

Grand County Planning Commission Minutes

November 17, 2016

A regular meeting of the Grand County Planning Commission convened on the above date in the Grand County Courthouse, 125 East Center.

Members Present: Dave Tubbs, Mike Duncan, Gerrish Willis , Bob O'Brien, Cricket Green, Ryan McCandless, and Joe Kingsley.

Members Absent:

Staff Present: Mary Hofhine, Zacharia Levine

Council Liaison: Mary McGann

The Chair convened the meeting at 6:00 pm and asked that all cell phones be turned off or silenced.

Citizens to be Heard – there were none.

Public Hearing – to solicit public input on a proposed land use code amendment requiring new residential and commercial developments include an affordable housing set-aside (i.e. assured housing).

Staff drafted an assured housing ordinance based on current housing, demographic, and economic data, workshops with the Planning Commission and County Council, input from the Interlocal Housing Task Force, feedback from community members, experiential learning in similar communities, and the best available policy information in the planning professional community. The draft ordinance has been sent through the County Attorney's office for legal review, which is still pending.

A PowerPoint presentation by staff demonstrated the assured housing process. Staff had regular monthly meetings to review with Council and Planning Commission members in order to devise a work plan for the affordable housing plan and implementation of assured housing.

There was a Q&A meeting to regarding the assured housing proposal. The meeting was well attended by staff, citizens, and board members.

The current draft ordinance has been distributed to the community and the Planning Commission has had a workshop and made changes to the draft.

The Chair opened the public hearing.

The Commission discussed the draft ordinance with staff and made changes for clarification and typos.

Rani Derasary, City Councilperson stated that she has heard opinions of many citizens; the housing issue is complicated and is encouraged by this ordinance. Thanked the Planning Commission for their work.

Audrey Graham, Chair of the Community Land Trust stated she is thankful for the dedication of the community groups working on affordable housing.

Emily Niehaus, Director of Community Rebuilds, also is thankful for all the hard work staff and the commission has put towards affordable housing. There are good partnerships for affordable housing, non-profit and profit.

Kathy Bonde, Housing Authority member, there is clearly a housing crisis and there has been a lot of time and consideration in drafting this ordinance, urge the County to go forward.

Channel O'Donahue, has lived in communities with high housing costs and commend the Commission and staff for the work on affordable housing.

With no more discussion the Chair closed the public hearing and called for a motion.

Gerrish Willis moved to send a favorable recommendation to the County Council on adopting the assured housing ordinance to include the modifications made at this meeting.

Seconded by Bob O'Brien, Chair called for a vote, Mike Duncan, Gerrish Willis, Dave Tubbs, Bob O'Brien, Ryan McCandless, and Joe Kingsley voted "aye" Cricket Greene, voted "nay", motion carries.

Public Hearing - to solicit public input on a proposed land use code amendment removing "residential units used for overnight accommodations" as permitted uses in the Highway Commercial (HC) zone district.

Staff explained that short-term rentals play an undeniable and central role in the local economy. They provide alternative accommodations options for travelers, complement the stock of hotel rooms available on busy weekends, generate incomes for property owners, and create more than \$4M in Transient Room Tax revenue for the County.

Community Development Department is not against short-term rentals. Staff is very clear on the role short-term rentals play in Grand County's economy. The Planning Commission and County Council should engage in a discussion about whether or not the current zoning regulations accurately reflect the community's needs, protect the health, safety, and welfare of residents, and/or advance the broader economic development goals of the County.

Staff notes the existence of Section 4.6 of the LUC, Overnight Accommodations Overlay (-OAO) Districts, as a means for developers to establish overnight accommodations rights for entire subdivisions and developments. In effect, this enables the Planning Commission to provide a recommendation and County Council to make a legislative decision on a project-by-project basis for allowing overnight accommodations in the HC zone, or anywhere else in the County for that matter. Any developer is welcome to apply for the -OAO designation. Should the land use authorities in Grand County (e.g. Planning Commission and County Council) review such an application within the HC zone district and determine that it is beneficial to the County, aligns with current and future development goals in the southern corridor, and does not create negative externalities for the community, they can approve the designation.

Lastly, bed & breakfasts, RV Parks, and hotels/motels will remain permitted uses in the HC zone district. In other words, four avenues for overnight accommodations (via residential construction or commercial construction) remain in the land use code should the County Council approve the proposed amendment.

Over the last 15 years, the number of short-term rentals in Grand County (including the City of Moab) has increased to more than 700. While second homes, vacation rentals, and general investment properties represented about 15% of the County's housing stock in 2000, they now account for 30% or more of the housing stock (US Census). Recent construction and permit numbers suggest the trend is likely to continue for many years, which places Grand County on a similar trajectory as other prominent tourism destinations in the American West.

On the surface, this trend may seem unimportant. However, it does lead to unintended consequences. Each acre of land in the HC zone used for short-term rental construction is an acre of land that cannot be used for long-term housing construction. Grand County has limited developable land and may need to preserve more space for its residents' housing needs. The HC zone allows for the highest densities in Grand County (18 du/acre, by right). Per unit construction costs, and ultimately rent or ownership costs, decrease significantly at higher densities. Yet, these lower per unit costs are not currently passed on to local residents and workers because the units are not intended for locals.

Equally important, Grand County may also need to preserve land available for a wider range of business development. With limited land zoned for commercial use, it is important to think about other forms of economic development Grand County may accommodate or attract in the future. Does a long stretch of high density buildings for short-term accommodations match the community's vision for "commercial development," its southern corridor, or economic development (more broadly) that is expressed in the General Plan and other documents?

Additionally, because of the increasing emphasis on short-term rentals within the construction industry, local builders are less available for residential projects making rates rise and even small projects more difficult to complete on time and under budget.

The Chair opened the public hearing.

The Commission discussed the following:

- Existing overnight rental units will be allowed as non-conforming use.

- Where else would overnight rentals be allowed, should we consider making overnight rentals conditional uses.

The Chair called on the audience.

Jeff Cornelius stated that he is against the ordinance he does not feel it will affect the housing issue; he has **planned considered** building overnight rentals on his HC property.

The Chair closed the public hearing and called for a motion.

Bob O'Brien moved to move to recommend the County Council adopt the proposed land use code amendment, which removes residential units used for overnight accommodations from the list of permitted uses in the Highway Commercial zone district. Gerrish Willis Seconded.

The Chair called for a vote – Bob O'Brien, Mike Duncan, Gerrish Willis, Dave Tubbs vote "aye". Cricket Green and Ryan McCandless voted "nay". Motion passes.

Approval of Minutes: Mike Duncan moved to approve the October 27th, meeting minutes with corrections. Seconded by Bob O'Brien, all voted in favor.

Future Considerations: Nothing at this time.

Community Development Department Update: Updated the Commission on the CRMP.

County Council Liaison report: Ms. McGann reported that the Council has adopted the budget.

Adjournment - meeting adjourned at 8:15 pm.