

Staff Report

REQUEST TO INITIATE ZONING TEXT AMENDMENT TO ELIMINATE PARKING REQUIREMENTS FOR RESIDENTIAL USES IN DOWNTOWN

December 22, 2020

BACKGROUND

City Council received a request from Jerry Nelson asking the City Council to consider eliminating parking requirements for small residential developments in Downtown. (See Attached Letter). The requestor believes loosening parking requirements would be desirable to facilitate small scale housing developments and rehabilitation of existing buildings.

Staff believes the issue of facilitating small scale residential development through conversions of existing space, or in some cases new buildings, warrants further discussion as to how it relates to our goals for supporting Downtown. **Due to the limited options for redevelopment downtown, its historic status, and the current abundance of public parking, it seems that trying to facilitate smaller mixed-use housing development that would otherwise not be financially feasible could be allowed. The downside is potentially encouraging undesirable redevelopment of historic sites, large scale rental apartment projects, and the eventual pressure on the public parking system with an intensification of residential uses that do not provide for parking.**

Residential parking is required at a rate of 1 space per unit in DSC zoning, the same as CSC zoning. The City's Rental Code reflects this same requirement in order to license a dwelling for rental purposes. The current parking rate is less than what is required for other apartment dwellings at a rate of 1 space per bedroom. Parking must be located on the same lot or remotely within 300 feet of the site. A remote site must be approved by City Council and available for the user in perpetuity. This means that the renting of spaces on an as needed basis does not meet this standard.

Staff believes there are multiple approaches to address the issue identified within the letter that could be discussed. The applicant requests that up to 18 apartment units be exempt from providing parking. This number was originally predicated on the idea that 18 parking spaces could be established on a typical 50x100-foot lot in downtown. Staff estimates that 11-14 spaces may fit on a lot, without factoring in landscaping requirements. Please note that new standalone parking lot is not a permitted use in Downtown due to minimum floor area ratio development standards. The idea of use of the 50x100-foot lot for parking is more in the context of keeping existing areas for parking rather than see them redevelop with other uses.

The proposal to reduce parking requirements is a policy issue for Downtown more than a technical zoning issue. Cities across the country must balance encouraging investment in core urban areas where parking is an expensive component of development with potential burdens to a public parking system if demand exceeds supply.

Although current parking rate of one space per unit is a reasonable parking standard for urban areas and generally a low parking requirement for new development, that does not mean that it could not be adjusted to support current Downtown Ames conditions and a desire to promote more housing in existing areas of the Downtown. This leads to a range of options to consider for changing parking rates. **Staff believes any changes should be tailored to facilitating small to medium sized projects and support of smaller apartment configurations so as to not unintentionally incentivize large scale housing development in Downtown.**

In terms of defining a small or medium sized project, staff would focus on a typical lot size configuration of Downtown, 50x100-foot lot, and focus on a three-story building template. 5,000 square feet of building area would likely yield 4 to 6 apartments per level if the whole area of a lot was used for a building. This means that 8-12 units would fit in three-story building configuration with retail on the ground floor and living area above. Staff's discussion below is predicated on this template for a 50x100 foot lot, although other configurations could occur.

Option 1- Waive All Parking for Apartments up to 18 Units (Original Request)

This option would support housing development of exist spaces and new development in a three to four-story prototype of ground floor commercial and apartments above. This level of waiver would incent consideration of more substantial renovations or redevelopments to increase density Downtown. By waiving all parking requirements there would be no connection to the Rental Code for providing parking. **Parking would be the responsibility of the tenant to find parking to rent or to park on the street where overnight parking is permitted.**

This option could be allowed for any range of units targeted to small or medium sized projects, such as the 8 to 12 units described by staff above. **Staff is not in favor of a broad brush waiver of all spaces for 18 apartments that allow for configurations of up to five bedrooms per apartment.** A waiver of parking could be established "by right" in the zoning standards or as an exception process subject to approval, like remote parking.

Option 2- Waive All Parking for 2-Bedroom Apartments up to 18 Units.

This option addresses parking requirements similar to the first option, but limits it to apartments with two or less bedrooms per unit. If the apartments had more bedrooms then the 1 space requirement would still apply. Providing the one space would be subject to zoning standards of on site or remote. It would also be required to comply with the Rental Code for providing parking as required. The number of apartments eligible for the waiver could be reduced as well.

Option 3- Apply Annual Rental Code Requirements and Eliminate Zoning Standards

The Rental Code requires landlords to provide parking as required by the Zoning Ordinance in terms of quantity, location, and desire elements. As mentioned above, the

issue of remote parking is a limiting factor Downtown due to the expectation of permeance to meet zoning standards. **As a more flexible remote parking option, would be to allow for providing for parking on an annual basis through the Rental Code Letter of Compliance process.** Staff believes this would allow for both the use of private parking areas in Downtown and even the use of designated/reserved City parking permits to meet this standard. **To accomplish this the City would likely need to revise its overnight parking policies to ensure there is opportunity for public parking locations to meet parking needs on an annual basis.**

Option 4 Require Parking In-Lieu Fee When Parking is Not Built On-Site.

To minimize the financial incentive of providing no parking and to address potential future needs to add parking supply, the City could establish a parking in-lieu fee. An in-lieu fee would be set by the City Council based upon the assumption of the City constructing future parking spaces. If a developer pays the fee, there is no obligation to provide parking on site. **Parking in lieu fees help to defray future costs to construct additional parking, but they are unlikely to fully fund a future parking ramp Downtown which ultimately be required to meet the increased parking demand.** The cost for the fee would likely range between the cost of a surface parking stall (est. \$4,000) and a parking stall within a parking structure (est. \$25,000).

STAFF COMMENTS:

Overall staff supports changes that facilitate additional living opportunities Downtown. Parking is often an impediment both financially and physically to supporting urban living choices. Although there are a wide range of changes to standards that could be considered, generally Council needs to consider potential changes to public parking spaces for overnight parking on-street or in City lots as well as changes to zoning for on-site parking requirements.

Our Downtown has underutilized public and private parking spaces that existing today that could support shared use and more housing Downtown. **Due to these conditions, staff supports an option that allows for more flexibility in residential development, especially when focused on the small to medium sized scale development that is complementary to the character of Downtown.**

Assuming that the City Council is in support of increasing Downtown housing, staff would recommend that City Council:

1. Initiate a zoning text amendment to reduce parking requirements based upon an option described above; and
2. Direct the City Manager to review options for changing overnight parking restrictions in Downtown.

Attachment A

November 6, 2020

RE: Downtown Residential Parking Requirements

Dear Mayor and Council:

The Downtown area and housing options have been a priority of City Councils for at least the past eight years but very little has happened to move the needle. After looking at pursuing a small-scale mixed-use project Downtown, it is apparent that parking regulations are a real impediment to both new projects as well as rehabbing under- or un-utilized, upper-floor units in existing buildings.

The current rule requiring one parking space per unit is not a viable option for a building that currently takes most or all of its lot area. For these properties, it is impossible to meet the requirement onsite without tearing down the building, which is both something that is not a good outcome as well as prohibitively expensive for the small number of parking spaces that would create.

While there are options in the code that allow for remote parking agreements, those spaces are required to be available essentially permanently for the specific use of residential units. The issue at hand is that there is precious little public or private land available for parking in the DSC let alone within the 300' radius required of remote parking as currently required. But even if it were, would we really want to reserve land for surface parking in our urban core in perpetuity?

These issues affect any potential project in the DSC but are especially acute for smaller projects where structured parking either will not fit or be so expensive per space on the site that no project occurs.

The end result is that no residential units will be built at a small scale or only large projects will be possible, simply because of parking. Keep in mind that there are already over 50 units downtown that are grandfathered in with no parking.

We respectfully request that Council refer to staff to put an item on a near-term future agenda that would eliminate the residential parking requirements of one space per unit in the DSC area to a maximum of the number of spaces that would fit on the property if it were a surface parking lot to a maximum of 18 spaces.

The risks of eliminating this requirement can be mitigated with future parking regulation changes and are small in consideration of what may be possible with its adoption.

Thank you for your consideration.



Jerry Nelson
Onondaga Investments