



Memorandum

To: Planning Commission
From: Thomas Dansie, Director of Community Development
Date: February 25, 2022
Re: Revisions to / Repeal of Cottage Housing Development Overlay Zone

The Cottage Housing Development Overlay Zone was adopted in 2014 as a strategy to promote lower cost housing in the private market. At the time the CHD was adopted the Town's hope and intent was that the combination of slightly higher density and lower infrastructure and development costs would result in market based housing that was more affordable than the large lot single family development predominantly found in Town.

The Town has received three applications for CHD since 2014. All three applications have been controversial and have generated considerable public comment. Two of the applications were pulled by the applicants after receiving negative recommendations from the Planning Commission. The third application was approved and is in the final stages of construction.

The CHD project under construction has not fulfilled the stated intent of the CHD: *to promote lower cost housing in the private market, and provide more affordable housing options than the large lot single family housing alternatives* (see [10-13F-1](#)). The units in this project are being marketed as fractional ownership units and not as lower cost housing.

Given the problematic history of the CHD (two applications recommended for denial and a third that does not accomplish the intended purpose of the zone), Commissioners should consider either revising or repealing the CHD.

Potential revisions could include:

- Requiring a percentage of all units in the CHD to be deed restricted affordable units.
- More objective standards for where CHDs can be located.
- Revisions to the density allowance (e.g. five units per acre rather than six).
- Allowing density based on net developable acreage.

If the Commission feels the CHD cannot be modified or revised to fulfill its intended purpose, then a complete repeal is warranted.

The Commission should discuss this issue and give staff direction on how to proceed.