BREAKING THE CODE:
ALIGNING ZONING CODE WITH HOUSING GOALS
A TOOLKIT FOR WYOMING COMMUNITIES
ABOUT COMMUNITY BUILDERS
Community Builders is a non-profit organization dedicated to helping local leaders create more livable communities in the American West. We provide information, assistance, and training to support the many people and organizations working to build more livable places for everyone.

Community Builders’ assistance program provides communities with the tools and resources to spark meaningful on-the-ground progress, while building local capacity and creating success stories that inspire action in other communities.

Information about Community Builders can be found at: communitybuilders.org

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In 2018, teams from eight communities across Wyoming gathered in Lander for the Community Builders Leadership Institute—a multi-day team-based training that helps local leaders build the teamwork and resources they need to tackle tough issues back home, like land use, economic development, transportation, and housing. While the communities represented at the training varied greatly in terms of size and market dynamics, every team in the room shared a common struggle—providing their community with a range of quality housing choices that locals can afford.

Digging deeper, most community teams also realized that their own codes and regulations were not allowing their market to build the types of housing options called for in their community plans and visions. From Lovell, to Lander, to Sheridan and Laramie—communities across the State of Wyoming are struggling to align their land use and development codes with their goals for creating more affordable housing choices for locals.

Developed in partnership between Community Builders and the Wyoming Business Council’s Housing Network, this toolkit is meant to help community leaders understand how codes impact the character and affordability of their neighborhoods, get familiar with a broader range of housing types, and get started in addressing barriers to housing choices and affordability in their own codes and regulations.

This toolkit is also accompanied by a spreadsheet-based D.I.Y. Code Audit Tool, as well as step-by-step instructions for using the tool to perform in-house code audits (found in the appendix of this document).

Please note that this tool is not meant to be used for full rewrites of code, but rather for finding and addressing hotspots in your code that impact housing choice and affordability. It is also geared for communities with traditional Euclidean-style zoning, and may be less appropriate for communities with or interested in fully adopting newer, alternative code styles like form based codes, smart code, or performance code, etc.

While code reform is certainly not a silver bullet for tackling housing affordability in your community, it is a necessary early step for at least allowing more affordable home types to even exist within your market. We hope that this guide can help you in your efforts to better understand your community’s housing conditions, and that it sparks conversations about creating more affordable housing choices in your community.
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WHAT ARE CODES ANYWAY?

Say you want to build a house. First, you will need a vision for what you want the house to be like—how you want it to feel and meet your family’s needs. Next, you might work with an architect to draw, tweak, and refine a set of conceptual designs and plans for the house. Then you would take those plans to an engineer or draftsperson to develop blueprints and construction documents detailing exactly how your house will be built, before hiring a contractor to build the house based on your blueprints.

Neighborhoods are built in much the same way as houses. First, a community must work together to build a vision and plan for the future of their neighborhoods—how they should function, perform, and meet their needs in 5, 10, or 50 years. After that, the community then drafts a set of blueprints that guide how their neighborhoods will be built to reflect that vision. These blueprints are your land use and development codes (also referred to as zoning codes).

Codes are local and regional regulations that shape how our communities grow and develop over time. They dictate what an individual may use a given lot for, and what size and shape of building they may build, how much parking to provide, and even how much landscaping to install. Like good blueprints, good codes must be directly rooted in a set of establish, well-supported plans and vision, and result in a final product that reflects that vision.

While good codes shape neighborhood development to reflect a community’s goals and plans, bad codes prevent a community’s plans from becoming reality. This toolkit is designed to help you determine which parts of your code need to change in order to allow your community’s vision to become reality.
After WWII, the availability of affordable automobiles and new home-buying programs sparked a change in the way our towns and cities grew. With access to cars, communities started building new neighborhoods with new standards to accommodate growth on the edge of town. Highway commercial zones, industrial parks, outer-ring suburbs, and bedroom communities were now possible, desirable, and normal developments.

In kind, the development codes for these new neighborhoods regulated for what these areas needed in order to perform successfully—larger lots, wider roads, and adequate space for commuter parking.

Over time, the influence of federal policy and other factors caused newer, more suburban codes to slowly start applying to historic town centers and neighborhoods. While most of these changes were meant with good intentions—to provide residents with more living space or room for more parking, for example—they didn’t apply well to the context of existing, compact neighborhoods. Often, they resulted in unintended consequences. On Main Streets, suburban codes required the demolition of historic buildings to make space for newly-required parking lots. In neighborhoods, they made more compact and affordable historic home types suddenly becoming illegal to build or even rebuild, despite their prominence.
Zone Districts
Most communities are divided into a set of different zones, each with a separate set of codes and regulations that guide how land in that zone may be used.

**Common issues:**
- **Zone districts don't reflect the reality of neighborhoods.** It's unfortunately common for zoning maps to have little to do with actual neighborhoods. Ensure your zones align with actual neighborhood boundaries where context and character change.

- **Zone districts are confusing, with lots of “islands” or “spot zones.”** Spot zoning and frequent zone changes or variance requests are clear indicators that your code provisions aren’t in line with resident needs and market demands.

Zone Intents & Use Regulations
Typically, each zone district will have an established “intent statement” that explains the zone’s purpose and goals, as well as lists of allow, conditional, and prohibited uses for land within that zone.

**Common issues:**
- **Intent statements and uses don’t reflect community plans or vision.** Each zone’s intentions should be rooted in your community’s plans and vision. If your plans call for affordable housing near the core, it should be reflected in that zone’s intent statement and allowed uses.

- **Use restrictions feel too limiting or arbitrary.** Single-use zones tend to lack the variety necessary for neighborhoods to be vibrant and successful.

- **Uses are arbitrarily conditional.** If your plans call for a specific use to be allowed or promoted in a specific area, then your codes should work to allow it without needing special review.
**Dimensional Standards: Site-Limiting Characteristics**

Dimensional standards regulate physical characteristics of individual lots. Site-specific dimensional standards like setbacks, parking, and landscaping regulations that are typically intended to protect the quality and character of the neighborhood, but often present unintended consequences.

**Common issues:**
- Site standards restrict buildable area too much. Often time, dimensional standards require so much lot space (minimum lot size) or limit the building area (setbacks, parking, and landscaping) so much that any level of affordable multi-family housing is impossible or impractical to build.
- Site standards create unintended consequences in neighborhoods. Large front setbacks are typically intended to create nice landscaped yards, but often result in large front parking lots, or even just empty space.

**Dimensional Standards: Building-Limiting Characteristics**

After the buildable area of the lot is determined, building-limiting code provisions like density limits, floor-area-ratios, and minimum unit sizes determine the number and size of units allowed within that building. Design standards then determine how the building and certain features must look in order to be allowed.

**Common issues:**
- Density and minimum unit sizes restrict housing types that are otherwise encouraged. Density limits should be set to allow housing types that are called for in community plans and intent statements.
- Overbearing design standards impact affordability. Overdoing your design standards can quickly kill a builder’s ability to produce an end product that is affordable. Standards should promote quality neighborhood character, but not stifle creativity and adversely limit affordability.

**Process & Procedures**

Your codes should also detail the process and procedures that builders and developers must follow to get projects approved and built. These processes should be clear and straightforward so homeowners, developers, town staff, and planning commission members alike can be supported in making informed decisions.

**Common issues:**
- Fees and processes don't reflect your community's priorities. Provide fast-track options for approving the kinds of housing that your community wishes to encourage. If your community wants more ADUs and less short term rentals, make the process and fees for ADUs easier, cheaper, and quicker to navigate.
- Town staff and plan commission are working harder than your code. Let your codes to the heavy lifting for you! Codes should be easy and straightforward to understand, and should not require special approval for straightforward or common requests.
LEGALIZING “MISSING MIDDLE” HOUSING THROUGH CODE ALIGNMENT

While most communities in Wyoming have a Comprehensive Plan that should include—among other things—the community’s housing goals, those goals typically fall short of outlining the types of different housing needed by the community, and where they might be located. No matter where your community is at in conversations around housing, it is crucial for communities to recognize and discuss the importance of providing a variety of different housing choices for community members.

For many communities, the goal of providing a wider array of housing choices and options boils down to allowing “Missing Middle” housing to be built in existing neighborhoods.

Missing Middle housing refers to a large array of home types that include more than one unit, but are built to reflect the scale and mass of a typical single-family house. In many communities, missing middle housing types like duplexes, fourplexes, and accessory dwelling units were quite commonly built in older, pre-WWII neighborhoods, but are not allowed under existing codes today.

Because missing middle housing types are by nature designed to fit in seamlessly in most single-family style neighborhoods, they present a wonderful middle ground for introducing more housing choices and diversity into existing neighborhoods. The following pages include examples of different missing middle housing types that may be useful for guiding discussions in your community.

Do a missing middle housing tour in your community.
While they’re not allowed in most Wyoming communities today, missing middle home types were at one time quite common to build in most towns across the state. Take a walk in your community and pay extra close attention to the signs that might give away a missing middle home—more than one front door, more than one mailbox, or more than one utility meter. Oftentimes, you’ll find missing middle home types to be existing in plain sight, masquerading as a single-family house.

Exploring and photographing missing middle housing in your community is a great way to spark a community conversation on allowing more housing types and diversity in your neighborhoods.
Small-Lot Single Family
Small-lot single family houses are detached dwellings located on a lot that is smaller than a conventional residential lot would be in a typical suburban context. Lot sizes typically range from 2,000 square feet to 4,500 square feet. Dwelling unit sizes range widely and depend on height and lot coverage regulations; it is quite possible to build a 3,000 square foot home on a 2,000 square foot lot. In many cases, however, small lot homes are smaller than conventional single-family homes, as small as 600-1,000 square feet.

Context
- Small lot homes have been and can be integrated into all types of residential neighborhoods. In some communities, there is a historic pattern of lots that are skinnier than modern conventions at just 25’-35’ wide.
- Small lots can also be found on corners, where a standard lot can be split in two while maintaining a similar lot width along the street frontage.

Strengths and Challenges:
- Small lot homes mesh with conventional patterns of single-family housing and thus may be easier to market and finance.
- Small lot homes provide affordable options for renting and purchasing for individuals interested in living in detached housing only.
- Infill development can be difficult because communities often oppose lot splitting to create “skinny lots”.

Duplex
Duplexes are single buildings that contain two homes. The units may be designed as stacked flats (one unit on each floor) or in a side-by-side arrangement that more closely resembles townhomes.

Context
- Duplexes are historically common in many communities, and may be more likely to be located on corner lots in some older neighborhoods.
- Modern stacked-flat duplexes are relatively rare. Side-by-side duplexes, often attached along a garage wall or with a shared garage, are more common.
- Duplexes can be designed to be compatible with nearly any residential area. Many duplexes are indistinguishable from single-family homes. Design standards for duplexes are often intended to mirror single-family patterns, such as having only one entrance or garage facing the street.

Strengths and Challenges:
- Duplexes make attractive development projects because of their flexibility. They are usually allowed in a wider range of zones than other missing middle home types.
- They are appealing and financially practical for both an investor and an owner-occupant who rents one of the units. It is possible to qualify for a loan with federal mortgage insurance to purchase a duplex.
- Side-by-side duplexes with garages facing the street can detract from a pedestrian-friendly street environment, so alternative designs may be necessary.
**Triplex & Fourplex**

Triplexes and fourplexes are buildings containing three or four attached dwelling units, respectively. All of the units are located on one lot. The units may be designed as stacked flats or in a side-by-side arrangement that resembles townhomes.

**Context**
- Triplexes and fourplexes are very common in older neighborhoods that may have allowed multi-family housing in the past but now restrict this housing type.
- Triplexes and fourplexes can be compatible with single-family neighborhoods, but must be designed appropriately. In some cases, it may be effective to allow triplexes and fourplexes only on corner lots.

**Strengths and Challenges:**
- Triplexes and fourplexes are considered single-family homes by most lending institutions, allowing individuals to purchase them with traditional mortgages instead of commercial loans. This causes projects with four or less units to be more accessible to existing locals and property owners.
- In many communities, it is not profitable to build a duplex as a rental product, but triplexes and fourplexes may produce better returns.
- Community opposition to triplexes and fourplexes due to higher unit densities and perceived impact on parking, noise, privacy and other issues.

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**Cottage Cluster & Bungalow Courts**

Cottage cluster or bungalow court housing is a specific form of detached housing development. It is characterized by small, mostly detached houses—usually less than 1,200 square feet—that are oriented around a common green or courtyard and have shared parking or other site amenities. Two or three cottages may be attached in a small townhome format, and cottages may or may not be located on its their own individual lots.

**Context**
- Because each cottage is not required to have direct access to the street cottage clusters are an effective infill format. They tend to be popular because they are similar in visual character to a neighborhood of detached houses.
- Cottage clusters can develop into community-oriented “pocket neighborhoods” given that the design principles of the form emphasize shared space and facilitate interaction.

**Strengths and Challenges:**
- Cottage clusters are a very attractive option for infill development because they mesh well with the visual patterns of detached, single-family homes.
- The success of a cottage cluster can be dependent on attention to important design details regarding how to best site homes in close proximity with shared open space. Design standards specific to cottage cluster housing are typically needed to address some of these details.
Small Apartment Building (6-12 units)
Small apartment buildings contain anywhere from 6-12 attached dwelling units located on one lot. While they are generally seen closer to downtown and Main Street settings, they are also occasionally seen meshing well in some historic single family neighborhoods where larger homes are located closer together.

Context
- Small apartment buildings were more prominent in the early 20th century in many communities. Newer multi-family developments are typically larger and include dozens or hundreds of units.
- Small apartment buildings are often most appropriate in core neighborhoods within walking distance to downtowns.
- Multiplex housing may not be appropriate or desired in some single-family neighborhoods where homes are smaller due to scale, bulk, and density-related concerns.

Strengths and Challenges:
- Given the higher densities achievable in this format, small apartment buildings often make attractive investments where they are allowed and zoning standards are not overly restrictive.
- Resident opposition to small multiplex buildings is typically high in neighborhoods where high quality, small apartment buildings do not already exist. Breaking perceptions that apartment buildings change the character of an existing neighborhood can be challenging.

Townhouses & Row Houses
Townhouses and row houses are two terms used to describe a dwelling unit that is attached along a side wall with one or more additional dwelling units, and where individual dwelling units are located on individual lots (unlike a side-by-side fourplex or multiplex, which is located on one lot).

Context
- Where townhomes were developed historically, they can be the predominant form of housing in many older communities.
- New, larger subdivision developments may include a row or block of townhomes in some areas, usually separated from single-family detached houses by a street.

Strengths and Challenges:
- Townhomes are an attractive investment because they satisfy some of the desire for single-family housing (fee simple ownership, yard area, larger units) in a more efficient form.
- Townhomes can be difficult to integrate with an existing single-family neighborhood because the shape and size of a row of townhomes can look quite different than a single-family home. The buildings are usually quite wide (up to 8-10 units in one row) and can be taller than most single-family homes at 2.5-3 stories.
**Accessory Dwelling Units (ADUs)**

Accessory Dwelling Units (ADUs)—also known as granny flats, in-law units, secondary units, backyard cottages—are smaller, ancillary dwelling units located on the same lot as a single-family home. An ADU differs from a duplex because it is smaller than the primary home and is usually limited in total floor area to around 600-900 square feet—making them more “naturally” affordable in nature due to their size and location. Because they are typically built and managed by existing property owners, they are a great way to both provide needed rental housing units and support existing homeowners. Many families choose to build an ADU on their property to help support family needs as well—whether to allow an aging parent to “age in place,” allow an empty nester to downsize to something more affordable, or to support young adults as they save for a home.

ADUs can take the form of a small detached structure, an attached addition, conversion of an existing structure such as a garage, or conversion of internal space such as a basement apartment.

**Context**

- ADUs were widespread in many neighborhoods in the early twentieth century.
- Many existing structures or internal spaces of a primary dwelling may currently be used as an ADU but were not originally permitted. These “bandit ADUs” tend to vary in quality, but have proven to improve in quality when given support and clear pathways to legal permits.

**Strengths and Benefits:**

- ADUs are a great way to modestly increase the housing supply, diversity, and choices in a neighborhood in a way that is seldom visible from the street. Many communities have embraced ADUs as a method of “gentle density” in single-family neighborhoods.
- They’re often considered “mortgage helpers.” Existing homeowners are typically the ones to initiate the development process and benefit directly by adding an ADU to their property.
- Because ADU’s are typically owned by existing homeowners, communities that embrace ADU’s often see a shift in “landlord culture,” where providing quality homes for an affordable price becomes a point of pride. They also see an increase in community wealth and access to equity.
- Because they are smaller and more affordable, ADU’s often present a more cost-effective, less risky investment for local homeowners. The return on adding an affordable ADU to a lot is often higher than that of building a duplex from the ground up.
- By providing an alternative to entirely new construction, ADU’s present options for neighborhoods that wish to increase housing choices and protect existing homes at the same time.
- They facilitate multi-generational living and elder care. Many homeowners build ADU’s for a child or parent to live in, making family shifts and “aging in place” easier. Increasingly, ADU’s are popular choices for empty-nesters looking to downsize and make a return renting their main home.

**Challenges:**

- ADU’s typically require specific permissions in code— something many communities do not have.
- Financing the construction of an ADU can often get tricky for homeowners, unless they have cash saving, significant equity in their home, or access to creative lending.
1. ZONES & ALLOWED HOUSING TYPES

Acquiring a suitable site for a development project is one of the most significant challenges faced by builders. There are dozens of factors that influence whether a site is viable for any particular residential development. Some are relatively fixed and cannot be easily changed, such as the size and shape of the site, how much of the land is buildable and unconstrained by steep slopes or natural resources like rivers, cost to acquire and demolish any existing structures, cost to serve with infrastructure, and accessibility to important services and amenities like jobs, schools, commercial areas, and parks. Each of these factors acts as a filter in the site selection process, reducing the number of potentially suitable sites.

If a site checks all the key boxes, then the next question is: can the site be acquired at a price that allows for a viable development project? Many landowners are unwilling to sell at any given time as they hold out for a higher price in the future. Others may be willing to sell but have unrealistic expectations of the value of their property. Others are unwilling to sell because they do not want to move or desire to pass down the land to their heirs. This situation further restricts available sites.

Zoning is usually seen as a fixed condition of a site. Most developers are reticent to attempt to have a property rezoned in order to fit their project. Rezoning is risky: the process is expensive and time-consuming, while approval is uncertain and, in many cases, unlikely. Yet, for a developer attempting to build lower cost housing, zoning is likely the factor that most drastically reduces the number of potentially suitable sites. In many cities across Wyoming, the amount of land zoned for multi-family housing is a small fraction of the overall land zoned for residential uses. This often means that there are significantly fewer sites to build multi-family housing, which is the most cost-effective housing type. When combined with the many factors above that constrain site suitability, the short supply of multifamily land is a major barrier to developing low cost housing.

More affordable housing types are usually limited to a small slice of a community’s land area, and often in less desirable locations.

Simply not allowing enough space for multifamily housing is the most significant barrier to allowing more affordable housing choices across an entire community. Communities that severely restrict multifamily housing through zoning don’t just interfere with their markets, they create issues equity and fairness—and may even leave themselves prone to costly court challenges.
Best practice: Evaluate your residential land supply and your community’s housing needs.

Many communities have not taken stock of their supply of buildable land or closely examined the types of housing that are in demand. Taking a closer look at these conditions of your local housing market can help you to think more strategically about zoning or regulatory changes that might be effective. You may consider hiring a professional consultant to conduct this analysis or attempt to complete the work in-house. Either way, consider these guidelines to ensure the analysis is accurate and most useful:

• **Use a combination of tax assessor data, aerial images, and on-the-ground site visits to conduct an inventory of buildable land.** Tax assessor data is useful to perform an initial screen of fully developed or completely vacant parcels, but many parcels will be partially vacant or underutilized. Use aerial imagery or site visits to estimate how much buildable area may remain on larger sites that are only partially developed.

• **Include parcels that have potential for infill or redevelopment in the buildable land inventory.** These parcels are more economical to serve with infrastructure and may be located in desirable areas. To assess potential for redevelopment, consult with local builders to determine a threshold for the maximum value of a property, inducing existing structures, and flag any properties below this threshold as potential for redevelopment.

• **Solicit input from existing residents and local real estate professionals about housing demand and needs.** Ensure you ask for input from a diverse set of individuals in order to paint a complete picture of local needs.

• **Compare the supply of buildable land in residential zones to the local housing needs.** Look for housing types that are in high demand yet there are few sites where they are permitted under current zoning. Consider the practicality of developing the available sites with the housing type in demand. Are there major infrastructure costs to serve the sites? Are they in desirable and accessible locations? Are there environmental or physical issues that would constrain development, such as wetlands, rivers, or slopes? By asking these questions and conducting this more detailed analysis you are building a factual case for zoning changes that may be needed.
1. ZONES & ALLOWED HOUSING TYPES

Best practice: Expand the housing types allowed in existing zones.

Nearly every residential zone excludes some housing types which may otherwise be appropriate and compatible in the district. In the context of housing shortages and affordability challenges, these unnecessary restrictions on housing development are counterproductive. Below are some of the most common unnecessary restrictions and recommended changes to broaden the housing types allowed in that type of zone:

• **Single-family detached/low density zones:** Zones which only allow detached, single-family houses are the predominant form of residential zone across the state. At a minimum, towns and cities should consider allowing accessory dwelling units in these zones (see pages 14 and 34 for more details on ADUs). Duplexes can also be compatible with these zones, particularly with special standards put in place to limit their size or guide the design of features such as garages, rooflines, and entrances. Other communities may go further than this and allow housing types such as triplex/fourplexes, townhomes, and cottage cluster housing. With the right standards in place, these housing types can be easily integrated into single-family neighborhoods without much issue.

• **Medium density zones:** It is common for a city to have a residential zone which allows more than detached single-family housing, but may not allow larger apartment complexes. These zones are usually ideal areas to allow the full range of missing middle housing types. The standards governing middle housing types should be adjusted based on the existing housing stock; these zones may be applied in neighborhoods that are predominantly made up of single-family detached houses. If so, more attention to building scale and design standards may be warranted.
1. ZONES & ALLOWED HOUSING TYPES

- **High density residential zones:** Zones that allow apartment buildings are often the most flexible zones. This flexibility is advantageous; however, if the zone allows single-family houses, there is some risk that this land which has been designated for multi-family housing will be consumed by single-family development—which may be counterproductive to local housing needs. Cities may consider prohibiting single-family houses in this zone or setting a minimum density standard to ensure an efficient use of this land. High density residential zones may also exclude some missing middle housing types that would otherwise be appropriate. For example, the zone may not allow townhomes or cottage cluster housing, though they can be developed at densities similar to an apartment complex.

- **Commercial and mixed use zones:** Some commercial or mixed use zones allow housing outright while others allow it under certain conditions or in certain locations. At a minimum, it is logical for nearly all commercial zones to welcome vertical mixed use housing—residential units above commercial ground floor space. This form preserves land area for commercial needs, yet also can meet the need for multi-family units. Many Wyoming communities have zoned too large of an area for commercial uses; however. Long-vacant parcels or commercial spaces are one symptom of this issue. Towns and cities should undertake a commercial market study to assess the extent of this problem. If commercial land is oversupplied, then cities should consider allowing more high density residential uses in commercial zones. An exception to this allowance may be warranted in certain areas where the goal is to concentrate commercial uses in a small area, such as a downtown main street area.

**Best practice: Strategically rezone properties.**

In some cases, a buildable land inventory and housing market study may uncover specific properties that present a clear and compelling opportunity to help meet a housing need. For example, a relatively large site that is close to existing infrastructure lines and in a desirable location may be zoned for an industrial or commercial use that is in less demand than housing. Or the site may be designated for large lot single-family housing, but there is a need for more smaller, more affordable housing types. In this situation, the Town or City should proactively seek to rezone the property in collaboration with the property owner.
Simply allowing a housing type in a particular zone does not mean that it is likely to be developed. Generally, a use or housing type is more likely to be built if it is more profitable to develop than alternative, competing uses that are allowed on the same site. Most developers will not choose to build a duplex or two townhomes if it is less profitable than building one single-family house.

In areas with high construction and land costs—which characterize most Wyoming communities—the most important factor in the feasibility or profitability of a housing type is density. Density governs the revenue capacity of land. Each additional unit that can be built on a site, whether it be a rental apartment or a for-sale house, generates additional revenue for the project. Adding more square footage to existing units may increase prices and revenue, but not as significantly or as consistently as creating more units. Thus, zoning regulations that control the number of units that can be built on a site have a major influence on the revenue capacity of the site.

On the cost side of the equation, zoning regulations have little effect on the major cost components of a development project. Construction costs per square foot are relatively fixed within a given region and time period, and most zoning regulations do not directly influence construction costs—if they do, they tend to increase costs. Land values can be influenced by zoning, but typically do not increase proportionate with increases in density and revenue capacity.

Lot size and density regulations may be the most powerful tool available to cities to influence the price of new housing development. Allowing more density allows land costs to be spread across more units, which reduces the minimum sale price or monthly rent needed to make a project financially feasible.

Allowing more density also encourages smaller units. If buildable area is constrained on the site—by physical features or other regulations such as setbacks—but the zoning would allow more units, then a developer will often choose to reduce the size of each unit up to a point where the units remain marketable and attractive to buyers or tenants. The zoning incentivizes the developer to build more, smaller, lower-priced units because it is usually more profitable than fewer, larger, higher-priced units.

**2. DENSITY & MINIMUM LOT SIZE**

Minimum lot size and maximum density standards often increase the cost of development and restrict the supply of suitable sites.
Minimum lot size standards not only affect the cost of development, they also often severely restrict the supply of land where development can occur. For example, consider a minimum lot size standard which requires 3,000 square feet per dwelling unit for a multi-family building—a relatively common requirement. The amount of land required increases substantially with each additional unit. With each additional unit, existing parcels are rendered ineligible because they are too small. Yet, as discussed above, additional units on the same size site improve feasibility and can bring down per-unit pricing.

The example on the left from Lander, Wyoming illustrates the restrictive effect of a minimum lot size requirement. The chart and map show how the number of parcels eligible for development drop significantly with each additional unit. The result is that very few parcels are available for any development with more than three or four units. This is a considerable barrier to housing development because there are many other factors influencing whether a parcel is available or suitable for development, which further winnows the pool of eligible parcels. In some cases, it may be possible to assemble multiple, contiguous, separately owned parcels—but this is usually quite difficult to achieve. If building multi-family housing is dependent on assembling multiple parcels, then few multi-family housing projects will be built.

The alternative solutions identified below are not free or simple to implement. Nor will they resolve the concerns of all community members. However, it is important to remember that restrictive density regulations are also not free. While they may cost a city nothing to implement—writing a few lines of code language—they do impose significant costs by placing a floor on achievable housing prices and shrinking the amount of buildable land for more affordable homes.
Best practice: Set lot size and density standards to encourage development of smaller, more affordable units.

As outlined earlier, given the fixed costs of land and construction, the most effective way to enable private developers to deliver more affordable homes is to enable them to build more housing units per square foot of land area and building floor area. A high minimum lot size, or low maximum density, functions as a floor on housing prices. It is essential to approach setting lot size and density regulations with this concept in mind: there is a cost to a restricting density. Towns and cities must think critically when setting density standards, and be cautious not to require more land area per unit than is necessary to allow for the housing types that are desired for the zone. Below are some general guidelines based on common issues in Wyoming communities:

Infill development // High density and commercial zones:
In zones that are predominantly built out with multi-family or commercial buildings, consider removing any limits on density. A minimum lot size may still apply, but do not require the lot to scale up with the number of units. Alternatively, regulate development patterns through form-based measures such as setbacks, lot coverage, and bulk controls. This allows developers the flexibility to deliver smaller, more affordable units where there is market demand for these types of units—and often these smaller units are infeasible to build in other zones. In short, regulate the nature of the lot and building, not the number of units inside it.

Greenfields and larger subdivisions:
If minimum lot size and maximum density regulations that apply on a typical existing, small lot would allow for too great a concentration of density on a large site, then consider adopting standards to limit density on these sites or to require a mix of housing types. On larger sites, it is more feasible to integrate a mix of housing types in one project. A threshold of 2-5 acres is appropriate. Ensure the set the maximum density at a level that still allows for enough units to design a market feasible project.

Recommendation: Allow smaller lots on corners in existing neighborhoods
- Minimum lot size: 3,750 square feet
- All lots must still have 50 feet of street frontage (no alley-access only lots)
- No change to minimum setbacks

Recommendation: Allow smaller lots on larger sites
- Minimum lot size: 2,500 square feet
- All lots must still have 50 feet of street frontage (no alley-access only lots)
- No change to minimum setbacks

Lander, WY The Lander Code Audit proposed reduced minimum lot sizes for corner lots, allowing corner lots to be subdivided into two or three separate lots depending on the zone. A 50 foot minimum street frontage would be required, ensuring access to the lot.
2. DENSITY & MINIMUM LOT SIZE

Infill development // Low and medium density zones:
In relatively built-out areas with predominantly single-family houses, it makes sense to set density and lot size standards to continue existing patterns of building scale, setbacks, lot dimensions, and lot coverage, but to allow a variety of housing types to fit within these patterns. This means allowing some housing types to be built at higher densities than allowed for single-family homes, but to continue to subject those housing types to similar standards related to the size of the building and its relationship to the lot. This is more achievable for some housing types than others. Below are some guidelines for lot size and density standards by housing type. It is generally recommended to allow for variation in lot size and density standard by housing type, rather than applying a uniform density standard.

- **Accessory Dwelling Units**: If ADUs are limited in floor area, their impacts on overall density levels across a neighborhood are less than other housing types. To promote ADUs as widely as possible, do not set a minimum lot size or include them in density calculations.

- **Duplexes**: There is no reason that a duplex cannot be sited on nearly any lot that can accommodate a single-family house, with the exception of perhaps the very smallest lots—perhaps less than 2,000 square feet. Consider allowing duplexes on the same size lot as single-family houses. If the scale of a duplex is a concern, consider bulk controls (see page 24 for more on bulk controls).

- **Triplexes/Fourplexes**: A triplex or fourplex can be made compatible with single-family neighborhoods, but the bulk and lot coverage of the building is more likely to exceed a typical single-family house if not regulated. This is because there is a natural limit to the size of a single-family house—most do not exceed 2,500-3,500 square feet—but a fourplex can be larger because there are multiple units within the building. Still, to promote smaller, affordable units, it makes sense to allow a triplex or fourplex on the same size as a single-family lot, but to implement bulk controls to ensure the building is compatible in scale.

- **Multiplex or Townhomes**: Any building with more than four units may require a larger lot to maintain a compatible scale with single-family houses. Consider allowing multiplexes on a lot that is 1.5-2 times the typical single-family lot. If multiplexes are allowed, consider also allowing townhomes. For example, if a 6 unit multiplex is allowed on a lot, allow 6 townhomes to be built on the same site by allowing the site to be divided into 6 individual townhome lots.
Best practice: Address compatibility by focusing on form and scale of buildings, not the number of units in a building.

It is common for jurisdictions to use maximum density standards to control the maximum size and bulk of a building in relation to the site. Dwelling units vary significantly in size, so regulating the number of dwelling units is an indirect and ineffective way to regulate building size. A fourplex can total 4,000 or 2,000 square feet or floor area, depending on the size of the individual dwelling units. There are two more direct and effective methods of regulating building bulk:

- **Maximum Floor Area Ratio (FAR):** FAR is the ratio of the floor area of a building to the area of the lot. FAR is an effective tool because it directly controls building size, yet it also scales the maximum according to the size of a lot. To apply a maximum FAR standard, first take stock of typical FAR of existing houses/buildings in an area. If compatible building scale is a key issue, take care not to set the maximum FAR significantly higher than existing buildings. Also consider the impact of FAR on maximum unit sizes. If your community wants to allow fourplexes, calculate the maximum average unit size that would be achievable if the proposed FAR standard is applied to a typical lot size. Any average unit size below about 500 square feet may be too restrictive.

- **Maximum Building Width or Depth:** An alternative to FAR is to directly regulate the maximum width and/or depth of buildings. FAR is more flexible because it does not prescribe the shape of the building, only the size. If your community is concerned about preserving the pattern of the width or depth of buildings, a direct limit on these dimensions is a simple and effective tool, not unlike a maximum height regulation.

**Best practice: To promote infill development, set minimum lot size standards in relation to existing lot sizes.**

A common issue with minimum lot size standards is that they are not set in relation to the size of typical, existing lots. For example, a minimum lot size for a duplex may be 8,000 square feet, but the standard lot in a town is 7,500 square feet. Functionally, the additional 500 square feet may be unnecessary in terms of ensuring compatibility. However, setting the minimum lot size above the size of a typical lot effectively excludes many potential sites and may require acquisition of two adjacent lots, which can be very difficult to achieve. For multi-family uses, if the minimum lot size is larger than the typical existing lots, ensure that it is scaled in proportion to typical lot sizes in order to facilitate site acquisition and infill development.
2. DENSITY & MINIMUM LOT SIZE

Best Practice: Mitigate the impacts of higher density development rather than prohibiting it outright.

Many jurisdictions use minimum lot size and density regulations to solve for a broad array of issues and concerns. These issues include infrastructure capacity, utilization of on-street parking, noise, traffic volumes, solar access, visual compatibility, and neighborhood aesthetics. However, maximum density regulations are not always necessary or effective at addressing these issues. There are often more effective and direct methods of resolving these issues. Consider the following examples:

- **Example: Neighbors are concerned about apartment buildings.** Many people are concerned about new apartment buildings because they have seen so many examples of bad ones in the past. Often, they are concerned that apartment buildings will cast shadows on their yards, are taller and bulkier than the existing houses in the neighborhood, and do not match the architectural styling common in the area. All too often, municipalities respond to these concerns by maintaining low density zoning and prohibiting apartment buildings altogether. Alternatively, the Town could have allowed apartment buildings, but implemented regulations that directly addressed the concerns of the residents. Building height and orientation standards can protect solar access. Building height, width, or floor area maximums can ensure compatible scale. Architectural design standards can address aesthetic concerns.

- **Example: Sewer and water lines to a particular location may be near capacity.** To address the issue, a city maintains low density zoning in the area. This controls the infrastructure capacity problem, but contributes to a citywide housing shortage problem. Alternatively, the Town could undertake a study to identify the improvements needed to expand the capacity of sewer and water infrastructure, quantify the costs of the improvements, then devise an equitable manner of raising funds to pay for the improvements, which may include charging fees to new development. Then the Town could allow higher density development so long as funding is available to expand infrastructure capacity.

- **Example: On-street parking is highly utilized in an area.** In response to complaints from current residents, the Town maintains low density zoning to limit the number of new households and vehicles parking on the street. Alternatively, the Town could run a parking study to determine if parking is as congested as reported. If congestion truly is a problem, the Town could explore shared parking agreements, permit parking, or transit-oriented development programs as alternatives for dealing with parking congestion under future density increases.
### 3. OFF-STREET PARKING REQUIREMENTS

It is reasonable for cities and counties across the state to require off-street parking with higher density residential developments. There are few areas in the state where transit service is sufficient to allow most households to forgo car ownership. With the exception of small multi-unit buildings (such as a duplex or fourplex), the number of parking spaces needed will likely exceed the amount of on-street parking adjacent to the site.

However, the amount of off-street parking required commonly exceeds the true need or market demand. This may occur because decision-makers often have misconceptions about how many vehicles a typical household owns, and the degree to which vehicle ownership varies across different types of households.

One source of this misconception may be that decision-makers have not been exposed to data on these differences. The Census collects data on vehicle ownership, so it is possible to examine vehicle ownership rates in your own community. The charts to the right show vehicle ownership rates in five selected cities in the state, and the statewide average. While these charts show data for all households, renters tend to own even fewer cars. In the towns and cities listed on the right a majority of all renter households own one or fewer cars. Vehicle ownership is also substantially lower among low income households compared to higher income households.

It is common for zoning codes to require between 1.5 and 2 parking spaces per dwelling unit for multi-family development. Given that multi-family units are primarily occupied by renter households and are more likely to house low-income families, requiring up to 2 spaces per dwelling unit may exceed the actual need and demand for parking.

<table>
<thead>
<tr>
<th>Vehicles per Household</th>
<th>Wyoming</th>
<th>Laramie</th>
<th>Lovell</th>
<th>Lander</th>
<th>Cheyenne</th>
<th>Sheridan</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>4%</td>
<td>5%</td>
<td>3%</td>
<td>6%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>1 car</td>
<td>26%</td>
<td>34%</td>
<td>33%</td>
<td>35%</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>2 cars</td>
<td>37%</td>
<td>37%</td>
<td>24%</td>
<td>38%</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>3+ cars</td>
<td>33%</td>
<td>24%</td>
<td>41%</td>
<td>22%</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

Parking standards commonly require more parking than the market demands, which increases the cost of housing and results in an inefficient use of land.

Resistance to reducing parking requirements is often based on the idea that most Wyoming households own several cars or trucks. But, Wyoming households own fewer cars than many people may expect. Comparing your community’s parking requirements to actual ownership data may reveal that you are over-regulating the amount of parking needed in many neighborhoods—typically at the cost of housing choices and affordability. Data source: 2017 Census/ACS
Parking requirements may also be excessive because they do not account for the potential to fully utilize on-street parking spaces. If the site has frontage on a street that allows on-street parking, then a share of the parking can be accommodated on the spaces directly adjacent to the site. If the site is surrounded by lower-density developments, particularly single-family houses, then it is also likely that on-street parking spaces are more widely available throughout the area. If given the option, many households would elect to park on the street within a wider area if it would result in lower housing costs.

When parking requirements do exceed demand, the costs are passed on to households in the form of higher rents or sale prices, and they are significant. First, the direct financial cost of constructing a parking space can range from $4,000 for a simple surface space to up to $20,000-$30,000 for a tuck under or structured garage parking space. Thus, a small amount of excess parking can have a significant impact on per unit housing prices. Excess parking also consumes land which may otherwise be used for housing units. This is known as the “space cost” of parking. Each parking space requires approximately 400 square feet of site area, about 200 square feet of the space itself and another 200 square feet per space for the circulation aisles to access the space. Thus, one parking space equates to approximately one small studio apartment unit. However, if multi-story development is proposed for the site, and it is not economically feasible to build tuck-under or garage parking—which is often the case in most smaller cities—then one surface space can come at the cost of 3-4 dwelling units. Not building these housing units means not generating revenue for the project; this foregone revenue requires the per unit price of the built housing units to be higher than it would be if the excess parking were not required.

3. OFF-STREET PARKING REQUIREMENTS

Storage wars.

Off-street parking can take up a lot of space. As soon as code starts requiring enough parking to require drive aisle access, each space typically require over 400 square feet of total space. In most scenarios, this means that once you require more than two off-street parking spaces on a lot, each additional off-street space required occupies the same amount of space that could otherwise be a small, affordable apartment.

Lander, WY. Allowing adjacent on-street parking spaces to count toward parking requirements is a great way to allow for an increase in the number of homes while ensuring there is adequate parking.
3. OFF-STREET PARKING REQUIREMENTS

**Best practice: Reduce or eliminate minimum parking requirements.**

As outlined above, minimum parking requirements are often unnecessarily high and lead to excess parking supply. An outright reduction is often appropriate, particularly if your city’s minimum requirements are more than 1.5 spaces per dwelling unit or 1 space per 500 square feet for most retail and office uses. A general best practice guideline is typically 1 space per dwelling unit and 1 space per 500-1,000 square feet or commercial space.

**Best Practice: Eliminate parking requirements in targeted areas.**

If a general reduction is not feasible, consider targeting reductions to a certain area where higher density development is desired, such as a downtown, a redeveloping industrial area, or a neighborhood commercial district.

**Best Practice: Link requirements to unit size or bedroom count.**

Residential parking demand generally correlates with the number of adults living in a household, which generally correlates with the number of bedrooms in a unit. Thus, it is reasonable to base parking requirements on the number of bedrooms in a unit. For example, a studio or 1 bedroom may only be required to have 0.5 spaces per unit but a 2 bedroom apartment would be required to have 1.5 spaces per unit. This type of standard provides flexibility for a developer to design a unit mix to fit a target market, such as smaller households, without risking that the parking requirement will result in excessive costs.

**Best Practice: Provide reductions in exchange for desirable community benefits.**

Another effective approach is to allow reductions in minimum parking requirements for projects that provide desired community benefits, features, or amenities. This could include transit stop facilities, additional public space or plazas, bicycle parking, vertical mixed use development, or affordable housing. Some of these features may also contribute to lesser parking demand, particularly affordable housing; lower income households are likely to own fewer vehicles.
Best Practice: Allow credits for on-street, off-site, and shared parking.

There are alternative ways to provide parking spaces that serve a development site, and the zoning code should acknowledge and enable these alternatives. Consider these three provisions:

- **On-Street Parking:** Allow on-street parking spaces which are adjacent to a site to count towards the off-street requirement. If on-street parking is unavailable or prohibited, then the code can specify that this credit does not apply. A common standard is to allow one space for every 25 feet of street frontage where parking is allowed.

- **Off-Site Parking:** In some cases, a developer may own or have an agreement to use another parcel of land that is close to the development site. Allow parking spaces on this site to count towards the project’s off-street parking requirement, as long as the parking area is within approximately 1000 feet of the development.

- **Shared or Joint Use Parking:** Parking demand is usually time-based; residents need parking in the evenings, but offices need parking spaces during the day. If a mixed use development includes uses with differing parking demands across the day, the code should allow those parking spaces to count towards the requirement for each use. Similarly, it may be feasible for two nearby property owners to form an agreement to permit shared use of a parking lot. These allowances provide more options for meeting parking standards where it would otherwise present a barrier or unnecessary cost to the project.
4. BUILDING HEIGHT

A common misconception is that allowing higher density housing types means allowing increased building heights. In reality, maximum density and minimum parking regulations are typically the primary barriers to higher density development. It is possible to achieve relatively high density development with low-rise, 2-3 story buildings. Townhomes can easily achieve densities of 25 units per acre. A fourplex on a 5,000 square foot lot equates to 35 units per acre. This does not necessarily come at the cost of losing open space, either; high densities can also be achieved with smaller, more efficiently sized dwelling units.

However, there are cases when a maximum building height standard may present an unnecessary barrier to housing development or is not calibrated appropriately for compatibility. These are the most common issues:

**Low density zones:** Maximum height in low density / single-family zones is commonly set at 30 or 35 feet. This height generally makes sense for buildings with a pitched roof, if height is measured as the peak of a pitched roof, because it allows up to 2.5 story buildings. However, this maximum height could allow up to 3 story buildings with a flat or low slope roof, which would often be seen as incompatible with a single-family zone.

**Medium or high density zones:** In medium or high density zones, where larger 3-story multiplexes or 4-story apartment buildings are permitted, maximum building heights are often misaligned with the envisioned scale of buildings. In some cases, the maximum height assumes that one story is equivalent to 10 feet. This is generally true for residential buildings, but other factors play into building height that should be considered. The first is roof pitch. A 3-story building with a pitched roof may be 30-35 feet high at the eaves, but 40-45 feet high at the peak of the pitched roof. Second, if the code is intended to encourage vertical mixed use development, then it should allow for the height of the ground floor commercial space to be 15-20 feet.

Many communities set their maximum building height regulations more or less arbitrarily. In downtowns and Main Street settings, out-of-context building height maximums can be disastrous to the district’s architectural character and historic heritage.

To gut-check your community’s Main Street building heights, take a walk in your commercial district and ask people what their favorite building is. Chances are, it’s not only old and beautiful, but also well beyond today’s building height limits. While 35’ is enough height to build a 3-story downtown building, it’s not enough height to build one that looks good and fits within a historic Main Street context.
4. BUILDING HEIGHT

**Best practice: Specify how height is measured based on roof type**

Some zoning codes do not specify how building height is measured. This can lead to administrative headaches and disagreements over interpretation of the standard. At a minimum, add a provision to the definitions section of the zoning code to specify how height is measured. Ensure to address how height is measured for pitched roofs; it is common to either measure it to the midpoint or the peak. Either works, as long as the maximum height is appropriately calibrated.

**Best Practice: Calibrate maximum height to encourage pitched roofs in lower density zones.**

In lower density or single-family zones, pitched roofs are often seen as more compatible with typical single-family houses. An effective approach here is to set a maximum height at 25 feet to the bottom of eaves on a pitched roof or top of parapet on a flat roof and 35 feet to the peak of a pitched roof. This allows for buildings with a flat roof to be 2 stories, but buildings with a pitched roof to be 2.5 stories. This scale is compatible with many single-family houses.

**Best Practice: Calibrate maximum height to allow for tall ground floor commercial spaces in downtown & mixed use buildings.**

To encourage mixed use buildings, assume the ground floor space is at least 15 feet in height, then add 10-12 feet for each additional story of height that is envisioned as appropriate for the zone. For example, to allow 4-story mixed use buildings, a maximum height of at least 45 feet is needed, but 50 feet is ideal.
5. SETBACKS

Building setbacks are an important method for regulating the placement of buildings on a lot to ensure compatible patterns of development. Setbacks alone are not typically a major barrier to housing development because they only directly regulate building placement, not size or density. However, setbacks are commonly required to be wider or deeper than is necessary to achieve compatible development patterns, may be applied inequitably and ineffectively to different housing types, or may have unintended consequences on building form.

**Best practice: Take stock of existing setbacks and align the code where appropriate.**

In some cases, minimum setback requirements may be incongruent with existing development patterns. This can result in unnecessary barriers or incompatible design outcomes. For example, some codes require minimum front setbacks that are 20-25 feet, based on conventional suburban housing, while most existing houses in older areas of town are only set back 10-15 feet.

**Best practice: Avoid wide side setbacks.**

Unnecessarily wide side setbacks, such as 10-15 feet, can be more challenging to design around than wide front or rear setbacks. This is the case because existing lots are typically less wide than they are deep. Wide side setbacks can require narrower buildings, which can be more challenging to design, particularly if they have front-loaded garages. Cities should reconsider if a 5-7 foot side setback would be sufficient in these cases.

**Best practice: Link side setbacks to building height, not housing type.**

Some codes require greater side setbacks for multi-family housing than single-family housing. As discussed above, regulating building form based on density is ineffective; it is possible for a fourplex to be a very similar scale to a large single-family home. The more effective approach here is to link the setback to the height of the building. For example, a two story building may be subject to a 5 foot setback and a 3-story building requires a 10 foot setback.
6. LANDSCAPING, OPEN SPACE, OR MAX LOT COVERAGE

Most residential zoning codes require a minimum landscaped area, minimum private or common open space, and/or a maximum lot coverage. Lot size and setback regulations do not guarantee that a development will provide a reasonable and sufficient amount of open space or landscaping on a site, so these standards are used to more directly regulate the ratio of building area to open area or landscaping on a site. If density and parking standards are set accordingly to enable high density housing types, then these standards are not typically a major barrier to development. As with any zoning standard, they can be unnecessarily restrictive or burdensome, however, so it is important for cities to be aware of common pitfalls.

**Best practice: Align standards to existing development patterns.**

As with setbacks, these standards may be out of sync with on-the-ground conditions in many areas. It is important to conduct an assessment of existing development patterns in order to best tailor the standards to an area. For example, a maximum lot coverage standard may be put in place to encourage two-story buildings with smaller footprints and more open space, but the predominant pattern of the neighborhood is one-story ranch homes.

**Best practice: Focus on quality and location of landscaping, not only quantity.**

Many codes require a minimum landscaped area, but do not specify what constitutes landscaping or set standards for where the landscaped area should be on the site. Consider minimum planting standards which specify the amount of trees, shrubs, and live ground cover required to qualify as a landscaped area. Another effective approach is to require a portion or all of the landscaped area to be in the front setback, where it is publicly visible.

**Best practice: Reconsider private open space requirements.**

Private open space is open space that is directly accessible from a dwelling unit. Some codes require a minimum area of private open space in addition to common, shared open space for multi-family housing. Intuitively, private open space is a reasonable idea; many people would prefer to have some outdoor area such as a patio or balcony with their apartment. However, the costs of complying with this requirement—in terms of financial expanse and space consumption—can add up fast. Private open space is particularly expensive to provide if it means requiring balconies on upper floors. Some people may prefer to have only a common open space if it meant lower housing costs. An effective approach is to either not require private open space—and leave it to the market to allocate—or only require it as an incentive, such as in exchange for a maximum height or density bonus.
Accessory Dwelling Units (ADUs) are a smaller, ancillary dwelling unit located on the same lot as a single-family home. An ADU differs from a duplex because it is smaller than the primary home and also usually limited in total floor area to around 600-900 square feet. Many communities have embraced ADUs as a method of “gentle density” in single-family neighborhoods. ADUs can take the form of a small detached structure, an attached addition, conversion of an existing structure such as a garage, or conversion of internal space such as a basement apartment.

Cottage cluster housing is a specific form of detached housing development. It is characterized by small, detached houses—usually less than 1,200 square feet—that are oriented around a common green or courtyard and have shared parking or other site amenities. Each cottage may or may not be located on its own individual lot. Because each cottage is not required to have direct access to the street, cottage clusters are an effective infill format. They tend to be popular because they are similar in visual character to a neighborhood of detached houses.

ADUs and cottage cluster housing are often not explicitly allowed in zoning codes. A house with an ADU would typically be classified as a duplex unless ADUs are separately defined and permitted. Cottage clusters are detached housing but usually cannot satisfy conventional development standards for single-family housing, such as minimum lot sizes, maximum density, and minimum lot width.

**Best practice: Adopt special use standards for ADUs and cottage cluster housing and permit them in most residential zones.**

These housing types are unconventional, so they need and deserve a special set of regulations. Yet, these housing types can be made compatible with most residential zones. To facilitate development of these housing types, allow them in a broad array of zones and do not require a conditional use permit or discretionary (quasi-judicial) design review in most circumstances. Objective standards can be applied to ensure these developments fit into existing neighborhoods.
7. ADU’S & COTTAGE CLUSTER HOUSING

Best practice: Avoid the “poison pills” of ADUs

There are several regulations which can effectively block development of ADUs and cottage cluster housing. Avoid these pitfalls when drafting special use standards for these housing types:

- **ADU Owner Occupancy Requirements:** Do not require the owner of the property to live on the property (in the main dwelling or ADU). This presents a number of complications from a practical and financial perspective and often will deter homeowners from investing in building an ADU.

- **Parking:** Do not require off-street parking for an ADU. It is often difficult and costly to create another off-street parking space on a lot that was designed for a single-family home. For cottage cluster housing, do not require more than one off-street space per unit to ensure that it is feasible to develop clusters on smaller sites.

- **Density and Lot Size:** For ADUs, do not set a minimum lot size. Instead, use form-based regulations to control for the impacts of ADUs, such as maximum floor area, setbacks and screening. For cottage cluster housing, allow clusters on a typical sized lot, and allow that lot to be divided into individual lots. While a cottage cluster can be structured as a condominium to allow individual ownership, a subdivided, fee simple lot with a commonly owned tract is much simpler for developers and lenders to work with.

Best practice: Balance design standards with feasibility and affordability.

If you are developing a set of code standards from scratch, there may be pressure to include a litany of design and aesthetic standards on these housing types. While a limited set of objective, easily administered standards is entirely appropriate, take caution not to overcomplicate the development process, as this likely to deter potential developers.
8. DISCRETIONARY REVIEW, CONDITIONAL USES, & DESIGN STANDARDS

Many communities require all multi-family developments to be reviewed and approved by a Planning Commission or other review body through a quasi-judicial or discretionary review procedure. A conditional use permit or design review process are common examples of this requirement. This process is often necessary to identify and mitigate the negative impacts of large, complex projects—some of which may not be anticipated by the zoning code. However, this process is often applied to smaller, less complex projects which could be reviewed effectively by planning staff if they are provided with a set of relatively objective standards and criteria.

Discretionary review processes can also deter development. The discretionary nature of the process—volunteer boards applying subjective criteria to determine if a project should be approved and under what conditions—injects uncertainty into the development process. The uncertainty applies both to the time it will take until they are issued a building permit and the cost of complying with conditions of approval imposed by the review board. Developers, who are usually borrowing money from banks and investors and under pressure to deliver returns, will seek to minimize risk. If alternative projects are available with less uncertainty and risk, they will gravitate to those projects.

While many communities like the idea of using discretionary review to “leave the window open” for future decision making, this method results in inconsistent outcomes. Often, the hurdle of discretionary review is only worthwhile for larger, more expensive projects, killing more modest or affordable projects before they start.
8. DISCRETIONARY REVIEW, CONDITIONAL USES, & DESIGN STANDARDS

**Best practice: Replace subjective design or conditional use criteria with objective standards.**

Review the approval criteria associated with your conditional use or design review process. They are often filled with subjective, vague concepts such as “harmonious incorporation of uses”, “visually compatible forms”, and “orderly development patterns”. These criteria are useful for preventing poorly designed projects, but they can also be misused to prevent well-designed and well-sited projects that are unpopular with a particular neighborhood group or decision-maker. Perhaps more importantly, they are not effective at ensuring consistently good outcomes. Their ambiguity engenders inconsistency.

Alternatively, there are many examples of clear and objective standards which can address the underlying issue that a subjective guideline or criteria is attempting to address. These standards can address both aesthetic, architectural concerns and functional issues such as circulation or solar access. Consider replacing these subjective criteria with a set of well-defined, relatively objective and quantifiable standards.

**Best practice: Allow for staff or administrative review for smaller projects.**

Armed with a set of clear and objective standards, planning staff—whether full time employees or contract planners—can review and determine if a project adheres with the code. Adopt thresholds under which a project can be reviewed by staff, such as the size of the site or number of dwelling units. It is often appropriate to still provide notice to nearby property owners of the proposed project so they may have an opportunity to submit comments to staff about any concerns they would like addressed. And the code should allow for planning staff to elevate the application to a discretionary review process if the project is complex.
While they are not strictly a zoning code regulation, fees and exactions on development projects have a substantial influence on financial viability and housing affordability. Fees are passed on to the housing consumer in the form of higher rents or sale prices. These fees, which are usually used to fund essential staff services or infrastructure investments, are not unnecessary or inequitable by definition. They do impose a cost on development, however, so communities should be judicious in how they apply that cost and consider using fees as an incentive tool to achieve policy goals.

**Best practice: Provide fee waivers for highly valued housing projects.**

Waiving a fee, particularly an impact fee or exaction which may number in the thousands, can tip the scales toward feasibility for many potential projects. If deed-restricted, affordable housing units are a key need in your community, consider waiving development fees for these projects and seeking alternative funding sources for the use of the fee revenue.

**Best practice: Allow financing or deferral of fees.**

Fees are imposed at the beginning of the development project, prior to when a development begins to generate revenue through monthly rent payments or sales. Many communities allow fees to be paid in installments over many years through a financing agreement or allow deferral of payment for several months or years. These allowances may have little cost for a jurisdiction over the long-term, but can have a significant impact on development feasibility.

**Best practice: Scale impact fees to unit size.**

Impact fees are used to offset the cost of providing public infrastructure to a site, particularly for any off-site improvements that are needed over time as a wider area develops. The degree of impact on public infrastructure is often correlated with the size of a dwelling unit—more bedrooms and bathrooms often means more demand on the water and sewer systems. Yet, fees are usually standardized on a per unit basis, so a 500 square foot ADU may be subject to the same fee as a 3,000 square foot single-family house. This structure is both inequitable and discourages development of the smaller unit. Alternatively, many cities scale impact fees according to dwelling unit size, bathroom count, or bedroom count.
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PERFORMING A D.I.Y. CODE AUDIT

While a code audit is a great way to identify the barriers to increasing housing choice and affordability in a neighborhood, they are not performed often enough due to the costs and technical expertise typically required. Many communities hire a consultant to perform a code audit, but if your community doesn’t have the financial capacity to do this, you can still make progress on your own.

If you suspect your community’s land use and development codes are blocking the kinds of housing called for in your community’s vision and plans, the following guidance should help you get started in performing a D.I.Y. code audit in-house:

**Get clear on your community’s housing goals.**
Before you can audit your code, you need to know what you’re auditing for. Does your community have clear goals for housing? Are your community’s housing goals clearly stated and outlined in your existing plans? If not, you may need to do other housing work first before diving into a code audit.

**Build a team.**
Code audits are a balance of art and science, and they often require a group of people that are rooted in and intimately familiar with the community in order to make important decisions and judgment calls. Assembling a team of people from across your community that are willing to work hard together. We suggest going beyond city staff and board members and involving builders, business owners, and other community leaders in your efforts.

**Get clear on your audit goals.**
What do you and your team hope to accomplish with your code audit? Are you doing this first as an educational experience to better understand barriers to more affordable housing choices? Or are you hoping to entirely revamp your codes? Make sure your team is on the same page about the scope and scale of your efforts, and work to bring in additional resources as needed.

**Start with conversations.**
Many people in your community are already familiar with your codes and their shortcomings. Have a conversation with some local builders, developers, members of the planning and zoning commission, and planning staff to identify red flags or already-known issues in your code. Does the code allow for missing middle housing development? If so, are there parking requirements, height restrictions or minimum unit size requirements that make the development cost-prohibitive? Compile a list of the obstacles in place and explore best practices for addressing them strategically.
Get to know your code.
In most communities, codes are notorious for being confusing and poorly organized. Read through your development codes and simplify them into a table, bullet points, or note cards to make them easier to navigate and reference during your audit.

Choose what level of audit you’d like to perform.
Finally, choose the type of code audit that best fits your community’s needs;

- **The Back-of-the-Napkin Audit.** One of the best ways to audit your code is to think like a developer and see how the code impacts a potential project that is in line with your community’s vision. The 6-step process highlighted on the following pages can help you quickly review your development codes to determine if they allow for the types of housing that meets your community’s goals.

- **The Building Envelope Audit.** While your code might state that it allows and even promotes a certain type of housing, it is quite possible for that housing type to still be impossible to build due to the unintended consequences from certain dimensional standards. Performing a code audit using the DIY Code Audit Tool’s “Building Envelope only” function will allow your team to test your code parameters and see what it actually allows you to build in each zone. To get started, see the DIY Code Audit Tool and Step-by-Step Instructions provided with this toolkit.

- **The Financial Feasibility Audit.** If your community’s code fully allows certain housing types that are still just not getting built, there’s a good chance your codes are financially impacting that type of project to the point where it’s unaffordable or infeasible to build. In this case, use the DIY Code Audit Tool’s “ROI Lite” function to determine how your codes impact a certain housing type’s potential cost and return. Note: you’ll need to interview local builders and developers to obtain financial data to get accurate results. To get started, see the DIY Code Audit Tool and Step-by-Step Instructions provided with this toolkit.
Step 1: Pick a project.
Choose a hypothetical project that is aligned with your community’s goals for housing in a specific zone. For example, maybe your community would like to see more fourplexes in an existing neighborhood, or row-style townhouses adjacent to the downtown. After choosing an appropriate example project, review your zone’s intent statement and use lists to determine if the project is allowed in that district.

Common Issues
Zone intent statement. Often, a zone district’s intent statement is inconsistent with what is called for in a community’s plans. If your comprehensive plan calls for a type of housing that is not reflected in the zone’s intent statement, then your code is likely inconsistent with your community’s goals.

Allowed uses. If a particular housing type is encouraged in a community vision or plan, but is not allowed at all in the corresponding zone, then your allowed uses list for that zone may need to be updated.

Conditional uses. The process of gaining conditional approval is often arduous enough to prevent good projects from getting off the ground—especially for small, local builders. Conditional uses should be accompanied by clear instructions to help both builders and local decision makers know what conditions need to be met for approval.

Step 2: Find a lot.
After determining whether your project is allowed in a zone, you then need to find a hypothetical lot for your project. Dimensional standards that determine lot size—such as density limits, minimum lot size requirements, and minimum lot widths—need to be consulted to determine the number and size of lots needed based on the number of units in your project.

Common Issues
Minimum lot size and density limits. Minimum lot size requirements and density limits both regulate the same thing—the number of units allowed on a given lot. It is important to understand that these rules do not regulate the size, mass, or character of a building, only the number of units inside the building. All too often, local codes will use both minimum lot size requirements and density limits, a redundancy that typically results in the least dense of the two being enforced. Allowing both smaller lots and higher densities can increase future housing choices and affordability.

Lot increments. Most established neighborhoods have established standard lot sizes. When lot size and density regulations require more space than available on a single standard lot, the builder is forced to acquire two or more adjacent lots for a project—likely doubling the land costs and greatly reducing the chances that the project can occur affordably, or at all.
Step 3: Find the buildable area.
Before you can plan the building you’d like to place on the lot, you first need to determine the lot’s buildable area. This is done by removing any setbacks, landscaping, impervious surfaces, and parking required by code, and then determining if the leftover space exceeds maximum lot coverage limits. Only after space is dedicated to these requirements may you set aside the remaining space for building. Combined, these requirements can impact the feasibility of affordable projects by increasing cost and limiting the size and number of units possible within a building.

Common Issues
Setbacks and landscaping requirements. While these requirements are typically enforced to create open space and assist with stormwater percolation, excessive or redundant requirements for open space dedication can often limit the buildable area to the point of making any level of affordable multi-family construction impossible.

Parking requirements. Excessive requirements for off-street parking are the most common barriers to compact, affordable development. All too often, communities that actively encourage missing middle or multi-family housing make it impossible to build because of high parking requirements alone.

Step 4: Plan for the building.
After the buildable area of the lot is established, you may then plan for the building itself. Consult the code’s floor-area ratio (FAR) requirements, bulk standards and height requirements to determine the overall square footage allowed for your building.

Common Issues
Floor-area ratio (FAR) and bulk standards. Floor-area ratio and bulk standards both limit the overall square footage of the building based on the size of the lot. While density limits and minimum lot size requirements control the number of units a building may or may not have, FAR and bulk control the overall mass of the building. In general, FAR and bulk standards are much more effective tools to ensure a building will fit within the appropriate character of the neighborhood than regulating the number of units within that building. Floor-area ratio and bulk standards should be applied equally to all uses in a zone, and should not be used as tools for limiting the size of only some uses, like multi-family residential.

Max building height. Limits on the overall height of buildings can sometimes reduce the feasibility of a successful project. It is not uncommon for neighborhoods to have historic buildings that are beloved by the community, but that exceed legal max building heights for that zone – a surefire sign that your current height limits are too low.
Step 5: Plan for the units.

Only after establishing the overall square footage of your building can you then calculate what you can fit inside it. Check minimum lot size, density maximums, and minimum unit sizes to double check the number and size of units you can fit in your building.

Common Issues

Allowed number of units doesn’t fit. All too often, a combination of excessive dimensional standards result in a building that is too small to fit the number of units technically allowed by code. If this is the case, it may be necessary to relax all dimensional standards until it is possible to fit a desired home type on a standard lot.

Minimum unit size. Some codes place limits on how small a dwelling unit may be, despite the fact that this is generally already legislated through building codes. As with density limits, any codes that regulate the size and number of units within a building beyond standard building codes typically serve little purpose beyond limiting affordability. In communities that follow standard International Building Code, it typically makes sense to simply remove minimum unit size requirements from your zoning code.

Step 6: Crunch the numbers.

Based on local land and building costs, calculate how much it would cost to build the home you tested for. Could it be rented or sold at an amount that would be affordable to a local? Does it match a pricepoint that is currently missing or sorely needed in your community? If not, try tweaking the code parameters and running the analysis again. Typically, this process is helpful for realizing just how much affordability is added when you allow more units on a given lot. Demonstrating the how allowing more units on a lot directly increases affordability is crucial information for local policy makers, especially when there’s apprehension around increasing density in a neighborhood.

Common Issues

The building doesn’t pencil out. It is not uncommon to find that while your code fully allows a project to be built in a certain zone, no one seems to be building it. When allowed housing types simply don’t pencil out, it’s time to explore either allowing more units, or forming creative financial partnership to help close the gap.

Rent is just too high. Often, a project might pencil out for a developer, but only if the product is a high-end or luxury home. Determine what is needed in your market. In cases where supply is extremely low, even adding expensive units can decrease pressure across the board.
The Town of Lovell officially kicked off their code audit project in August of 2019, and began with consulting existing plans and interviewing local leaders to better understand the community’s existing goals for housing. These conversations revealed that the Town’s housing goals largely reflect what the Town used to allow historically—encouraging a range of high quality single family homes for most of town, while allowing some smaller multi-family options like duplexes or fourplexes closer to the core of town.

The project team then individually interviewed a host of local builders and individuals with recent experience navigating local codes, in order to understand some of the issues and barriers they’ve faced when building or renovating homes locally.

While most builders found the Town and its permitting process amicable and easy to work with, most also identified some preliminary issues with code that prevented them from pursuing some projects from the get go—like exceedingly large minimum lot-size requirements, for example. (The team found over 100 existing lots that were non-conforming due to inflated minimum lot size standards.)

A team of local leaders and representatives then worked to audit the code to see if it actually allows individuals to build the types of housing the community identified as desirable in different neighborhoods. The team used duplexes and fourplexes as hypothetical development projects, and then followed the review process to see if they could actually be built in each neighborhood. A pro forma analysis was then run on each scenario to see how local regulations, and any proposed changes, impact the pricepoint and affordability of the home.

Finally, the code audit process concluded with a two-day long community workshop on November 5th and 6th, 2019. Day one of the workshops consisted of a Community Forum on Housing aimed at better understanding residents concerns around housing and economic development through community conversation and dialogue. Day two of the workshop included a public Walk & Talk Workshop to explore housing and neighborhood issues first hand, followed by a public Presentation of Findings from the code audit process.

Feedback from elected leaders and the wider Lovell community during these workshops was then used to further tailor and a list of final recommendations, which the Town is working toward implementing today.
Across all districts:
• Add clarifying statements to code to make provisions easier to understand.
• Provide an “unofficial” zoning matrix to make code requirements easier to find and access.
• Create an ADU guide that help existing homeowners understand the steps and requirements for constructing an ADU on their property.
• Include contextual setback clause to provide relaxed setback requirements in areas where adjacent buildings so not conform to existing code.
• Decrease minimum lot size requirements in all zones to address existing non-conforming lots.

In mixed residential districts:
• Allow up to a fourplex by right on a standard sized lot by changing allowed uses and relaxing parking requirements.
• Conditionally allow multi-family homes larger than fourplexes.
• Allow accessory dwelling units on all single family residential lots by right.
• Make for setbacks the for multifamily homes the same as those for single family homes.
• Reduce minimum lot size and width requirements to allow smaller single-family homes and lots.

In single-family low density districts:
• Allow multi-family homes and accessory dwelling units as a conditional use
• Gently reduce minimum lot size requirements to make existing small lots conforming and allow medium-to-small size homes to be built.

Lovell Code Audit Finding & Recommendations
The Lovell Code Audit Project concluded with the following proposals recommendations. Specific proposed changes to code, include new recommended standards and updated language can be found in the Lovell Code Study Report in the Appendix of this document.
Lander’s current code was adopted in 1978. While it has been edited and added to several times over the years, it has never been reviewed and updated to reflect the community’s broader housing goals. After attending the Community Builders Leadership institute in 2018, a group of local leaders from Lander realized that there were several areas of code that were openly known to conflict directly with housing goals established in their 2012 Master Plan.

The team kicked off the Code Audit Project in August of 2019, and began by interviewing local builders, developers, and real estate agents to understand some of their initial issues with code. Immediately, it was revealed that some code provisions like minimum lot size and parking requirement were nearly any form of new multi-family housing impossible in most zones where multi-family housing was supposed to be encouraged. In addition, the team discovered more than 200 lots that were non-conforming with today’s excessive large minimum lot size requirements.

Because community conversations around housing had not been continued since the 2012 Master Planning process, the team organized a Community Forum on Housing, as well as a widely distributed survey on housing issues and housing preferences. Both the survey and forum focused largely on understanding the community’s need for a wider range of housing choices that are more affordable, with questions and activities geared towards understanding what types of missing middle housing the community might be supportive of in different neighborhoods.

After elaborating on the community’s housing goals through the survey and forum, the Code Audit team worked with Community Builders and Cascadia Partners to test their code to allow key housing types in different zones. The team then tested the financial reality of each scenario to see how different code changes and edits might impact affordability.

Immediately after drafting a set of code change recommendations, the Code Audit team began working on amended code language to implement the changes. The amendments were presented and approved by the Planning Commission, and will be brought back to the community and City Council for review and approval over the course of Summer 2020.
1. Allow accessory dwelling units in all residential zones.
   - Allow one accessory dwelling unit per single family home in all residential zones, and two accessory dwelling units per single family home in more medium-density or higher residential zones, providing that one unit is located inside the main home.

2. Allow homes on smaller lots in some residential zones.
   - Decrease minimum lot size requirements in all zones to address existing non-conforming lots.
   - Allow corner lots in medium density zones to be split into two smaller lots.
   - Allow corner lots in medium-high density zones to be split into three smaller lots.
   - Allow smaller lots in new subdivisions.

3. Allow cottage cluster housing in some zones subject to special standards.
   - Create special minimum lot size, parking, and common open space requirements specific to cottage cluster housing to allow that housing type in some residential zones.

4. Reduce minimum lot size standards to make development multi-unit housing more feasible in some zones.
   - In more dense residential zones, this includes changing minimum lot sizes to allow up to 8-unit buildings on standard lots and 12-unit buildings on corner lots.
   - In medium density residential zones, this includes changing minimum lot sizes to allow up to a fourplex on all standard lots.
   - Apply new design standards to limit the size and bulk of newer multi-family apartment buildings to better fit within the context of existing neighborhoods.

5. Reduce off-street parking requirements for new housing and allow an on-street parking credit.
   - Eliminate off-street parking requirements in the Downtown core, require 0.5 spaces per unit in the rest of the Commercial Zone, and 1 space per unit in all residential zones.
   - Grant credit towards parking requirement in the amount of 1 space for every 25 feet of parkable street frontage.

Lander Code Audit Finding & Recommendations
The Lander Code Audit Project concluded with the following proposals recommendations. Specific proposed changes to code, include new recommended standards and updated language can be found in the Lander Code Audit Findings & Recommendations slides included the Appendix of this document.