ARTICLE D. MODERATE-INCOME HOUSING DEVELOPMENT OVERLAY (MIHD) ZONE

10-13D-1: PURPOSE AND OBJECTIVES:

The Town desires to increase the availability of moderate-income housing. The economic success of the Town requires decent, affordable housing for citizens who serve tourists and residents. The Town needs to maintain both social and economic diversity of its residents, which is of major importance to maintaining the welfare and quality of life for all residents. The Town has established the moderate-income housing development overlay zone (MIHD) to offer incentives to developers to encourage the creation of moderately priced residential dwelling units in furtherance of the Town's affordable housing plan.

10-13D-2: USES IN COMBINATION:

The MIHD may be applied to a parcel or parcels of land in combination with the existing conventional residential or commercial zones as designated in this title. The provisions of the MIHD zone shall be supplemental to the requirements of the zone in which the property sought to be developed as an MIHD is situated. In the event of a conflict between this article and the zone in which the property sought to be developed as an MIHD is situated, this chapter controls. All other applicable provisions of this title, except as modified herein, shall apply.

10-13D-3: PERMITTED USES:

A. If the zone in which the property sought to be developed as an MIHD is residential, the uses permitted in the MIHD shall be restricted to residential uses and corresponding accessory or conditional uses. Multi-family dwelling units may be permitted by the Town Council on a case by case basis. In determining the appropriateness of multi-family dwellings, the Town Council shall consider parcel location, neighboring uses, number of units proposed, traffic impact, and ability to integrate the use into the neighborhood.

B. If the zone in which the property sought to be developed as an MIHD is commercial, the uses that are permitted, conditioned, or accessory in the MIHD will remain unchanged.

10-13D-4: OPTIONAL INCENTIVES:

The Town Council may provide certain incentives to a developer who adds MIHD units in excess of the minimum required under chapter 6A of this title. The excess units must meet an existing need under the Town's affordable housing plan and must be supported by a current market assessment that is provided by the developer. The Town retains the sole legislative discretion over whether to provide optional incentives under this section. Optional incentives may include, but are not limited to, the following:

A. *Financial incentives:* Financial incentives may include:

1. Payment or waiver of planning, public works, building permit, or other Town fees. Impact and connection fees must be prepaid by the developer and a refund issued by the Town upon completion of the project. Impact and connection fee relief is generally only provided for the number of units that will serve as affordable units.

2. Direct financial aid that may include set aside funds, tax exempt bonds, mortgage credit certificates, community development block grants, or the like.

3. Assistance with the application for state or federal housing program funds.

4. Like-kind donations of land, labor, or other assets.

B. *Landscape bonus:* The Town Council may reduce the amount of required landscaping in the MIHD overlay zone on a case-by-case basis. Any reduction in the amount of required landscaping will be consistent with the spirit of the landscape standards of chapter 18 of this title, and shall be the minimum reduction necessary to facilitate the project.

C. *Modification of development and zoning standards:* The Town Council may grant modifications to the development standards of the zone in which the property sought to be developed as an MIHD is situated on a case-by-case basis where such modification is necessary to make the provision of restricted units economically feasible. Such modifications may include, but are not limited to: lot area, yard/setback requirements, building size, building height, units per lot, distance between buildings and parking standards.

10-13D-5: DESIGN STANDARDS:

The Town Council will determine the design standards to be followed by any MIHD project based on property location. Architectural standards (chapter 16 of this title) or foothill residential design requirements (section 10-9A-13 of this title) will serve as guidelines. While economic building practices may be important to maintaining affordability, any MIHD shall utilize the best project design and architectural detailing as possible.

10-13D-6: DEVELOPMENT AGREEMENT:

All incentives and modifications of development standards will be included in a binding moderate-income housing development agreement ("agreement") between the Town and the property owner and developer. The agreement may include, without limitation, a detailed explanation of the following: all optional incentives; a property management plan; applicable covenants, conditions, and restrictions; impact studies (e.g., traffic, environmental, noise, etc.) as determined by the Town Council to be necessary; and the mechanism for ensuring long term affordability of moderate income housing units. The Town Council and the Town Attorney may include any provision in the agreement that the Town Council believes will protect and promote the interests of the Town.

10-13D-7: PROJECT PLAN APPLICATION AND REVIEW:

A. A preapplication conference between the developer, DCD, and a Town Council representative is required of all applicants desiring MIHD designation. The purpose of this initial meeting is to determine if the proposed project furthers the Town's affordable housing plan. The developer will be informed by staff of the process requirements and potential timeline. The developer and Town representatives may schedule as many informal meetings as may be required by either party in determining the applicability of an MIHD.

B. An applicant shall use the standard zone change application form to submit a request for an MIHD zone designation. The hearing and notice provisions of section 10-3-2 of this title shall apply.

C. Concurrently with the completed application for change to MIHD zone, the applicant must submit a formal written request to the DCD regarding the optional incentives requested from the Town Council. The developer must, upon the request of the Town Council, provide any site plans, preliminary plats, concept drawings, financial analyses, or similar information in an effort to provide the Town Council with the information necessary for its decision regarding optional incentives.

D. The Town Council will act on any request for optional incentives in a public meeting. To grant any optional incentive, the Town Council must find that the proposed project is:

1. Necessary or desirable to further the Town's affordable housing plan;
2. In harmony with the intent and purpose of the General Plan and the underlying objectives of the Town's zoning code;
3. Not detrimental to the health, safety, or welfare of persons residing in the Town; and
4. That any optional incentives granted are roughly proportional to the benefit the Town receives in furtherance of the affordable housing plan.

10-13D-8: PROJECT PLAN APPROVAL:

The granting of MIHD zone designation and associated incentives does not replace any other approval processes or requirements of this title. In the event of a conflict between this article and another provision of this title, the conflict shall be resolved by applying the requirements of this article.