

**MINUTES OF THE REGULAR MEETING
OF THE HAILEY PLANNING AND ZONING COMMISSION
HELD MONDAY, OCTOBER 17, 2005
IN THE UPSTAIRS MEETING ROOM WITHIN HAILEY CITY HALL**

The regular meeting of the Hailey Planning and Zoning Commission was called to order at 6:30 p.m. by Commission Chair Kristin Anderson. Commissioners Stefanie Marvel, Elizabeth Zellers and Nancy Linscott were present. Commissioner Trent Jones was excused. Staff present included Planning Director Kathy Grotto, City Planner Diane Shay, City Attorney Ned Williamson, and Deputy Clerk Tara Hyde.

PUBLIC HEARINGS

**PROPOSED AMENDMENTS TO SUBDIVISION ORDINANCE #821 –
INCLUSIONARY ZONING**

Consideration of proposed amendments to Hailey Subdivision Ordinance No. 821 setting forth provisions for a mandatory “inclusionary zoning” program for all residential subdivisions. The amendments would provide definitions, procedure, and standards for the provision of 20% deed restricted community housing units. **(Continued from October 3, 2005)**

Grotto advised of changes to the draft ordinance since the October 3rd meeting. The Community Housing (CH) requirement will remain at 20%. Changes to the ordinance include the following: the requirement for contribution to CH units to start at five lots/units, conversion of rental units to condominiums or townhouses is now subject to the CH requirement, and the density bonus is 20% instead of 10%. Other key amendments based on Commission input from the October 3rd meeting include: a standard for targeted income categories, examples to clarify timing of units “on a proportional basis”, a statement that developers can’t bond for CH units, examples given for alternatives, consolidated CH units (whereby developers responsible for fractions of CH units can consolidate to build a whole unit), reconfiguration of fractional CH units (looks at square footage of required units and allows for different division of square footage to obtain units), and a new subsection addressing review of the ordinance.

Grotto advised of a change to 4.11.4.E—the example should read, “...in a project with twenty Market Rate Units and *four* Community Housing Units...” She also advised of a change to 4.11.5.A.2.d, to read, “Land conveyance to the *Housing Authority* shall occur prior...” She advised of the addition of 4.11.7 addressing review of the inclusionary CH section.

Williamson explained that the 20% density bonus would benefit subdivisions with 5 lots/units or more, which are required to provide CH. Subdivisions with 4 or less lots/units would see no benefit from the density bonus. Williamson said alternative options including payments of in-lieu fees, conveyance of land and off-site CH units were added to the ordinance. Waiver information was also added. Williamson added that 4.11.4.B allows for flexibility to allow the City to adopt CH based on the need at the time.

Anderson asked how this ordinance would relate to the Townsite Overlay. Grotto advised a 20%

density bonus would be allowed in the General Residential, Limited Business, Transitional and Business multi-family residential. Single family residential would maintain the minimum of 4500 square feet.

Marvel clarified there was no CH requirement for the Townsite Overlay. Grotto said if someone had a large enough parcel in the Townsite Overlay to create 5+ single family residences they would have to contribute to CH, but with no additional density.

Zellers asked if the requirement was for the commercial development also. Grotto indicated it was not required at this time.

Marvel asked who the “local” housing authority was. Grotto indicated that the City has a contract with Blaine Ketchum Housing Authority (BKHA).

It was decided to address the second agenda item in conjunction with this hearing to allow the public and Commission to consider comments addressing inclusionary zoning as a whole.

Anderson opened the second agenda item:

**PROPOSED AMENDMENTS TO ZONING ORDINANCE #532 –
INCLUSIONARY ZONING**

Consideration of proposed amendments to Hailey Zoning Ordinance No. 532 revising Article II to provide a definition for Community Housing; revising Sections 4.2 through 4.7 and Section 4.12, to provide for approximately 10% density increase in developments including community housing; and revising Article X, Planned Unit Developments, to adjust subsections related to community housing and to allow additional amenities to qualify for a PUD or density bonus.
(Continued from October 3, 2005)

Linscott asked if CH was required for a Planned Unit Development (PUD). Grotto clarified that amenities include the following; instead of 20% CH, a developer proposing a PUD could give 30% of the approved dwelling units as CH to households earning between 50-120% of the Area Median Income (AMI) OR at least 20% CH dedicated to households earning less than 50% of AMI. She said the 20% is still required.

Marvel believed that it was not clear in the title that inclusionary zoning may bring increased density. She wanted to make sure discussion tonight reflects that the Commission knows that increased density may occur and any decision that is made takes that into consideration.

Marvel asked about deed restricted properties with regards to an owner wishing to improve. She expressed concern that a house may run down quickly if an owner is unable to get improvement investments back out of it.

Anderson opened the public hearing.

Penfield Stroh, 117 Bullion Street W, asked why the words “in perpetuity” were removed from the Deed Restricted definition. Grotto indicated the verbiage was moved to 4.11.4.F-Standards.

Jan Edelstein, 720 4th Avenue S, believed it important to be clear about the Community Housing Unit definition. Edelstein advised there are over 150 Community Housing agencies in the country and “Community Housing” is the verbiage.

Edelstein suggested change to 10.3.8.k-PUD, Amenities, to clarify if the City means buildings within a PUD *have* obtained LEED certification, or buildings within a PUD that *are able* to obtain LEED certification. Clarification is needed because LEED is a certification. Edelstein also expressed concern about long-term upkeep.

Michael David, Director of Blaine Ketchum Housing Authority (BKHA), said there are currently 24 units in their inventory; all of the units are deed restricted in perpetuity. He explained that permitted functional capital improvements to a unit are reimbursed up to \$10,000. Aesthetic capital improvements are not reimbursed. He explained they did not have a lot of years of experience related to improvements because the homes are new.

Zellers asked who enforces the programs. David said the CCR’s of a subdivision should address the deed restricted units. He said that before capital improvements are made, the request to do those improvements should be made to BKHA in writing. There was discussion about unit depreciation if a unit is not kept up.

Taylor Walker, 202 4th Avenue S, expressed support for some of the changes presented. He liked the idea of being able to build two studio apartments versus one single family and then in-lieu contribution for a partial CH requirement. He expressed support for the density offset. He suggested the density cap in the Townsite Overlay is a hindrance to developers trying to provide CH. He suggested reviewing densities in certain districts.

Stroh stated appreciation of the change to a five lot minimum for the CH requirement to kick in.

Grotto advised of letter received from Penfield Stroh, who was able to attend and express her remarks on the record; Rebekah Helsel, who supports the 20% CH requirement. Helsel suggested the City might wish to address decreased parking requirements for CH units to help a developer achieve the CH requirement. A letter was also received from Aaron Domini, of Citizens for Smart Growth, who expressed the following concerns:

- requiring builders/developers to build CH without any real bonus or incentive will only raise the cost of market rate units,
- developers may be driven away from building residential units in the Townsite Overlay,
- developers may skirt the CH requirement by building fewer, larger, and more expensive units.

And suggestions:

- Offer a real density bonus to offset the cost of building CH.
- Consider adopting different CH standards for different zoning districts.
- Consider defining the types/size of CH units desired or required in each zoning district.
- Consider exempting certain size lots from the CH requirement.

Michael David gave clarification to the previous statement he made about capital improvement reimbursement. He clarified that reimbursement used to be up to \$10,000. It is now reimbursed at 10% of the price the owner paid for the unit.

Discussion went to the Zoning Ordinance; Grotto explained that the notice for this meeting had been published on 9/28 prior to the 10/3 meeting so it referenced 10% density increase rather than the current proposed 20%. Grotto advised that the amendments set out the bulk requirements for each zoning district. She advised that where multi-family is allowed, the Ordinance also set out density for multi-family units.

Grotto said the CH definition was deleted from Section 10.2-PUD. She explained the option of the CH provision as related to PUDs and advised of additional options added to the amenities section. Section 10.4.1 adds density bonus information.

Grotto advised that housekeeping was done to Section 10.5.3.b changing “Blaine County...” to “local...” as related to the Housing Authority.

Marvel asked for discussion about “onsite” versus “offsite” CH. There was discussion about how one CH unit is defined. Grotto clarified that it was defined in the BKHA Guidelines and will be spelled out in a plan supplied to the City.

Edelstein expressed concern that information regarding the need for CH units should be obtained prior to a developer starting plans for a project. Grotto said the developer should know what type of CH will be needed when they come in for their pre-application meeting with the City because they should have already met with BKHA.

M. David indicated BKHA has needs across the board at this time.

Stroh asked if, as an example, a 100 unit housing development was built, would the CH be scattered throughout? Grotto indicated that was correct.

Lisa Pettit, 330 Golconda Dr, stated that not all people want to live in multi-family. She stated she has 3 kids and needs a single family residence with a yard.

Anderson closed the public hearing.

Anderson asked where the Commission stood on developers who are responsible for building 1+ CH units, being able to build one CH unit and supplying in-lieu fees for the partial required unit. Linscott and Zellers agreed with the idea. Grotto suggested the reconfiguration of CH units could be further looked at; she gave the example of 1.2 CH units required for a project, and the possibility that a larger 1.2 CH unit home could be built for a large family to achieve the CH requirement.

Linscott referenced Domini’s letter asking for discussion about how to avoid the loophole of people choosing to subdivide into 4 lots to circumvent CH requirements that would be instituted with 5 lot subdivisions, as developers will often do to avoid the parks requirement. Grotto

explained that the parks inclusion is a standard with no offset to a developer. The inclusionary zoning density bonus would allow the 5 units + 1 CH unit.

There was discussion about linkage, with Grotto advising the Council wants to grow the Business community at this time. She stated linkage may be looked at down the road.

Discussion ensued about exempting smaller units and creating different standards for different zoning districts. Linscott expressed confusion about how the Townsite overlays other zone districts with larger lot sizes. Grotto advised that the Townsite Overlay has its own bulk requirements that overrule underlying zoning bulk requirements.

Marvel referenced bullet point #4 of Domini's letter and stated she did not think any lots should be exempt. All Commissioners were in agreement. Grotto said that a multi-family building in the Townsite Overlay would get a density increase, only single family units will not.

Grotto referenced the Subdivision Ordinance 4.11.4.B, the 3rd sentence, stating that developer design and location information should be added and asking that the Commission send their ideas to her via email.

Marvel referenced the deed restriction definition, suggesting more definition was needed addressing what deed restricted entails related to resale, etc, of a unit. Grotto suggested verbiage could be added to address upkeep and reimbursement of capital improvements.

Edelstein added that, as a developer, consistency is important. She suggested verbiage that units are deed restricted in accordance with Local Housing Authority Guidelines.

Discussion ensued about requiring a deed for deed restriction be submitted with an application. M. David advised there were additional documents for deed restricted housing that could be submitted with applications. Grotto suggested adding language to the Ordinance that states "applicable documents including CCRs, etc" because CCRs should also address the deed restriction.

Marvel again reminded all that these amendments would add density and stretch public services.

Williamson suggested removing deferred fees from Section 4.11.6 because the City does not have an ordinance addressing deferred fees. Grotto agreed with Williamson, expressing concern over the administrative effort it would take to ensure that fees did not fall through the cracks. Marvel added she was unsure the City could afford to defer fees.

Linscott suggested further research on deferred fees that could be brought to the next meeting. Grotto stated this developer concession may not be as necessary with the increased density bonus allowed.

Linscott moved to continue the applications for inclusionary zoning amendments to Subdivision Ordinance #821 and Zoning Ordinance #532, to a special Tuesday, October 25, 2005, meeting to be held at 6:30 p.m. Zellers seconded and the motion carried unanimously.

COMMISSION REPORTS

Zellers advised she would be gone from sometime the middle of December through the middle of January; exact dates will be forthcoming.

Marvel moved to adjourn, Zellers seconded and the motion carried unanimously. The meeting adjourned at 8:30 p.m.