

Date: March 18, 2010

To: City of Madison Plan Commission

From: David Porterfield, Chair City of Madison Housing Committee

Subject: Follow-up on Housing Committee Actions Pertaining to Zoning Code Rewrite regarding Cooperative Housing.

I am sending this memo at the request of City staff to provide additional clarification to the Plan Commission on this subject as it has been one of the subjects of vigorous discussions during the Zoning Code rewrite process.

The purpose of this message is to further summarize the recommendation from the Housing Committee, relating specifically to *Cooperative Housing* as a defined and regulated land use in the new Zoning Code. While the minutes for the meeting summarize the motions and votes associated with items on the agenda for consideration I was not sure they reflected the detail of conversation relevant to the cooperative housing issue. I thought it might be helpful to provide further clarification from the housing committee that may then assist the Plan Commission and Common Council in regard to their deliberations on the subject.

During the meeting, an alternative approach to addressing housing cooperatives was distributed by David Sparer. As part of the committee's discussion and as pointed out by staff, the committee recognized that Mr. Sparer's approach generally differs from the approach in the draft ordinance as follows:

1. Increasing the places which housing cooperatives could locate by allowing them in more districts.
2. Eliminating certain requirements that would trigger a *Conditional Use* process for housing cooperatives, as a requirement.
3. Expand upon the definition of a housing cooperative to include other qualifying types of cooperatives.

The committee generally supported all of these concepts, and approved a friendly amendment to their main motion in support.

Attached is a copy of the documents Mr. Sparer distributed at the meeting.

Here is a link to the draft minutes:

[http://legistar.cityofmadison.com/meetings/2010/3/8427 M HOUSING COMMITTEE 10-03-03 Meeting Minutes.pdf](http://legistar.cityofmadison.com/meetings/2010/3/8427_M_HOUSING_COMMITTEE_10-03-03_Meeting_Minutes.pdf)

Zoning Ordinance Rewrite

Proposals Related to Housing Cooperatives Presented by representatives of Housing Cooperatives

Definitions (as stated in current draft - no suggested changes - these are fine):

Dwelling. (p. 228) A building or portion thereof designed or used primarily as living quarters for one or more families, but not including hotels or other accommodations for the transient public, lodging houses, housing cooperative or other group living arrangements.

Housing Cooperative (p. 233). A dwelling unit where one-hundred percent (100%) of the ownership is held by a Cooperative Corporation organized under Chapter 185, Wisconsin Statutes, for the purpose of residential living where the residents share common areas and cooking, dining, and maintenance duties. All residents shall be members of the Cooperative Corporation.

Supplemental Regulations (p. 164):

Proposal from Cooperative Housing representatives, to replace currently proposed text with the following text instead: (current proposed text follows)

(5) Housing cooperative.

(a) Two-family, three-family and multi-family buildings may be converted into one housing cooperative provided that the entire building is converted and must remain as a cooperative while so occupied. This conversion and use shall be a permitted use in the following districts: SR-C3, SR-V1, SR-V2, TR-C3, TR-V1, TR-V2, TR-U1, TR-U2, NMX, TSS and CC-T. The conversion is a permitted use only if the Cooperative files the following documents with the City Zoning Staff: 1) evidence that the Cooperative meets the definition of Housing Cooperative in the Zoning Code; 2) a management plan for the facility and a floor plan showing sleeping areas, emergency exits and bathrooms; 3) a statement, approved by the zoning staff, of the number of legal bedrooms in the multi-unit building before conversion to a housing cooperative. Upon the filing of such documents the zoning staff shall issue an occupancy permit for the Housing Cooperative which states the total number of occupants permitted, which shall be the same number as the number of legal bedrooms in the building before the conversion to a housing cooperative.

(b) When housing cooperatives are established within single-family dwellings, the single family appearance and function of the building shall not be altered through the addition of entrances or kitchens.

(c) Within the TR-V1, TR-V2, NMX, TSS and CC-T districts, a housing cooperative may be established in a dwelling unit as a permitted use if the occupancy is five (5) or fewer persons.

(d) Within TR-U1, TR-U2 districts a housing cooperative may be established in any building currently occupied as a sorority or fraternity or lodging house as a permitted use with no maximum occupancy under the zoning code. The maximum occupancy shall be regulated by the building code.

(e) A housing cooperative may request, as a conditional use, in any of the zoning districts listed in subsection (a) above, a level of occupancy greater than what is permitted under (a) above. Such increased level of occupancy may be approved for buildings currently approved as having one single dwelling unit and for buildings having multiple dwelling units where the Coop does not seek any conversion to one cooperative unit, and may also be approved for conversions of multiple unit buildings into one cooperative unit. Such conditional use approvals shall be based upon the same standards and requirements for conditional use approval as stated in the zoning code.

Current proposed text

(5) Housing cooperative.

(a) Within the SR-V1, SR-V2, TR-C3 and TR-P districts, upon conditional use approval, a housing cooperative may be established in a dwelling unit, with a maximum occupancy of five (5) persons.

(b) Within the TR-V1, TR-V2, TR-U1, TR-U2, NMX, TSS and CC-T districts, a housing cooperative may be established in a dwelling unit as a permitted use if the occupancy is five (5) or fewer persons. Occupancy by more than five (5) persons requires conditional use approval.

(c) When housing cooperatives are established within single-family dwellings, the single-family appearance and function of the building shall not be altered through the addition of entrances or kitchens.

(d) Two-family, three-family and multi-family buildings may be converted into cooperatives provided that the entire building is converted and must remain as a cooperative while so occupied.

Definitions:

Family:

owner-occupied:

(This is the current proposal, and the Coop representatives ask to add the underlined phrase)

(b) For the purpose of this definition, an owner-occupied dwelling unit shall mean any dwelling unit where an individual or two or more persons who reside in such unit constitute one hundred percent (100%) of the owners of either the entire fee simple interest or the entire land contract vendee's interest, or the entire coop membership interest in a full or limited equity apartment style housing cooperative, in said dwelling unit.

Provided, however, dwelling units occupied by owner-occupants holding less than one hundred percent (100%) interest in the fee simple shall nonetheless be considered owner-occupied for the purposes of this definition where the remainder of said interest is held by an investor pursuant to a shared equity purchase arrangement and the owner-occupant has continuously resided in said dwelling unit for at least four (4) years;