

AGENDA ITEM SUMMARY

DATE: 1/11/2021 **DEPARTMENT:** Community Development **DEPT. HEAD SIGNATURE:** LH

SUBJECT: Consideration of amendments to Title 17 of the Hailey Municipal Code, by amending Chapter 17.04, Establishment, Purposes and Uses within Zoning Districts, Articles B, C, D, E, F, G, L and M to reference new supplemental regulations for Accessory Dwelling Units and to delete minimum lot size; amending section 17.05.040, District Use Matrix, to permit Accessory Dwelling Units (ADU's) as a permitted use in the Limited Residential-1 (LR-1) and Limited Residential-2 (LR2) zoning districts subject to criteria, including design review, setback and bulk requirements to establish maximum heights for ADU's and lot coverage for the LR-1 and LR-2 zoning districts; amending section 17.06.010.A to establish an administrative design review or full design review design process for ADU's depending on location; amending chapter 17.08, Supplementary Regulations, to establish a new Article D containing supplemental regulations for ADU's (purpose and intent; applicability; general provisions; registration; short-term rental occupancy restrictions; subordinate scale and size; maximum floor area; livability; outdoor access); amending Chapter 17.09, Parking and Loading, Sections 17.09.020.05.B, 17.09.040.01, and 17.09.020.09.D to address parking requirements for ADU's.

AUTHORITY: ID Code IAR _____ City Ordinance/Code: Title 17, Zoning Code

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED: Building upon earlier Commission discussions regarding ADUs (March 2019) and the Housing Toolkit (2016), in February 2020, the Hailey City Council provided high-level policy direction regarding ADUs to Staff, directing Staff to bring the discussion of expanding options for ADUs to the top of the priority list.

On November 2, 2020, the Planning and Zoning Commission considered and recommended for approval by the Hailey City Council, amendments to the Hailey Municipal Code regarding Accessory Dwelling Units (ADUs). Such amendments included, but were not limited to: amending the existing sections of the zoning code to permit ADUs in the Limited Residential (LR-1 and LR-2) Zoning Districts, and the addition of a new article of Chapter 17.08, Supplementary Regulations. This new article, Article D, is titled Accessory Dwelling Units, and contains blanket regulations that will apply to all ADUs.

The Council conducted a first public hearing on November 30, 2020. At that time, Councilmembers suggested the following changes to staff:

- Maximum size should be 1,000 square feet
- One (1) parking space per ADU unit should be required, and existing parking can be counted if there is more parking on site than the required parking
- No minimum lot size- if setbacks and coverage can be met, all lots can have an ADU
- Short term rental to be limited to either the primary unit or the ADU, but not both. Any other rules regarding Short Term rental should be discussed separately as part of the overall 2021 Community Development Priorities
- Delete storage requirement and let each property address individually
- Do not have additional setbacks or privacy requirements for ADU other than what would be required of the primary residence
- Keep 28' height limit as drafted for ADU's that are stand-alone

The attached Ordinance has been amended to reflect the above Council input. Further detail on the proposed amendments, along with the relation of the draft amendments to the Comprehensive Plan and the Housing Toolkit, are summarized in the January 11, 2021 Staff Report.

No additional public comment has been received since the November 30, 2021 Council public hearing.

Previous public comment is on file with the Community Development Department.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

Budget Line Item # _____
Estimated Hours Spent to Date:
Staff Contact:

Caselle # _____
YTD Line Item Balance \$ _____
Estimated Completion Date:
Phone # _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	___ _____
___ Safety Committee	___ P & Z Commission	___ Police	___ _____
___ Streets	___ Public Works, Parks	___ Mayor	___ _____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD: Conduct a public hearing and first reading of the Ordinance. Direct Staff to revise proposed amendments, if necessary. Continue second/third reading to a date certain (next regular meeting recommended).

Proposed Motion Language: Move to conduct the first reading, by title only, of Ordinance No. _____, and continue the public hearing for a second, and possible third reading, and adoption by roll call vote, to the regularly scheduled Council Meeting of January 25, 2021.

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:

Date _____
City Clerk _____

FOLLOW-UP:

*Ord./Res./Agrmt. /Order Originals: _____ *Additional/Exceptional Originals to: _____
Copies (all info.): _____ Copies
Instrument # _____



STAFF REPORT Hailey City Council Regular Meeting of January 11, 2021

To: Hailey City Council
From: Lisa Horowitz, Community Development Director
Overview: City-Initiated text amendments to Accessory Dwelling Units
Hearing: January 11, 2021

Applicant: City of Hailey
Location: Hailey residential zone districts.

I. Notice

Notice for the public hearing was published in the Idaho Mountain Express on September 30, 2020 and mailed to public agencies on September 29, 2020. The public hearing was renoticed on December 23, 2020, including publication in the Idaho Mountain Express on December 23, 2020, and mail to public agencies on December 22, 2020

II. Background

Accessory Dwelling Units (ADUs) are a common planning tool to incrementally increase housing stock and the variety of housing types available in a community. These accessory residential structures also allow for the sustainable use of existing infrastructure by facilitating infill development, can augment a community's stock of naturally occurring affordable housing, facilitate aging-in-place and changing family dynamics over the course of life, and with proper regulation, can be woven seamlessly into the existing built environment and its character.

ADUs have been permitted in the Townsite Overlay (Old Hailey) since 2002, and in the General Residential (GR) Zoning District since 2003. From 2002 to present, approximately 50 ADUs have been constructed, with an average of three (3) ADUs constructed per year in the past six (6) years (2014-2019). Most ADUs have been constructed concurrent with the construction of a new single-family residence or with the construction of a new garage on a site with an existing home.

ADUs are not currently permitted in the City's Limited Residential (LR-1 and LR-2) Zoning Districts. The Limited Residential Zoning Districts comprise of approximately 50% of the residentially zoned land within the Hailey City limits.

The Hailey Municipal Code defines Accessory Dwelling Unit as follows:

Accessory Dwelling Unit. A structure subordinate to the principal use on the same lot or premises having kitchen facilities and at least one bathroom, to be occupied as a residence, which is incidental to the use of the principal building.

Building upon earlier Commission discussions regarding ADUs (March 2019) and the Housing Toolkit (2016), in February 2020, the Hailey City Council provided high-level policy direction regarding ADUs to Staff, directing Staff to bring the discussion of expanding options for ADUs to the top of the priority list.

III. Implementation of the Comprehensive Plan

The Hailey Comprehensive Plan identifies the need to plan for population growth and infill development by-right (without waivers) as one of two ways to accommodate population growth. ADUs are an example of infill development and the proposed code amendments expand by-right ADU development opportunities.

“The City seeks to accommodate population growth through a balanced combination of two means, with one being “infill” development or redevelopment of existing land within the current City limits in accordance with existing zoning and density allowances without necessitating the use of density bonuses or waivers”.

“Land Use Implications of Population Growth Scenarios: Impacts resulting from growth pressure, such as environmental degradation, inadequate social and infrastructure services, and loss of small-town character are concerns associated with unrestricted growth of the community; therefore, it is the responsibility of the city to plan for potential future population growth”.

The Comprehensive Plan articulates the merits of affordable housing, social diversity, and social, fiscal, and environmental well-being for community and individual when people can live and work within the same community.

ADUs expand the variety of housing types available within the community, especially rental opportunities. By utilizing ADUs as rental units, these units are smaller in size than many primary dwelling units for rent in Hailey, and as such, ADU rental rates have a stronger chance of being lower (thereby more affordable) than rent for detached primary dwellings. Subsequently, ADUs offer an opportunity to expand Hailey’s stock of naturally occurring affordable housing, making them more accessible and attainable to wage earners of various occupations, retirees, and so forth.

“Social Diversity and Social Well-Being: Sustainable communities offer equal opportunity, social harmony, and mutual respect for a diverse population. Diversity means an inclusive community of people with varied human characteristics, ideas, and world-views and whose interactions both benefit and challenge each other to grow. Such a community will:

- a) promote equity and equal opportunity**
- b) encourage interaction among diverse people to enrich life experience, promote personal growth and enhance the community**
- c) foster mutual respect, value differences and promote cross cultural understanding**
- d) attract and retain a diverse population thereby creating more diversity”.**

“While many factors influence both the existence and perception of discrimination and unequal treatment, income is an important element, as are education, occupational status and life expectancy”.

“Affordable employee housing is a key element in the decisions of business owners to create new enterprises or expand their businesses. If affordable housing for employees to purchase

and/or rent cannot be provided, it will limit the growth potential and sustainability of local businesses. To the extent that attractive, affordable housing is available, employees can better be recruited and retained”.

“Productivity of the workforce improves when commutes are shortened”.

“The ongoing local spending and taxes generated as a result of homes being occupied by the working community are significant”.

“Long commutes are not only costly to the workers, but to the environment as well. Carbon emissions are reduced and air quality is improved when employees live close to work. In addition, fewer commuters will alleviate the demand for more highway lanes and asphalt”.

“Many social benefits are realized when workers live in their own community. Quality of life and safety improve when critical care employees live within close responding distance. Children do better in school when parents are at home in the mornings and evenings. Homeowners are more active in their communities, creating a greater vibrancy and sense of unity”.

IV. Analysis

A. Housing Toolkit and Current Context

The City of Hailey and our region have identified housing for working people as a high priority. In 2016, the Commission considered an array of housing code changes via the “Housing Toolkit” presentation by Staff. The Commission’s top two (2) priorities for 2017 were:

- 1) Apartment housing along River Street and other appropriate locations, and
- 2) Accessory Dwelling Units

The City has made significant progress on its first priority (1), and adopted the Small Residential Overlay (SRO) in August 2017, and the Downtown Residential Overlay (DRO) in 2018. Both of these overlays primarily facilitate the development of small to mid-size apartment units within multi-family and mixed-use buildings located in Hailey’s downtown and adjacent areas of downtown.

The Commission has discussed the need for a “progression of housing types”, with the goal of providing opportunities in the municipal code to construct a range of housing. The current effort of expanding the opportunities to construct ADUs will facilitate incremental, infill development in the zoning districts that comprise approximately half of Hailey’s residentially zoned land.

Additionally, although the City’s recognition of the potential benefits of ADUs as a housing option were recognized years ago, Staff notes that inquiries regarding construction of ADUs have increased markedly as a result of the pandemic. During the spring and summer of 2020, Staff experienced an uptick in interest in ADU construction from existing residents and property owners alike who spoke to the beneficial distancing opportunity ADUs provide.

B. Goals of ADU Expansion

The purpose of amending the regulations regarding Accessory Dwelling Unit opportunities are:

- To implement the goal of the Hailey Comprehensive Plan with regards to housing;
 - Promote infill development

- Plan intentionally for residential growth
- Provide opportunities for social diversity and social well-being, both of which are enhanced when the community has a diverse housing stock
- Provide affordable housing opportunities within the community, recognizing the nexus between housing affordability, employee retention, and a strong economy and the nexus between quality of life and productivity of the workforce when residents live near places of employment
- To promote the health, safety and welfare of current and future residents of the City of Hailey;
- To encourage infill while retaining neighborhood character; and
- To establish a baseline set of standards for all ADUs related to ADU floor area, size with respect to the primary residence, lot coverage, parking, screening to mitigate potential external impact, livability features, occupancy requirements, and a streamlined review process

C. Commission Feedback on ADU Regulatory Options

On February 27, 2020, the Planning and Zoning Commission held a special meeting with a public workshop on Accessory Dwelling Units. The purposes of the workshop, and an accompanying white paper that preceded it, were:

- Provide a knowledge base/framework about ADU concepts (attached vs. detached, types of regulations that can be used to ensure ADUs are compatible with existing development, etc.) and Hailey's existing housing stock, and
- Solicit Commission and public feedback on four topics related to ADUs through small group discussions. Small group discussion topics consisted of:
 - Design
 - Review Process
 - Parking Requirements
 - Occupancy Regulations

Generally speaking, at the February 27, 2020 workshop, the Commission and public expressed support for regulations that would accomplish the following:

- 1) Design
 - a. Ensure ADUs are subordinate in size to the primary residence
 - b. Ensure ADUs are compatible with the scale of the site
 - c. Mitigate potential impacts of ADUs on neighboring properties
- 2) Review Process
 - a. Provide an additional layer of review for ADUs, above and beyond that of a single-family residence alone, but without requiring greater expense or a hearing with the Commission
 - b. No change to the existing review process for ADUs in the Townsite Overlay
- 3) Parking Requirements
 - a. Ensure ADUs provide on-site, developed parking (i.e., on asphalt, gravel, grasscrete, or similar compact, permanent, surfaces)
- 4) Occupancy Requirements
 - a. Protect Hailey's character as a community of primarily full-time, year-round residents. Ensure opening the door to additional ADUs throughout the City's Limited Residential (LR-1 and LR-2) Zoning Districts will not allow properties with ADUs to become absentee investment properties with (2) Airbnb rentals

D. Zoning Code Text Amendments and City Council November 30 Public Hearing

The proposed zoning code text amendments are included within the draft ordinance (attached). Staff notes that in addition to amending the existing sections of the zoning code to permit ADUs in the Limited Residential (LR-1 and LR-2) Zoning Districts, a new article of Chapter 17.08, Supplementary Regulations, has been drafted. This new article, Article D, is titled Accessory Dwelling Units, and contains blanket regulations that will apply to all ADUs.

In summary, the suite of proposed text amendments includes:

- A cross-reference to the new ADU Supplementary Regulations section of the code in the Accessory Uses Permitted line item for each applicable zoning district;
- Amendments the District Use Matrix to indicate ADUs are allowed in the LR-1 and LR-2 Zoning Districts;
- Establishes a 40% maximum lot coverage in the LR-1 and LR-2 Zoning Districts (no maximum currently exists);
- Requires Design Review approval by the Planning and Zoning Chair and Administrator for ADUs located in zoning districts other than Townsite Overlay (the existing requirement for the Commission to provide Design Review during a public hearing for accessory structures in Townsite Overlay remains unchanged);
- Establishes building heights specific to all detached ADUs and ADUs located above garages that are less than the overall maximum height permitted in the given zone;
- Creates the ADU Supplementary Regulations Article, which:
 - Articulates a purpose and intent of the ADU regulations;
 - Establishes the applicability of the regulations;
 - Establishes that ADUs may be attached to (including incorporated within) the primary residence or may be detached from the primary residence and that only one (1) ADU is permitted per lot;
 - Requires a registration of the ADU with the city for tracking and potential enforcement purposes;
 - Establishes occupancy restrictions: when a lot contains both a primary residence and an ADU only one dwelling may be utilized for Short-Term Occupancy and where one dwelling is utilized for Short-Term Occupancy the other shall be owner-occupied or utilized as a long-term rental;
 - Establishes maximum floor-area square footages for an ADU in proportion to lot size and the floor area square footage of the primary dwelling;
 - Establishes a requirement that ADUs be evaluated for potential light trespass to living areas on adjacent properties and requires mitigation measures if light trespass is present.

The Council conducted a first public hearing on November 30, 2020. At that time, Councilmembers suggested the following changes to staff:

- Maximum size of ADU should be 1,000 square feet
- One (1) parking space per ADU unit should be required, and existing parking can be counted if there is more parking onsite than the required parking
- No minimum lot size - if setbacks and coverage can be met, all lots can have an ADU
- Short-term rental to be limited to either the primary unit or the ADU, but not both. Any other rules regarding Short-term rental should be discussed separately as part of the overall 2021 Community Development Priorities
- Delete storage requirement and let each property address individually

- Do not have additional setbacks or privacy requirements for ADUs other than what would be required of the primary residence
- Keep 28' height limit as drafted for ADUs that are stand-alone

The attached Ordinance has been amended to reflect the above Council input. No additional public comment has been received since the November 30, 2020 Council public hearing. Previous public comment is on file with the Community Development Department.

V. Standards of Review

17.14.060 Criteria for Review

When evaluating any proposed amendment under this Article, the Commission shall make Findings of Fact on the following criteria:

A. Criteria Specified: When evaluating any proposed amendment under this chapter, the hearing examiner or commission and council shall make findings of fact on the following criteria (Staff analysis is shown in lighter type):

1. The proposed amendment is in accordance with the comprehensive plan;

The Hailey Comprehensive Plan identifies the need to plan for population growth and infill development by-right (without waivers) as one of two ways to accommodate population growth. ADUs are an example of infill development and the proposed code amendments expand by-right ADU development opportunities.

“The City seeks to accommodate population growth through a balanced combination of two means, with one being “infill” development or redevelopment of existing land within the current City limits in accordance with existing zoning and density allowances without necessitating the use of density bonuses or waivers”.

“Land Use Implications of Population Growth Scenarios: Impacts resulting from growth pressure, such as environmental degradation, inadequate social and infrastructure services, and loss of small-town character are concerns associated with unrestricted growth of the community; therefore, it is the responsibility of the city to plan for potential future population growth”.

The Comprehensive Plan articulates the merits of affordable housing, social diversity, and social, fiscal, and environmental well-being for community and individual when people can live and work within the same community.

ADUs expand the variety of housing types available within the community, especially rental opportunities. By utilizing ADUs as rental units, these units are smaller in size than many primary dwelling units for rent in Hailey, and as such, ADU rental rates have a stronger chance of being lower (thereby more affordable) than rent for detached primary dwellings. Subsequently, ADUs offer an opportunity to expand Hailey’s stock of naturally occurring affordable housing, making them more accessible and attainable to wage earners of various occupations, retirees, and so forth.

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community of people with varied human characteristics, ideas, and world-views and whose interactions both benefit and challenge each other to grow. Such a community will:

- a) promote equity and equal opportunity**
- b) encourage interaction among diverse people to enrich life experience, promote personal growth and enhance the community**
- c) foster mutual respect, value differences and promote cross cultural understanding**
- d) attract and retain a diverse population thereby creating more diversity”.**

“While many factors influence both the existence and perception of discrimination and unequal treatment, income is an important element, as are education, occupational status and life expectancy”.

“Affordable employee housing is a key element in the decisions of business owners to create new enterprises or expand their businesses. If affordable housing for employees to purchase and/or rent cannot be provided, it will limit the growth potential and sustainability of local businesses. To the extent that attractive, affordable housing is available, employees can better be recruited and retained”.

“Productivity of the workforce improves when commutes are shortened”.

“The ongoing local spending and taxes generated as a result of homes being occupied by the working community are significant”.

“Long commutes are not only costly to the workers, but to the environment as well. Carbon emissions are reduced and air quality is improved when employees live close to work. In addition, fewer commuters will alleviate the demand for more highway lanes and asphalt”.

“Many social benefits are realized when workers live in their own community. Quality of life and safety improve when critical care employees live within close responding distance. Children do better in school when parents are at home in the mornings and evenings. Homeowners are more active in their communities, creating a greater vibrancy and sense of unity”.

The Commission found that creating additional opportunities for ADUs is compatible with the Comprehensive Plan Land Use Map, which allows for a variety of residential development styles and densities, and recommended approval by the Hailey City Council.

2. Essential public facilities and services are available to support the full range of proposed uses without creating excessive additional requirements at public cost for the public facilities and services;

The Commission found that ADUs can be accommodated with existing water, wastewater and other municipal serves, and were considered in the long-term planning for these facilities.

3. The proposed uses are compatible with the surrounding area; and

The proposed text amendments have been given careful consideration to neighborhood compatibility. This includes:

- Establishes a 40% maximum lot coverage in the LR-1 and LR-2 Zoning Districts (no maximum currently exists);
- Requires Design Review approval by the Planning and Zoning Chair and Administrator for ADUs located in zoning districts other than Townsite Overlay (the existing requirement for the Commission to provide Design Review during a public hearing for accessory structures in Townsite Overlay remains unchanged);
- Establishes building heights specific to all detached ADUs and ADUs located above garages that are less than the overall maximum height permitted in the given zone;
- Creates the ADU Supplementary Regulations Article, which:
 - Articulates a purpose and intent of the ADU regulations;
 - Establishes the applicability of the regulations;
 - Establishes that ADUs may be attached to (including incorporated within) the primary residence or may be detached from the primary residence and that only one (1) ADU is permitted per lot;
 - Requires a registration of the ADU with the city for tracking and potential enforcement purposes;
 - Establishes occupancy restrictions: when a lot contains both a primary residence and an ADU only one dwelling may be utilized for Short-Term Occupancy and where one dwelling is utilized for Short-Term Occupancy the other shall be owner-occupied or utilized as a long-term rental;
 - Establishes maximum floor-area square footages for an ADU in proportion to lot size and the floor area square footage of the primary dwelling (note the Commission should discuss if properties in Townsite Overlay should be similarly managed);
 - Establishes a requirement that ADUs be evaluated for potential light trespass to living areas on adjacent properties and requires mitigation measures if light trespass is present

The Commission found that zoning amendments are discretionary, and that the definition of the Limited Residential (LR-1 and LR-2) Zoning District is to provide areas for stable, low density, single-family residential development, and a limited number of other uses compatible with a residential neighborhood (Ord. 1191, 2015). The Commission found ADUs to be compatible with residential neighborhoods and recommends approval by the Hailey City Council.

4. The proposed amendment will promote the public health, safety and general welfare.

The Commission found that there is a strong basis in the Hailey Comprehensive Plan for diversification of housing opportunities. The City and the Wood River Valley have a documented need for community housing. The Comprehensive Plan calls for housing initiatives. The proposed ADU text amendments contain numerous provisions to protect health, safety and the general welfare. The Commission found that this standard will be met and recommends approval by the Hailey City Council.

VI. Suggested Action

Conduct a public hearing and first reading of the Ordinance. Direct Staff to revise proposed amendments, if necessary. Continue second reading to a date certain (next regular meeting recommended).

Continuation: Motion to conduct the first reading of Ordinance No. _____, and continue the public hearing for a second reading to _____ [the Council should specify a date].

VII. Attachments

- 1) Revised Draft Ordinance

HAILEY ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HAILEY, IDAHO, AMENDING TITLE 17 OF THE HAILEY MUNICIPAL CODE, BY AMENDING CHAPTER 17.04, ESTABLISHMENT, PURPOSES AND USES WITHIN ZONING DISTRICTS, ARTICLES B, C, D, E, F, G, L AND M TO REFERENCE NEW SUPPLEMENTAL REGULATIONS FOR ACCESSORY DWELLING UNITS AND TO DELETE REFERENCE TO MINIMUM LOT SIZE; AMENDING SECTION 17.05.040, DISTRICT USE MATRIX, TO PERMIT ACCESSORY DWELLING UNITS (ADUS) AS A PERMITTED USE IN THE LIMITED RESIDENTIAL-1 (LR-1) AND LIMITED RESIDENTIAL-2 (LR-2) ZONING DISTRICTS SUBJECT TO CRITERIA, INCLUDING DESIGN REVIEW, SETBACK AND BULK REQUIREMENTS; TO DELETE MINIMUM LOT SIZE REQUIREMENTS FOR LOTS CONTAINING ADUS; TO ESTABLISH MAXIMUM HEIGHTS FOR ADUS AND LOT COVERAGE FOR THE LR-1 AND LR-2 ZONING DISTRICTS; AMENDING SECTION 17.06.010.A TO ESTABLISH A DESIGN REVIEW PROCESS FOR ADUS LOCATED OUTSIDE OF THE TOWNSITE OVERLAY; AMENDING CHAPTER 17.08, SUPPLEMENTARY REGULATIONS, TO ESTABLISH A NEW ARTICLE D CONTAINING SUPPLEMENTAL REGULATIONS FOR ADUS; AMENDING CHAPTER 17.09, PARKING AND LOADING, SECTIONS 17.09.020.05.B, 17.09.020.09.D, AND 17.09.040.01 TO ADDRESS PARKING REQUIREMENTS FOR ACCESSORY DWELLING UNITS; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; AND PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE UPON PASSAGE, APPROVAL AND PUBLICATION ACCORDING TO LAW.

WHEREAS, the Commission and Council have determined that municipal code changes that expand housing opportunities in Hailey is a priority;

WHEREAS, the Council finds that the proposed changes to Accessory Dwelling Unit standards will encourage modest and necessary infill housing development to meet the needs of the community as contemplated in the 2010 Hailey Comprehensive Plan;

WHEREAS the changes proposed will address supplemental design and quality of life for Accessory Dwelling Units with the intent of reinforcing the following statements and goals contained within the Comprehensive Plan:

WHEREAS, the Hailey Comprehensive Plan calls for:

1. The City seeks to accommodate population growth through a balanced combination of two means, with one being “infill” development or redevelopment of existing land within the current City limits in accordance with existing zoning and density allowances without necessitating the use of density bonuses or waivers.
2. Land Use Implications of Population Growth Scenarios:^[17]_[SEP]Impacts resulting from growth pressure, such as environmental degradation, inadequate social and infrastructure services, and loss of small-town character are concerns associated with unrestricted growth of the community; therefore, it is the responsibility of the city to plan for potential future population growth.

3. Social Diversity and Social Well-Being: Sustainable communities offer equal opportunity, social harmony, and mutual respect for a diverse population. Diversity means an inclusive community of people with varied human characteristics, ideas, and world-views and whose interactions both benefit and challenge each other to grow. Such a community will:
 - a. promote equity and equal opportunity
 - b. encourage interaction among diverse people to enrich life experience, promote personal growth and enhance the community
 - c. foster mutual respect, value differences and promote cross cultural understanding
 - d. attract and retain a diverse population thereby creating more diversity
4. While many factors influence both the existence and perception of discrimination and unequal treatment, income is an important element, as are education, occupational status and life expectancy.
5. Affordable employee housing is a key element in the decisions of business owners to create new enterprises or expand their businesses. If affordable housing for employees to purchase and/or rent cannot be provided, it will limit the growth potential and sustainability of local businesses. To the extent that attractive, affordable housing is available, employees can better be recruited and retained.
6. Productivity of the workforce improves when commutes are shortened.
7. The ongoing local spending and taxes generated as a result of homes being occupied by the working community are significant.
8. Long commutes are not only costly to the workers, but to the environment as well. Carbon emissions are reduced and air quality is improved when employees live close to work. In addition, fewer commuters will alleviate the demand for more highway lanes and asphalt.
9. Many social benefits are realized when workers live in their own community. Quality of life and safety improve when critical care employees live within close responding distance. Children do better in school when parents are at home in the mornings and evenings. Homeowners are more active in their communities, creating a greater vibrancy and sense of unity.

WHEREAS, essential public facilities and services are available to Accessory Dwelling Units without excessive public cost;

WHEREAS, the proposed accessory dwelling use is compatible with the surrounding area; and

WHEREAS, the Zoning text set forth in this ordinance will promote the public health, safety and general welfare;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HAILEY, IDAHO, AS FOLLOWS:

Section 1. Chapter 17.04 of the Hailey Municipal Code is hereby amended by the addition of the underlined language, as follows:

17.04B.040: Accessory uses for the LR district are described in the district use matrix, section 17.05.040 of this title. Supplemental standards for Accessory Dwelling Units are contained in Chapter 17.08, Article D. Accessory Dwelling Units.

17.04C.040: Accessory Uses: Accessory uses for the GR District are described in the District Use Matrix, section 17.05.040 of this title. Supplemental Standards for Accessory Dwelling Units are contained in Chapter 17.08, Article D. Accessory Dwelling Units.

~~17.04C.050.B. Gross Floor Area of Detached Accessory Dwelling Units: Detached accessory dwelling units shall have a minimum gross floor area of three hundred (300) square feet and a maximum gross floor area of nine hundred fifty (950) square feet.~~

17.04D.040: Accessory Uses: Accessory uses for the NB District are described in the District Use Matrix, section 17.05.040 of this title. Supplemental Standards for Accessory Dwelling Units are contained in Chapter 17.08, Article D. Accessory Dwelling Units.

17.04E.040: Accessory Uses: Accessory uses for the LB District are described in the District Use Matrix, section 17.05.040 of this title. Supplemental Standards for Accessory Dwelling Units are contained in Chapter 17.08, Article D. Accessory Dwelling Units.

17.04F.040: Accessory Uses: Accessory uses for the TN District are described in the District Use Matrix, section 17.05.040 of this title. Supplemental Standards for Accessory Dwelling Units are contained in Chapter 17.08, Article D. Accessory Dwelling Units.

17.04G.040: Accessory Uses: Accessory uses for the B District are described in the District Use matrix, section 17.05.040 of this title. Supplemental standards for Accessory Dwelling Units are contained in Chapter 17.08, Article D. Accessory Dwelling Units.

17.04L.040: Accessory Uses: Accessory uses for the SCI District are described in the District Use Matrix, section 17.05.040 of this title. Supplemental Standards for Accessory Dwelling Units are contained in Chapter 17.08, Article D. Accessory Dwelling Units.

17.04M.040: Use Restrictions: Permitted, conditional and accessory uses shall be the same as those uses in the underlying zoning district, except as follows:

One attached or detached accessory dwelling unit shall be allowed as an accessory use to a single-family dwelling, without consideration of underlying zoning district, ~~on lots of seven thousand (7,000) square feet or larger,~~ provided the bulk requirements set forth in section 17.04M.060 of this article are met.

17.04M.060.F. Accessory Dwelling Units: Accessory Dwelling Units shall have a minimum gross floor area of three hundred (300) square feet and a maximum gross floor area of one thousand (1,000) ~~nine hundred (900)~~ square feet. Supplemental standards for Accessory Dwelling Units are contained in Chapter 17.08, Article D. Accessory Dwelling Units.

Section 2. Section 17.05.040 of the Hailey Municipal Code is hereby amended by the addition of the underlined language and the deletion of the stricken language, as follows:

Category	Description (Excerpt)	RGB	LR-1	LR-2	GR	NB	LB	TN	B	LI	TI	A	SCI-SO	SCI-I
Accessory dwelling unit (ADU)	1 accessory dwelling unit on lots 7,000 square feet or larger, accessory to a single-family dwelling unit or to a nonresidential principal building. Primary vehicular access to any ADU shall be from a City street or alley. All accessory dwelling units shall have adequate water and sewer services installed to meet City standards	N	NA ² ₃	NA ² ₃	A ²³	A ²³	A ²³	A ²³	A ² ₃	N	N	N	A ²³	A ²³

BULK REQUIREMENTS

Category	Description (Excerpt)	RGB	LR-1	LR-2	GR	NB	LB	TN	B	LI	TI	A	SCI-SO	SCI-I
Building Height		35 ^{21,22}	30 ^{21,22,24}	30 ^{21,22,24}	35 ^{21,22,24}	30 ²⁴	35 ²⁴	35 ²⁴	35 ²⁴	35	35	See note 12	35	30 ^{21,22}
Minimum side yard setback		10	10 ^{3,19,20}	10 ^{3,19,20}	10 ^{3,7,19,20}	10 ^{7,19,20}	10 ^{7,19,20}	10 ^{7,19,20}	0 ^{7,19,20}	10 ^{11,19,20}	10 ^{11,19,20}	See note 12	10	10
Minimum side yard setback		10	10 ^{3,19,20}	10 ^{3,19,20}	10 ^{3,7,19,20}	10 ^{7,19,20}	10 ^{7,19,20}	10 ^{7,19,20}	0 ^{7,19,20}	10 ^{11,19,20}	10 ^{11,19,20}	See note 12	10	10
Total lot coverage	Total maximum coverage by all buildings, which includes 1 accessory dwelling unit (percentage)	-	<u>40</u>	<u>40</u>	40	-	-	30 ¹⁰	-	75	75	See note 12	70	70

23. Accessory Dwelling Units (ADUs) are subject to Administrative Design Review or Design Review, depending on the zoning district and/or applicable overlay zones, and Supplementary Regulations. See chapters 17.06, Design Review and 17.08, Article D, for regulations. Additionally, detached Accessory Dwelling Units are subject to height limitations. See Footnote 24.

24. In the LR-1, LR-2, GR zones and within the Townsite Overlay on lots where the principal building is a single-family residence Accessory Dwelling Units (ADUs) that are detached from the principal building are limited to twenty-eight feet (28') when located above a garage and one-story and eighteen feet (18') when not located above a garage. Where an ADU is incorporated into the primary structure the height limit in the zone applies. Where a lot contains a multiple story primary residence a detached ADU that is not located above a garage may contain two stories provided the twenty-eight (28') height limit is met. These height limitations are intended to ensure ADUs

are secondary and subordinate to the principal buildings. In the Townsite Overlay where the principal building is a commercial building the maximum height for the zone applies to the ADU.

Section 3. Section 17.06.010.A, Table 1, of the Hailey Municipal Code is hereby amended by the addition of the underlined language and the deletion of the stricken language, as follows:

17.06.010.A. Design Review Approval or Exemption: No person shall build, develop or substantially remodel or alter the exterior of the following buildings without receiving design review approval or exemption pursuant to this chapter, as outlined in the matrix below:

TABLE 1
PROJECT TYPES

Type of Use	Exempt (PZ Chair And Administrator)	Hearings Examiner	Full PZ Review
New construction:			
All zones: Nonresidential buildings			X
All zones: Residential of 3 or more units			X
<u>All zones other than Townsite Overlay District: Accessory Dwelling Units</u>	<u>X</u>		
Townsite Overlay District: New single-family or duplex			X
Townsite Overlay District: Accessory structures <u>(including Accessory Dwelling Units)</u>			X

Section 4. Chapter 17.08, Supplementary Regulations, of the Hailey Municipal Code is hereby amended by the addition of the underlined language and the deletion of the stricken language, as follows:

Article D. Accessory Dwelling Units

17.08D.010: Purpose and Intent

A. Purpose: The City of Hailey recognizes that land use, population growth, and community character are interrelated, and that social well-being and diversity are tied to the availability of an array of housing types and sizes available for sale and for rent at various price points. Accessory Dwelling Units, when thoughtfully designed, can simultaneously complement the fabric of existing neighborhoods, increase the supply of available housing, and sustainably accommodate population growth.

The purpose of this section is to address supplemental design and quality of life for Accessory Dwelling Units with the intent of reinforcing the preceding and following statements, which are reflective of statements and goals expressed in the Comprehensive Plan:

1. Hailey is a community that believes livability and quality of life can be maintained and enhanced only with strong, diverse residential neighborhoods. Further, the community recognizes its identity to include being a place primarily comprised of full-time residents and being a community where the workforce can reside.
2. The City of Hailey seeks to accommodate population growth in a balanced manner, with “infill” development and redevelopment of existing lands in City limits being two strategies. Accessory Dwelling Units provide opportunities for infill development and redevelopment.
3. Many social benefits are realized when workers live in their own community. Quality of life and safety improve when critical care employees live within close responding distance. Children do better in school when parents are at home in the mornings and evenings. Homeowners are more active in their communities, creating a greater vibrancy and sense of unity.

17.08D.020: Applicability

A. The standards of this section apply to all Accessory Dwelling Units created after <insert date of adoption of code amendments>, whether created by new construction, addition, or conversion of an existing building or area within an existing building.

17.08D.030: General Provisions

A. Accessory Dwelling Units may be located within, or attached to, a principal building or may be located within a detached accessory building. Detached Accessory Dwelling Units may comprise the entirety of the accessory building or may comprise part of the floor area of an accessory building with another permitted accessory use or uses comprising the remaining floor area.

B. Only one (1) Accessory Dwelling Unit is permitted on a lot.

C. Accessory Dwelling Units are only permitted in conjunction with single-family residences in residential zones. In the Townsite Overlay, Transitional and SCI zones Accessory Dwelling Units are permitted in conjunction with commercial buildings. In Business, Limited Business and Neighborhood Business one or more residential unit(s) are considered mixed-use.

D. Accessory Dwelling Units in the Special Flood Hazard Area (SFHA) shall have the top of the lowest floor elevated no lower than the flood protection elevation as defined in section 17.04J.020, "Definitions", of the Hailey Municipal Code. For new construction or substantial improvements in the SFHA, all applicable requirements of Article 17.04J. Flood Hazard Overlay District (FH) shall apply.

17.08D.040: Registration of Accessory Dwelling Units Required

A. All Accessory Dwelling Units created after <insert date of adoption of code amendments> shall be issued an Accessory Dwelling Unit Compliance Certificate.

17.08D.050: Occupancy Restrictions – Short Term Occupancy

A. Where a lot contains both a primary dwelling unit and an Accessory Dwelling Unit, only one dwelling unit shall be utilized for Short-Term Occupancy; and

B. When one dwelling unit is utilized for Short-Term Occupancy the other unit shall be owner-occupied or utilized as a long-term rental, with long-term occupancy being a period of thirty-one (31) days or more.

17.08D.060: Subordinate Scale and Size

A. Scale: The floor area of an Accessory Dwelling Unit (ADU) is limited to no more than 66% of the gross square footage of the principal building, or the maximum floor area permitted for an ADU based on the lot size or zone, whichever is less.

B. Maximum floor area:

<u>Lot Size (square feet)</u>	<u>Minimum Gross Floor Area (square feet)¹</u>	<u>Maximum Gross Floor Area (square feet)¹</u>
<u>Up to 7,000</u>	<u>300</u>	<u>900</u>
<u>7,001 – 8,000</u>	<u>300</u>	<u>950</u>
<u>Lots 8,001 and greater</u>	<u>300</u>	<u>1,000</u>
<u>1. Gross square footage calculations for Accessory Dwelling Units does not include exterior, uncovered staircases. Interior staircases and circulation corridors are included.</u>		

C. Number of bedrooms: Accessory Dwelling Units may have a maximum of two (2) bedrooms.

17.08D.070: Livability

A. Outdoor Access: All Accessory Dwelling Units shall have a designated area to access the outdoors. Examples include a balcony, porch, deck, paver patio, or yard area delineate by fencing, landscaping, or similar treatment so as to provide for private enjoyment of the outdoors. This area shall be no less than 50 square feet in size. The Outdoor Access area shall be approved through the Design Review process.

Section 5. Chapter 17.09, Parking and Loading, of the Hailey Municipal Code is hereby amended by the addition of the underlined language and the deletion of the stricken language, as follows:

17.09.020.05.B: Parking areas and driveways for single-family, accessory dwelling unit, and duplex residences may be improved with compacted gravel or other dustless material.

17.09.020.09.D. Mitigation for Accessory Dwelling Unit parking spaces: Parking stalls for Accessory Dwelling Units shall be reviewed to assess light trespass into residential indoor living areas on adjacent properties. Mitigation measures may include fencing, landscaping, screening, landscape walls, and similar treatments.

17.09.040.01:

Accessory dwelling units and all dwellings less than 1,000 square feet	Accessory Dwelling Units require one (1) parking space per unit. <u>A site developed with both a primary dwelling less than 1,000 square feet in size and an Accessory Dwelling Unit shall provide a minimum of 2 spaces. Parking for Accessory Dwelling Units must be provided on site. Existing parking in excess of the required parking for a single-family unit shall count towards the total required parking.</u>
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Section 6. Severability Clause. Should any section or provision of this Ordinance be declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the Ordinance as a whole or any part thereof other than the part so declared to be unconstitutional or invalid.

Section 7. Repealer Clause. All City of Hailey ordinances or parts thereof, which are in conflict herewith, are hereby repealed.

Section 8. Effective Date. This ordinance shall be in full force and effect from and after its passage, approval, and publication according to law.

PASSED AND ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED BY THE MAYOR THIS ___ DAY OF _____, 2021.

Martha Burke, Mayor, City of Hailey

Attest:

Mary Cone, City Clerk