



Department Source: Housing & Neighborhood Services

To: City Council

From: City Manager & Staff

Council Meeting Date: July 15, 2024

Re: REPORT – Affordable Housing and City Regulatory Actions on Density, Housing Variation and Lot Sizes

## Executive Summary

At the June 17, 2024, City Council Meeting, during General Comments by Public, Council and Staff, a request was made to have a report prepared addressing what actions are being undertaken to address the issue of development density, housing variation, and lot sizes for the purpose of increasing access to affordable housing. This report summarizes recent amendments to the City's Unified Development Code (UDC) relating to this as well as the work currently being done by the Planning and Zoning Commission. This report will also discuss the Boone County Housing Study currently being conducted as well as a brief overview of other efforts being undertaken by the City to address affordable housing.

## Discussion

### **Policy**

The City of Columbia is actively engaged in evaluating current regulatory barriers to obtaining affordable housing. This is occurring through staff research, Planning and Zoning Commission discussion and action, City Council amendments to Chapter 29 of the City's Code of Ordinances (referred to as the UDC), and engaging with external consultants for data collection, analysis and planning. Provided below is a brief summary of these activities.

#### **A. Recent Council Amendments to the UDC**

**i. Existing Substandard Lots:** In November 2023, the City Council approved an ordinance amending the UDC to reduce the necessity of consolidation platting of existing R-1, R-2 and R-MF lots that do not meet the required dimensional standards of their respective zoning district. The amendments allow for existing substandard lots that meet reduced dimensional standards (the reduced standards are based on cottage lot requirements – no less than 30 feet wide and 3,000 sq. ft. total lot area) to be platted and issued a building permit, allowing for a simpler path for infill development.

**ii. Accessory Dwelling Units (ADUs):** In April 2024, the City Council approved an ordinance amending the UDC to remove barriers to the construction of ADUs, including reducing the minimum standard for lot size, reducing the side yard setback in the R-MF district and allowing an attached ADU front door to face the street.

#### **B. Current Planning and Zoning Commission Work**

**i. Comprehensive Plan – Livable and Sustainable Neighborhoods:** With the 2013 adoption of the City's Comprehensive Plan, Columbia Imagined – The Plan for How We Live and Grow, there was broad guidance placed on the topic of creating "livable and



sustainable neighborhoods.” In 2017, as part of the adoption of the UDC, additional “optional” development standards were created to allow cottage, pedestrian, and transit development standards. These forms of development require authorization by the Board of Adjustment prior to being permitted to be constructed. There has been growing interest in the optional cottage standards in the past two years and negligible interest in the pedestrian and transit optional development standards, which are intended for mixed-use developments.

**ii. “Cottage” Development Standards:** In the case of cottage development standards, only allowed in the R-2 district, it often has been necessary to rezone land to permit the development style to be implemented. Since 2017 there have been four cottage developments approved by the Board of Adjustment, all recent. This modest production led the Planning & Zoning Commission (the Commission) in March 2023 to request that the Council authorize the Commission to engage with staff to research opportunities to streamline the approval process for such developments. The focus of the Commission and staff’s research has been to eliminate the current multi-part regulatory approval process necessary to bring a cottage development to fruition. The process presently requires a rezoning, a Board of Adjustment approval, and then a platting action. The Commission and staff envisioned streamlining the process by creating a new zoning district called “RC (Residential Cottage)”. This new district was envisioned as being established through a traditional rezoning process (Commission & Council public hearing) and would be specifically authorized for use when detached single-family cottage-style (small lot) development was proposed.

**iii. Integration of Small Lots into Existing Zoning Districts:** However, adding flexibility to existing zoning districts can have a greater impact on housing production than the creation of new residential districts. Following the November 2023 adoption of new regulatory standards to alleviate the issue of “lot consolidations,” Commission and staff re-engaged in its discussion on the “RC” district, but the drafting process took a shift from **creating** a new district to **integrating** small lots into the existing zoning district structure such that the regulatory barriers associated with obtaining a rezoning approval are removed. As of their June 20, 2024 work session, the Commission has arrived at consensus on a set of proposed dimensional standards for “small” and “medium” lots. Additionally, the Commission is creating use-specific standards that would be applied to the new lots such that concerns surrounding compatibility are addressed. Finally, the Commission is identifying areas of the subdivision code that will need to be addressed to ensure the new lots can be effectively developed.

With respect to the “small” and “medium” lots, the Commission envisions these lot types being **integrated** as a “by-right” form of development into the R-1, R-2, and R-MF zoning districts. “Small” lots are proposed to be as narrow as 30-feet wide and contain a minimum of 3000-4999 sq. ft. – they would be added to the R-1, R-2 and R-MF zoning districts. “Medium” lots are proposed to be as narrow as 30-feet and contain a minimum of 5000-6999 sq. ft. and would be integrated into the R-1 district only and serve as a “bridge” between a “small lot” and the traditional 7,000 sq. ft. lot allowed in the R-1 district. If approved, this



integration could promote better utilization of available land and infrastructure and increase development density. Greater development density is associated with reduced development cost on a per lot basis which ultimately may be reflected in the purchase price of new home.

While the Commission and staff are aware that integrating various styles of residential living within a single zoning classification (i.e. all forms of housing in the R-1 district) may address several of the existing housing concerns impacting the City, the current effort was undertaken to streamline one's ability to construct small footprint single-family detached housing on small lots. The current process of integrating various forms of housing into a single development is to seek assignment of zoning that will accommodate the desired end product. The Amberton Subdivision is a recent example of a development integrating all forms of residential use into a single project. Legacy Farms, on the former MU Tract west of Sinclair Road, is another development example where varied single-family lot sizes, multi-family zoning, and commercial uses have been successfully integrated into a common development project. Moving forward, the R-MF zoning district with a small lot option may afford similar opportunities for different forms of housing to be integrated. However, in all these instances a rezoning was or would be necessary. Historically, up-zoning property to permit "by-right" mixed-density residential development has been a challenge.

### C. Studies:

i. **Housing Study:** The Boone County Housing Study, a part of the Boone County Upward Mobility Action Plan, is currently being conducted by consultant Amarach Planning Services and is anticipated to provide the County and City with a data-supported path for addressing the scarcity of affordable housing across the County. Throughout the study, Amarach Planning Services has met with numerous stakeholders, including local nonprofits, elected officials, Columbia Public Schools, developers/builders, and banks. As part of the study, Amarach Planning Services will visit development sites and do an in-depth review of the City's zoning code. The Housing Study is anticipated to be completed by October and will include reports on the following topics: housing supply; affordability; housing gaps & growth patterns; and policy analysis. Staff anticipates the report to include recommended policy changes supported by the study. The City and County will be putting on an Affordable Housing Summit on October 24, 2024 with the goal of gaining public and other stakeholder input on actionable policy items to pursue based on the study's findings.

ii. **Urban Conservation District Overlay Project:** The City has engaged a planning consultant to study the diverse collection of neighborhoods surrounding downtown and the college campuses in order to establish urban conservation ordinances and design guidelines that protect the character of these central neighborhoods while promoting comparable growth and development. The draft vision statement for the project states "the Central Columbia Urban Conservation District will guide contextually-sensitive development, better connect residents to community amenities, and promote reinvestment to strengthen the unique character of the neighborhoods while improving the social capital and quality of life for all residents, no matter their age, income, or ability."



## **Additional Activities to Impact Affordable Housing**

In FY 2024, a new Housing and Neighborhood Services Department was created to, among other things, address the need to increase access to affordable housing within the City of Columbia. The two divisions within this new Department include Housing Programs and Neighborhood Services. The Department is actively reviewing the City's existing efforts to address affordable housing and is engaged in developing initiatives to improve on what exists while also implementing additional programs and strategies to create more rental and home ownership opportunities for low- to moderate-income (LMI) households. Below is a brief summary of some of these efforts.

**A. Federal Assistance for Affordable Housing:** A significant portion of federal grant money received by the City is allocated and administered for affordable housing projects and initiatives. \$2 million in HOME-ARP funds were allocated to the Columbia Housing Authority (CHA) for the construction of 34 affordable housing units at CHA's Kinney Point property. Of the City's \$25.2 million of American Rescue Plan Act (ARPA) funds, \$8.6 million has been allocated towards funding affordable housing projects and programs. This includes \$3 million for CHA's Providence Walkway project (25-52 new affordable housing units); \$1 million for Central Missouri Community Action's (CMCA) Providence Landing project (14 permanent supportive affordable housing units); \$1 million for the Columbia Community Land Trust (CCLT) to acquire land and develop affordable housing using the CCLT's land trust model (home ownership with a long-term land lease); \$600,000 for Love Columbia to construct 10 transitional housing units for families who are homeless or at imminent risk of homeless; \$3 million for the Voluntary Action Center to construct an Opportunity Campus to provide supportive services to unhoused and low income persons; and \$1 million for the City to assist LMI households with home repair and weatherization updates. The Housing Programs Division is in the process of moving forward with this funding by launching a new program that offers grants of up to \$5,000 for income-qualified homeowners for insulation-related energy efficiency upgrades.

Additionally, the City allocates and administers funds received from the Community Development Block Grant (CDBG) and HOME Investment Partnership Grant (HOME) programs for affordable housing projects. This includes allocations to local nonprofits for construction of new affordable housing and rehabilitation of existing affordable housing as well as allocations to the City's internal affordable housing programs. Projects funded with FY 2024 CDBG and HOME funds include CHA's Providence Walkway Project, affordable housing construction by Community Housing Development Organizations (CHDOs) and the construction of two affordable homes by Habitat for Humanity, among many others. The internal affordable housing programs operated by the City include the Homeownership Assistance Program to make homeownership more affordable for LMI households through down payment assistance as well as a Home Rehabilitation and Energy Efficiency Program. With the creation of the City's Housing and Neighborhood Services Department, the City is in the process of bolstering and streamlining its internal affordable housing programs to make them more accessible to those in need.



Additionally, the City has supported the Spartan Point II development of 48 affordable apartment dwelling units and the Gentry Estates III development of 50 affordable housing units for income-qualified persons age 55 and older, both of which are supported by the Low-Income Housing Tax Credit (LIHTC) program.

**B. Affordable Housing Trust Fund:** The City is proposing the creation of an affordable housing trust fund for City Council approval with the FY 2025 Budget to increase and preserve the supply of decent, safe, and energy efficient affordable housing for LMI households in the City. The fund is proposed to be established through the use of General Funds excess reserves and City staff will present a plan for the long-term sustainability of the fund.

**C. Columbia Community Land Trust:** The City continues to make progress in partnership with the Columbia Community Land Trust (CCLT) to increase the availability of permanently affordable housing. Community Land Trusts, like the CCLT, are nonprofit organizations that act as stewards of land for affordable housing. Under the traditional land trust model, land is bought and maintained by the land trust, which sells homes that sit on the land to occupants, thereby splitting the ownership of the land value and home value, making homeownership more affordable and allowing the land trust to maintain the permanent affordability of the home through enforcement of a long-term land lease (99 years for the CCLT). The City and CCLT are in the process of seeking requests for proposals for the construction of two additional affordable houses at the Cullimore Cottages site. Additionally, two homes built through City-administered federal funds by CMCA on Hickman Avenue will be donated to the CCLT to maintain their long-term affordability. The City and CCLT are actively working together to identify additional homes that can be added to the CCLT's holdings for the purpose of preserving the long-term affordability of the homes.

**D. Vacant Property:** The City of Columbia participated in the 2023 Vacant Property Leadership Institute (VPLI) hosted by the Center for Community Progress and designed to help communities tackle vacant, abandoned and deteriorated properties. The City is implementing ideas from the VPLI in order to address the housing needs of our community. This has included strategic code enforcement and adding a special code enforcement docket to the municipal court to focus work on properties with the most significant violations. Additional action items may include property condition mapping (conducting an assessment of all properties in the City and giving them a score based on condition) and establishing resources and tools to help individuals clear up title issues on vacant properties. Ensuring the City's current housing stock is maintained is an essential component of revitalizing neighborhoods and addressing the City's overall housing needs.

**E. Additional Efforts:** The City continues to explore how it can support the creation of additional housing that is attainable for those most in need. This includes looking into collaborating with the other governmental, non-profit and private development entities to stand up a tiny home community for individuals experiencing homeless as well as conducting an internal evaluation of city owned property that could be used for work force and/or affordable housing.



**F. Collaboration:** The City recognizes that addressing the issue of affordable housing cannot be done on its own. The City, with the efforts of the Housing and Neighborhood Services Department, is actively engaging with other public, private and nonprofit sectors to determine how we can all contribute to meeting Columbia's housing needs.

## Fiscal Impact

Short-Term Impact: N/A. For informational purposes only at this time.

Long-Term Impact: N/A. For informational purposes only at this time.

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Resilient Economy, Secondary Impact: Inclusive and Equitable Community, Tertiary Impact: Reliable and Sustainable Infrastructure

### Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Environmental Management, Tertiary Impact: Tertiary

## Legislative History

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## Suggested Council Action

None at this time.