

Mill Town

Development Agreement

2nd Amendment

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Development Agreement

History and Purpose:

- **The Development Agreement Amendment governs the terms and conditions of the entitlements and clarifies which version of the Zoning Code [Title 10 of the Flagstaff City Code] will be used for future development on the site if it is not developed in accordance with the current approved site plan.**
- **Mill Town was initially approved as a Direct to Ordinance Zoning Map Amendment that was tied directly to an approved Site Plan.**
- **Since its approval in 2018, the site has remained undeveloped.**
- **The Site Plan was initially approved prior to the adoption of the High Occupancy Housing (HOH) specific plan and subsequent Zoning Code updates. The original site plan would trigger HOH requirements if it were to be submitted today and reviewed under current code.**
- **The applicant was not able to submit for a Proposition 207 waiver during the valid timeframe due to the fact that they had already gained existing entitlements on the site.**
- **This Amendment clarifies that the Zoning Code in effect on May 5, 2017 would be the one used to review any future site plan proposals on the site.**
- **Effectively, the site will be able to be developed without having to adhere to current HOH regulations.**



High Occupancy Housing (HOH):

- **High Occupancy Specific Plan (adopted 2/20/2018, effective 3/22/28)**
 - “The intent of the High Occupancy Housing (HOH) Specific Plan is to address how the City might promote viable options to increase density and provide more reasonably priced and diverse housing choices, while at the same time, continue to enhance the character and economic vitality of the City that is important to all.”
- **High Occupancy Code Update (Section 10-40.60.170)**
 - Adopted 11/17/2020 by Ordinance 2020-28, amended 12/5/2023 by Ordinance 2023-28
 - Created Specific to Use standards for High Occupancy Housing Developments and Mixed-use High Occupancy Developments
 - All requirements can be found in code, a few highlights include:
 - HOHD or MHOHD with four dwelling units or more shall be located inside a pedestrian shed of an activity center
 - HOHD or MHOHD with four dwelling units or more, and that has more than 29 dwelling units per acre or more than 72.5 bedrooms per acre shall have:
 - Minimum of 20% of bedrooms contained in studio or one bedroom dwelling units
 - Maximum of 30% of bedrooms contained in dwelling units with four bedrooms or more
 - MHOHD shall be on a lot or parcel that abuts a street classified as a commercial corridor.
 - Requires a Waste Management Plan
 - Requires the property maintain compliance with the Flagstaff Police Department’s Crime Free Multi-Housing Program.
 - A Conditional Use Permit is required for all HOHD and MHOHD and requires adequate transit service available to the development site that meets distance requirements of roughly ¼ mile.



Milltown



Milltown:

- **Approved for a Direct to Ordinance Zoning Map Amendment, Preliminary Plat, and Development agreement in 2018 as part of a public-private-partnership.**
- **The approved site plan consisted of 3 commercial pads along Milton as well as a large housing development on the property.**
 - **The housing component contained a maximum of 348 units and 1186 bedrooms, this would have triggered HOH regulations if the site were to gain entitlements after the HOH code was passed.**
- **While early in the review process, the current submittal is proposing 262 units and 668 bedrooms but does not meet all the requirements of current HOH standards, specifically the requirement that no more than 30% of the units contain 4 or more bedrooms.**
- **The City adopted HOH code (Ordinance 2020-28) on 11/17/2020.**
 - **The effective date to the start of the new code was delayed until 3/1/2021.**
 - **The timeframe for Prop 207 claims is 3 years, closing the window 3/1/2024.**
 - **Vintage could not bring a claim for Milltown because they were grandfathered in and continue to be grandfathered in to what they can develop – as long as it is tied to the site plan that was approved with the rezone.**
 - **The original DA was effective 12/14/18 with entitlements expiring on 12/13/23.**
 - **1st DA amendment, entered into late 2021, extended the expiration date for another 2 years, with entitlements expiring around 12/14/2025.**
 - **This new DA amendment will avoid HOH CUP and remove requirements of the maximum amount of 4+ bedroom units while also extending the due date another 2 years.**
 - **The applicant did request for a Prop 207 claim, cannot submit a claim because they are not allowed to build except what is already approved and they are already allowed to build it without HOH. Their claim wouldn't have been allowed until late 2025 which is beyond the window for Prop 207 claims.**
- **The purpose of this DA amendment is only to clarify which version of the Zoning Code the applicant will be required to follow and extend the expiration date. While the applicant will not be required to obtain a Conditional Use Permit for the HOH development, as per current code, this project will still come through the public hearing process for a revision to the Direct to Ordinance Zoning Map amendment in which a more complete picture of the development site will be presented.**



Council Options

1. Approve the Second Amendment of the Mill Town Development Agreement as presented.
2. Approve the Second Amendment of the Mill Town Development Agreement with additional, modified, or deleted terms.
3. Remand the Second Amendment of the Mill Town Development Agreement back to staff for additional negotiations with the owner.
4. Deny the Second Amendment of the Mill Town Development Agreement.