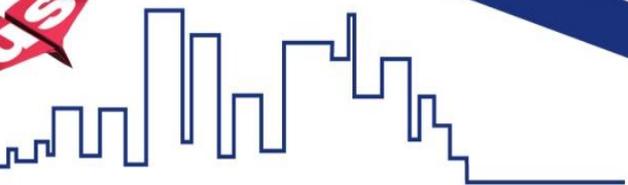


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When Zoning Goes Wrong...

*What happens in “real life”
when zoning requirements
create unintended issues
during financial closings?*



How can zoning cause issues during closings?

- **Additional costs brought from zoning requirements can break already tight budgets when it's time to go out for final bidding**
 - Look out for unnecessary aesthetic items that can drive up costs without creating value
 - Expensive landscaping or hardscaping material requirements
 - Unique items that may be difficult to source or have non-competitive pricing situations
 - *“Is there a material that offers the same look without the high price?”*
- **Parking requirements that don't reflect the actual needs of the property and limit buildable space on tighter sites (infill/redevelopment/adaptive reuse)**
 - Applying a standard parking requirement may cause a deal to have too much parking, space that could have been used for additional income producing units/house more people.
 - Senior deals, deals with mixed income tenancy, or deals with a lot of PBS8 subsidy do not typically have high car ownership among tenants
 - Likewise, TOD deals should require less parking



- **Density requirements**
 - Too many or too few units impact financial feasibility
- **Requiring too many things out of one property**
 - “Everything and the Kitchen Sink” Approach
 - Unit Mix
 - Requiring a lot of variety in unit sizes drives up cost and could impact marketability
 - Income/Tenancy Targets
 - Mixed Income deals are great, but listen to the market studies and appraisals when pushing for more variety
 - Services/Commercial Space
 - Greenspace/Parks/Trails
 - These are great amenities for a community, but be realistic about how much a given project should really contribute and make certain all necessary easements or other property right issues are vetted in advance.



- **How can municipalities avoid these pitfalls and ensure that projects are completed as planned?**
 - Work with developers and other members of the development team to flush out issues early in the development cycle
 - Look out for the common “traps” we discussed
 - Have a fast track approval process to deal with last minute changes when time is of the essence
- **Questions or Comments?**