



PREPARED FOR THE PLAN COMMISSION

Proposal: **Zoning Text Amendment**

Legistar File ID #: [84329](#) (Missing Middle Dimensional Standards in TR-C4) and [84626](#) (Downtown Affordable Housing Incentive for College Students)

Prepared By: Planning and Zoning Staff

[84329](#) - This amendment provides more consistency between the dimensional requirements for housing within the TR-C4 zoning district by amending the minimum lot area, lot width, and side setback requirements for two-family two units, two-family twins and three-unit buildings. This change is similar to a code change adopted by Common Council last year which aligned residential missing middle requirements in the TR-V1, TR-V2, TR-U1, TR-U2, Downtown Residential 1 and Downtown Residential 2 Districts, see Legistar File [78690](#). Like 78690, this proposed code change seeks to remove a barrier to missing middle housing by aligning dimensional requirements across allowed residential uses in the TR-C4 district.

Staff supports this amendment.

[84626](#) – This amendment expands the existing downtown affordable housing incentive so that it can be used for affordable housing intended for the college student market.

In 2023, Common Council adopted a zoning code change to add a downtown affordable housing height incentive, with two options: 1) a property owner must use at least 50% of the additional space for affordable housing and maintain affordability for at least 30 years; or 2) a property owner receives City financial assistance, and the affordable housing terms are negotiated as part of that assistance. These existing incentives do not work for affordable housing aimed at the college student market because college students are typically ineligible to live in housing funded by affordable housing funding sources such as HOME, Community Development Block Grant (CDBG), and Low-Income Housing Tax Credits (LIHTC). Additionally, while a student’s household of origin may be 60% of area median income or below, there is no mechanism to income qualify a student without the rest of their household, which may be living outside of Madison.

Based on the affordable housing model used with the Oliv, this code change adds an affordable housing incentive option which functions well for college student housing. This model requires that a property owner executes a Land Use Restriction Agreement (LURA) with the City which guarantees a certain amount of below market rate housing for a specified period of time. A postsecondary educational institution then refers college students from households with low to moderate income to the property owner to rent affordable units at below market rent. This model also allows a low to moderate income student to rent a unit with students who do not income qualify and who will pay market rent.

Staff supports this amendment.