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| ITEM #: | <u>42</u> |
| DATE: | <u>08-12-25</u> |
| DEPT: | <u>P&H</u> |

COUNCIL ACTION FORM

**SUBJECT: ZONING TEXT AMENDMENT TO ELIMINATE 10% OPEN SPACE SET-
ASIDE WITHIN THE PUD OVERLAY FOR SINGLE-FAMILY ATTACHED
HOUSING**

BACKGROUND:

On June 24, 2025, the City Council considered a request to initiate a zoning text amendment to facilitate infill housing opportunities by modifying the 10% open space set aside requirement for Planned Unit Developments (PUD). **The request was made by the developer proposing a 16 unit project on S 4th Street that is on this same agenda.** Approval of the proposed text amendment is needed for approval of the proposed project.

The Council reviewed the history of the PUD Overlay and 10% set-aside requirement before allowing for the developer to apply for a zoning text amendment to eliminate the 10% standard in relation to single-family attached infill PUD projects.

The PUD Overlay is zoning district that is combined with a base zoning district. The base zoning district sets out allowed uses and the PUD Overlay allows for flexibility in a variety of design standards to facilitate innovative, high quality, and desirable housing that otherwise may not be feasible within the base zoning district. The Overlay includes design principles for review of projects and standards that are applicable to a proposed project.

Currently, the PUD Overlay includes a mandatory 10% common open space standard regardless of site size. Not all base zones include an open space standard, but the PUD Overlay requires the open space regardless. City Council recently allowed for use of PUD Overlays on sites less than 2 acres to facilitate infill development. One primary interest for infill PUDs was to support ownership housing options for single family housing, including single-family attached (townhome style) housing. The concern with the 10% standard on infill sites is if it impacted the viability of small single-family attached housing projects that intended to create individual lots rather than common owned area that is typical of rental or condos units.

The proposed text amendment simply adds a sentence exempting single-family attached infill housing from the 10% standard. It does not create any additional requirement or substitution standards. The proposed change does not eliminate other open space and amenity requirements for larger projects and non-single family attached infill housing.

Each PUD proposal is still subject to case by case review to determine if the project meets the purpose statements of a PUD. The City Council will need to make a specific finding for a proposed PUD that it "Provide for a variety of private and common open space areas corresponding to smaller lot sizes along with providing amenities for larger developments."

PLANNING AND ZONING COMMISSION

The Commission held a public hearing at its July 16 meeting. Two members of the public were in attendance for the proposed 4th Street PUD project and the related text amendment. Comments were focused on the 4th Street project and tangentially related to concerns about density and overcrowding of a site if there is not open space. No direct comments on the general open space standards were made by the public. **The Commission discussed the trade offs and other options for modifying standards for common or private open space before voting 6-0 to approve the elimination of the 10% requirement.**

ALTERNATIVES:

1. Approve on first reading an ordinance to eliminate the 10% open space set aside PUD Overlay standard for infill single-family attached housing.
2. Modify the text and approve on first reading an ordinance to change 10% open space set aside PUD Overlay standard.
3. Refer this item back to staff for more information.
4. Deny the requested text amendment.

CITY MANAGER'S RECOMMENDED ACTION:

Staff supports the concept of supporting townhome development on individual lots with changes to the open space standard. Staff believes that small projects do not necessitate set asides in all cases because projects may not otherwise include open space requirements with typical infill base zones, common area can be a burden to small HOAs, and in some cases other open space or parks are available for use nearby compared to development on the periphery of the city. Therefore, it is the recommendation of the City Manger that the City Council approve Alternative 1, as described above.

It should be noted that the approval process of the PUD would still require findings of support related to the PUD purpose and have to address providing appropriate combinations of private and common open space on a case-by-case basis.

ATTACHMENT(S):

[**DRAFT ordinance for removing open space requirements for single family dwelling infill projects.pdf**](#)