



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Brian Fullmer
Policy Analyst

DATE: March 7, 2023

**RE: 865 South 500 East Zoning Map and Master Plan Amendment
PLNPCM2022-00301 and PLNPCM2022-000302**

Item Schedule:

Briefing: March 7, 2023

Set Date: March 7, 2023

Public Hearing: March 21, 2023

Potential Action: April 4, 2023

The Council will be briefed about a proposal to amend the zoning map for a parcel at 865 South 500 East in City Council District Five from its current RMF-30 (Residential Multi-family) zoning designation to CN (Neighborhood Commercial). Additionally, the proposal calls for amending the Central Community Master Plan future land use map from Low Density Residential to Neighborhood Commercial. The petitioner's stated objective is to convert the single-family residence to an unspecified commercial use.

The property is located in the Central City Local Historic District and the house is listed as a contributing structure, which protects it from demolition without Historic Landmark Commission approval. Furthermore, a certificate of appropriateness would be required for any modifications whether the zoning designation is changed or remains the same. The house is currently used as a rental property.

If approved by the Council, the amendments would result in the loss of one housing unit. A housing loss mitigation report for this property is found on pages 46-50 of the Planning Commission staff report. The petitioner opted to pay the approximately \$62,000 difference between current market value of the house and replacement housing costs, provided the Council approves his requests. It should be noted the City Attorney's Office mentioned the status of the City's housing loss mitigation program is pending adoption of the City's new Thriving in Place housing initiatives.

The Historic Landmark Commission reviewed the proposal at its October 6, 2022 meeting. The Commission felt conversion to a commercial use could be acceptable depending on modifications to the building. Commissioners also expressed concern about setting a precedent of converting low-density residential to commercial uses in the Central City Historic District.



Comments about the proposal received by Planning staff were mixed. Those expressing support cited increased walkability and neighborhood vibrancy from a new commercial business. Those opposed were primarily concerned with increased on-street parking, privacy, noise, and preserving the historic integrity of the building.

The Planning Commission reviewed these proposals at its October 26, 2022 meeting and held a public hearing. Four people spoke at the hearing or had their comments read into the record. Three were opposed citing resident displacement, housing shortage, preservation of the historic district and neighborhood character, and parking issues. One person shared concern about additional commercial parking in the area but did not express strong support or opposition.

Planning staff recommended the Planning Commission forward a negative recommendation to the City Council stating their opinion the request does not meet applicable standards of approval. The Commission voted 5-3 to forward a *positive* recommendation. Those opposed did not state why they voted against the motion.



Area zoning map with subject parcel outlined in blue. Note-the green area to the south is Liberty Park.

Goal of the briefing: Review the proposed zoning and future land use map amendments, determine if the Council supports moving forward with the proposal.

POLICY QUESTIONS

1. Does the Council wish to discuss the tradeoff of creating additional commercial space in this area at the expense of losing a residential unit?
2. Does the Council feel additional commercial space in this area of the city could benefit the community?
3. The Council may wish to ask more about the Housing Loss Mitigation fee and the status of collecting the fees while the ordinance amendments are pending.

4. The Council may wish to ask if current residents of the property will be assisted with relocation.

ADDITIONAL INFORMATION

The City zoning ordinance (21A.26.020.E) limits the maximum area of a continuously mapped CN (Neighborhood Commercial) district to 90,000 square feet. Combining the abutting parcels currently zoned CN with the subject parcel would total less than 30,000 square feet, roughly one third of the maximum allowed area.

The Council is only being asked to consider rezoning the property and amending the *Central Community Master Plan* future land use map. No formal site plan has been submitted to the City nor is it within the scope of the Council's authority to review the plans. Because zoning of a property can outlast the life of a building, any rezoning application should be considered on the merits of changing the zoning of that property, not simply based on a potential project.

KEY CONSIDERATIONS

Planning staff identified four key considerations related to the proposal which are found on pages 6-14 of the Planning Commission staff report and summarized below. For the complete analysis, please see the staff report.

Consideration 1-Adjacent Land Uses and Zoning

The subject parcel is near the northeast corner of 500 East and 900 South. Abutting properties to the south are a restaurant, and butcher shop, also owned by the petitioner. A single-family dwelling is also abutting to the south. All three of these parcels are zoned CN. Liberty Park is located nearby to the south, across 900 South.

One of the largest structures in the area, a 70-unit apartment building, is directly west across 500 East. That property is zoned RMF-45 (Moderate/High Density Multi-Family Residential). Properties to the east, north, and northwest are zoned RMF-30 (Low Density Multi-Family Residential) as shown in the area zoning map above. Those structures are primarily single- or two-family, and small multi-family dwellings.

The 900 South corridor in this area includes properties zoned CN, RB (Residential Business), and RMF-30. Most land uses are low-scale commercial and residential. Planning staff noted if approved by the Council, the subject property would be the first interior of a block intersecting 900 South to be zoned as a non-residential district.

Consideration 2-Contributing Status of Existing Building

As noted above, the existing home on this property is listed as a contributing structure in the Central City Local Historic District. Because of this it is unlikely demolition would be approved. Exterior modifications or additions would need to be approved by the Historic Landmark Commission or Planning staff. The petitioner stated he plans to adaptively reuse the building for commercial use, though no specifics have been provided as of the writing of this report.

Consideration 3-How the Proposal Helps Implement City Goals and Policies Identified in Adopted Plans

Planning staff reviewed how the proposed zoning map and future land use map amendments align with the following City plans:

- Plan Salt Lake (2015)
- Central Community Master Plan (2005)
- Salt Lake City Community Preservation Plan (2012)

- Growing SLC (2017)

They determined the proposals are consistent with the following found in the plans.

- Encourage and support local businesses and neighborhood business districts.
- Reduce automobile dependency and single occupancy vehicle trips.
- Support the growth of small businesses, entrepreneurship, and neighborhood business nodes.
- Support modification of existing historic resources to allow for changes in use that will encourage the use of the structure for housing or other appropriate uses in historic districts to ensure preservation of the structure.
- Adaptive reuse of historic structures should be allowed for a variety of uses in appropriate locations where it is found that the negative impacts can be mitigated and where the uses do not require significant alterations to the historic integrity of the interior of the structure.
- Provide for small-scale commercial uses that can be located within residential neighborhoods without having significant impact upon residential uses.
- Support modification of existing historic resources to allow for changes in use that will encourage the use of the structure for housing or other appropriate uses in historic districts in an effort to ensure preservation of the structure.
- Adaptive reuse of historic structures should be allowed for a variety of uses in appropriate locations where it is found that the negative impacts can be mitigated and where the uses do not require significant alterations to the historic integrity of the interior of the structure.

Planning staff determined the proposals are not consistent with the following elements of the plans.

- Ensure access to affordable housing citywide (including rental and very low income).
- Provide accessible parks and recreation spaces within ½ mile of all residents.
- Preserve low-density residential areas and keep them from being replaced by higher density residential and commercial uses.
- Review and modify land-use and zoning regulations to reflect the affordability needs of a growing, pioneering city.
- Lead in the construction of innovative housing solutions.
- Support diverse and vibrant neighborhoods by aligning land use policies that promote a housing market capable of accommodating residents throughout all stages of life.

Planning staff noted the proposals would change the property's zoning from one that primarily permits residential units to a zone that primarily permits commercial uses and does not allow residential uses. If the property is rezoned and changed to commercial use, it cannot be converted back to single-family residential use without another zoning change.

Planning stated the following:

Given the age and size of the home, it is likely a “naturally occurring” affordable unit of housing, or a housing unit that is affordable because of its characteristics rather than being restricted by covenant as affordable to households of a certain income level. Therefore, the loss of this home would also represent a loss in the city’s stock of affordable housing, which is already very limited.

This property is roughly 200 feet (1/25 mile) away from Liberty Park. If it were converted to commercial use, that would mean one fewer household would have close access to the park...

Consideration 4-Comparison of RMF-30 and CN Zoning

As discussed above, the proposal is to change the zoning designation and future land use map from its current RMF-30 (Residential Multi-Family) to CN (Neighborhood Business). The primary differences between the zones are what uses are allowed. RMF-30 allows a variety of housing types including single-, two-, and multi-family dwellings, along with uses typically associated with residential neighborhoods, such as gardens, parks, and places of worship.

CN zoning does not allow most types of housing except mixed-use, which is a combination of residential and other uses. Most uses in the CN zone are commercial.

The following tables comparing RMF-30 and CN zoning designations are found on pages 12-14 of the Planning Commission staff report. They are replicated here for convenience.

	<i>RMF-30 (Existing)</i>	<i>CN (Proposed)</i>
<i>Maximum Building Height</i>	30 feet	25 feet
<i>Front Setback</i>	20 feet	15 feet
<i>Side Setback</i>	Corner side yard: 10 feet Interior: a. Single-family and two-family dwellings: Interior lots: 4 feet on one side and 10 feet on the other Corner lots: 4 feet b. Single-family attached: No yard is required, however if one is provided it shall not be less than 4 feet. c. Twin home dwelling: No yard required along one side lot line. A 10-foot yard is required on the other. d. Multi-family dwelling: 10 feet on each side. e. All other permitted and conditional uses: 10 feet	Corner side yard: 15 feet Interior: None
<i>Rear Setback</i>	25 percent of the lot depth, but not less than 20 feet and need not exceed 25 feet	10 feet
<i>Lot Size</i>	Single-family detached: 5,000 SF Twin home: 4,000 SF per unit Two-family dwelling: 8,000 SF Multi-family dwelling: 9,000 SF (additional lot area required for buildings with more than three units) Other permitted or conditional uses: 5,000 SF	No minimum required. Maximum lot size of 16,500 SF.
<i>Permitted Uses</i>	Single-, two-, and multi-family dwellings; uses associated with residential neighborhoods.	Retail, offices, restaurants, other commercial uses, mixed use development.

<i>NEW PERMITTED USES IN CN</i>	<i>NEW CONDITIONAL USES IN CN</i>
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<i>Uses not permitted in RMF-30 but would be newly permitted under the proposal change to CN</i>	<i>Uses not allowed in RMF-30 but would be allowed as a conditional use under the proposed CN zoning</i>
<ul style="list-style-type: none"> • Adaptive reuse of landmark site • Art gallery • Artisan food production (2,500 square feet or less in floor area) • Bed and breakfast • Bed and breakfast inn • Clinic (medical, dental) • Commercial food preparation • Daycare center, adult • Daycare center, child • Dwelling, living quarter for caretaker or security guard • Financial institution • Governmental facility requiring special design features for security purposes • Library • Mixed use development • Mobile food business (operation on private property) • Museum • Office • Place of worship on lot less than 4 acres in size • Recreation (indoor) • Recycling collection station • Restaurant • Retail goods establishment • Plant and garden shop with outdoor sales area • Retail services establishment • Reverse vending machine • Sales and display (outdoor) • Seasonal farm stand • Studio, art 	<ul style="list-style-type: none"> • Alcohol, bar establishment (2,500 square feet or less in floor area) • Animal, veterinary office • Bed and breakfast manor • Parking, off site • Furniture repair shop • Vehicle, automobile repair (minor)

<i>PERMITTED USES IN RMF-30 NO LONGER ALLOWED IN CN</i> <i>Uses currently permitted in RMF-30 but would no longer be allowed under the proposed change to CN</i>	<i>CONDITIONAL USES IN RMF-30 NO LONGER ALLOWED IN CN</i> <i>Uses currently allowed in RMF-30 as a conditional use but would no longer be allowed under the proposed change to CN</i>
<ul style="list-style-type: none"> • Dwelling, accessory unit • Dwelling, manufactured home • Dwelling, multi-family • Dwelling, single-family (attached) • Dwelling, single-family (detached) 	<ul style="list-style-type: none"> • Dwelling, assisted living facility (limited capacity) • Dwelling, congregate care facility (small) • Dwelling, group home (large) • Municipal service use, including City utility use

<ul style="list-style-type: none"> • Dwelling, twin home and two-family • Parking, park and ride lot shared with existing use 	<ul style="list-style-type: none"> and police and fire station • School, seminary and religious institute • Temporary use of closed schools and churches
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PERMITTED USES IN BOTH RMF-30 AND CN <i>Uses that are currently permitted in RMF-30 and would continue</i>	CONDITIONAL USES IN RMF-30 ALSO ALLOWED IN CN <i>Uses that are currently allowed in RMF-30 as a conditional use and would continue to be allowed as a permitted or conditional use under the proposed change to CN</i>
<ul style="list-style-type: none"> • Accessory use, except those otherwise regulated in the zoning ordinance. • Community garden • Daycare, nonregistered home daycare • Daycare, registered home daycare or preschool • Dwelling, group home (small) • Home occupation • Open space • Park • Urban farm • Utility, building or structure • Utility, transmission wire, line, pipe, or pole 	<ul style="list-style-type: none"> • Adaptive reuse of landmark site – <i>Becomes permitted</i> • Daycare center, child – <i>Becomes permitted</i> • Governmental facility – <i>Becomes permitted</i> • Place of worship on lots less

Analysis of Factors

Pages 35-36 of the Planning Commission staff report outlines zoning map amendment standards that should be considered as the Council reviews this proposal. The standards and findings are summarized below. Please see the Planning Commission staff report for additional information.

Factor	Finding
Whether a proposed map amendment is consistent with the purposes, goals, objectives, and policies of the city as stated through its various adopted planning documents.	<i>Does not comply</i>
Whether a proposed map amendment furthers the specific purpose statements of the zoning ordinance.	<i>Complies</i>
The extent to which a proposed map amendment will affect adjacent properties	<i>Complies</i>
Whether a proposed map amendment is consistent with the purposes and provisions of any applicable overlay zoning districts which may impose additional standards.	<i>Complies</i>
The adequacy of public facilities and services intended to serve the subject property, including, but not limited to, roadways, parks and recreational facilities, police and fire protection, schools,	<i>Complies</i>

stormwater drainage systems, water supplies, and wastewater and refuse collection.	
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City Department Review

During City department and division review of the petitions, the Housing Stability Division noted the potential loss of one residential unit for non-residential use of the property and referenced housing loss mitigation.

Other responding departments and divisions did not express concerns with the proposal, but stated additional review would be needed if changes are made to the property.

PROJECT CHRONOLOGY

- March 24, 2022-Petition for zoning map and accompanying text amendment received by Planning Division.
- April 7, 2022-Petition assigned to Michael McNamee, Principal Planner.
- February 9, 2022-Information about petitions sent to Central City and Liberty Wells Community Council Chairs.
 - The community councils did not provide formal comments.
- April 28, 2022-Early notification mailed to property owners and residents within 300' of the subject property.
- April-October 2022-Project posted to the Online Open House webpage.
- October 6, 2022-Historic Landmark Commission briefing.
- October 12, 2022-Public hearing notice posted on property.
- October 13, 2022-Public hearing notice mailed to property owners and residents within 300' of the subject property. Public hearing notice posted on City and State websites and Planning Division listserv.
- October 26, 2022-Planning Commission public hearing. The Planning Commission voted to forward a positive recommendation to the City Council for the proposed master plan and zoning map amendments.
- October 27, 2022-Ordinance requested from Attorney's Office.
- December 8, 2022-Planning received signed ordinance from the Attorney's Office.
- December 22, 2022-Transmittal received in City Council Office.