PLANNING DIVISION STAFF REPORT

January 25, 2021



PREPARED FOR THE PLAN COMMISSION

Proposal: Zoning Text Amendment

Legistar File ID #: 63436 Wellhead protection Districts, 63457 Housing Cooperatives

Prepared By: Planning and Zoning Staff

<u>63436</u> – This amendment adopts new wellhead protection maps for areas surrounding the City's sources for its drinking water supply. The amendment also deletes some text relative to the "Zone B" areas of wellhead protection. The amendment also repeals wellhead protection maps surrounding wells No. 10 and No. 23, which have been abandoned or are currently in the process of abandonment.

Zone A delineations of the Wellhead Protection Districts are determined by computer modeling. In particular, they utilize the *Groundwater Flow Model for Dane County, Wisconsin*, developed by the Wisconsin Geological Survey in collaboration with the United States Geological Survey. This model was updated in 2016 to better characterize the hydrogeology of Dane County. Using this updated model, Water Utility staff re-modeled the groundwater flow for each well using current and projected future pumping conditions. These proposed Zone A delineations, therefore, are more reflective of the underlying hydrogeology and the predicted five-year time of travel for potential contaminants to City of Madison municipal wells. Wisconsin Geological Survey staff, including one of the model developers, reviewed and validated the model outputs that serve as the basis for the Zone A delineations. Zone B areas are mostly inside the Zone A area of wellhead protection, except for some small areas of wells No. 12, 13, 14, 16, 17, 20 and 28.

Water Utility Administrative Review: Madison Water Utility maintains a list of recommended prohibited uses in the Wellhead Protection Districts, in Sec. 13.22 MGO. Use and/or storage of hazardous chemicals, which increase groundwater contamination risk, are a central focus of any review for new uses within these restricted zones. Uses that include liquid motor fuel dispensing, dry cleaning, electroplating, vehicle repair, and solid waste disposal, for example, are strictly prohibited; however, other activities may be permitted with mitigation. For example, limits on the quantity of used or stored chemicals, secondary containment or other strategies to mitigate spill risk, or replacement of hazardous chemicals with non-toxic alternatives may be the basis for the granting of a conditional use allowance. Water Utility staff often work collaboratively with the applicant to accommodate reasonable efforts to mitigate contamination risk. The overall objective is to ensure that any approved commercial or industrial business practice is conducted in a fashion that is protective of our drinking water source.

Staff supports this amendment.

63457 - This amendment makes various changes to the regulations for housing cooperatives (co-ops).

Housing co-ops are group living arrangements where a residence is collectively owned and controlled by its members, most of whom live there. Co-ops are organized under chapter 185 of state law. The buildings typically have common kitchens, dining and recreation areas, with private bedrooms. Co-op members often share cooking and meals as well as responsibility for property maintenance. Most co-ops have more than 10

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residents, while some have over 30. Co-ops often provide an affordable housing option, typically without any governmental subsidy, by allowing for more individuals and families to enter the housing market in a non-traditional, community-oriented manner. They are among the "missing middle" housing types the City is attempting to encourage to address housing needs.

Co-ops have existed in Madison going back to the 1930's with the bulk of co-ops forming in the late 1960's through early 1980's. Since the adoption of the new zoning ordinance in 2013, there have been three co-op projects approved, all as Conditional Uses (one in 2016, and two in the past year, currently proceeding towards building permit issuance). There are several different kinds of co-ops: group equity, limited equity, market-rate/equity, and leasehold co-ops. Almost all co-ops in Madison are formed under the group equity model, e.g., Madison Community Co-operative's 12 houses and 11 other independent co-ops. Ridgeside Co-op on Williamson St. is an example of a limited equity co-op. The amendment would allow any of these types of co-ops to be established, plus single-family home occupancy by a small co-op.

Features of the amendment:

- Regulates Housing Cooperative use by land use rather than by zoning district or geographic area. The
 regulations recognize single-family, two-family, multiple family and lodging house uses, for housing
 cooperative use. This approach treats co-op construction and conversions equally across all zoning
 districts where residential uses are allowed, and simplifies regulations, which are currently quite
 confusing and difficult for a layperson to comprehend.
- Expands permissible zoning districts where co-ops can locate, to allow housing cooperatives across the city, in every district where residential use is allowed.
- Establishes limits on occupancy for co-ops in low-density residential neighborhoods (single-family homes), and a Conditional Use process for larger co-ops, to ensure compatibility with surrounding land uses.
- Creates a more equitable zoning situation relative to occupancy in multi-family dwelling conversion to co-op, as compared to typical dwelling units, by increasing the allowed number of people that may live in a co-op before a Conditional Use requirement is triggered. For example, the Perennial housing cooperative at Hoboken and Lake Point that was approved in 2016 had eight pre-existing bedrooms, so the occupancy was limited to 8 persons, with higher occupancy allowed by Conditional Use. The owners were required to obtain a Conditional Use approval for their 12-person co-op. The adjacent 4-unit apartment building could have an occupancy of up to 20 persons (five persons per unit) as a permitted use, by-right. The occupancy number is now increased to two times the number of pre-existing bedrooms at the time of conversion, more by Conditional Use and over 30 persons by Conditional Use. Perennial co-op would be a Permitted Use under the new language.
- The amendment recognizes that double occupancy of some rooms is possible and likely, given that
 couples and children do live in some housing cooperatives. Also, the definition of housing cooperative
 has language added to note that some co-ops include private living quarters for families, separated
 from common areas.
- The amendment includes a method for calculating bulk requirements for two family, multi-family and lodging house building types.

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Allowing housing cooperatives in every district that allows residential use is new. The likely beneficiary is single-family homes, which cover a significant portion of the land in the City. Over the past several years, small groups of individuals have approached the zoning office with interest to purchase a single-family home as an owner group, and occupy the dwelling as owner-occupants. Typically this has been a couple plus one person, two families, or three individual unrelated/unmarried/no civil-union people that wanted to purchase and own a home as owner-occupied people, and gain equity in that home like any other "family" does. This is not allowed with the current city occupancy regulations for most single-family homes, where multiple unrelated owner-occupants were not contemplated, and thus not permissible.

Staff supports this amendment.