

Housing Policy Revision 2019

Executive Summary

The Affordable Housing Policy Committee has been working since last October to revise our current policy, dated 1998, so that it better responds to the Island's housing needs and the housing impacts of regional developments. The following are the significant changes in the policy.

Title of policy/scope of housing mitigation: While the current policy requires mitigation for “low and moderate income” housing, the Commission’s practice, reflecting recent studies, has recognized the need to provide for housing for somewhat higher levels of income as well. The current policy is titled ‘Affordable Housing Policy’ — the term “Affordable Housing” is now broadly understood as targeting those with incomes up to 80% AMI. In recognition of its prior practice, which the Commission continues to believe is appropriate for the Island, the policy is now titled simply “Housing Policy,” and it expressly covers housing for those with incomes from 80% to 150% AMI (broadly understood as “Community Housing”).

Mitigation options: The proposed policy expressly provides that DRI applicants can provide either land, housing or monetary mitigation. The Commission has discretion as to which option best meets the Islands housing needs.

Mitigation is tied to the incremental need for housing caused by the development: Although this is the rationale underlying the 1998 policy, it is now explicitly stated and is the primary criterion for any determination of appropriate mitigation, serving to ensure that the suggested mitigation is not arbitrary.

Valuation of a lot: As previously revised earlier this year, the value of a lot in the division of land is based on the fair market value of the improved lot.

Stated preference for lots and/or dwelling units. Instead of monetary mitigation.

Quantity of lots/housing to be provided: The ratio of housing contribution to development is 1/10 (i.e. 1 dwelling unit/lot must be provided as Affordable or Community Housing for every 10 units/lots). This ratio is unchanged from the current policy. However, this can lead to fractional values. The proposed policy provides that fractional values of 0.5 or higher will be rounded to the next highest whole number and values below 0.5 will be determined to be that fraction of the fair market value of a single unit.

Family sub-divisions. The proposed policy establishes an express exemption for family sub-divisions unless/until the property is sold out of the family. This is consistent with prior practice.

Multi-family residential units: (i.e. townhouse, apartment or hotel) the policy now specifically includes this use in Residential DRIs. This was not previously specified in the policy.

Commercial and mixed use developments: The existing policy assesses mitigation for non-residential development on a sliding scale (from \$0.50 to \$2.00 per sq ft) depending on the size of the development. The proposed policy establishes a new formula where monetary mitigation is the product of the new square footage, times a base rate (\$8.00) times an industry intensity code. (For example, the contribution for a restaurant is higher than a warehouse of similar size, since restaurants employ a greater number of employees than warehouses. To a large degree, this concept mirrors current practice, but the base rate has been increased.) As stated above, there are incentives to provide actual housing units, as opposed to monetary mitigation.

Change of use and/or increase in intensity of use: Any DRI Modification that proposes a change of use, or an increase in intensity of use such that a higher use code applies, is subject to a housing mitigation contribution based on the change.

Handicap access and visitability standards: To accommodate the needs of aging Island residents and/or Island residents with disabilities, the policy requires that dwelling units comply with certain handicapped accessible and visitability standards.