Moab City Planning Commission Item  
Meeting Date: February 13, 2020

Title:  
Disposition: Continued Public Hearing and possible recommendation to City Council  
Staff Presenter: Nora Shepard, AICP, Planning Director

Recommended Motion:  
I move to forward a positive to the City Council on Ordinance 03-2020 Amending the Moab Municipal Code to modify Section 17.69 050 E to reduce the minimum size for Assured Workforce Housing Units from 1,000 sq. ft. to 400 sq. ft.

Background/Summary:  
On November 13, 2018, the City adopted a new chapter 17.69 of the Moab Municipal Code to require new overnight accommodations to provide Assured Workforce Housing (WAHOO). The ordinance has been in place for over a year and the staff is recommending that the Planning Commission and City Council make an amendment to allow for smaller, studio units to be allowed to qualify for the required assured workforce housing. 

Section 17.69.050 E currently reads as follows:  

The area of affordable housing units built pursuant to the construction requirement shall be an average of not less than one-thousand square feet per unit. Developers shall provide a mix of one bedroom and larger units based in the expected needs of the project, as further specified in the development improvements agreement and/or the LURA.

As the staff has been working with developers to satisfy the requirement for assured workforce housing, it has come to our attention that there is a need for smaller, studio unit that may not be a minimum of 1,000 sq. ft. in floor area. The City wants to provide a variety of housing unit types and sizes that are available for workforce housing. One product type that Moab lacks is a small studio unit for 1 or 2 people. The proposed amendment would allow a smaller unit (minimum of 400 sq. ft.) in a studio configuration.

The proposed language would read:

17.69.050E:  

The area of affordable housing units built pursuant to the construction requirement shall be not less than four hundred square feet per unit. Developers shall provide a mix of studio, one bedroom and larger units based in the expected needs of the project, as further specified in the development improvements agreement and/or the LURA.
History of the WAHOO Ordinance:
There was significant discussion and public input at the time of the adoption of the Assured Workforce Housing code provisions. The City Planning Staff has researched the minutes, staff reports and videos that were associated with the adoption of the Workforce Housing Ordinance. The Planning Commission recommended the Ordinance to the City Council with the minimum square footage of 500.

There was significant economic research and modelling that was done prior to delving into drafting the WAHOO. The number of units required was researched and was based on the impact of an Overnight Accommodation and the number employees generated and units needed. When that analysis was done, the “base” unit that was discussed was 1,000 square feet. When the ordinance was being finalized, the City Attorney (Chris McAnany) advised the City Council that based on the cost of construction in Moab, a smaller unit (500 square feet) may result in developers actually building units, rather than just pay the Fee in Lieu of Construction (FILC). The 500 square feet size provided a slight incentive for a developer to build units on site. This was thought to be the most desirable outcome, as well as to build units that would provide housing for employees that work in the project. A 1,000 square foot unit would cost more to build than the FILC. In other words, it would be cheaper to just pay the FILC than it would be to build the required number of units if the minimum size is 1,000 square feet.

Summary of research and discussion is as follows:
- Originally the ordinance followed the standards set in the PAD ordinance
- Then because the PAD would be passed after the WAHOO, they wanted the WAHOO to stand alone, and made the standard relative to sf minimum 500sf per the underlying zone
- During the second (and last) discussion before the ordinance was passed at City Council November 13th, Council Member Jones made the recommendation to increase the required minimum to an average of 1000sf because that was the number that followed the "NEXUS" AH "FILK" Study. ‘Number that is used in housing economic study linked to computation of number of units. (Essentially a round number to work the computation off of).
- Comparing the "Fee vs Construction", City Attorney Chris McAnany - Construction was at a higher cost to developer than fee with 1000sf. The 500sf adjustment would create "parity" between Fee vs Construction. This calculation was provided to council for the meeting.500sf was trying to mitigate issue in cost discrepancy.
- At this point the Council invited Zacharia Levine up to speak on behalf of the county. He presented the County Version with 1000sf and Parity in their fees. Zacharia summarized that 500sf would be a way to incentivize construction and flexibility, if the council wanted to stick to "mathematics that are going to be simplest and most defensible and logical" they could go with 1000sf. The Council straw polled their favor of 1000sf based on "Defensible and logical".
- The most relevant information to the reason behind the current language and associated numbers is in the City Council Video from November 13, 2018 (see link below) Please review the video between 2:18:33: and 2:27:55.
There is a demand for small, studio apartments accommodating 1 or 2 people. In many cases, workers from a new OA development cannot afford a larger unit and/or would prefer to live alone without other roommates. The reduction in the minimum size would provide more flexibility for project to provide workforce housing that meets the needs of their employees and would continue to incentivize developers to put the units on site that could be used for the employees the project generates. The outcome of leaving the minimum requirement at 1,000 sf per unit would likely be that units are not build on site, or off site, and that the developer would choose the option of paying the FILC.

**Planning Commission Options:**
The Planning Commission is being asked to forward a recommendation on the proposed amendment. The Planning Commission could take any of the following actions:

Option 1: Forward a positive recommendation to the City Council, as drafted, to reduce the minimum square footage of a unit from 1000 square feet to 400 square feet

Option 2: Forward a negative recommendation to City Council on the proposed amendment based on specific findings:

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Option 3: Forward a positive recommendation with modifications. These modifications could include requiring a “unit” to be 1,000 sf, but allowing smaller unit configurations. For example, if the unit size proposed by the developer is 500 sf, two of those would have to be built to satisfy the requirement for 1 unit.

**Exhibits:**
Exhibit A: Proposed Ordinance