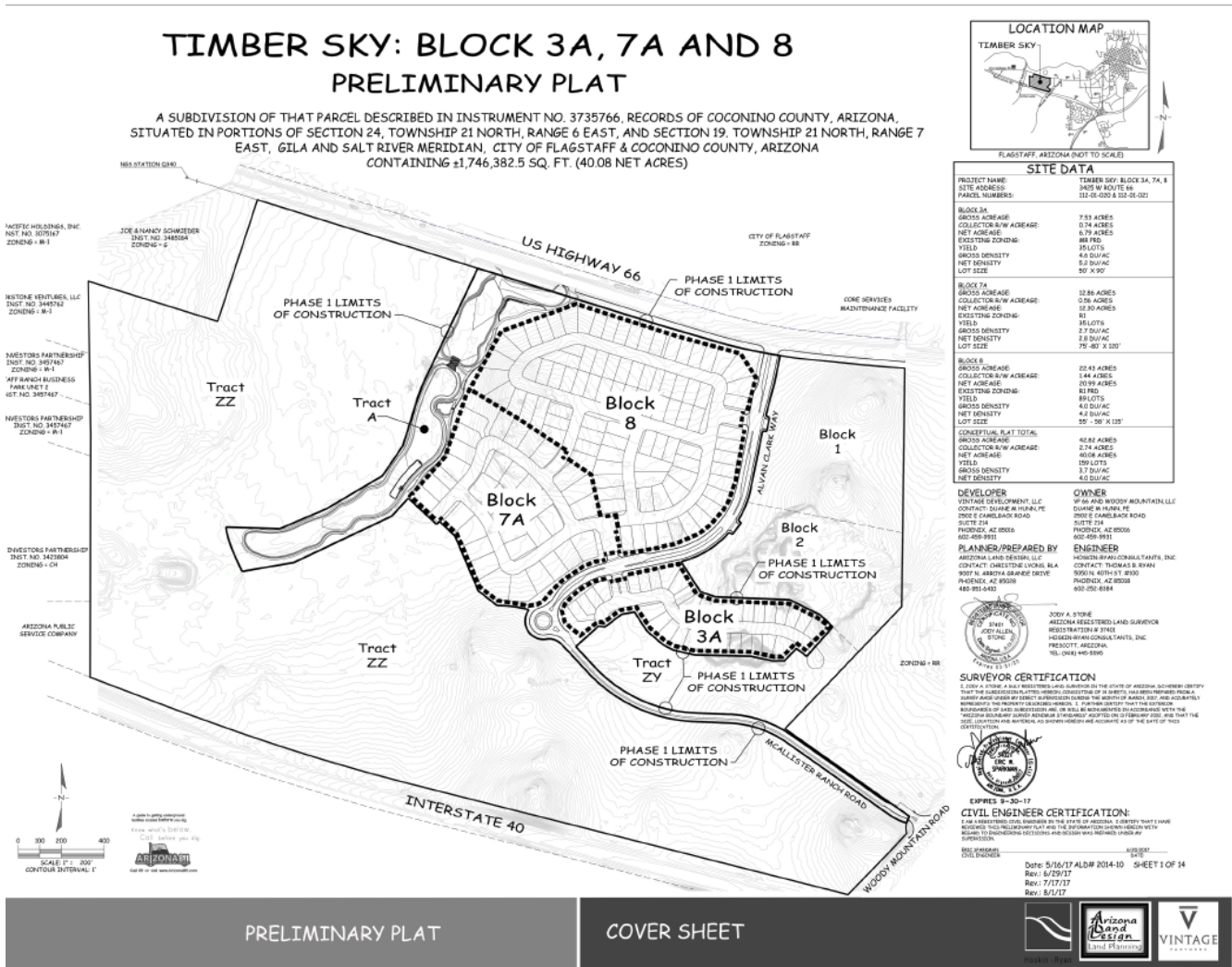
## Phase 2 Block Plat

- Originally included Blocks 5, 6 & 7B.
- Phase 2 and 3 combined as Phase 2
- Now includes Blocks 3B & 4 as well
- Final Plat approved 2021
- Staff is reviewing Preliminary Plats for Blocks 3B, 4 and 7B (118 lots)





# Blocks 3A, 7A & 8



## Block 3A – MR Zone

- 35 SFD lots (Gross Density 4.6 units per acre) minimum density 6 units per acre
- Planned Residential Development
- 7 Land Trust Units per Affordability Plan (undelivered)

## Block 7A – R1 Zone

- 35 SFD lots (Gross Density 2.7 units per acre) minimum density 2 units per acre
- No Land Trust Units

## Block 8 – R1 Zone

- 89 SFD lots (Gross Density 4.0 units per acre) minimum density 2 units per acre
- Planned Residential Development
- No Land Trust Units



# Current Development Agreement

5.1.3 Densities. The Zoning Ordinance reflects minimum and maximum densities for each non-transect residential zoning category. Due to the topography of the Property and the Resource Protection Overlay requirements, minimum densities are based on the total gross acreage for the zoning category and not on a per parcel basis. Maximum density is based on maximum allowable density in the total gross acreage for the zoning category within the Resource Protection Overlay District (RPO) and not on a per parcel basis.

## Concerns:

- Density within the Timber Sky Development has been difficult to achieve with only Single-family lots.
- Block 3A (within MR Zone) was deficient in density. This density can only be made up on Block 5 (within MR Zone) per this Development Agreement provision.
- Blocks 1 and 2 (within the HR Zone) are required to provide 13 units per acre. This density cannot be achieved with Single-family lots. The Zoning Code has since been amended to change the minimum density from 13 units per acre to 10 units per acre in the HR zone. The DA, however, locks this development into the Zoning Code at the time of the approval.



# Current Development Agreement

## Workforce Housing

- Section 5.2 states the Project will deliver **100 residential ownership units** with a minimum of 2 bedrooms and 2 bathrooms that will be sold at or below 125% of the AMI affordability level.
- Land Trust Units
- Subject to an Affordability Plan
- Intended that the location would be disbursed throughout the first three phases of development within the MR and HR zones, specific lot locations at the owner's discretion.
- Owner does not plan to cluster the units rather owner intends to keep the units distributed throughout the blocks as feasible.
- The City agreed to apply the 2013 Engineering Fees as an incentive for the provision of the 100 AMI-accessible units described in Section 5.2.
  - The maximum incentive is \$1,600,000.00.
  - 75% of the AMI-accessible units must be provided and transferred to the community land trust program prior to first final plat approval within Phase 4.
  - If units are not sold and transferred to the land trust, no plat within Phase 4 shall be recorded until payment has been made to the City in the amount of \$16,000 per remaining AMI-accessible unit.



# Proposed Amendment



## Workforce Housing:

1. Replace Section 5.2 Workforce Housing with provisions for 200 affordable rentals to serve households with an average Area Median Income (AMI) of 60% for a period of 30 years;
  - a) A restrictive covenant would be recorded with City as a third-party beneficiary
  - b) A concept plan for this site has been submitted for review by Roers Flagstaff Apartment Owner LLC
  - c) Vintage's obligation shall be satisfied once the covenant is recorded, and the City accepts the Rough Grading Certificate.
2. Vintage will provide no less than 3 acres to Habitat for Humanity for the development of at least 40 units intended for ownership for households with an average Area Median Income (AMI) of 100%.
  - a) Part of Habitat's existing starter home program, units are restricted for affordability, and included within the City Land Trust Program
  - b) Vintage will be responsible for subdividing Block 2 to create the 3-acre parcel and has committed to providing access and stub utilities to the Habitat parcel.
  - c) Deed to include a right of reversion clause in favor of the City if construction not completed in 5 years
  - d) Habitat parcel will be subject to the Timber Sky CC&R's



# Proposed Amendment



## **Workforce Housing (Continued):**

3. Vintage agrees that the City will not sign a final block plat for Tract ZZ (Phase 4) until the Restrictive Covenant is recorded on the affordable rental project and the City has accepted a complete Rough Grading Certificate, and the Habitat parcel has been conveyed to Habitat or the entity approved by the City Manager.

## **Water System Improvement Requirements:**

1. Delete provisions of the development agreement that required upfront water capacity fee payments. Water Services has agreed that these provision are no longer necessary. All required water capacity fees will be paid.

## **Alternative Payment Schedule for Engineering Fees:**

1. Vintage will pay the current Engineering Fees for Phase 4.



# Proposed Amendment

## Penalties:

- Phase 4 final plat won't be signed by the City of Flagstaff until a deed restriction has been recorded on the affordable rental project and the City has accepted a rough grading certificate (indicating that construction is underway), and the land has been transferred to Habitat for the ownership units.
- Once these obligations have been satisfied Vintage is released from the current penalty of \$1.6 million, however, Vintage will pay the current development engineering fees on all development within Phase 4.
- The practical effect is that Vintage will pay roughly a quarter of the 1.6 million fee through the payment of current engineering fees in phase 4.