



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL

FROM: DON REIMER, COMMUNITY DEVELOPMENT DIRECTOR

RE: SECOND READING - ORDINANCE 23-10, AN ORDINANCE AMENDING CHAPTER 180 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, CONCERNING THE UNIFIED DEVELOPMENT CODE, BY AMENDING SECTION 180-5.5.1, CONCERNING AFFORDABLE HOUSING INCENTIVES; AND SECTION 180-9.3, CONCERNING GENERAL DEFINITIONS

DATE: APRIL 11, 2023

Summary and Background: The Unified Development Code (UDC) holds the rules and regulations for the Town's zoning code and is codified as Chapter 180 of the Frisco Town Code. From time to time the UDC is updated to reflect current zoning priorities and increase efficiencies in the development review process. Code text amendments to the UDC are reviewed and approved by the Town Council after consideration and recommendation by the Planning Commission.

Affordable housing is one of Town Council's Strategic Plan High Priorities. For several months, Town Council has been discussing with staff potential amendments to the Town Code that could facilitate development of affordable housing, including a potential workforce housing overlay, and additions to the density bonus provisions already in the Code.

In December 2022, a developer of a potential affordable housing project submitted a request for specific code amendments which could provide incentives to facilitate the project. Staff considered the modifications requested and other potential changes to create a series of proposed amendments to the Unified Development Code (UDC), Chapter 180 of Town Code.

Town Council discussed the proposed amendments at a meeting on January 17, 2023, expressing general support for the overall concepts, specifically those related to bonus density and increased density for affordable projects. Council also generally agreed with limited relief, or reductions, in dimensional requirements such as setbacks and bulk plane. Changes to parking requirements generated a lot of discussion, as benefits were clearly understood, but mitigation of potential negative impacts, alternative transportation options, and on-street parking options need to be addressed. Town Council asked that Planning Commission consider the draft amendments in a work session to provide feedback on options, with the goal of providing incentives to encourage affordable housing development.

The Planning Commission discussed the proposed amendments at their February 2, 2023, meeting to share comments and suggestions with Town Council. Town Council again reviewed the proposed amendments at a February 28, 2023 work session, and following additional comments, directed staff to prepare final text amendments for Planning Commission recommendation, and then Town Council consideration of an Ordinance.

The Planning Commission held a public hearing at a special meeting March 21, 2023 (continued from March 16, 2023) and recommended that Town Council approve the proposed amendments, incorporating some additional minor edits as reflected in the attached draft ordinance.

Town Council considered the proposed amendments as first reading of Ordinance 23-10 at their March 28, 2023 Town Council meeting; and approved the ordinances with a staff-recommended clarification related to visitor parking.

Analysis: The UDC §180-5.5.1, '*Affordable Housing - Incentives*', outlines the incentives currently available for affordable housing development. These include *Accessory Dwelling Units* and *Density Bonus*. The amendments proposed and included in Attachment 1 would add the previously discussed Density Bonus option for Low Income Housing Tax Credit (LIHTC) projects. LIHTC projects require that the units are deed-restricted to average 60% AMI, but do not allow restrictions on where the occupants work. The proposed amendments would extend the existing bonus density incentives, currently available in the Central Core, Gateway, and Mixed-Use districts, to the Residential High Density zone district.

The proposed amendments would also add a new section, **§180-5.5.1.C** "Affordable Housing Development Incentive Program". This section would create a set of incentives in the form of modifications to underlying zoning regulations for projects that meet specific deed-restricted housing thresholds. The program would be available for use for all properties in the Gateway, Central Core, Mixed-Use, and Residential -High, -Medium and -Low zone districts. The proposed amendments include modifications to the following, as further detailed in Attachment 1:

- Density – allows increased density in the RH, RM, and RL zone districts where the density bonus provision is not currently permitted.
- Lot coverage – allows increased lot coverage
- Setback – allows reduced setbacks
- Building height – allow up to a 10% increase in building height
- Landscape – allows modifications to the landscape requirements
- Bulk Plane – allows an increase in the volume of bulk plane envelope encroachments
- Parking – allows reductions in the amount of parking required by allowing some on-street parking or off-site parking under certain conditions, and encouraging use of transit and car-sharing services

Town Council most recently discussed the proposed Code amendments at their March 2, 2023 meeting, and provided direction for staff on content of the final version of Code amendments. Some key items and comments included:

- We are at an inflection point on whether you want to see some of these projects come forward. What do we want to do with these code provisions? What is the action?
- Main Street – a lot of discussion on looks and feel. For design standards, Main Street frontage is different than the alley. Consider allowing the alley frontage to be bulkier, while avoiding the tunnel effect.

- Parking – consider reductions for larger projects - 20 units or more. If our ratios are wrong, the developer has to have the problem of limited parking. This works if a rental project easier than if a for-sale project, as single owner / manager has more control.
- Power to waive fees should be a higher-up decision
- Rental versus ownership is different. Rental to have greater incentives. Where can we budge on building articulation to save cost for development?
- Parking is a non-issue. If we approve less parking, this forces us to look at our transit solution.
- 50% vs 100% affordable housing incentive issues – go all the way 100%? This works for 100% affordable projects
- Don't want to hinder Town's ability to increase density and affordability – More incentives/ allowances for rental vs. ownership projects
- There is sufficient transit to accommodate the ¼ mile distance for walking. Summit Stage qualifies as a local transit spot.
- Where can we do on-street parking? Example would be Breckenridge and alternate parking days.
- Regional transit is the solution for local transit → Incentives should stand on existing transit
- Realistic about the environment (high alpine) & need for parking
- Redistribution of parking instead of the lessening the parking; share parking with other developments. Example is a church. Parking redistribution as opposed to reduction.
- Mix of Uses - There should still remain a commercial requirement. We need affordable commercial to be able to create upward mobility and new businesses.
- Leave conditional use for developer to make the case it doesn't work
- Landscaping for affordable projects needs to be there and be defined

Draft Ordinance 23-10 includes language that reflects the above concepts. Some key changes from the initial proposal discussed at the February 28, 2023, work session include that the incentives will only apply to a project in which one-hundred percent of the residential units in the development will be designated as Affordable Housing. Also, any proposed reduction in required commercial uses in a project will remain subject to the conditional use process.

The Frisco Planning Commission considered the proposed text amendments at a public hearing held March 21, 2023, and unanimously recommended approval, with incorporation of edits to further define and clarify the incentive program. Items modified include allowing AMI averaging in the density bonus program (matching what is proposed in the incentive program); definition of reduced landscaping requirements; and that on-street parking must be contiguous with the property to qualify for parking reductions.

The Planning Commission also suggested some potential modifications to the standard deed restriction related to occupancy qualifications for local workforce, methodology for resales through a lottery process, and income qualifications. Staff recommended to the Planning Commission that these changes are a larger policy discussion, and that staff will forward to Town Council Planning Commission's recommendation that the Town's standard deed restriction document be reviewed at a future Town Council meeting.

Town Council approved the proposed code amendments on first reading at their March 28, 2023 meeting, with one addition: to add a clarification to Section 180-5.5.1.C (4)(c)(1) that one visitor

parking space is required for each five dwelling units in the development. The added text is included in Attachment 1.

Financial Impact: There is no direct financial impact related to these code amendments.

Alignment with Strategic Plan: In the 2020/21 Strategic Plan, Town Council identifies increasing full-time resident occupancy to 50% as a top priority, as a method to support an inclusive community. Additionally, Frisco Town Council aspires to double the amount of deed restricted workforce housing units within the next 5 years. The proposed Code Amendments provide incentives to developers, which also could be applied to Town projects, which will assist in achieving these goals.

Environmental Sustainability: No direct significant impacts to environmental sustainability are anticipated.

Staff Recommendation: Approve Ordinance 23-10 on Second Reading.

Approved By:

Diane McBride, Assistant Town Manager
Tom Fisher, Town Manager

Attachments:

Attachment 1: Ord 23-10