To: Tom Hall

Cc: Town Council

From: Jay Chace

Date: March 11, 2021

**GMO Policy Direction**

**Council Workshop**

**March 17, 2021**

This memo is aimed at addressing the policy directives that were recently presented by Councilors Cloutier and P. Johnson to the Ordinance Committee related to Growth Management Ordinance (GMO). Staff is seeking to understand the issues and gauge the interest of the entire Council before moving forward. It is hoped that this memo will help spur conversation and facilitate Council discussion during the March 17, 2021 workshop. It is anticipated that the workshop will result in a common set of policy directives and guidance for next step of the Growth Management Ordinance review process; perhaps even resulting in the crafting a revised Ordinance language.

Staff understands Council is still at the early stages of the policy of the discussion. Staff is interested to hear the will and directive of the full Council before taking any further steps.

**Policy Directive 1**: **Replace fractional growth permits with a 1:1 ratio of growth permits to dwellings.**

To encourage the development of multifamily housing within the designated growth areas of the town, the town has adopted fractional density provisions. The fractional density provisions were similarly adopted in the GMO. The fractionalized growth permits seem to have added to the complexity and ambiguity of how many dwellings are created in town in a given year.

One way to address this is to reconfigure the issuance of growth permits on a 1:1 ratio with the number of units. However, to be consistent State Statute the town would need to increase the number of growth permits that are in the annual allocation to the 10 year average of the number of permits issued for residential dwellings.

If the permit numbers are simply increased, theoretically, all those permits could be developed into single family homes- which is about the number of single family homes that were being developed per year when the town originally adopted the GMO. To address this issue, the concept of creating a differential between dwelling types has been raised. Based on comments through the revision process, the draft revised Comp Plan will include conceptual policy guidance for developing a dwelling type differential should the Council wish to explore this approach further.

**Policy Directive 2: Reserve Pool reconsideration.**

Related to above, there has been suggestion that Council would like to have more control over the permits issued that are above the annual allocation. Currently Council has full authority over the number of permits that get added to the reserve pool; however, the allocation of those permits is determine by the Planning Board. Currently, the Board can only allocate reserve pool permits if it finds the project meets one of four criteria:

1. Dwellings that are part of a contract zone;
2. Dwellings for projects in which at 50% of the dwellings are affordable;
3. Dwellings in a project that will use either the affordable housing or development transfer density bonus provisions of the Zoning Ord.;
4. Dwellings in projects approved as of the date of the adoption of the ordinance (2008)

Perhaps the Council could include a discussion about preferred development types and how preferred projects would be identified. It was suggested the Council explore opportunities to allow ‘common scheme’ projects within the town’s designated growth areas to obtain permits beyond the current ordinance provisions. One potential approach could be for the Council to identify preferred projects types: such as Planned Developments, projects in a TIF district, or other projects types within the designated growth areas. If this is an approach the Council has interest in, the town will want to investigate how such relief would impact the State mandate for considering the 10-year average of permits issued when developing the provisions of the annual allocation of other growth permits.

**Policy Directive 3: Review the equitable distribution of annual allocation permits.**

Council has indicated a concern about the equitable allocation of permits in light of the 2021 distribution and has indicated consideration of limiting the 20% threshold to apply to a ‘common scheme’ of development. This revised approach would eliminate the practice of developers creating subdivisions within subdivisions to obtain more than 20%. Should the 20% threshold be tightened, alternative approaches to enabling large projects to move forward are discussed in Policy Directive 2 above.

**Policy Directive 4:** **Protect the rural character of the town by directing most residential growth to the designated growth areas.**

The current GMO provisions address this by regulating that no more than 50 growth permits may be issued in limited growth areas west of the turnpike. Should Council wish to explore this provision further, additional data can be provided to identify the number of permits that are annual issued to the limited growth areas for consideration of moderating the pace of growth in the ‘rural’ areas of town.

**Policy Directive 5: Eliminate the 180-day conversion period.**

One of the elements that as been discussed is the period between which a growth permit is issued and when it may be converted to a building permit. The suggestion has been to require that a growth permit application must be accompanied by a complete building permit application. This could help moderate the pace of which permits are issued through the year and eliminate the potential for speculative purchases of growth permit by developers who have concerns of the town running out of permits. Council could further consider a scheduled release of permits to measure the distribution throughout the year (e.g. preserve a certain number of permits to be issued quarterly). Currently a developer has up to 180 days (plus the potential for a 90 day extension) before a growth permit must be converted to a building permit.