



Date: October 13, 2025
To: City Council
From: Ellen Hardgrove, City Planning Consultant
XC: Drew Smith, City Attorney
Sandy Riffle, City Clerk
Brett Sollazzo, Administrative & Permitting Manager
Re: Proposed Ordinance 2025-08: Criteria for Mixed Use Residential and ECD Density Bonuses

This is the second reading of the ordinance that intends to clarify the ECD regulations related to the Mixed Use Residential permitted use and achieving the Activity Node bonus. How can a density of more than 25 units per acre be achieved? What is Live/Work Unit? The highlighted text of the ordinance reflects changes made based on the discussion at the first reading. To summarize the ordinance, the ordinance answers three questions: What are the design standards of a Mixed Use Residential Development?

WHAT ARE THE DESIGN STANDARDS OF A MIXED USE RESIDENTIAL DEVELOPMENT? By right, this use is allowed at a maximum density of 25 units per acre. The required mix of uses is residential plus at least one of the following:

- Retail
- Tenant-ready Restaurants (including utility connections (e.g., water, gas, electricity) and proper infrastructure for commercial kitchen ventilation (hood systems) and grease trap).
- Personal service
- Office
- Live/work units, however, they may not exceed 35% of the required minimum non-residential building square footage.

Each of these uses must equal a minimum 2,000 square feet, which may be met through one or more tenants.

The total nonresidential building square footage for development densities of 25 units per acre or less must be equal to 6% of the total site area. The nonresidential uses must be physically within the residential building and must have a public-facing facade and entrance on one of the following:

1. An arterial street;
2. An Internal Street Designed to Accommodate Active Commercial Uses when meeting the following design criteria; or,
3. A Public Plaza that meets the design criteria.

If the plaza location is used, the plaza must have a minimum of 50 feet of frontage on the People Space or an Internal Street Designed to Accommodate Active Commercial Uses (Internal Street) and if a property includes lake frontage, the required plaza must also include at least 75 feet of lake frontage.

The nonresidential uses must have a minimum contiguous facade frontage of 50 feet along the plaza edge.

Timing of required nonresidential square footage is regulated: A Certificate of Occupancy (CO) for any residential unit shall not be issued until the required minimum non-residential square footage is fully constructed.

HOW CAN A DENSITY OF MORE THAN 25 UNITS PER ACRE BE ACHIEVED? A density greater than 25 units per acre is achieved by creating an Activity Node—an “identifiable place” intended to generate pedestrian activity. In addition to the Mixed Use Residential criteria, the following enhanced standards must be met.

For the mix of uses, in addition to residential, each development must include a Tenant Ready-Restaurant, plus at least one other non-residential uses for the 25 units/acre developments. The Tenant-Ready Restaurant must be at least 2,500 square feet, fast-casual or full-service. Drive-thru/up restaurants are prohibited in the Activity Node.

At least one public plaza is required. Over 10 acres, two are required. Each plaza must be at least 0.30 acre. If the development site is greater than five acres, each plaza must be 0.3 acre plus an additional 2,500 square feet for each gross acre over five acres. If two plazas are required, they must be distributed equally within the development, although the developer may request to aggregate the space into a single, larger plaza if it better meets the goals of the ECD. In addition to the trees and seating, the Activity Node plaza must include a water feature or fountain as a focal point.

The development design can take advantage of a reduced front setback of 18 feet (vs. 25 feet). This option requires the public sidewalk to be 13 feet wide and located directly adjacent to the building fronting the road. The remaining 5-foot-wide strip between the sidewalk and the right-of-way must be landscaped with ground cover and street trees.

There is also a requirement for the site to be divided by a car and/or pedestrian way if its arterial frontage exceeds feet from a street intersection.

The density bonus is achieved by providing a higher percentage of nonresidential square footage, as follows:

Achievable Density	Nonresidential Minimum Square Feet Component
26-60 units/acre	8% of site area
61-80 units/acre	10% of site area

WHAT IS A LIVE/WORK UNIT?

A "live/work unit" is a single integrated space combining both residential and non-residential uses. The unit must be located on the ground floor, with its primary frontage and entrance on an arterial street, an Internal Street, or public plaza. The unit's workspace must be in the front portion, with the residential component located either above or to the rear of the workspace.

The non-residential portion must be a minimum of 50% of the unit's total square footage and be physically separated from the residential area by a lockable door from both sides. The workspace may not contain bedrooms, residential kitchens, or showers, but it must include an ADA-compliant sink and toilet. For two-story units, the residential portion must be located entirely upstairs.

Standards are established to ensure their function as both a residence and a legitimate business space. The resident/leasee of the unit must obtain a City Use Permit and a Business Tax Receipt for the business conducted within the unit.

The workspace must be used solely for business functions and cannot be used for residential storage or living quarters. Furthermore the following uses are prohibited in the unit: transient or lodging rentals, storage facilities, or staffing agency that recruits and hires employees to work for other companies on a temporary, temporary-to-hire, or permanent basis.

The business in the unit must be open to the public and serve customers during regular business hours, defined as a minimum of 20 hours per week between 9:00 AM and 8:00 PM, Monday through Saturday.

The property manager or owner is responsible for ensuring that the non-residential uses conducted on the property adhere to these standards. This may be accomplished through a lease agreement or other binding legal means, which must clearly communicate these specific operational and use restrictions to the occupant.

END