



## **Memorandum**

**To:** Town Council  
**From:** Thomas Dansie, Director of Community Development  
**Date:** May 6, 2022  
**Re:** Repeal of Cottage Housing Development Overlay Zone

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### **Executive Summary**

The Planning Commission recommends repealing the Cottage Housing Development Overlay zone. This recommendation is based on the following findings:

- 1) The increased density and other incentives allowed by the Cottage Housing Development have not produced the desired outcome of lower cost housing in the private market.
- 2) The increased density, design, and appearance of projects in the Cottage Housing Overlay is not consistent with the Town's village atmosphere and has resulted in significant negative impact on the Town's character.
- 3) Because the intended goals of the Cottage Housing Development Overlay zone have not been met the Commission finds the impacts of Cottage Housing Development on the Town's character are not justified.

### **Background**

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 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 either fractional ownership units or high-end single owner units (upto \$950,000 for a unit) 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) the Planning Commission considered either revising or repealing the CHD. As part of this discussion the Commission reaffirmed the goal of the CHD (providing more affordable housing options, particularly in the private market). However, after careful

analysis the Commission determined the best way to accomplish this goal is to develop more carefully crafted land use regulations that specifically address housing affordability rather than attempting to make revisions to the current CHD. The Commission therefore recommended repealing the CHD in its entirety.

### ***General Plan Direction***

The General Plan contains a number of references to housing affordability in general, and to Cottage Housing in specific. The following General Plan references encourage the Town to make additional allowance for market rate housing that is affordable to employees of Springdale businesses:

- Objective 5.2.3
- Objective 5.2.5 (Strategy 5.2.5a specifically encourages cottage housing developments)

This General Plan direction served as the foundation for adopting the CHD. However, as discussed above, the CHD has not resulted in housing that meets these goals. The Council may wish to make a finding that the original General Plan justification for adopting the CHD no longer applies

The General Plan also emphasizes the need for all development, including housing development, to be consistent with the Town village atmosphere and scale. The Council may wish to refer to the following General Plan objectives:

- Objective 2.3.1
- Objective 5.1.2

The Planning Commission found that the CHD fails to meet any of the General Plan objectives and strategies listed above.

### ***Planning Commission Action***

The Commission made a recommendation to repeal the Cottage Housing Development Overlay zone in its entirety, as recorded in the motion below:

**Motion made by Tom Kenaston that the Planning Commission recommends repeal of the Cottage Housing Development Overlay Zone as found in Chapter 10-13F. The original stated purpose of the Cottage Housing zone was to further Springdale's housing goals as detailed in the General Plan and to promote lower-cost housing in the private market by encouraging modest house sizes. This motion for repeal is based on the following findings: 1) The increased density and other incentives allowed by the Cottage Housing Development have not produced the desired outcome of lower-cost housing in the private market. 2) The increased density, design, and appearance of projects in the Cottage Housing Overlay are not consistent with the Town's village atmosphere and have significantly negatively impacted the Town's character. 3) Because the intended goals of the Cottage Housing Development Overlay zone have not been met, the Commission finds the impacts of Cottage Housing Development on the Town's character are not justified. In short, the Planning Commission recommends the repeal of the Cottage Housing Overlay Zone, and we would like to forward our recommendation to the Town Council for their consideration. Seconded by Noel Benson.**

Topham: Aye

Benson: Aye

Rioux: Aye

Kenaston: Aye

Inghram: Aye

Motion passed unanimously.

## MINUTES OF THE APRIL 6, 2022 PLANNING COMMISSION MEETING

1. **Public Hearing – Ordinance Revision:** Repeal of Chapter 10-13F – Cottage Housing Development Overlay Zone.

The Town Council had adopted an ordinance creating the Cottage Housing Development Overlay Zone intended to promote lower-cost housing in the private market. The tools contemplated to produce the lower-cost housing included; reduced structure size of units, slightly higher density for the number of units, and allowance to cluster the units together to reduce infrastructure costs. The overlay zone, as written, was not producing the desired results. The Commission was to determine if that provision should be removed from the Town Code and then make a recommendation to the Town Council. Town staff had not received public comment on this item.

### **Commission Questions to Staff:**

Ms. Topham asked what the process would be if the Commission wanted to consider implementing something similar but more refined in the future.

· If it were something the Commission wanted to address, they would do so through a work meeting to discuss research and revisions to the ordinance that would align with the Town's goals.

**Public Questions to Staff:** None were asked.

**Motion made by Kyla Topham to open the Public Hearing. Seconded by Pam Inghram.**

**Topham: Aye**

**Benson: Aye**

**Rioux: Aye**

**Kenaston: Aye**

**Inghram: Aye**

**Motion passed unanimously.**

**Public Comment:** None were made.

**Motion to close the Public Hearing made by Pam Inghram. Seconded by Kyla Topham.**

**Topham: Aye**

**Benson: Aye**

**Rioux: Aye**

**Kenaston: Aye**

**Inghram: Aye**

**Motion passed unanimously.**

### **Commission deliberation:**

The Commission discussed the goal of removing the Cottage Housing Development Overlay Zone in a previous meeting since it had not achieved its intended purpose. Because of the lack of public comment, the Commission decided to move forward with the repeal. The Commission could implement a more refined ordinance that would achieve the Town's goals in the future.

Motion made by Tom Kenaston that the Planning Commission recommends repeal of the Cottage Housing Development Overlay Zone as found in Chapter 10-13F. The original stated purpose of the Cottage Housing zone was to further Springdale's housing goals as detailed in the General Plan and to promote lower-cost housing in the private market by encouraging modest house sizes. This motion for repeal is based on the following findings: 1) The increased density and other incentives allowed by the Cottage Housing Development have not produced the desired outcome of lower-cost housing in the private market. 2) The increased density, design, and appearance of projects in the Cottage Housing Overlay are not consistent with the Town's village atmosphere and have significantly negatively impacted the Town's character. 3) Because the intended goals of the Cottage Housing Development Overlay zone have not been met, the Commission finds the impacts of Cottage Housing Development on the Town's character are not justified. In short, the Planning Commission recommends the repeal of the Cottage Housing Overlay Zone, and we would like to forward our recommendation to the Town Council for their consideration. Seconded by Noel Benson.

Topham: Aye

Benson: Aye

Rioux: Aye

Kenaston: Aye

Inghram: Aye

Motion passed unanimously.



## ORDINANCE 2022-05

### **An Ordinance of the Springdale Town Council repealing Chapter 10-13F Cottage Housing Development Overlay Zone.**

**Whereas**, on February 14, 2018 the Springdale Town Council adopted Ordinance 2018-04 which created the Cottage Housing Development Overlay zone, and

**Whereas**, the stated purpose of the Cottage Housing Development Overlay zone is “to further Springdale's housing goals as detailed in the General Plan. Specifically, it is to promote lower cost housing in the private market by encouraging modest house sizes. This type of development will add to the diversity of the Town's housing stock and make available a type of housing that will be more affordable than standard large lot single family alternatives,” and

**Whereas**, since the Cottage Housing Development Zone was adopted the Town has approved only one Cottage Housing project, and

**Whereas**, as demonstrated by the sole approved and constructed Cottage Housing development, changes in the residential real estate market since 2018 have made it difficult or impossible for developments in the Cottage Housing Development Overlay zone to promote the stated goal of providing lower cost housing in the private market. These changes include significant increases in construction costs, unprecedented demand for residential housing, and a statewide and nationwide lack of affordable housing, and

**Whereas**, the increased density and other development incentives allowed by the Cottage Housing Development have not produced the desired outcome of lower cost housing in the private market, but have resulted in significant negative impact on the Town’s village character and atmosphere, and

**Whereas**, in order to preserve the Town’s village character the Town Council finds it necessary to remove the allowances for increased density and other development incentives allowed by the Cottage Housing Development Overlay zone, and

**Whereas**, the required processes and public hearings required by Town Ordinance and State Law to make revisions to the land use ordinance have been completed,

**Therefore Be it Ordained** by the Springdale Town Council that Ordinance 2018-04 is repealed and Chapter 10-13F Cottage Housing Development Overlay Zone is removed from the Town Code in its entirety.

Passed and adopted this 11th day of May, 2022. This ordinance becomes effective upon approval by the Town Council and posting of the ordinance.