



# Municipality of Anchorage

## Planning Department

### Memorandum



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**DATE:** June 4, 2026

**TO:** Mélisa R. K. Babb, Planning Director

**FROM:** Daniel Mckenna-Foster, Long Range Planning Manager

**SUBJECT:** Review of Missing Middle Housing Opportunity Overlay Proposal (MMHOP)

#### QUICK SUMMARY

- The Planning Department has not been working on the Transit-Supportive Development Overlay (TSDO) since it was placed on pause in October 2025.
- The Missing Middle Housing Opportunity Overlay proposal is substantially similar to version six of the Transit-Supportive Development Overlay (TSDO) proposed for PZC Cases 2025-0030 and 2025-0034. Differences are outlined below.
- Allowing more housing in key areas helps ensure efficient and equitable use of public infrastructure. The 2040 Land Use Plan states that *“Over time, compact development can create ridership demand to support more frequent bus service. It will give Anchorage’s households more choices in how to get to work and other destinations.”* Goal 4 of the 2040 Land Use Plan states *“Anchorage’s neighborhoods provide a range of places to live, meeting the housing needs of residents at all income levels, household sizes, interests, ages, abilities, and races and ethnicities.”* A land use and transportation goal of the 2020 Plan called for *“A balanced, diverse supply of affordable quality housing, located in safe and livable neighborhoods with amenities and infrastructure, that reflects Anchorage’s varied social, cultural and physical environment”* as well as *“A forward looking approach to community growth and redevelopment.”*
- Since TSDO was placed on hold in October 2025, the Planning Department has received feedback from community members both in opposition to zoning reforms and in support of reforms to allow potential housing projects that could have been completed under the overlay.

#### REVIEW OF MMHOP

The Missing Middle Housing Opportunity Overlay provided to the Department for review is substantially similar to the TSDO version six presented at the October 6, 2025 Planning and Zoning Commission meeting. Variations include:

Variation from TSDO	Planning Comment or Recommendation
1. A change to the purpose statement language of the overlay removing explicit density targets	No comment. Specific density target language has in the past been included to clarify intent only.
2. Adding language that requires new lots to follow AMC 21.08.030K.	This provision establishes minimum lot widths and lot sizes as provided in the subdivision chapter of Title 21 (21.08). This creates a minimum lot size of approximately 2,133sf.
3. Rewording of setback language	No comment. The setback standards remain the same in practice.
4. An exception for lower heights of 30' instead of 40' in overlaid areas of R-1.	Planning recommends building heights remain uniform and there be no special rules for certain underlaid areas, as this undermines the function and effectiveness of the overlay (discussed further below).
5. Allowing relocatable dwelling units and relocatable dwelling unit communities as permitted, rather than conditional uses.	Relocatable dwelling units on a foundation are currently allowed in all residential zones in the Bowl but relocatable dwelling unit communities are only allowed as an administrative site plan review use in R-2M, R-3, R-4, R-4A, and R-5.

**INCLUDING AN EXCEPTION FOR R-1 DISTRICTS**

While intended to be based in regulating objective risks to health, safety, and welfare, existing zoning in many instances across the Municipality (and across the United States) has actually been the result of policy choices unrelated to hazards or public safety. Despite significant changes and development of the Municipality overall, some parts of the original City of Anchorage have retained essentially the same zoning since the 1950s. The existence of any designation such as R-1 in one neighborhood does not necessarily that there is something intrinsic to that neighborhood or geographic area that means it ought to remain R-1 forever; and depending on buildable ground, access to goods, services, and the amount of public infrastructure nearby, another designation might be more appropriate in order to make the most of public resources. However, the category of R-1 zoning may still be an appropriate tool for other parts of the Bowl (for example on the periphery where there is limited infrastructure, or in areas with environmental hazards above a certain density) and for that reason any overlay tool is useful for addressing geographically specific needs in a more flexible way.

## **OVERLAYS AS A ZONING TOOL TO REALIGN DEVELOPMENT WITH INFRASTRUCTURE**

An Overlay is a set of land use regulations that supersedes or adds to the existing zoning of a specific geographic area. Overlays can be either more permissive or more restrictive. The existing Eagle River Overlay District, for example, allows buildings in parts of Downtown Eagle River zoned CE-RO to reach up to 4 stories within 66 feet, while generally CE-RO only allows building heights of 35 feet.

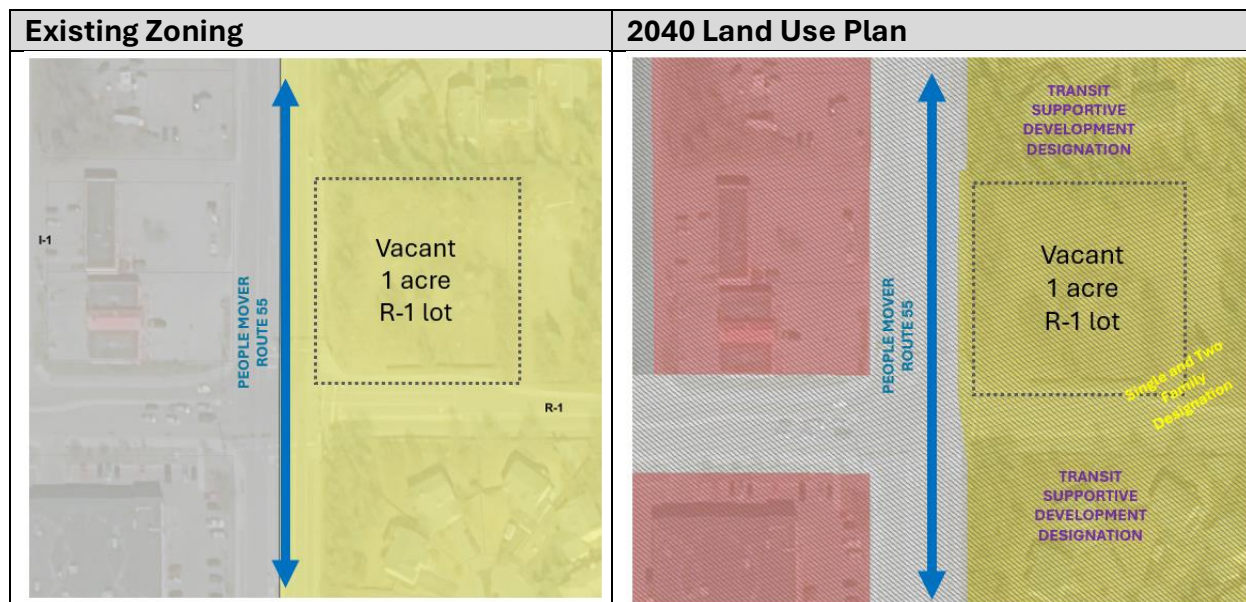
The proposed MMHOP overlay would cover a range of zones for which the existing dimensional standards for all uses are available in table [21.06-1](#) of AMC 21.06.

For example, the maximum lot coverage for an R-1 property is 40%. R-1 lots under the MMHOP overlay would be allowed maximum lot coverage of 70%. And, the minimum dimensional standards for an R-1 lot are 6,000 square feet with a 50' width. Under the MMHOP proposal, a property in R-1 property could be 2,133 square feet with a minimum lot width of 26.6 feet.

It should be noted, however, that any existing R-1 lots built at the minimum 50' width would be unable to subdivide because the new width would not meet the requirements of AMC 21.08.030K.

The Transit-Supportive Development land use designation in the 2040 Land Use Plan delineates the areas where it makes sense to allow more development in order to bolster transit and allow for more human-centered development over time. As mentioned above, some of these areas have been zoned R-1 since before the Municipality was a Municipality, and simply do not reflect the most current conditions or how things have changed in the past seventy years. The Planning Department has received numerous comments about how the 2040 Land Use Plan was the product of years of robust public conversations and thoughtful consideration of infrastructure planning and the needs of the community; the Transit Supportive Development corridors that became the basis for the AO 2025-35 Multifamily Tax Abatement, the Transit Supportive Development Overlay, and presumably the map for the Missing Middle Housing Opportunities Overlay are the product of that. In several areas across the Bowl, these overlay areas reveal the mismatch between existing zoning and the higher and better use enabled through expanded public infrastructure; allowing more people to locate on existing infrastructure reduces maintenance burdens and long term capital costs for the community.

For a current example, the images below show an existing vacant 1-acre parcel, currently zoned R-1, located along the Lake Otis bus line and near Abbott Loop town center. The future land use map of the 2040 Land Use Plan designates this entire area as "Transit Supportive Development," but only shows the vacant parcel as "Single Family and Two Family" for the underlying future land use designation. Without additional changes to the plan or zoning, this lot could currently only upzone to R-1A, R-2A, or R-2D, even when allowing the zoning to facilitate more housing would be a more efficient use of public infrastructure in the area.



Under a TSDO, MMHOP, or similar reform, this type of lot could redevelop in line with current conditions without having to go through an extensive and expensive process to redesignate the land use plan map to another designation similar to what the Transit Supportive Development feature already assumes.

### FEEDBACK ON THE NEED FOR SLIGHTLY TALLER HEIGHT LIMITS IN ANCHORAGE

The dimensional standards developed for version 6 of the Transit Supportive Development Overlay were the result of many months of public outreach and compromises between comments received and the minimum viable product for the type of development Anchorage is likely to see in the coming years. Modern practices and feedback from local builders has shown that it is difficult to build a modern three-story multifamily building under 35' due to changes in interstitial space requirements, building materials, construction techniques, and market preferences.

While market conditions and development costs mean that the proliferation of buildings over five stories remains unlikely in Anchorage, the Planning Department has observed that buildings heights below 50 feet are a consistent obstacle for new development—most recently with PZC Case 2025-0121 (and AO 2026-17), in which Cook Inlet Housing was attempting to build a three story building that came in slightly above the 35' maximum in R-3; PZC Case 2025-0011, in which the applicant was required to go through a site plan review for a three story building for a private home; and the Assembly amendments to AO 2025-33, which affirmed a policy direction to move away from special regulations applying to half stories or very specific limitations on height.

The Department also heard concerns about heights being too limited during the R-4A project from 2021-2022, including from Cook Inlet Housing Authority:

*“While the MOA is evaluating these code changes, we also suggest the height limit in the B-3 district be updated to at least 50 feet for residential uses. This height change would help support the construction of 4-story residential mixed-use buildings, which are cost effective but difficult to build within the current height limitations.”* (See comment from November 24, 2021 in PZC Case 2021-0127)

And also from Debenham LLC:

*“This is great that R-4A has a ‘by right’ height of 90ft. I recommend changing the R-4 district so that it too has a ‘by right’ height of 90ft.”* (See comment from October 28, 2021 in PZC Case 2021-0127)

Though both commenters made recommendations for different zones, the shared need for additional height flexibility was apparent. This is understandable as building technology has changed over the years, new construction often needs more feet in each story for HVAC systems, structural needs, and more desirable living spaces.

## COMPARISON OF TSDO VERSIONS AND MMHOP

The table below shows changes by category to different versions of Case No. 2025-0030, including the most recent changes made following a final round of public comment.

Thematic Area	Original Posted TSDO Version for 2025-0030	October 6, 2025 PZC Meeting TSDO Version of 2025-0030	TSDO Version 6 of 2025-0030 at the October 6, 2025 PZC Meeting	MMHOP (June 2026)
<b>Mapped Area Where the Overlay Applies</b>	<ul style="list-style-type: none"> <li>○ Proposed to align with the map adopted with AO 2025-35 (Multifamily Tax Incentive Bonus Area)</li> </ul>	<ul style="list-style-type: none"> <li>• Simplified to the original 2040 Land Use Plan Transit Supportive Corridors north of International Airport Road, plus ¼ mile off of Muldoon and Tudor.</li> <li>• Downtown Anchorage removed due to a previous recommendation by the Planning and Zoning Commission. Commenters stated that Downtown recently underwent a code change and thus already has more flexible zoning.</li> </ul>	<ul style="list-style-type: none"> <li>• Return to the boundaries of the map adopted with AO 2025-35 (Multifamily Tax Incentive Bonus Area)</li> </ul>	<ul style="list-style-type: none"> <li>• Assumed to be the same as version 6.</li> </ul>
<b>Purpose Statement</b>	<ul style="list-style-type: none"> <li>○ Called for 35 dwelling units per acre or more</li> </ul>	<ul style="list-style-type: none"> <li>• Called for 35 dwelling units per acre or more</li> </ul>	<ul style="list-style-type: none"> <li>• Called for 35 dwelling units per acre or more</li> </ul>	<ul style="list-style-type: none"> <li>• Does not outline specific density targets</li> </ul>
<b>Design Standards</b>	<ul style="list-style-type: none"> <li>○ TSDO explicitly exempted from multifamily design standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Reference to design standards exemption partially removed.</li> </ul>	<ul style="list-style-type: none"> <li>• Reference to design standards exemption completely removed. (Correction from version 5).</li> </ul>	<ul style="list-style-type: none"> <li>• Exempt from open space.</li> </ul>

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<b>Driveways</b>	<ul style="list-style-type: none"> <li>○ No changes</li> </ul>	<ul style="list-style-type: none"> <li>● Driveways limited to 20' for plowing ease and better walkability.</li> <li>● The most recent version allows a new provision for exceptions in case of fire safety needs.</li> </ul>	<ul style="list-style-type: none"> <li>● No change</li> </ul>	<ul style="list-style-type: none"> <li>● No change</li> </ul>
<b>Height</b>	<ul style="list-style-type: none"> <li>○ 75 feet throughout the overlay</li> </ul>	<ul style="list-style-type: none"> <li>● 40 feet throughout the overlay.</li> </ul>	<ul style="list-style-type: none"> <li>● No change—40 feet throughout the overlay.</li> </ul>	<ul style="list-style-type: none"> <li>● 40 feet unless the underlying zone is R-1.</li> </ul>
<b>Lot Coverage</b>	<ul style="list-style-type: none"> <li>○ 100% lot coverage allowed</li> </ul>	<ul style="list-style-type: none"> <li>● 80% lot coverage allowed.</li> </ul>	<ul style="list-style-type: none"> <li>● Decrease to 70% lot coverage</li> </ul>	<ul style="list-style-type: none"> <li>● 70% lot coverage</li> </ul>
<b>Lot Size</b>	<ul style="list-style-type: none"> <li>○ 1,400 square feet</li> </ul>	<ul style="list-style-type: none"> <li>● No minimum lot size requirement</li> </ul>	<ul style="list-style-type: none"> <li>● No change. The text stated that “Subdivisions in the TSDO are not subject to 21.08.030K Lot Dimensions.</li> </ul>	<ul style="list-style-type: none"> <li>● MMHOP requires that lots meet 21.08.030K</li> </ul>
<b>Lot Width</b>	<ul style="list-style-type: none"> <li>○ No requirement</li> </ul>	<ul style="list-style-type: none"> <li>● No requirement</li> </ul>	<ul style="list-style-type: none"> <li>● No requirement</li> </ul>	<ul style="list-style-type: none"> <li>● As required by 21.08.030.K</li> </ul>
<b>Uses, including mixed uses (Non-residential uses in residential zones)</b>	<ul style="list-style-type: none"> <li>○ Required at least one dwelling unit per lot</li> <li>○ Limited to 2,000 square feet per lot. Community uses exempt from this restriction.</li> </ul>	<ul style="list-style-type: none"> <li>● This version focuses on expanding residential uses and does not add additional non-residential uses.</li> </ul>	<ul style="list-style-type: none"> <li>● No change</li> </ul>	<ul style="list-style-type: none"> <li>● Does not add non-residential uses</li> <li>● Adds relocatable dwelling unit communities as a permitted use in the MMHOP</li> </ul>

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	<ul style="list-style-type: none"> <li>○ Based on those uses allowed in R-4A.</li> </ul>			
<b>Multiple AOs</b>	<ul style="list-style-type: none"> <li>○ Proposed as a single ordinance that covered all dimensional standards and uses.</li> </ul>	<ul style="list-style-type: none"> <li>● This version focuses on an initial ordinance that will create the overlay and establish new dimensional standards and expand options for residential uses. Sponsors may bring a subsequent ordinance forward later to address non-residential uses within the overlay.</li> </ul>	<ul style="list-style-type: none"> <li>● No change</li> </ul>	<ul style="list-style-type: none"> <li>● MMHOP is a single ordinance</li> </ul>
<b>Natural Protections</b>	<ul style="list-style-type: none"> <li>○ No change to natural protections regulations.</li> </ul>	<ul style="list-style-type: none"> <li>● No change to natural protections regulations.</li> </ul>	<ul style="list-style-type: none"> <li>● No change</li> </ul>	<ul style="list-style-type: none"> <li>● Natural Resource Protections in AMC 21.07.020 supersede in case of any conflicts with MMHOP</li> </ul>
<b>Overlay being more restrictive or less restrictive than existing zones</b>	<ul style="list-style-type: none"> <li>○ The overlay was generally permissive and did not establish new restrictions where uses had previously been allowed.</li> </ul>	<ul style="list-style-type: none"> <li>● The overlay is generally more permissive except for a new restriction on driveway width.</li> <li>● The new drive-through service restriction has been removed as the new version does not allow new non-residential uses in the TSDO.</li> </ul>	<ul style="list-style-type: none"> <li>● No change</li> </ul>	<ul style="list-style-type: none"> <li>● Most permissive governs, except that driveways limited to 20’.</li> </ul>

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	<ul style="list-style-type: none"> <li>○ The overlay restricted drive-through service.</li> </ul>			
<b>Purpose Statement</b>	<ul style="list-style-type: none"> <li>○ New Language</li> </ul>	<ul style="list-style-type: none"> <li>• No Changes</li> </ul>	<ul style="list-style-type: none"> <li>• Highlight that the intent of the TSDO is allow 36 dwelling units per acre or more in order to reach viable levels of transit. This aligns purpose statement language with the language in the comprehensive plan update AO (PZC Case 2025-0034).</li> </ul>	<ul style="list-style-type: none"> <li>• Specific language of density targets removed from the purpose statement.</li> </ul>
<b>Residential Design Standards</b>	<ul style="list-style-type: none"> <li>○ Exempted</li> </ul>	<ul style="list-style-type: none"> <li>• No longer exempted</li> </ul>	<ul style="list-style-type: none"> <li>• No change (not exempted)</li> </ul>	<ul style="list-style-type: none"> <li>• No change (not exempted)</li> </ul>
<b>Setbacks</b>	<ul style="list-style-type: none"> <li>○ Unrestricted</li> </ul>	<ul style="list-style-type: none"> <li>• Setback requirements that reappeared in versions 2 or 3 were removed in favor of more flexibility and deference to other existing regulations (such as building code). This was also a point of discussion by the Planning and Zoning Commission at their September meeting.</li> </ul>	<ul style="list-style-type: none"> <li>• Side and rear setbacks accommodate common walls but are set to minimum 5’ and 10’ feet respectively as a response to feedback from builders and community councils. No</li> </ul>	<ul style="list-style-type: none"> <li>• Wording changed to “5, or N/A on common lot line” for side setbacks and “10, or N/A on common lot line or an alley” for rear setbacks.</li> </ul>

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			rear setback along alleys.	

**ONGOING INTEREST IN DEVELOPMENT IN GEOGRAPHIC AREAS NEAR GOODS AND SERVICES**

At the October 6, 2025 Planning and Zoning Commission meeting, the Department noted that staff had heard of at least 6 known planned projects that would yield over 100 units overall that would have benefited from the original TSDO boundaries but were either excluded by subsequent map area coverage reductions, or could have been built if the reforms were adopted. Since that time, the Department has received additional comments, questions, and pre-application meetings for projects which would have benefited from the original TSDO legislation. The table below lists both the proposals which the Department noted at the October 6, 2025 PZC meeting and during normal operations since:

Project description	Obstacle to housing or missed opportunity	How would TSDO or similar reforms have affected the project?
1. 36 unit plan in south central Anchorage, 2 plex buildings. <i>"We already have preliminary designs completed and the funding approved. We are just waiting on the TSDO map to be approved to submit to the muni. This project is a full go if the TSDO and map include the property."</i>	Zoning designation restricted the number of units.	TSDO or similar reforms would have allowed the density and lot size allowances needed for the project.
2. 24 unit concept in south central Anchorage. <i>"We</i>	R-2M lot size requirements restrict lot size as	TSDO or similar reforms would have allowed the same number of units on the existing lot, allowing

Project description	Obstacle to housing or missed opportunity	How would TSDO or similar reforms have affected the project?
<p><i>are having to leave a lot empty, just to meet the R-2M density requirements. We are hoping that the new AO would allow us to build on the vacant lot."</i></p>	<p>units get added. This results in R-2M generally getting closer to 20 dwelling units per acre than the target of 30 outlined in the purpose statement of 21.04.020F.</p>	<p>the other lot to be developed separately if needed. Partially resolved by PZC Case S12881.</p>
<p>3. 18 unit plan in south central Anchorage. <i>"The property is zoned R-1, which only allows single family and two family homes. This lot is on two main roads and multifamily would be a much better fit. We would like to build three 6 plex buildings on the property. Having the TSDO approved here would save us having to work through a very difficult rezone process. Rezones take over a year to complete and have a risk of not being approved even after a very expensive process."</i></p>	<p>R-1 zoning does not allow smaller lots or higher density along this transportation corridor.</p>	<p>TSDO or similar reforms would have allowed the density and lot size allowances needed for the project. Developing this lot otherwise would require a 2040 LUP amendment and rezone.</p>
<p>4. Project in Spenard: <i>"...the owner would like to subdivide into smaller duplex lots if the AO passes and includes the Spenard area."</i></p>	<p>Zoning does not allow subdivision into smaller lots.</p>	<p>TSDO or similar reforms would have allowed for smaller lot sizes.</p>

Project description	Obstacle to housing or missed opportunity	How would TSDO or similar reforms have affected the project?
5. 24 unit project in Spenard immediately outside of the new TSDO boundary	Zoning does not allow for this many units, and an easement on the site constrains development area.	TSDO or similar reforms would have allowed for more units on the site and removed obstacles related to lot coverage.
6. New senior housing project	Special limitations zoning limited building height.	TSDO or similar reforms would have allowed the needing building height by right and prevented the need for a rezone process and land use plan change. Alternative path via by PZC Case 2025-0121, Adopted by AO 2026-17.
7. Rezone near Abbott Loop	Limits of R-5 zoning	Alternate path via PZC 2025-0145 R-5 to R3
8. Rezone near Abbott Loop	Limits of R-5 zoning	Alternate path via PZC Case 2025-0147 rezoning nine lots from R-5 to R-3.
9. Vicinity of 80 <sup>th</sup> avenue	R-2M zoning has specific setback standards for certain building lengths.	TSDO or similar reforms would have removed the special setback requirements.
10. Project near Northern Lights and Turnagain Boulevard	No stated obstacle, but developer has mentioned that the fewer potential obstacles in zoning the more likely the project will be completed on time.	This project would have been in the TSDO mapped area.
11. Deteriorated property off of 26th Avenue	<ul style="list-style-type: none"> <li>• 6,986 SF lot zoned R-2M, which has higher lot size requirements for more units.</li> <li>• Deteriorated 8plex property</li> </ul>	TSDO or similar reforms would have allowed the reconstruction of the existing 8plex without a non-conforming determination. One of MOA’s institutional partners was looking at obtaining the parcel with federal funding and did not have time to complete a non-

Project description	Obstacle to housing or missed opportunity	How would TSDO or similar reforms have affected the project?
	with fire damage. <ul style="list-style-type: none"> <li>• Lot would have required verification of non-conforming rights status (indeterminate outcome).</li> </ul>	conforming determination, so they passed on the opportunity.
12. Subdivision off of 68 <sup>th</sup> avenue #1 (Pre-application meeting)	R-1 zoning limits existing lot size and development potential.	TSDO or similar reforms would have allowed for smaller lot sizes by right.
13. Subdivision off of 68 <sup>th</sup> avenue #2 (Pre-application meeting)	R-1 zoning limits existing lot size and development potential.	TSDO or similar reforms would have allowed for smaller lot sizes by right.
14. Lot off of 32 <sup>nd</sup> and Muldoon	75' x 135' lot could potentially be split for multiple ownership opportunities. AWWU limitations also apply.	TSDO or similar reforms would have allowed for smaller lot sizes by right. This issue may be resolved through reforms to the unit-lot subdivision process.
15. New housing project off of 56 <sup>th</sup>	No stated obstacle	This project would have been in the TSDO mapped area.
16. Scooter avenue project (pre-application meeting)	Zoned B-3, so very flexible. But proposed for automobile-centered use.	TSDO or similar reforms could have limited uses or encouraged more housing uses.
17. Duplex project off of Hacienda Drive	Lot size minimums in R-5 limit duplex construction to lots of 13,000 SF or larger.	Alternate path via PZC Case 2026-0077 rezoning to R-2D.
18. Large institutional property off of Bragaw	Limits of PLI zoning	TSDO or similar reforms would have allowed for a wider range of zoning options by right.

Project description	Obstacle to housing or missed opportunity	How would TSDO or similar reforms have affected the project?
19. Grumman—built only as a duplex	No stated obstacle, but these lots were subdivided down to the previous minimum for 4plexes in R-2M.	TSDO or similar reforms would have allowed for smaller lot sizes for more housing in R-2M.
20. St Mary’s Church along Tudor	The existing zoning and 2040 Land Use Plan designations precluded desired housing development	TSDO or similar reforms would have allowed for the housing project to proceed without a rezone and 2040 LUP redesignation undertaken by the MOA.
21. Abbott Loop rezone	Limits of R-5 zoning.	Alternate path via PZC Case 2026-0085 and 2026-0086 rezoning from R-5 to B-3.

**RECOMMENDATION**

Long Range Planning recommends the following:

1. Remove the special dispensation for lower heights in R-1 sections of the overlay. There are some parts of the Anchorage Bowl where zoning limits equitable access to infrastructure, goods, services, and amenities.
2. Ensure the MMHOP proposal is in line with the goals of the Comprehensive Plan, and any Plan amendments necessary be considered for amendments (Refer to PC Case 2025-0034).
3. As an alternative to an overlay, consider changing language in the 2040 LUP to allow R-2M, R-3, R-4, or R-4A as implementing zones within the Transit Supportive Development designation in the 2040 LUP.