PLANNING DIVISION STAFF REPORT

July 30, 2020

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PREPARED FOR THE PLAN COMMISSION

Subject: July 30, 2020 Plan Commission Work Session - Overview

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On July 30, 2020 the Plan Commission will be holding a work session to discuss several possible adjustments to the Zoning Code that could support additional housing. No ordinances or proposals will be formally acted on at this meeting. The intent is to discuss a variety of concepts and for the Plan Commission to provide direction regarding what initiatives should receive additional follow up and consideration. Depending on that direction, staff may prepare specific ordinances for further review, or organize follow-up work sessions to discuss particular items.

In regards to the topic of housing, the City has adopted a variety of plans and studies that address increasing the amount of available housing. As previously provided to the Plan Commission, this includes: 1) Staff Response to 2016 Whitehouse Development Toolkit;; 2) Analysis of Impediments to Fair Housing; 3) Fair Housing Choice Summary Report; and 4) Equitable Development in Madison. Staff note that increasing the amount of available housing is also grounded in the 2018 Comprehensive Plan, with goals and strategies to provide a full range of quality and affordable housing opportunities thoroughly the City. That plan includes specific actions and strategies to support the development of more housing in general, a wider mix of housing options, promote "missing middle" housing, and to review code possible code changes as it relates to the development review process.

In addition to this memo, staff have prepared a presentation to guide the meeting. Please see that document for further information. That file includes background data and other information to support the various policy discussions.

As noted in that presentation, staff have suggested that the discussion be organized into five policy areas, as summarized below.

Policy Discussion 1: Promote Multi-Family Residential Development Through Zoning Changes

Under this discussion, the Plan Commission will be asked to discuss possible modifications to the mixed-use and multi-family zoning districts. One set of initiatives looks at the various thresholds that determine whether a use is "permitted" (needing administrative permit review) or "conditional" (which also requires Plan Commission review prior to permitting.) The thresholds vary by zoning district, but generally include the number of units, physical building square footage, and height.

A second initiative looks at the level of density that is allowed in multi-family and mixed-use zoning districts. Generally speaking, staff have found that the densities recommended in the 2018 <u>Comprehensive Plan</u> are often greater than what is allowed in various mixed-use and multi-family zoning districts. The two factors that most specifically define allowable density are "Lot Area" and "Usable Open Space." As a reference, the presentation file also includes a summary of related standards in other communities.

For both sets of initiatives, the corresponding presentation includes tables that outline existing standards and staff-suggested modifications that can serve as the basis for this discussion.

Policy Discussion 2: Accessory Dwelling Units

Accessory Dwelling Units (or ADUs) are allowed with Conditional Use Approval on properties with owner-occupied single-family homes in most residential zoning districts. Since the 2013 Zoning Code went into effect, 16 such projects have been approved by the Plan Commission. This policy discussion centers on two points:

- The first, is whether ADUs that are attached-to or within an existing home should be allowed as a permitted use. (An example is the creation of a "basement" apartment.)
- A second policy discussion is whether a detached ADU (a stand-alone accessory building) be allowed by-right in certain circumstances. Consideration could be given to lot coverage, building size, or other factors.

For reference, this section of the presentation includes maps showing the current coverage of land in the city that is either zoned for only single-family homes or contains a single-family home, and also the geographic distribution of ADUs approved since 2013.

Policy Discussion 3: Potential New Zoning Districts

Staff have identified two possible additional zoning districts that could be created to promote options to allow denser, where consistent with adopted plans:

- The first would be a more intensive mixed-use zoning district, labeled here as "RMX" (Regional Mixed-Use).
- The second is a multi-family district, labeled here as "TR-U3" (Traditional Residential-Urban 3.

Staff notes that while the Downtown includes more intensive districts such as the UMX (Urban Mixed-Use) and DR-2 (Downtown Residential-2), such districts cannot be mapped outside of Downtown due, in part, to those districts' reliance on the area-specific Downtown Height Map. If provided direction to proceed, staff can utilize these districts as templates, plus make modifications based on related land use recommendations in the Comprehensive Plan.

Policy Discussion 4: Discuss Review Process for City-Funded Affordable Housing Development

Staff from the City's Community Development and Planning Divisions will support a discussion to gauge whether the Plan Commission would support process changes for developments funded through the City's Affordable Housing Fund (AHF). Currently, the funding of these developments is reviewed by the CDBG Committee and approved by the Common Council. As part of that funding process, there are requirements for public meetings, similar to what typically occurs prior to the submittal of a land use application. Those projects go through the required land use process, typically after AHF funding has been conditionally awarded. Conditional awards are based, in part, on receiving the necessary land use approvals. As part of this discussion, a variety of topics could be considered including revising the role of the Plan Commission in these reviews or finding other ways to expedite the review process for such proposals.

Policy Discussion 5: Demolition Process

The intent of this discussion is to get the Plan Commission's initial feedback on possible modifications. As part of this discussion, staff is not suggesting a policy to remove all demolition review from the Plan Commission, but rather, focus on alternative strategies for certain projects, such as permitted uses. The City Attorney's office has recently raised some concerns regarding denying demolition permits for uses that are otherwise permitted.

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Currently, the demolition of all principal structures requires Plan Commission approval, regardless of whether the use is allowed by-right or needs conditional use approval. Staff acknowledges that modifications to this process would be a significant policy change, as the Zoning Code has long required both consideration of a building's suitability for demolition and the proposed future use. Staff notes several possible considerations, including to but not limited to: a) Structure's historic value; b) Whether the proposed future use is permitted, c) Size and scale of the demolition and/or the number of demolitions proposed; d) Public Notifications; and e) Options for alternative processes.

Staff believes that the Landmarks Commission plays an important role in the process and believes that all demolitions should continue be presented to that body in regard to making findings related to a building's historic value. Staff suggests that perhaps the demolition approval process could vary based on Landmarks Commissions findings.

Staff provides the following examples for discussion purposes:

- A single-family home is proposed for demolition and the Landmarks Commission finds that there is no known historic value. In this case, the future use is a different single-family home (though the example could be expanded to be any other permitted use in that zoning district).
- A commercial building with no known historic value is proposed for demolition and redevelopment with a mixed-use building that is a permitted use.

In these theoretical examples, the proposed future use meets all bulk and design requirements. In cases such as these, staff request the Plan Commission discuss the possible pros and cons of an administrative review process, perhaps similar to a Minor Alteration.