PLANNING DIVISION STAFF REPORT

November 17, 2022



PREPARED FOR THE COMMON COUNCIL

Proposal:Zoning Text AmendmentLegistar File ID #:74703 – Transit Oriented Development (TOD) Overlay Zoning DistrictPrepared By:Planning and Zoning Staff

1. Introduction

This zoning text amendment repeals and replaces *MGO 28.104 – Transit Oriented Development Overlay District,* a section of the zoning code that has acted as a "placeholder" since 2013. An overlay zoning district can be added to a specific geographic area to modify underlying regulations in base zoning districts. The City already uses overlay zoning as a tool to protect wetlands and to prevent contamination of wells.

The proposed Transit Oriented Development (TOD) Overlay is a step that helps address the city's housing needs and promotes increased development intensity in the areas of the city with the best transit access, taking into account the Metro Transit Network Redesign and the City's substantial investment in Bus Rapid Transit (BRT). Rather than relying on future preparation of dozens of bus station area plans, the proposed TOD overlay establishes modest but meaningful modifications to zoning regulations that will be applied to the entire mapped TOD overlay area (see the maps included with File #74703), which is generally within a quarter-mile of high-capacity transit routes. Local and national historic districts, the UW campus, and the downtown have been excluded from the proposed TOD Overlay. However, other employment/retail areas between a quarter- and half-mile have been added, mainly around the eastern and western termini of the east-west BRT line, where there are substantial concentrations of single-use, auto-oriented retail or office development.

The TOD overlay zoning district makes various adjustments to underlying "base" zoning districts to allow more intensive development while adding design regulations to improve walkability in the portions of Madison best-served by transit. The most prominent adjustments within the TOD overlay are:

- Allowing additional residential dwelling units as a permitted use in residential, mixed-use, and select employment zoning districts
- Allowing additional building height as a permitted use in some multi-family residential and mixeduse zoning districts
- Removing usable open space requirements for residential dwelling units
- Removing minimum automobile parking requirements and adding tighter maximum parking limits
- A minimum 2-story building height in multi-family residential, mixed-use, and employment districts
- Additional site layout/design regulations to ensure that buildings are close to and easily accessible from public sidewalks.

For a more detailed summary of the TOD overlay elements, which vary by base zoning district, see Section 4 in this memo.

2. Policy Context

The proposed TOD ordinance makes developing small- and mid-scale residential and mixed-use buildings more predictable in the TOD overlay area by reducing the need to apply for conditional use permits. The establishment of a TOD overlay zoning district is directly recommended in the City's 2018 Comprehensive Plan:

Land Use & Transportation Strategy #5 states that the City should "Concentrate the highest intensity development along transit corridors, downtown, and at Activity Centers."

Action A under that strategy is to "Implement Transit-Oriented Development (TOD) overlay zoning along BRT and other existing and planned high-frequency transit service corridors to create development intensity minimums, reduce parking requirements, and support transit use."

TOD overlay zoning also supports many other goals, strategies, and actions within the Comprehensive Plan and subsequently adopted plans (see the chart below).

Recommendation	Related Amendment Focus
RecommendationComp Plan, Land Use and Transportation, Strategy 5:Concentrate the highest intensity development along transit corridors, downtown, and at Activity Centers.Action A: Implement Transit-Oriented Development (TOD) overlay zoning along BRT and other existing and planned high-frequency transit service corridors to create development intensity minimums, reduce parking requirements, and support transit use.Comp Plan, Land Use and Transportation, Strategy 6: Facilitate compact growth to reduce the development of farmland.Action C: Accommodate a majority of growth through infill and redevelopment.Comp Plan, Neighborhoods and Housing, Strategy 1: Create complete neighborhoods across the city where residents have access to transportation options and resources for daily living.Action A: Plan for and facilitate mixed-use neighborhood centers featuring shops, services, employment, and a mix of housing types within and near single-use neighborhoods as identified in the Growth Priority	Related Amendment Focus The TOD overlay establishes a two-story building height minimum in multi-family residential, employment, and mixed-use/commercial zoning districts (with a handful of limited exceptions), eliminates minimum parking requirements, boosts permitted height in select zoning districts, allows more residential dwelling units as a permitted use, and implements design standards for more transit-friendly development. The TOD overlay makes it easier to construct small and midsize residential and mixed-use projects in areas outside of downtown that have thus far not been seeing as much infill and redevelopment, such as the Mineral Point Road corridor, Packers Avenue, and East Washington Avenue north of Milwaukee Street. The TOD overlay allows for more housing to be constructed along and close to the city's major commercial corridors, allowing more people to live within close proximity to jobs, shops, restaurants, and services. It will allow for residential units to be added to corridors that have concentrations of single uses, like the areas surrounding East Towne and West Towne malls.
Areas Map. Action C: Support the integration of a mix of housing types and neighborhood amenities near existing transit corridors and shared use paths.	
Comp Plan, Neighborhoods and Housing, Strategy 3: Increase the amount of available housing. Action A: Support substantial new housing opportunities by prioritizing planning efforts to transition underutilized, automobile-dominated commercial areas into complete neighborhoods and mixed-use Activity Centers. Action B: Explore adjustments to the number of dwelling units, building size, and height thresholds between permitted and conditional uses to increase the allowable	The TOD overlay boosts the permitted use threshold for residential units and dwelling units in mixed-use buildings. It also includes a waiver of usable open space requirements and height bonuses in select multi-family residential, mixed-use, and commercial districts.

Table 1: Existing Recommendations related to this amendment

density for residential buildings in mixed-use zoning				
districts and select residential zoning districts.				
AIFH - Rec 1.3: Review current regulations within the zoning code and	The TOD overlay allows for context-sensitive density increases along and in close proximity to transit corridors,			
adjust as necessary to maximize potential for context-	including allowing more missing middle housing by			
sensitive density increases in residential and mixed-use	permitting duplexes in single-family zoning, permitting			
districts, supporting missing middle housing types	additional attached single-family housing in select			
(townhomes, small lots, etc.)	districts, and permitting more small and midsize			
	residential and mixed-use buildings.			
AIFH - Rec 1.7:	The TOD overlay adjusts zoning along major transit			
Explore adjustments to current zoning to be consistent	corridors, making the permitted uses in the zoning code			
with the Future Land Use Map and Comprehensive Plan,	more consistent with the Comprehensive Plan's future			
preemptively easing barriers to development of more	land use map. This will allow small and midsized			
affordable housing types in areas where diversification of	affordable housing projects to proceed as a permitted use			
housing stock would be beneficial.	in some cases, depending on the specific project and			
A. Adjusted Generalized Future Land Use Low-Medium	zoning district.			
Residential district allows missing middle and other higher-				
density structures, but zoning still may serve as				
impediment to affordable development (adjustments				
should be explored across all districts to maximize				
efficiency in development)				
AIFH - Rec 1.10:	The TOD overlay makes it easier to construct small and			
Explore relaxing administrative barriers to development,	midsize residential and mixed-use projects as permitted			
promoting increased development at all rental and	uses, thus promoting increased development in areas			
ownership levels.	well-served by transit.			
Equitable Development – p. 26:	The TOD overlay adjusts the conditional use thresholds in			
Adjust thresholds (# dwelling units, building size, height,	multi-family and mixed-use districts to allow more			
etc.) between permitted and conditional uses to "relax"	dwelling units as a permitted use.			
the zoning code and allow more "by-right" development.				
Comp Plan = <u>2018 Comprehensive Plan</u>				
AIFH = 2019 Analysis of Impediments to Fair Housing Choice				
Equitable Development = <u>2019 Equitable Development in Madison report</u>				

Importantly, these amendments are just a part of a much broader package of City initiatives involving funding and regulatory changes to promote more housing, more housing affordable to households with low-incomes, and more housing choices. Over the past two years, the Common Council has acted to expand and re-shape the use of the City's Affordable Housing and Land-Banking funds, created a new high-intensity mixed-use zoning district, changed zoning to broadly allow Housing Cooperatives across the city, increased housing density and conditional use thresholds, adopted changes to ease the development of Accessory Dwelling Units across the city, approved an increase to the City's affordable housing fund budget, and modified the demolition ordinance. Other changes to the zoning ordinance that impact housing, such as modifying the "family" definition, are currently being explored.

For many decades, the construction of multi-family housing at any scale in Madison (not unlike many other cities across the U.S.) involved a high level of scrutiny before it could be constructed. While discretionary review of multi-family housing as a conditional use was modified as part of the changes adopted in 2021 (see Legistar <u>#63902</u>), much of the multi-family and mixed-use redevelopment that complies with City plans and is in proximity to transit still requires conditional use approval. While the TOD overlay is not 100% consistent with all of the recommendations in the dozens of neighborhood, area, and corridor plans that overlap the proposed overlay area, it does bring the vast majority of multi-family residential, mixed-use, commercial, and employment areas closer to allowing development that is consistent with plan recommendations as a permitted use, especially as it relates to the <u>Comprehensive</u>

<u>Plan's Generalized Future Land Use map</u>. The approach allows more development in close proximity to transit, as recommended by the above-summarized plans, while still requiring larger mixed-use and multi-family residential projects, which have the potential for more impact on surrounding areas, to seek conditional use approval by the Plan Commission.

The TOD overlay also eliminates car parking minimums. This extends the exemption from parking minimums that already exists throughout the downtown and for small developments in mixed-use districts to all (re)development in the TOD overlay. As the Plan Commission and Common Council are aware, many projects with no minimum parking requirement still provide parking to make their projects more attractive to potential tenants and lenders. This trend is expected to continue for the foreseeable future, but parking within the TOD overlay would also be subject to reduced maximum parking requirements. Further, consideration of the adequacy of proposed parking would no longer be a standard for conditional use approval where no minimum parking is required. This will reduce the amount of space required to be dedicated to cars, and aims to increase the amount of space dedicated to people within the TOD area, where transportation alternatives to driving are inherently strong. In conjunction with other City efforts like <u>BRT</u>, the <u>Metro Network Redesign</u>, and <u>transportation demand management</u>, this promotes more efficient use of land, reduces single-occupancy vehicle use, and slows traffic growth.

3. Impacts on Development Review Processes

Allowed uses in the City's Zoning Code are classified as being either a "permitted" or "conditional" use. Conditional uses can only proceed if approved by the City's Plan Commission, which must make findings that certain standards are met in order to approve a given proposal. Such consideration is a layered process that includes review and input from City staff, Alders, nearby residents (often organized in neighborhood associations and their committees), the Plan Commission, and other entities. This review is in addition to various technical requirements (e.g., other zoning requirements, stormwater management, building codes, and fire codes) that apply. Conversely, when a development moves forward as a permitted use, it does not need to be approved by the City's Plan Commission following a public hearing, and there are no opportunities for discretionary review mentioned above, unless a property owner/developer proactively seeks input. However, "permitted uses" are still reviewed administratively by Zoning, City Engineering, Traffic Engineering, and other agencies to ensure that all ordinance requirements are met.

The proposed TOD overlay ordinance does not involve changes to requirements such as the amount of a site that can be covered by impervious surface, stormwater management requirements, bicycle parking requirements, and other elements in Madison General Ordinances. On top of this, the proposed overlay has no impact on required reviews by the City's Landmarks Commission or Urban Design Commission.

The goal for the TOD overlay district is to remove barriers to housing development in close proximity to transit by making it easier and more predictable to develop small- and mid-scale multi-family housing and mixed-use projects close to transit. The additional permitted dwelling units, and, in some districts, height, comes with additional design requirements that will make projects more pedestrian, bicycle, and transit-friendly. Staff will monitor the impact of the TOD overlay, and will be able to work with the Plan Commission and Council in future years if adjustments to the TOD overlay ordinance are needed.

4. Summary of Changes by Zoning District

Broadly speaking, the TOD overlay zoning district:

- Permits the next increment of residential intensity within zoning districts that allow residential development. For example, base single-family districts (SR-C1, SR-C2, TR-C1, TR-C2, TR-C3) would be permitted to have a duplex under the TOD overlay. The SR-V1 district, which currently allows multi-family development up to 8 units would be allowed to have up to 12 units under the TOD overlay as a permitted use. The Neighborhood Mixed-Use (NMX) district, which currently allows up to 24 units in a mixed-use building would be allowed to have up to 48 units under the TOD overlay as a permitted use.
- Allows additional building height (stories) as a permitted use in select multi-family and mixed-use zoning districts (SR-V2, TR-V2, TR-U2, NMX, TSS, CC, and RMX).
- Removes usable open space requirements for residential dwelling units throughout the TOD overlay.
- Allows up to 24 dwelling units in mixed-use buildings as a permitted use in the Traditional Employment (TE) zoning district (dwellings currently require conditional use approval in TE).
- Creates additional site standards for buildings and automobile infrastructure for non-residential uses and buildings with over two residential units to make development around high-frequency transit more pedestrian, bicycle, and transit friendly. The standards include:
 - Maximum principal building setbacks.
 - Requiring building entrances be oriented towards the primary abutting street.
 - Implementing a two-story minimum building height (with exceptions for greenhouse/nursery, place of worship, public safety or service facilities, recreation, community, and neighborhood centers, and transit stations/transfer points).
 - Limiting where automobile parking, loading, drives, drive aisles, driveways, vehicle access sales and service windows and drives, gas pumps, gas station canopies, car wash vacuum stalls and electric vehicle charging facilities can be placed on a site.

Additional adjustments to integrate the TOD overlay into the overall zoning code include:

- Adjusting the use chart to move the "Dwelling units in mixed-use buildings" uses from supplemental regulations to Table 28D-2.
- Modifying 28.141 Parking and Loading Standards to:
 - Eliminate minimum parking requirements in the TOD overlay area.
 - Add a TOD overlay district automobile maximum parking column to Table 28I-3 Off-Street Parking Requirements.
- Modify conditional use standards in 28.183 to specify that the adequacy of proposed off-street parking supply may no longer be considered as a standard for approval within the TOD overlay and other areas without minimum parking requirements.
- Create a definition for "Street, Private" in 28.211, and modify "Accessory Dwelling Unit" and "Street, Public" definitions in the same section.

Those interested in finding out more about where various zoning districts are located in the City can view the <u>Interactive Zoning Map</u> to explore the zoning in and around alder districts and neighborhoods. The specific changes proposed by zoning district, including data reflecting the acreage and number of parcels within the TOD overlay as they relate to the City of Madison as a whole, are shown in Table 2 below:

Zoning				
	Parcel Acres in TOD	% of TOD Parcel	% of City Parcel	
District(s)	Area	Area	Area	Description of Changes under TOD Overlay Zoning District
Single- Family*	1,288	21.3%	2.9%	Permit two-family dwelling-twin; permit two-family dwelling-two unit
SR-C3	49	<1%	<1%	Permit three-family dwelling
SR-V1	82	1.4%	<1%	Permit single-family attached dwelling (5-8 dwelling units); permit multi-family dwelling (9-12 units)
SR-V2	227	3.8%	<1%	Permit multi-family dwelling (25-36 units); allow 4 story buildings as a permitted use
TR-C4	355	5.9%	<1%	Permit multi-family dwelling (4 units)
TR-V1	251	4.1%	<1%	Permit single-family attached dwelling (5-8 dwelling units); permit multi-family dwelling (5-8 units)
TR-V2	67	1.1%	<1%	Permit single-family attached dwelling (5-8 dwelling units); permit multi-family dwelling (13-24 units); allow four story buildings as a permitted use
TR-U1	43	<1%	<1%	Permit multi-family dwelling (25-36 units)
TR-U2	19	<1%	<1%	Permit multi-family dwelling (37-60 units); allow five story buildings as a permitted use
NMX	45	<1%	<1%	Permit dwelling units in mixed-use buildings (25-48 units); allow four story buildings as a permitted use
TSS	82	1.4%	<1%	Permit dwelling units in mixed-use buildings (49-60 units); allow four story buildings as a permitted use
CC-T	391	6.5%	<1%	Permit dwelling units in mixed-use buildings (61-100 units)
CC	628	10.4%	1.4%	Allow six story buildings as a permitted use
RMX	24	<1%	<1%	Allow eight story buildings as a permitted use
TE	213	3.5%	<1%	Permit dwelling units in mixed-use buildings (<25 units)
Other**	2,267	37.5%	5.2%	
Total	6,031			
Vellow row - single-family zoning districts: light grange rows - zoning that permits small multifamily buildings: dark				

Yellow row = single-family zoning districts; light orange rows = zoning that permits small multifamily buildings; dark orange rows = zoning that permits midsized multifamily buildings; purple rows = zoning that permits mixed-use development

* SR-C1, SR-C2, TR-C1, TR-C2, TR-C3

** Other = districts that do not receive any height or dwelling unit bonuses under TOD overlay (PD, MXC, THV, SEC, EC, IL, IG, A, UA, CN, PR, AP)

Districts that are not listed above ("Other") are still subject to the Site Standards for Buildings and Site Standards for Automobile Infrastructure in the TOD overlay, except for Planned Developments (PD). PDs are included in the TOD overlay boundary in case property owners opt to be rezoned to another zoning district in the future, but PD properties are not impacted by the TOD overlay.

The chart on the following page summarizes the amount of TOD overlay parcel area included in aggregated categories of zoning districts:



* Other = districts that do not receive any height or dwelling unit bonuses under TOD overlay (PD, MXC, THV, SEC, EC, IL, IG, A, UA, CN, PR, AP)

5. Conclusion

Our zoning code should support the development and redevelopment called for in the City's adopted plans, which is needed to best accommodate Madison's future. As the city continues to grow and change, careful examination of our planning and zoning systems through an equity lens is essential in order to foster support for the land uses we need. The new TOD overlay has been in development since fall 2021, and has included many discussions at various boards, committees, and commissions, as well as at a series of public meetings. Planning and zoning staff also worked with Department of Civil Rights staff to undertake a Comprehensive Racial Equity Analysis of TOD. The analysis generally found that improving housing affordability through zoning is not sufficient to address the City's substantial need for additional affordable housing, but it generated a number of recommendations for future measures that could follow TOD overlay implementation.

The proposed TOD overlay would increase allowable residential densities and change conditional use thresholds for properties in proximity to transit in the City's multi-family and mixed-use districts. This will encourage the development of more housing, particularly small and medium-scale multi-family housing, as the city's growth continues. The development of TOD overlay zoning closely follows recent and specific policy recommendations, particularly from the Comprehensive Plan (2018) and the Analysis of Impediments to Fair Housing Report (2019). The TOD overlay represents a modest change to Madison's

Zoning Ordinance to better implement our plans and match our land use regulations with our transit investments.

Pairing more dwellings, jobs, and destinations with transit will reduce dependence on automobiles by supporting car-free households with better choices, and by enabling more households to shift to a "car light" or car free lifestyle. Transportation is usually the second largest family expense, after housing. If more households have access to convenient transit, they will be able reduce their transportation costs because they will have easier access to jobs, shops, and services without needing to drive. The enhanced mobility TOD provides is accomplished without costly or unfeasible roadbuilding projects. It also means land is used more efficiently – if people are able to live close to transit, less land is needed for parking, which allows the City to serve more people with less pavement, fewer stormwater and sewer pipes, and less of all of the other accompanying infrastructure that requires tax- and fee-supported maintenance.

More people living and working close to frequent transit means they can get where they want to go without creating, or getting stuck in, traffic. And while driving is slowly lessening its negative impact on the environment by electrifying, transit still remains the best option to reduce emissions and driving's negative impact on the environment.

Staff supports this set of amendments, and, if approved, staff will prepare to monitor their effectiveness over time and report back to the Plan Commission and Common Council in future years.

6. Additional Resources

- <u>Project website</u>, which contains links to all meetings and materials where the TOD overlay zone was discussed.
- "<u>Storymap</u>" that reviews what TOD is, how it relates to BRT and the Metro Network Redesign, and why the City is focusing on TOD (note that the storymap was published in May 2022, prior to the adoption of the Metro Network Redesign and subsequent adjustment of the TOD overlay boundary).
- Interactive Zoning Map
- 2022 Housing Snapshot Report
- <u>Imagine Madison Comprehensive Plan</u> excerpt see PDF page 40/document page 36 for Land Use & Transportation Strategy #5, Action A.