



ITEM #10, EXHIBIT C. ZONING INCENTIVES
PLANNING & DEVELOPMENT SERVICE
PLANNING DIVISION
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TO: Mountain Village Town Council

FROM: Paul Wisor, Town Attorney and Michelle Haynes, Planning and Development Services Director

FOR: Town Council Meeting, May 20, 2021

DATE: May 7, 2021

RE: Community Housing Initiatives – Exhibit C. Zoning Incentives

OVERVIEW

The Town of Mountain Village can amend, with Council discussion and support, the Community Development Code in the following ways to encourage community housing development.

- A. Accessory Dwelling Units/ Mother-in-Law Suites
- B. Reintroduce Non-Subdividable Duplex Zoning
- C. Community Housing Mitigation Methodology

Part A.

Accessory Dwelling Unit (ADU) is defined as an accessory use to a primary single family dwelling. Each ADU may have a kitchen so long as it is limited in size per the CDC and has a separate entrance. These units must be attached to the primary house if on a lot under .75 acres and can be detached if on a lot over .75 acres. ADUs are allowed in the CDC today. We have over 100 ADU already constructed in the Mountain Village.

Mother-In-Law Suite is also allowed in the single-family zone district, within detached condominiums found in the multi-family zone district, and within non-subdividable duplex dwelling units. They are similar to an ADU but require a common entrance (the suite can't have a separate lock-off entrance) consist of a living area, a bedroom, and limited kitchen facilities consisting of a sink, microwave, two-element burner and a 6 cubic foot refrigerator.

Staff Recommendation. Staff recommends removing the mother-in-law suite definition and combining the definitions under ADU. This would clarify that ADUs are permitted in detached condominiums and increase flexibility related to access and the allowance of a kitchen.

Part B.

Non-Subdividable Duplex was removed from the CDC in 2013 but previously allowed in the Single Family Zone District. The previous code provision allowed two dwellings to be constructed on a single family lot as long as one visually remained the primary structure

and the second dwelling was constructed at 75% of the size of the primary structure. They can be attached or detached. The non-subdividable provision means that the property cannot be further subdivided by platting or condominiumizing, but must remain in the same ownership. Allowing this development pattern would result in smaller duplex development because the homes are limited to the same site coverage as a single-family home of 40%, achieve a lower price point due to the smaller square footage, and allow a builder/owner to generate a passive income stream by rental of the second dwelling unit. Rather than apply the non-subdividable duplex to all of the single-family zone district as afforded in the past, staff recommends we create an overlay and target appropriate areas for duplex development.

Staff Recommendation. If Town Council is generally comfortable with the idea of re-introducing non-subdividable duplex development in the single-family zone district as an overlay, we can work through the details in a worksession format to then bring forward the recommended CDC amendments by a Design Review Board recommendation and two readings of an ordinance.

Part C.

Community Housing Mitigation Methodology

The Town of Mountain Village has platted deed restricted zoning designation requirements and currently has no methodology to understand the community housing needs that are triggered through large scale development. A Community Housing Mitigation Methodology will require a Request for Proposal and a third party to evaluate and produce a mitigation methodology for the Town to use. This type of methodology is common and found in most Colorado resort communities. The end result will be a formula based upon volume and type of use that will generate the commensurate employee generation which then translates into a housing requirement. The Town Council will better be able to determine when to apply the housing mitigation methodology and also once the required housing requirement is established, provide the developer options to satisfy that housing requirement, e.g. a payment in lieu of equivalent value, housing constructed onsite, housing constructed off-site, or a land dedication in equal value. The housing mitigation requirement will be integrated into the CDC by a Design Review Board recommendation and two readings of an ordinance. This will offer both the Council and developers the predictability we are trying to achieve through our Comprehensive Plan Amendment while also offering flexibility of how to meet the requirement.

Staff Recommendation. Direct staff to develop the Request for Proposal with an associated budget adjustment for 2021.

SUMMARY

Community Development Code changes typically require a worksession for public feedback, then a Design Review Board recommendation to Town Council and two readings of an ordinance as outlined above. The Community Housing Mitigation Methodology is a six to nine month process between RFP, end product and integration into the Community Development Code. These recommendations listed in this memo, will assist the community with more housing on a less immediate timeframe yet create community housing building blocks for years to come.

/mbh