



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DON REIMER, COMMUNITY DEVELOPMENT DIRECTOR
RE: DISCUSSION OF PROPOSED CHANGES TO THE UNIFIED DEVELOPMENT CODE TO FACILITATE HOUSING PROJECTS
DATE: APRIL 12, 2022

Summary and Background: Increasing the number of affordable workforce housing units available to employees of businesses in the Frisco area is one of Town Council's High Priority Strategic Plan Goals. Over the past several months, most recently at the March 22, 2022 Town Council meeting, Town Council has provided feedback and direction to staff to identify opportunities to facilitate and support additional workforce housing properties.

Andy Richmond, who owns a property at 521 Pitkin St, submitted a request to staff for a proposed amendment to the Cabin Housing regulations, which would facilitate creation of new workforce housing on his property.

Under Code Section 180-2.4.3, the Community Development Director, Planning Commission, or Town Council may initiate a Code Amendment "whenever the public necessity, safety, general welfare, or good zoning practice justifies such action." Because a Code amendment requested by a citizen has no application fee, and costs staff time and impacts workload, staff will typically take a proposed code amendment to Council work session for Council input and direction prior to initiation to ensure it is consistent with Town Council goals and Strategic Plan. The process for an amendment to the Unified Development Code (UDC) is a Planning Commission public hearing for a recommendation, followed by Town Council consideration of an Ordinance, with public hearings at 1st and 2nd readings.

Analysis: Mr. Richmond's request is part of a larger overall proposal that would include vacation of a portion of the unbuilt 6th Ave right-of-way adjacent to his property. Because the right-of-way vacation will ultimately be considered by Town Council during a future public hearing, Council discussion should focus on the Code amendment. Mr. Richmond has indicated to staff that he would like to pursue the Code amendment whether the right-of-way vacation is approved or not, as the Cabin Housing proposal could work with or without the right-of-way vacation.

Section 180-5.2.1 of the UDC contains the Cabin Housing regulations. The purpose of Cabin Housing is to "provide an opportunity for innovative development", allowing for a 50% increase in density over the zone district base density, for small, compact homes. In exchange for the increased density, home sizes are limited to a maximum of 1,200 square feet, with half of the houses in a Cabin Housing development being limited to a maximum of 1,000 square feet. A maximum building height of 20 feet is also applied to Cabin Housing developments. The Cabin

Housing regulations require developments to incorporate deed restricted affordable housing only when there are five or more units in the development.

Mr. Richmond's proposal would allow for larger home sizes of up to 1,500 square feet, and for heights of up to 30 feet in a Cabin Housing development if the properties were deed restricted as "local's housing". Initial review of the proposal to amend Cabin Housing in this manner identifies a couple of potential concerns, relative to the purpose of the Cabin Housing regulations. First, an increase in the permitted floor area to 1,500 square feet may create a structure more massive than what may be thought of as a "cabin". The increase would be an increase of 25% over what is currently permitted. Second, the increase in permitted height from 20 feet to 30 feet (an increase of 50%) also may not reflect the intent of cabin architecture. Additionally, the request indicates that the deed restriction would be for "Local's Housing". At this time, there is no Code definition for this term, and would have to be developed. As staff understands from the request, local's housing would be similar to the employee occupancy deed restriction, with no AMI cap, similar to the deed restriction being used for recent Housing Helps applications.

When considering options for potential Code amendments to facilitate housing, it may be worthwhile to focus on a set of Code Amendments that could have a broader benefit, rather than focused solely on Cabin Housing projects. One such opportunity would be to consider the creation of a Workforce Housing Overlay District. Such a district could incorporate a variety of development standards or incentives that would be applicable to multiple types of developments in multiple zone districts. The UDC currently includes a Historic Overlay District, and a Planned Unit Development Overlay District, in Sections 180-4.2 and 180-4.3, respectively. A Workforce Housing Overlay District could provide development incentives and exceptions to standard Code requirements in exchange for the creation of additional deed restricted housing units. Examples of provisions that could be contained within in a Workforce Housing Overlay include:

- Density bonus. Currently, a developer may receive bonus density in exchange for deed restricting units for affordable housing only in the Central Core, Gateway, and Mixed Use zone districts. (Section 180-5.5.1.B) A workforce housing overlay could make bonus density available in additional areas.
- Parking requirements. An overlay could include provisions that reduce parking requirements depending on the amenities of the development.
- Dimensional requirements (setbacks, lot coverage, etc.), and other development standards. Similar to the Historic Overlay district, a Workforce Housing Overlay District could allow for relief from or modifications to certain development standards.

While the specific requirements of a Workforce Housing Overlay District have not been drafted, creation of this overlay district would add to the development options in the Code, which could be used by developers to meet their goals, and meet Town goals by creating additional workforce housing. Different properties would have pros and cons that could be evaluated by a developer. Depending on the property and current zone district, a developer could choose from the current density bonus provisions (§180-5.5.1.B), Cabin Housing (§180-5.2.1), Historic Overlay (§180-4.2), PUD (§180-4.3), or the new Workforce Housing Overlay (Future Section). The density bonus and cabin housing have the advantage of being permitted uses in some areas, subject only to site plan approval, while an overlay follows a rezoning process and would require Planning Commission and Town Council approval prior to approval of a site plan for the property.

Financial Impact: If approved, there would be no immediate financial impact resulting from this proposal.

Environmental Sustainability: Not applicable.

Alignment with Strategic Plan: One of Town Council's High Priority Strategic Plan goals is to increase the amount of available workforce housing. This proposal would not directly create additional deed restricted units; however, Code amendments designed to facilitate workforce housing should result in additional workforce housing units being created.

Staff Recommendation: Staff requests Council direction on whether to draft a Code amendment for workforce housing, including amendments to Cabin Housing, or development of a Workforce Housing Overlay, or both, and identify provisions to be incorporated into the proposed amendment.

Reviews and Approvals: This report has been reviewed and approved by:

Leslie Edwards, Finance Director
Diane McBride, Interim Town Manager

Attachments:

- Request from Andy Richmond for Amendments to Cabin Housing
- UDC Section 180-5.2.1 (Cabin Housing) with Tracked Changes
- UDC Section 180-4.2 and 180-4.3 (Historic Overlay and Planned Unit Development Overlay)