

## ITEM D-1

# SALT LAKE CITY COUNCIL STAFF REPORT

**DATE:** August 9, 2002

**SUBJECT:** Petition No. 400-01-44 – Realms of Inquiry School - request to amend the Central Community Master Plan and rezone property at 1146 South 900 East from Residential R-1/5000 to Institution I.

**STAFF REPORT BY:** Janice Jardine, Land Use and Policy Analyst

| Document Type | Budget-Related Facts  | Policy-Related Facts                                       | Miscellaneous Facts   |
|---------------|---|--|---|
| Ordinance     | The main proposal has no budget impact. The Planning Commission's recommendation that the Housing Loss Mitigation fee be reduced to \$1 does reduce funds that otherwise would be paid to the Housing Trust Fund. | The proposal is presented to revise an existing ordinance. | The Administration has clearly stated the positive aspects of the proposal. |

## NEW INFORMATION:

At the August 13, 2002 Council Work Session, the Council discussed several policy issues and details relating to the proposed rezoning including:

- A. Whether or not market factors are considered to address housing mitigation.
- B. Concern for equal treatment (in the future) in similar cases for other non-profit organizations.
- C. Encouraging the property owner to provide additional property for a side yard if and when the home reverts back to residential use in the future. *(This issue was addressed in the proposed Declaration of Covenants, Conditions and Restrictions. Please refer to Article II General Provisions, Cessation of Use.)*

## OPTIONS AND MOTIONS:

1. ["I move that the Council"] Adopt an ordinance amending the Central Community Master Plan and rezoning property located at 1146 South 900 East from Residential R-1/5000 to Institutional.
2. ["I move that the Council"] Not adopt an ordinance amending the Central Community Master Plan and rezoning property located at 1146 South 900 East from Residential R-1/5000 to Institutional.

## **Key Elements**

- A. Realms of Inquiry is a private school offering an academic curriculum from kindergarten to high school. A half-day preschool program is also provided.
- B. The proposed master plan amendment and rezoning would facilitate renovation of an existing single-family structure for additional classroom space. In addition, a Declaration of Covenants, Conditions and Restrictions will be recorded that limits the use of the property and establishes provisions for future rezoning, enforcement, and amendments. It establishes a time limit of 50 years and a waiver of rights relating to rezoning and non-conforming use status. Please refer to the proposed Ordinance and Declaration of Covenants, Conditions and Restrictions for details. The restrictive covenant would limit the use of the property to the following:
  - 1. Compatible residential uses
  - 2. Private school
  - 3. School grounds, outdoor classrooms, accessory school structures or functions
  - 4. Landscaping
- C. The existing structure, the Best-Cannon House, is listed as a landmark site on the City's Register of Cultural Resources. (Historic Landmark Commission review would be required for any exterior renovation or demolition.)
- D. The proposed rezoning requires compliance with City Code, Chapter 18.97 *Mitigation of Residential Housing Loss from Rezoning*. This section of the City Code requires mitigation of adverse impacts due to the loss of the City's affordable housing stock when zoning changes are requested to accommodate expansion of nonresidential or commercial uses. Please refer to the attached Housing Loss Mitigation Report to the Planning Commission for details relating to this project. The housing loss mitigation process requires a housing mitigation plan or impact statement prepared by the petitioner and a report by the City's Community and Economic Development Director justifying the method of housing mitigation to be submitted to the Planning Commission. (By way of background: the Council has traditionally supported housing loss mitigation in order to discourage commercial / non-residential uses from expanding into neighborhoods. Prior to the implementation of the ordinance it was perceived that developers had an incentive to purchase houses, allow them to deteriorate and then come to the City to request a rezoning, rather than purchasing commercial property that was more expensive. In addition, in areas near medical facilities there was an expansion of services into housing units that resulted in a change in the character of the neighborhood that concerned residents.) Mitigation may be provided by any one of the following three methods:
  - 1. Option A - Replacement housing within the affected Council District or adjoining Council District within a one-mile radius.
  - 2. Option B - Payment to the City Housing Trust Fund of an "in-lieu" contribution based on the difference between housing value and replacement cost.
  - 3. Option C - Payment to the City Housing Trust Fund of an "in-lieu" contribution where deteriorated housing exists not caused by deliberate indifference of the landowner.
- E. The Administration's transmittal indicates:
  - 1. The CED Director recommended a mitigation "in-lieu" contribution to the Housing Trust Fund of \$4,381 based on the petitioner's choice to use Option B.
  - 2. The assessed market value of the existing structure is \$122,900.00
  - 3. The replacement value is estimated at \$127,281.00
  - 4. The Planning Commission recommended reducing the "in-lieu" contribution to the Housing Trust Fund to \$1.00 based on the rationale that the proposed restrictive covenant would limit

the use of the property and waive the property owner's right to protest any zoning action initiated by the City to rezone the property.

- F. The Planning staff report provides findings of fact that support the criteria established in the City's Zoning Ordinance, Sec. 21A.50.050 - Standards for General Zoning Amendments. Please refer to the Planning staff report for specific findings of fact and discussion of compliance with individual standards.
- G. The Planning Commission voted to recommend that the City Council approve the proposed master plan amendment and rezoning subject to:
  - 1. Combining the property with the adjacent school properties (through a minor subdivision amendment).
  - 2. Final site plan approval by the City's Development Review team regarding traffic and circulation design and mitigation of potential impacts on adjacent properties.
  - 3. Donation of \$1.00 to the City's Housing Trust Fund for housing loss mitigation (rather than \$4,381 as recommended by the Community and Economic Development Director).
  - 4. Recording a voluntary restrictive covenant for the property.
- H. The purpose of the Residential R-1/5000 zone is to provide for conventional single-family residential neighborhoods on lots not less than 5,000 square feet in sizes. Private schools are not permitted in the Residential R-1/5000 zone.
- I. The purpose of the Institutional I zone is to regulate the development of larger public and semipublic uses in a manner harmonious with surrounding uses. The uses regulated by this District are generally those having multiple buildings on a campus-like site.
- J. In response to an inquiry from a constituent, Council Member Love requested that the Administration review the Planning Commission's condition that would require a subdivision amendment to combine the property with existing school properties. This action was intended to accommodate required parking. The Administration's transmittal notes that it is possible to retain the property line and meet zoning requirements for the conversion to a private school. A new ordinance has been prepared by the City Attorney's office for Council Member's consideration.

## **MATTERS AT ISSUE /POTENTIAL QUESTIONS FOR ADMINISTRATION:**

- A. In April 2000, the Administration identified the following timeline to complete revisions to the City's Housing Loss Mitigation Ordinance. Council Members may wish to discuss with the Administration the status and future timeline for completion of the proposed revisions.
  - Review and revise current housing mitigation ordinance. Use model ordinances from other communities as appropriate.
    - Time: May 2000 - draft
  - Solicit support from community groups and developers for new ordinance.
    - Time: June 2000 and July 2000 - 45 day review and board reviews and approvals
  - Review ordinance with City Attorney's office and City Council.
    - Time: August 2000 – City Attorney review
    - September 2000 – City Council review

- B. Based on recent discussions by the Council regarding incentives to increase housing citywide and attract families into the city, Council Members may wish to discuss with the Administration the policy shift to allow conversion of residential structures for nonresidential uses.
- C. In a related matter, the Zoning Ordinance currently allows conversion of residential structures for nonresidential uses in the Residential Business and Residential Office zoning classifications and through the conditional use process in Historic District Overlay zones. The Council's policy that supports avoiding conversion of homes to business use, "If it looks like a house, it is a house", remains the same. Does the Council wish to revisit this policy?
- D. The Council may wish to clarify with the Administration whether they will implement the Planning Commission's recommendation for the \$1 Housing Loss Mitigation contribution or the Community and Economic Development Director's initial recommended contribution. Council Member Love is recommending that the \$1 fee be implemented, since the house will return to residential use in the future.

## **MASTER PLAN AND POLICY CONSIDERATIONS:**

- A. The 1974 Central Community Development Plan Future Land Use Map identifies this area for low-density residential uses. The Master Plan includes the following statements:
  - 1. Principles:
    - a. The need to revitalize and stabilize inner-city neighborhoods.
    - b. Greater recognition of mixed-use areas and their relative permanence.
    - c. Neighborhood revitalization as a remedy for obsolescence and decline.
  - 2. Policies and Proposals:
    - a. Population: Establish a Central Community program to reverse trend of families leaving for the suburbs.
    - b. Urban Design: ...improve the architectural character of neighborhoods.
  - 3. Citizens' Policies and Recommendations:
    - a. Provide an effective means of notifying residents of proposed zoning changes and city activities within their community.
    - b. Organize the City into four block areas each with a citizen representative who will work with City staff in monitoring and reviewing new construction and changes in use of properties within their respective areas.
    - c. Give more consideration to those factors, including residential densities, which give the community a ghetto appearance.
    - d. Establish and enforce architectural controls to preserve the scale and mood of the neighborhoods.
- B. The City's 1990 Urban Design Element includes statements that emphasize preserving the City's image, neighborhood character and maintaining livability while being sensitive to social and economic realities. Policy concepts include:
  - 1. Allow individual districts to develop in response to their unique characteristics within the overall urban design scheme for the city.
  - 2. Ensure that land uses make a positive contribution to neighborhood improvement and stability and building restoration and new construction enhance district character.
  - 3. Require private development efforts to be compatible with urban design policies of the city regardless of whether city financial assistance is provided.
  - 4. Treat building height, scale and character as significant features of a district's image.

5. Ensure that features of building design such as color, detail, materials and scale are responsive to district character, neighboring buildings, and the pedestrian.
- C. Land Use and Housing policies adopted by the City Council include the following statements.
1. The Salt Lake City Council supports avoiding conversion of homes to business use. This policy is a corollary to the policy of maintaining the residential population base of the City. “If it looks like a house, it is a house.”
  2. In zoning cases involving structures that were originally built as single-family homes, the Council has operated under the assumption that property, which was built as residential, should be zoned residential.
  3. The Council supports using its zoning power to maintain the residential population base within the City, and to encourage population expansion.
  4. On a citywide basis, the Council endorses policies and programs that preserve or replace the City’s housing stock including, the requirement of, at a minimum, a unit-for-unit replacement or a monetary contribution by developers to the City’s Housing Trust Fund in lieu of replacement.
  5. The Council supports mixed use and mixed income concepts and projects that achieve vibrant, safe, integrated, walkable neighborhoods through a diverse mix of uses and incomes in areas with established transportation, utilities and related public services that:
    - a. include neighborhood interaction in the design process;
    - b. incorporate affordable housing whenever possible;
    - c. incorporate an assortment of residential, commercial, and professional office uses;
    - d. include a variety of housing types, mixed-income levels, live-work developments, etc.
  6. The Council supports policies and programs that preserve housing opportunities as well as business opportunities within the City to ensure the continued existence of a population base and business base.
- D. The Community Housing Plan notes the goal “to enhance, maintain and sustain a livable community that includes a vibrant downtown integrated with surrounding neighborhoods that offer a wide range of housing choices, mixed uses, and transit oriented design. The City encourages a family friendly urban environment that combines commercial development and housing designs with programs that welcome children.”
- E. The City’s Strategic Plan and the Futures Commission Report contain statements that support creating attractive conditions for business expansion including retention and attraction of large and small businesses, but not at the expense of minimizing environmental stewardship or neighborhood vitality. The documents express concepts such as maintaining a prominent sustainable city, ensuring the City is designed to the highest aesthetic standards and is pedestrian friendly, convenient, and inviting. The documents specifically highlight the value of historic preservation and providing options to solve the challenges of restoration and adaptive reuse of historic resources.
- F. The Council’s adopted growth policy states: It is the policy of the Salt Lake City Council that growth in Salt Lake City will be deemed the most desirable if it meets the following criteria:
1. Is aesthetically pleasing;
  2. Contributes to a livable community environment;
  3. Yields no negative net fiscal impact unless an overriding public purpose is served; and
  4. Forestalls negative impacts associated with inactivity.
- G. The housing loss mitigation section of the City Code notes the objective to mitigate adverse impacts due to the loss of the City’s affordable housing stock when zoning changes are requested to

accommodate an expansion of commercial uses, with due consideration for vested or protected property rights. (City Code, Sec. 18.97.010)

## **CHRONOLOGY:**

Please refer to the Administration's transmittal for a complete chronology of events relating to the proposed master plan amendment and rezoning request.

- February 2001 East Liberty Park Community Council meeting
- May 2001 East Central Community Council meeting
- December 6, 2001 Planning Commission Hearing

cc: Rocky Fluhart, Dave Nimkin, DJ Baxter, Steven Allred, Lynn Pace, Margaret Hunt, David Dobbins, Luann Clark, Stephen Goldsmith, Brent Wilde, Cheri Coffey, Everett Joyce, Janne Nielson, Barry Esham

File Location: Community and Economic Development Dept., Planning Division, Rezoning, Realms of Inquiry School, 1146 South 900 East