City of Naperville



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CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Provide feedback regarding the residential approach proposed in the Land Use Master Plan update

<u>DEPARTMENT:</u> Transportation, Engineering and Development

SUBMITTED BY: Allison Laff, AICP, Deputy Director

BOARD/COMMISSION REVIEW:

The Planning and Zoning Commission (PZC) conducted the public hearing regarding the proposed Land Use Master Plan update on March 4, 2020. Following public testimony, the PZC made a motion to approve the proposed Land Use Master Plan; this motion failed (vote 7-0). The PZC's main concerns regarding the proposed Land Use Master Plan update relate to the single residential future land use category.

BACKGROUND:

In 2018, the City Council directed staff to prepare an update to the City's comprehensive plan. This direction was provided following the review of several development projects in which the proposed use was inconsistent with the adopted future land use for the property. The City Council approved \$125,000 in the 2019 budget to hire a consultant to prepare the plan update.

Background Regarding the Comprehensive Plan

Naperville's <u>Comprehensive Master Plan https://www.naperville.il.us/projects-in-naperville/comprehensive-master-plan/</u>, first adopted in 1960, is intended to serve as a guide for growth and development in the city. Today, the plan consists of three area plans, multiple sub-area plans, and implementation tools that have been used to help shape Naperville into the dynamic destination city of today. Unfortunately, many of these plans are currently outdated (10-25 years old) and no longer provide up-to-date direction to those seeking to develop land, those living adjacent to

vacant sites, or to the decision makers determining whether the request should be approved.

The proposed plan update was undertaken to create a new, user-friendly document that takes rapidly changing development concepts and trends into consideration. Furthermore, the proposed update consolidates area and sub-area plans into a single, streamlined master plan that provides forward-thinking and clear guidance to citizens, developers, and community leaders.

Overall, the plan is intended to set a clear vision as to the preferred manner in which growth and development should occur in Naperville. However, the execution of the plan and vision will continue to occur through the review of individual zoning/development requests and potential amendments to Zoning Code requirements.

DISCUSSION:

Because the PZC did not support the proposed residential approach presented in the Land Use Master Plan update, staff is seeking feedback on this component at the December 1 meeting prior to presenting the entire plan to the City Council for review. Depending on Council input, the plan will either be presented as drafted at a future meeting or will require revision (likely resulting in an additional contract with the consultant) and return to the PZC for a new public hearing.

Residential Approach

One of the most significant recommendations in the Land Use Master Plan is a change in philosophy regarding residential uses. The proposed change is based on the following:

- 1. Changing retail market trends which support the inclusion of residential uses as accessory to commercial properties.
- 2. A desire of participants to preserve natural resources and open spaces, and provide more sustainable, accessible housing choices within walking distance of services and amenities.
- 3. Desire for greater housing diversity, both in price point and housing types, as supported by:
 - Analysis provided in the Housing Needs Assessment completed by SB Friedman Associates and adopted by the Housing Advisory Commission.
 - Housing Affordability was identified as the top concern to address through the plan update at the Elected and Appointed Officials Roundtable Workshop held on June 24, 2019.
 - Housing Affordability was also identified as a top concern through the Citywide survey conducted during the summer of 2019.

In response to the above points, the Land Use Master Plan update recommends the following:

- 1. Allowance for accessory residential uses in commercial districts, subject to certain conditions.
- 2. Inclusion of residential and/or mixed uses in potentially increased densities in key vacant sites, including but not limited to Plank & Naper; Mill & Bauer; and the Nokia Property.
- Consideration of zoning amendments to accommodate new residential uses, such as Accessory Dwelling Units (ADUs); small lot single-family developments; micro-units; and tiny homes.
- 4. Use of a single residential Future Land Use (FLU) category to accommodate all housing types and densities.

More About the Single Residential FLU Category

While the PZC did not express concerns regarding the introduction of residential uses in commercial areas, or the residential recommendations at the key vacant sites, the PZC did express significant concerns regarding the single residential future land use category proposed. The PZC's primary concern was the potential for residential density to be proposed within existing single-family residential neighborhoods in a way that would be inconsistent and disruptive to that neighborhood. The PZC also did not believe it had policy direction from the City Council indicating that the housing diversity goal is one that should be achieved through adoption of this plan.

To clarify, the intention of the single residential FLU category is not to *reclassify* established single-family areas for multi-family development, eliminate the City's existing residential zoning districts, or undertake any City-initiated rezoning of existing residential properties. Rather, the single residential FLU category is simply intended to introduce the *possibility* of integrating a variety of housing types in a thoughtful manner where appropriate. Because there are no longer an abundance of vacant sites remaining in the city, the largest opportunity to increase housing diversity will be within existing residential areas and the proposed single residential FLU category works well within the framework of existing residential areas.

Residential Guiding Principles

To ensure that residential redevelopment occurs in a thoughtful manner, particularly within existing neighborhoods, the plan provides a set of guiding principles that should be used to determine the appropriateness of a requested rezoning. Those principals are as follows (additional details provided in attached plan excerpts):

1. Additional Density May Be Appropriate IF:

- Property is on the perimeter of a neighborhood
- Property is adjacent to a busy roadway
- Property serves as a transition between two uses

2. Additional Density May Not Be Appropriate IF:

- Consolidation of lots occurs within an existing residential block that has an established single-family character
- Proposed duplex or townhomes would appear randomly sited and would interrupt the established single-family residential character of the neighborhood.

With the above approach, any rezoning request would be reviewed through the standard public hearing process and the burden to justify why the rezoning is appropriate will fall on the developer. PZC and the City Council can ultimately support the rezoning request, if they find that it meets the criteria and goals established in the land use plan, or they can deny the rezoning request.

While some residents have expressed concern with this approach because it appears that most development projects that are submitted ultimately gain approval by the PZC and City Council. However, it should be noted that the high approval rating is largely resulting from the following:

1. Prior to submittal of a formal petition, concept plans are submitted to City staff for feedback. The conceptual review includes no less than six departments which provide detailed technical and professional expertise from a variety of perspectives (e.g., planning, engineering, building, fire, utilities, etc.). For those concepts that staff deems to be incompatible with the comprehensive plan, zoning ordinance, or other applicable codes and standards, staff indicates that they will not support the project if formally submitted. While all projects have the

opportunity to move forward regardless of whether or not they are supported by staff, many petitioners chose not to if they lack staff support or will revise the plans in accordance with staff's recommendations in order to gain support.

2. Once a project is submitted, it is not scheduled for PZC review until the plans have undergone 2-3 technical reviews by a team of professional City staff with expertise in planning, engineering, infrastructure design and management, building, fire, mechanical, electrical and plumbing codes, etc. During these reviews, staff works with the petitioner to correct all possible code shortfalls, as well as change components of the proposed plans based on staff concerns raised.

Accordingly, while the plans presented largely receive approval, many potentially controversial projects do not get submitted, and those projects that are submitted have undergone many revisions to gain support. With an updated FLU map, guiding principles, and updated zoning requirements, staff will be even better equipped to make land use recommendations reflective of the adopted City vision.

Residential Future Land Use Options - Seeking City Council Feedback

If the City Council does not concur with the single residential future land use category approach described above, alternative approaches are available for consideration. The table attached compares the available residential future land use options, as well as the pros/cons of each and their potential to achieve additional housing diversity.

Staff and the consultant continue to recommend the use of Option 1 as the most effective manner by which to achieve the goal of housing diversity. It should noted that Naperville is not alone in facing challenges regarding housing diversity. At the 2020 American Planning Association Conference, of the 1,700 attendees surveyed, more than 60% indicated their communities were considering changes to their zoning and planning documents to address issues of affordability and respond to lifestyle preferences. Option 1 is in line with the best practices recommended by the American Planning Association.

If City Council does not concur, the following should be noted:

- 1. If Option 2 on the attached table is selected, the FLU map will need to be updated and a new public meeting and PZC hearing will need to be held to review the areas that have been reclassified in the FLU map. Plan text edits will also be needed. A minor additional consultant fee is expected.
- 2. If Option 3 on the attached table is selected, the FLU map will need significant updates and the plan text will require significant edits. An additional public meeting and PZC meeting is not anticipated as necessary, as the proposed plan will largely reflect existing conditions. Staff believes the edited plan could be presented directly to City Council; however, a more significant consultant fee is expected.

On December 1, 2020, staff is seeking City Council feedback as to which residential option displayed in the attached table is preferred. Upon receiving feedback from the City Council, staff will move forward with next steps regarding the Master Land Use Plan update.

FISCAL IMPACT:

TBD - additional funds may be needed for the consultant to make amendments to the plan depending

on direction received from the City Council.