ITEM 4* Provo City Community Development Department requests Amendments to the Provo City Code Sections 14.21A.090, 14.21B.080 and 14.23 to adopt minimum dwelling unit sizes in the Downtown One, Downtown Two, and ITOD Zones. City-Wide Impact. 16-0021OA, Bill Peperone, 801-852-6402

The following action was taken by the Planning Commission on the above described item at its regular meeting of February 22, 2017:

RECOMMENDATION FOR APPROVAL

On a vote of 6:0, the Planning Commission recommended that the Municipal Council approve the above noted application with modifications.

Motion By: Dave Anderson
Second By: Brian Smith
Votes in Favor of Motion: Dave Anderson, Brian Smith, Ed Jones, Debra Jensen, Jamin Rowan, Kermit McKinney
Jamin Rowan was present as Chair.

• Includes facts of the case, analysis, conclusions and recommendations outlined in the Staff Report, with any changes noted; Planning Commission determination is generally consistent with the Staff analysis and determination.

PLANNING COMMISSION RECOMMENDED TEXT AMENDMENT
The text proposed by the Planning Commission is attached to this Report of Action.

STAFF PRESENTATION
The Staff Report to the Planning Commission provides details of the facts of the case and the Staff's analysis, conclusions, and recommendations. Key points addressed in the Staff's presentation to the Planning Commission included the following:

• Since the Code was amended in 2012 to delete the average minimum unit size in the Downtown zones five apartment buildings have been completed and two projects have been approved.
• The ITOD zone has never had a minimum unit size.
• Of those seven projects, only two meet the average minimum unit size that was previously in the Code.
• Staff felt that we are in a good position to now evaluate the projects that have been completed to determine if we are achieving desired outcomes.
• In the Vision 2050 Plan, there is a stated preference for owner-occupied housing and for long-term residency. Goal 1.5 reads, “Encourage owner occupancy housing or long-term residency by promoting healthy and balanced neighborhoods for schools, businesses, religious congregations and community organizations.”
• Reasons for this stated goal include the high percentage of rental units to owner-occupied units in Provo. In the City, generally, renters make up 58% of the housing and owners make up 42%. In the Franklin South neighborhood the ratio is 24% owners to 74% renters. In the Franklin neighborhood the ratio is 36% owners to 62% renters.
• The Franklin South and Franklin neighborhoods are relevant because they are impacted by development that occurs in the Downtown zones and the ITOD zone.
• By approving projects with small studio and small one-bedroom units, are we encouraging transiency that we are actually trying to avoid?
• Staff reviewed the comparison to other projects that is attached to the staff report.
Staff read an e-mail from Dan Lofgren, of Cowb

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Staff read an e-mail from Dan Lofgren, of Cowboy Partners, which states, “It is quite typical that as development becomes more and more urban in character that the mix of units shifts to one bedroom units. While a suburban project may typically be 10% studios, 50% one-bedroom and 40% two-bedrooms, a more typical CBD mix is 15% studios, 70% one-bedroom and 15% two bedrooms. There are no hard and fast rules of course, but the one-bedroom units are quite typically 70%+ of the units in urban communities.”

CITY DEPARTMENTAL ISSUES

• None stated prior to the public hearing nor in the public hearing.

NEIGHBORHOOD MEETING DATE

• City-wide application; all Neighborhood Chairs received notification.

NEIGHBORHOOD AND PUBLIC COMMENT

• The Neighborhood Chair was not present.
• Developers, other than Dan Lofgren, who have expressed interest in this item were not present and staff has received no phone calls and no email from developers.
• Adam Arnette, a single, working professional expressed interest in housing alternatives other than single-family, detached dwellings.
• Mr. Arnette talked about the number of single, 25 to 35 year-olds there are in Provo and the need for housing types that are more conducive to their lifestyle.

APPLICANT RESPONSE

Key points addressed in the applicant's presentation to the Planning Commission included the following:

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

• The Planning Commission agreed that Provo seems to be getting a disproportionate amount of small studio and small one-bedroom units.
• The Planning Commission reviewed the comparison with other projects along the Wasatch Front.
• The Planning Commission expressed a preference for an average unit size and also a minimum unit size.
• Based on the comparison of unit sizes the Planning Commission thought 400 sf as a minimum and 600 sf as an average would be acceptable.
• The Planning Commission agreed with the Staff recommendation and findings but they felt that a minimum unit size along with an average unit size would be a better solution.

Planning Commission Chair

Director of Community Development

See Key Land Use Policies of the Provo City General Plan, applicable Titles of the Provo City Code, and the Staff Report to the Planning Commission for further detailed information. The Staff Report is a part of the record of the decision of this item. Where findings of the Planning Commission differ from findings of Staff, those will be noted in this Report of Action. Legislative items are noted with an asterisk (*) and require legislative action by the Municipal Council following a public hearing; the Planning Commission provides an advisory recommendation to the Municipal Council following a public hearing. Administrative decisions of the Planning Commission (items not marked with an asterisk) may be appealed by submitting an application/notice of appeal, with the required application and noticing fees, to the Community Development Department, 330 West 100 South, Provo, Utah, within fourteen (14) calendar days of the Planning Commission's decision (Provo City office hours are Monday through Thursday, 7:00 a.m. to 6:00 p.m.).

BUILDING PERMITS MUST BE OBTAINED BEFORE CONSTRUCTION BEGINS
Staff recommended language

DT1 General Downtown Zone

14.21A.090  Minimum Residential Unit Size

Each structure that includes a residential use shall provide a minimum unit size of no less than six hundred (600) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.).

DT2 Downtown Core Zone

14.21B.080  Minimum Residential Unit Size

Each structure that includes a residential use shall provide a minimum unit size of no less than six hundred (600) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.).

ITOD Zone

14.23.145  Minimum Residential Unit Size

Each structure that includes a residential use shall provide a minimum unit size of no less than six hundred (600) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.).

Planning Commission recommended language

DT1 General Downtown Zone

14.21A.090  Minimum and Average Residential Unit Size

Each development that includes a residential use shall provide a minimum unit size of no less than four hundred (400) square feet and a minimum average unit size of no less than six hundred (600) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.)

DT2 Downtown Core Zone

14.21B.080  Minimum and Average Residential Unit Size
Each development that includes a residential use shall provide a minimum unit size of no less than four hundred (400) square feet and a minimum average unit size of no less than six hundred (600) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.)

ITOD Zone

14.23.145 Minimum and Average Residential Unit Size

Each structure that includes a residential use shall provide a minimum unit size of no less than six hundred (600) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.).
**ITEM 4** Provo City Community Development Department requests Amendments to the Provo City Code Sections 14.21A.090, 14.21B.080 and 14.23 to adopt minimum dwelling unit sizes in the Downtown One, Downtown Two, and ITOD Zones. **City-Wide Impact.** 16-0021OA, Bill Peperone, 801-852-6402

| Applicant: | Provo City Community Development Dept. |
| Staff Coordinator: | Bill Peperone |
| Property Owner: | N/A |
| Parcel ID#: | N/A |
| Current General Plan Designation: | Downtown Planning Area and Transit Oriented Development |
| Proposed General Plan Designation: | N/A |
| Current Zone: | DT1, DT2 and ITOD |
| Acreage: | N/A |
| Number of Properties: | N/A |
| *Council Action Required: | Yes |
| Related Application(s): | None |

**ALTERNATIVE ACTIONS**

1. **Continue** this item to the next Planning Commission meeting which would be March 8, 2017.
2. **Recommend Denial** of the proposed ordinance amendment. *This would be a change from the Staff recommendation; the Planning Commission should state new findings.*

| Current Legal Use: | N/A |
| Relevant History: | Since the Downtown and ITOD zones were created, several residential buildings have been completed. Should a minimum unit size be implemented? |
| Neighborhood Issues: | None made known to staff as of the time of this staff report. |
| Summary of Key Issues: | Since the minimum square footage requirement was deleted from the Downtown Zones, it appears a disproportionate number of studio apartment units have been built in Provo. |
| Staff Recommendation: | **Recommend Approval:** That the Planning Commission forward to the City Council a positive recommendation to adopt a minimum square footage requirement for the ITOD and Downtown Zones as proposed in this staff report. |
OVERVIEW

The DT1 and DT2 zones originally had a minimum average unit size of 800 square feet (sf). As a result of an ordinance amendment requested by one of the downtown developers, this minimum average square footage requirement was removed from the Code.

The five projects have been completed in the downtown area since adoption of the Downtowns zones; Harmon House, Cascade Gardens, 63 East, Start-Up Crossing and Liberty Place. The smallest unit sizes in these projects are as follows:

**Completed Projects:**

- **Harmon House** 350 sf and 500 sf (average 375 sf)
- **Cascade Gardens** 823 sf (average 823 sf)
- **63 East** 445 sf and 616 sf (average of 746 sf)
- **Start-Up Crossing** 461 sf and 471 sf (average of 600 sf)
- **Liberty Place** 531 sf and 584 sf (average of 739 sf)

**Approved Projects (not yet built):**

- **200 City View** 393 sf and 480 sf (average of 908 sf)
- **Palladium Condos** 554 sf and 625 sf (average of 575 sf)

Start-Up Crossing is in the ITOD zone which has never had a minimum unit size requirement. This is the only project built so far in the ITOD. UTA has begun a planning process for development of their property at the Frontrunner Station where an additional 500 to 700 dwelling units are anticipated. This property is also in the ITOD zone.

In recent weeks an additional apartment building has been proposed on 400 North in the General Downtown (DT1) Zone. This project is a 22-unit, mid-rise building where all of the units are approximately 300 square-foot, “micro” units. While staff sees some

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1 Located on the site of the former St. Francis Catholic Church, this project is an age-restricted, low-income housing development that was built by the Provo Housing Authority. All units are one bedroom.
redeeming features and qualities in this proposed project, having an entire building of 300 square-foot units is an unintended consequence of deleting the minimum unit requirement from the Downtown Zones.

Attached to this staff report is a comparison of other apartment projects along the Wastach Front. The first six projects listed are other TOD developments. You can see that only one of those projects has studio units below 500 square feet.

The next six projects on the list are recently completed apartment buildings in Orem that would be comparable with the downtown and ITOD projects in Provo. Of these next six projects none have studio units that are less than 500 square feet.

The last eight projects on the list are all within Provo. Five of the eight projects have studio units less than 500 square feet.

**FINDINGS OF FACT**

1. The Interim Transit Oriented Development Zone (ITOD) has never has a minimum square footage requirement for unit size.
2. The Downtown Zones (DT1 and DT2) originally had a minimum average unit size of 800 square feet.
3. The DT1 and DT2 minimum average unit size was repealed in 2012 at the request of a developer for a specific project.
4. Since 2012, five apartment buildings have been completed in the ITOD and Downtown zones.
5. Of the seven projects completed or approved so far only two would meet the minimum average unit size requirement of 800 square feet that was originally in the Downtown zones.

**STAFF ANALYSIS**

1. Provo City Code Section 14.02.020(2) sets forth the following guidelines for consideration of ordinance text amendments:

   *Before recommending an amendment to this Title, the Planning Commission shall determine whether such amendment is in the interest of the public, and is consistent with the goals and policies of the Provo City General Plan.*
following guidelines shall be used to determine consistency with the General Plan:

(a) Public purpose for the amendment in question. Provo has received a disproportionate number of sub-500 square-foot apartment units. Since removing the average minimum square footage requirement the average unit size has gravitated downward more than anticipated.

(b) Confirmation that the public purpose is best served by the amendment in question. While “micro” apartment units have been used successfully in more dense and more compact downtowns than Provo, more livable units were anticipated when the Downtown and ITOD zones were adopted.

(c) Compatibility of the proposed amendment with General Plan policies, goals, and objectives. General Plan policies, goals and objectives for this area of Provo are on pages 6-9 through 6-21. While there is language in these pages regarding the desire for owner-occupancy, pedestrian-friendly design and mixed uses, there are no policies, goals or objectives specific to size of individual apartment units. There is an objective of page 6-17 that reads, “Housing diversity and types to accommodate various demographic backgrounds and life-cycle stages including higher-income and higher quality housing.”

(d) Consistency of the proposed amendment with the General Plan’s “timing and sequencing” provisions on changes of use, insofar as they are articulated. There is no conflict with timing or sequencing provisions of the General Plan.

(e) Potential of the proposed amendment to hinder or obstruct attainment of the General Plan’s articulated policies. This amendment will not hinder or obstruct attainment of the General Plan’s articulated policies.

(f) Adverse impacts on adjacent land owners. No adverse impacts to adjacent land owners are anticipated from increasing the minimum allowable size for apartments or condominiums in the ITOD and Downtown zones.

(g) Verification of correctness in the original zoning or General Plan for the area in question. This amendment does not contemplate a change to any zoning designation or to the General Plan.
(h) In cases where a conflict arises between the General Plan Map and General Plan Policies, precedence shall be given to the Plan Policies. There is no apparent conflict between the General Plan Map and General Plan policies as they relate to this item.

ANALYSIS

Sufficient new apartment buildings have been completed for staff to evaluate the application of having no minimum unit size in the ITOD and Downtown zones. Is the outcome the City is experiencing what was intended or anticipated when the minimum average unit size was removed from the ordinance?

Staff is suggesting new language for the ITOD and Downtown zones to adopt a minimum square footage of 600 square feet. However, this raises the possibility of projects that may be designed to the minimum. An alternative option would be to re-instate the average minimum square footage that was in the ordinance previously. This would allow for units smaller than 800 sf but those units would have to be offset by units larger than 800 sf. Of the seven projects that have been built or approved so far, only 200 City View and St. Francis meet the average unit size of 800 sf.

The language that was previous in the Code read as follows:

Minimum Average Residential Unit Size

Each development that includes a residential use shall provide a minimum average unit size of no less than eight hundred (800) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.)

STAFF RECOMMENDATION

That the Planning Commission forward to the City Council a positive recommendation to adopt a minimum unit size for the ITOD and Downtown zones as suggested by Staff.
DT1 General Downtown Zone

14.21A.090 Minimum Residential Unit Size

Each structure that includes a residential use shall provide a minimum unit size of no less than six hundred (600) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.).

DT2 Downtown Core Zone

14.21B.080 Minimum Residential Unit Size

Each structure that includes a residential use shall provide a minimum unit size of no less than six hundred (600) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.).

ITOD Zone

14.23.145 Minimum Residential Unit Size

Each structure that includes a residential use shall provide a minimum unit size of no less than six hundred (600) square feet. This requirement shall not apply to institutional housing units (i.e. elderly housing, assisted living facilities, etc.).
## Apartment Square Footage Comparison

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Location</th>
<th>Studio</th>
<th>1 Bed</th>
<th>2 Bed</th>
<th>3 Bed</th>
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<tr>
<td>Fireclay</td>
<td>Murray</td>
<td>0</td>
<td>817</td>
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<td>680</td>
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<td>Station Park</td>
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<td>740</td>
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<td>750</td>
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<td>796</td>
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<td>760</td>
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