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Planning Commission Staff Report

TO: PLANNING COMMISSION

FROM: AMY TEMES, INTERIM PRINCIPAL PLANNER (480) 503-6729, AMY.TEMES@GILBERTAZ.GOV *AT*

THROUGH: CATHERINE LORBEER, AICP, INTERIM PLANNING MANAGER (480) 503-6016, CATHERINE.LORBEER@GILBERTAZ.GOV *ajl*

MEETING DATE: MAY 1, 2019

SUBJECT: Z18-30, LDC TEXT AMEND - REMOVE MF FROM RC: REQUEST TO AMEND THE TOWN OF GILBERT LAND DEVELOPMENT CODE, CHAPTER I ZONING REGULATIONS, DIVISION 2 LAND USE DESIGNATIONS, ARTICLE 2.3 COMMERCIAL DISTRICTS, SECTION 2.306 ADDITIONAL USE REGULATIONS, RELATED TO THE DELETION OF ADDITIONAL REQUIRED FINDINGS FOR MULTI-FAMILY USE IN REGIONAL COMMERCIAL DISTRICT, AND ARTICLE 2.9 USE REGULATIONS, TABLE 2.902 USE REGULATIONS, RELATED TO THE DELETION OF LIMITATIONS AND ADDITIONAL STANDARDS FOR MULTI-FAMILY USES IN THE REGIONAL COMMERCIAL ZONING DISTRICT AND CHAPTER II DESIGN STANDARDS AND GUIDELINES, ARTICLE 1.10 INTEGRATING MULTI-FAMILY USES IN REGIONAL COMMERCIAL ZONING DISTRICTS DESIGN GUIDELINES, RELATED TO THE DELETION OF DESIGN GUIDELINES.

STRATEGIC INITIATIVE: Community Livability
To limit Multi-Family uses in the RC zoning districts and to encourage vertical mixed use development.

RECOMMENDED MOTION

For the reasons set forth in the staff report, move to recommend approval to the Town Council for Z18-30, as requested.

BACKGROUND/DISCUSSION

History

Date	Description
<i>April 2, 2014</i>	The Planning Commission recommended approval to Town Council of case Z13-04, adding Use Permit Findings for Multi-Family Use in Regional Commercial and a new term for “Mixed-Use Development”.
<i>May 1, 2014</i>	The Town Council approved Ordinance No. 2487 (Z13-04) adding Use Permit Findings for Multi-Family Use in Regional Commercial and a new term for “Mixed-Use Development.”
<i>December 6, 2017</i>	The Planning Commission recommended approval to Town Council for Z17-1019, adding Guidelines for Multi-Family Uses in Regional Commercial.
<i>March 8, 2018</i>	The Town Council approved Ordinance No. 2650 (Z17-1019), adding Chapter II <u>Design Standards and Guidelines</u> , Article 1.10 <u>Integrating Multi-Family Uses in Regional Commercial Zoning Districts Design Guidelines</u> .
<i>October 22, 2018</i>	At the Fall Retreat, Town Council discussed the merits and options for removing the Conditional Use Permit (CUP) for Multi-family from the Regional Commercial (RC) zoning district and provided direction to staff to amend the LDC.
<i>November 13, 2018</i>	At the Joint Town Council/Planning Commission meeting, a recap of the Fall Retreat discussion was provided along with next steps of initiating a LDC text amendment.
<i>January 9, 2019</i>	The Planning Commission initiated a LDC text amendment to remove the CUP for Multi-Family from the RC zoning district and conducted the Citizen’s Review as a study session item.
<i>January 9, 2019</i>	The Planning Commission initiated a LDC text amendment to create a Mixed Use zoning district or overlay zoning district and conducted the Citizen’s Review as a study session item.
<i>April 3, 2019</i>	The Planning Commission initiated a LDC text amendment to create a Multi Family – High Density zoning district and conducted the Citizen’s Review as a study session item.

Overview

In order to develop Multi-Family (MF) in the Regional Commercial (RC) zoning district, the current LDC requires approval of a use permit with four additional findings of fact and integration of non-residential uses with residential uses. Methods (design guidelines) to achieve these findings were adopted in March of 2018.

These LDC provisions were intended to implement the General Plan goals for *Mixed Use Developments*, which are vibrant, connected, and livable, people oriented projects. Per the LDC Glossary of Terms, *Mixed-Use Development* is a coordinated development plan with a functional integration of residential and non-residential uses, where a variety of different living activities (live, work, shop and play) are in close proximity (walking distance) to most residents, resulting in measurable reductions in traffic impacts.

During the Fall Town Council Retreat in October 2018, councilmembers and staff shared concerns and frustrations that the development projects submitted to date have not lived up to the expectation of integrated mixed use. The MF in RC proposals still had the look and feel of typical suburban multi-family projects and have not resulted in well-designed horizontal or vertical mixed use environments. Councilmembers discussed the current opportunities and procedures afforded in the LDC to develop Multi-Family. They also reviewed statistics about land use distributions and the current amount of multi-family units.

At the conclusion of the retreat discussion, staff received direction to amend the LDC (Z18-30) to remove the Conditional Use Permit provisions for MF in RC and to retain the *Loft Unit* use in commercial zoning districts. As a separate but related text amendment (Z18-31), a Mixed Use zoning district will be created to match the General Plan classification of Residential > 25-50 DU/Acre. A recap of the Fall Retreat discussion was provided to the Planning Commissioners and Town Councilmembers during a joint meeting on November 13, 2018. Stakeholder outreach to affected property owners and interested parties will be planned after this initiation step.

In summary, the effect of this text amendment (Z18-30) will be to remove Multi-Family as a conditional use in the RC zoning district and to remove related cross references, design standards and methods to achieve the required use permit Findings for a Multi-Family use in a RC zoning district. If this text amendment is ultimately approved by Town Council, freestanding Multi-Family uses will not be allowed; however, *Loft Unit* will remain a permitted use in the RC zoning district.

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Commissioner Cavenee stated he supported this text amendment and wanted to revisit the approach to developing the remaining RC acreage. Residential uses as *Loft above* is still an option. Commissioner Smith said he supported the change and thinks this is a good move on the part of the Town. Other Commissioners questioned why staff was requesting the change. In response, Commissioner Cavenee gave a brief synopsis of the history of MF in RC. Chair Andersen stated that he agreed that there is a better solution to deal with a high density Multi-Family. He said he would support this as long as the Town introduces a third Multi-Family category for that higher density.

Proposed Zoning Code Amendments

Chapter I Zoning Regulations, Division 2 Land Use Designations, Article 2.3 Commercial Districts, Section 2.306 Additional Use Regulations would be amended to read as follows (additions in ALL CAPS UNDERLINE; deletions in ~~strikeout~~):

2.306 Additional Use Regulations

* * *

H. ~~*Multi-Family Use in Regional Commercial District.*~~ In addition to the findings required in Section 5.403: Required Findings, the Planning Commission shall approve, approve with modifications and/or conditions, or deny a use permit for a multi-family use in a Regional Commercial district only after making the following additional Findings of Fact. Methods to achieve these findings can be found in the Land Development Code, Chapter H: Design Standards and Guidelines.

1. ~~*Mixed Land Uses.*~~ The project is a mixed use development where land uses are mixed on-site or are mixed in combination with adjacent uses (existing or planned). A mixed use development is an efficient integration (horizontally or vertically) of non-residential and residential uses that cultivates a sense of community in a live, work, and play environment.
2. ~~*Sustainability through Compact Design.*~~ Site layout is compact and configures buildings, parking areas, streets, driveways and gathering places in a way that lessens dependence on automobiles, and reduces impacts on the natural environment. Parking for the multi-family residential component meets multi-family residential parking requirements or an approved “shared parking” model.
3. ~~*Pedestrian Scale and Orientation.*~~ All portions of the development are accessible by a direct, convenient, and safe system of pedestrian facilities and pedestrian amenities, and gathering places are appropriate scaled for the project.
4. ~~*Transportation and Connectivity.*~~ The development provides appropriate vehicular and pedestrian connectivity that serves vehicles, pedestrians and bicycles.

Chapter I Zoning Regulations, Division 2 Land Use Designations, Article 2.9 Use Regulations, Table 2.902 Use Regulations, would be amended to read as follows (additions in ALL CAPS UNDERLINE; deletions in ~~strikeout~~):

Use Category	Mixed Use and Non-Residential															Additional Standards
	NC	CC	SC	GC	RC	HVC	NO	GO	BP	LI	GI	PF/I	GVC	GBC		
Subcategory																
Specific Use Type																
Residential																
Household Living																

Residential, permanent																
<i>Loft Unit</i>		P	P	P	P	L1		P	P				L1	L1 L2		
<i>Single Family</i>									L4							See Section 4.603C & 4.605B
<i>Multi-Family</i>					L5	L6							L6	L6 L2		See Section 2.306
***																See Section 2.106

- L1 Permitted only above the ground floor of a mixed-use building
- L2 Permitted only above the ground floor of a mixed-use building within 300' of Recker Road or Williams Field Road; permitted use in other locations
- L3 Legal non-conforming single family uses existing prior to March 3, 2005 may be expanded and/or repaired without limitation on valuation in conformance with site development regulations applicable to the Single Family Detached (SF-D) zoning district as set forth in Table 2.104: Lot Development Regulations – Single Family Residential Districts
- L4 Existing single family uses may be continued, expanded, and repaired without limitation on valuation. Site development regulations and accessory uses of the Single Family-43 (SF-43) zoning district apply and are shown in Table 2.104: Lot Development Regulations – Single Family Residential Districts.
- L5 ~~Only permitted as part of an integrated, mixed use plan. Conditional Use Permit required, subject to the additional findings required pursuant to Section 2.306(H).~~ RESERVED
- L6 Use permit required for ground floor location
- ***

Chapter II Design Standards and Guidelines, Article 1.10 Integrating Multi-Family Uses in Regional Commercial Zoning Districts Design Guidelines, would be completely deleted.

PUBLIC NOTIFICATION AND INPUT

A notice of initiation and citizen review was published in a newspaper of general circulation in the Town, and an official notice was posted in all the required public places within the Town per the requirements of the Land Development Code Article 5.205.

Staff has received no comment from the public.

STAFF RECOMMENDATION

For the following reasons: the proposed regulations will provide for better Land Development Code clarity and maintain the public's welfare, the Planning Commission moves to recommend approval to the Town Council for Z18-30, a request to amend Land Development Code regulations: related to the deletion of additional required findings, limitations and standards for Multi-Family uses in the Regional Commercial zoning district; and by amending Chapter II Design Standards and Guidelines related to deleting design guidelines for integrating Multi-Family (MF) uses in Regional Commercial (RC) zoning districts.

Respectfully submitted,

Amy Temes
Interim Principal Planner

Attachments and Enclosures:

- 1) Draft Minutes of Planning Commission Study Session January 9, 2019

At this time, Chair Andersen pointed out that they have two more items on the agenda, but he suggested they save those until after the Public Hearing.

8. Discussion of Regular Meeting Agenda

Chair Andersen said that they had received a yellow public comment card for Item #18, S18-06, Contreras Farms, which was on the Public Hearing (Consent) Agenda and they would move that item to the Public Hearing (Non-Consent) Agenda. He asked the Commission how they felt about Items 19, 20 and 21 moving from Non-Consent to Consent. He asked if Staff would feel comfortable with that.

After consulting with Attorney Nancy Davidson and Interim Planning Manager Catherine Lorbeer it was decided that they should open the Public Hearing for all three of the items and then close the public hearing for all three and then take the action. This would keep them separate as Non-Consent items.

Chair Andersen recessed the Study Session of the Planning Commission at 6:03 p.m. He told the audience that they would take a five-minute break and begin the Regular Meeting of the Planning Commission at 6:10 p.m.

At 6:51 p.m. Chair Andersen called the Study Session of the Planning Commission back to order.

6. Z18-30, LDC TEXT AMEND REMOVE MF FROM RC: CITIZEN REVIEW AND INITIATION OF AMENDMENT TO THE TOWN OF GILBERT LAND DEVELOPMENT CODE, CHAPTER I ZONING REGULATIONS, DIVISION 2 LAND USE DESIGNATIONS, ARTICLE 2.3 COMMERCIAL DISTRICTS, SECTION 2.306 ADDITIONAL USE REGULATIONS, RELATED TO THE DELETION OF ADDITIONAL REQUIRED FINDINGS FOR MULTI-FAMILY USE IN REGIONAL COMMERCIAL DISTRICT, AND ARTICLE 2.9 USE REGULATIONS, TABLE 2.902 USE REGULATIONS, RELATED TO THE DELETION OF LIMITATIONS AND ADDITIONAL STANDARDS FOR MULTI-FAMILY USES IN THE REGIONAL COMMERCIAL ZONING DISTRICT AND CHAPTER II DESIGN STANDARDS AND GUIDELINES, ARTICLE 1.10 INTEGRATING MULTI-FAMILY USES IN REGIONAL COMMERCIAL ZONING DISTRICTS DESIGN GUIDELINES, RELATED TO THE DELETION OF DESIGN GUIDELINES.

Interim Principal Planner Amy Temes began her presentation on Z18-30, LDC Text Amend to remove MF from RC. She said this request was to initiate a LDC Text Amendment to remove Multi-Family Use from the Regional Commercial zoning district. She said they have talked many times over the years about mixed-use development and how it is a good idea for a community to have a variety of different kind of living activities within a condensed area to limit automotive trips and encourage pedestrian walkability. Over the last few years, they have had many discussions regarding this topic and the Code was amended to allow MF in RC with a Use Permit

with four additional findings. She said those Design Guidelines were approved back in March of 2018. She said since that time, some of the projects that have come forward have not integrated this live/work/play/shop environment quite to the extent that Staff had hoped and anticipated. She said at the Town Council Retreat that was held in October of 2018, there was some frustration that the efforts to date, are not resulting in the kind of design and development that the Town would have hoped for. With that being said, Staff is requesting that the Planning Commission initiate a Text Amendment to remove the Conditional Use Permit provisions for MF in RC and to conduct a Citizen’s Review. She pointed out that in RC Zoning, there is still 416 acres of Regional Commercial zoning that is not developed and 858 acres that have been developed. Of the 858 acres that have been developed, there are four projects resulting in 1324 Multi-Family units. She said that even if they remove Multi-Family as a horizontally mixed-use component, loft units are still allowed in many of the zoning districts within the Town. She said that there are at least eight or nine zoning districts, in which “loft above” is allowed. She shared the specific requested changes to the LDC (shown below):

Proposed Zoning Code Amendments

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~~1. ***Mixed Land Uses.*** The project is a mixed use development where land uses are mixed on site or are mixed in combination with adjacent uses (existing or planned). A mixed use development is an efficient integration (horizontally or vertically) of non residential and residential uses that cultivates a sense of community in a live, work, and play environment.~~

~~2. ***Sustainability through Compact Design.*** Site layout is compact and configures buildings, parking areas, streets, driveways and gathering places in a way that lessens dependence on automobiles, and reduces impacts on the natural environment. Parking for the multi family residential component meets multi family residential parking requirements or an approved “shared parking” model.~~

~~3. ***Pedestrian Scale and Orientation.*** All portions of the development are accessible by~~

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~~a direct, convenient, and safe system of pedestrian facilities and pedestrian amenities, and gathering places are appropriate scaled for the project.~~

~~4. *Transportation and Connectivity.* The development provides appropriate vehicular and pedestrian connectivity that serves vehicles, pedestrians and bicycles.~~

Planner Temes finished her presentation and asked the Commission to Initiate the Text Amendment to remove MF in RC and to conduct a Citizen's Review.

Chair Andersen asked to clarify if they have to Initiate the Text Amendment and conduct a Citizens Review before the Commission could begin to discuss the item.

Attorney Nancy Davidson said the Commission should Initiate the Text Amendment and start the Citizen Review process and then they can discuss the item.

Chair Andersen Initiated a Text Amendment to the Gilbert Land Development Code. He then opened up the Citizen Review by asking if anyone in the audience wished to speak on the proposed text amendment. Seeing no one who wished to speak, he brought the discussion back to the dais.

Comment: David Cavenee said he is very grateful that this is happening. He said they have discussed this topic a great deal and he is grateful that this is being considered now. He said he is very supportive because it gives them a chance to step back and make sure they are approaching the remaining RC acreage in the right way. He said he believes this is a good move and thinks that having the "loft above" option still available will still give the opportunity to do what they had hoped might be done, until they figure out the right way to do it. He said considering all the energy that has been put into the discussion, this is a great option.

Comment: Les Smith said he supports this change and thinks this is a good move on the part of the Town.

Question: Philip Alibrandi asked for clarification as to what problem this solves. He said he hadn't had the benefit of the previous discussions. He said the way it is written, it seems counterintuitive that you would want Multi-Family in the same area with the density of commercial.

Answer: David Cavenee said that the Town, with all good intent, wanted to pursue some mixed-use opportunities to bring commercial together with residential in a way that property utilized the right locations in Town and gave a really nice new and progressive vibe to the Town. He said there are some really great mixed-use developments throughout the Valley and they would have loved to see something like that in Gilbert. The question that came up was whether Gilbert was really ready for this type of development, because there is still a lot of vacant property that is not developed within the community boundaries. He said the drive for mixed-use or this densification/verticalization wasn't necessarily desired at this time. In the effort to generate that mixed-use opportunity, the Code was written so that Multi-Family in Regional Commercial zoned property had higher densities allowed than in any MF zoning district, if the developer could justify that it qualified as mixed-use. That led into a discussion, as well as a working group, that tried to

better define and put parameters around what the bar would be to make it mixed-use versus not mixed-use. He said that generated some language that was put in, but ultimately, it came in a little weak and didn't really drive towards what they needed. He shared that both the Town Council and the Planning Commission struggled over it. He said he was part of the working group. He said in the end, it put their RC property at risk of being developed by Multi-Family developers with no scrutiny. He said the bar was so low that a developer could come in and claim it was mixed-use even if it wasn't. It also became a much better deal to go get an RC property for a Multi-Family development because you could get higher densities and better locations. He said he had become worried that they were giving away their RC. He said this potential change acknowledges that the bar isn't right yet and that before they continue to see these type of mixed-use developments that didn't actually measure up as mixed-use, they can pull back for a bit until they can get it right.

Comment/Question: Chair Andersen said he agrees that there is a better solution to deal with a high density Multi-Family. He said he would support this as long as the Town is introducing a third Multi-Family category for that higher density. He asked what they cap the MF/M at right now.

Answer: Catherine Lorbeer said they have two Multi-Family categories: Multi-Family/Low (MF/L) which is 8-14 DU/Acre and Multi-Family/Medium (MF/M) which is 14-25 DU/Acre. She said the "loft above" in the commercial zoning districts don't have a cap on the density.

Question: Chair Andersen asked if a developer wanted to come in and do straight residential Multi-Family without a "loft above", would they have an option to do a project where they could request a rezone to a higher classification to get the 25 plus DU/Acre.

Answer: Catherine Lorbeer said that Item 7 on tonight's Study Session will present part 2 of this question and the two items together are to explore whether the direction they are moving is the right step and the second portion will discuss what kind of other districts (whether they be mixed-use or high density Multi-Family) would be appropriate to add to the community.

Chair Andersen asked Planner Temes to make her next presentation before they had further discussion.

7. Z18-31, LDC TEXT AMEND MIXED USE ZONING: CITIZEN REVIEW AND INITIATION OF AMENDMENT TO THE TOWN OF GILBERT LAND DEVELOPMENT CODE, CHAPTER I ZONING REGULATIONS, DIVISION 2 LAND USE DESIGNATIONS, AND DIVISION 3 OVERLAY DISTRICT REGULATIONS AND THE GLOSSARY OF GENERAL TERMS AND THE APPENDIX 1 GRAPHICS, RELATED TO THE CREATION OF A MIXED USE ZONING DISTRICT OR OVERLAY ZONING DISTRICT.

Amy Temes stated that Catherine Lorbeer had just very succinctly explained Item 7 and she also thanked Commissioner Cavenee for explaining the history of mixed-use MF in RC zoning. She then began her presentation on Z18-31, which is a Text Amendment and Citizen Review regarding what would be done as a result of making the change suggested in Item 6, Z18-30. She said that mixed-use zoning is fairly common and there are several options available to the Town. She said