<u>P22-025-ZTA: CZD REZONING REQUIRED</u> <u>CITY OF HENDERSONVILLE - COMMUNITY DEVELOPMENT STAFF REPORT</u>

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- Conditional Zoning Rezoning Required
- o P22-025-ZTA
- Applicant & Property Owner:
 - City Initiated Text Amendment
- Articles Amended:
 - Article IV: Establishment of Districts
 - Section 4-5: Classification of Uses
 - o Article V:
 - Sections: 5-1-4; 5-2-4; 5-3-4; 5-4-4; 5-5-4; 5-6-5; 5-7-4; 5-8-4; 5-9-5; 5-10-4; 5-12-4; 5-13-5; 5-19-4; 5-22-5; 5-23-6 & 5-27-5.
- Applicable Zoning District(s):
 - This would apply to all the districts, subject to exemptions established within Article V
 - If adopted, this amendment would leave the only exemption within Article V as certain uses within the Industrial (I-1) zoning district.



Summary of Amendment Petition:

Following a recent development project within the City of Hendersonville's Greenville Highway Mixed Use District (GHMU), staff were directed to investigate a zoning text amendment that would require Conditional Rezoning for development or redevelopment of 50,000 square feet or greater that would apply to all zoning districts classifications.

It appears this could best be accomplished with an amendment to <u>Article 4: Sec. 4-5</u> to establish a development and redevelopment threshold, alongside individual clarifying amendments to the "mirror Conditional Zoning Districts" within Article V: Zoning District Classifications.

The requirement to rezone once a project reaches a certain threshold is applicable, in practice, only to R-40, R-20, R-15, R-10, R-6, C-1, C-2, C-3, C-4, MIC, I-1, RCT, CMU, GHMU, HMU, CHMU, each has a mirror "CZD" district.

An overview of the impacts of the proposed amendment to each of these districts is provided below in the amendment overview.

The following base zoning districts have a corresponding conditional zoning district. The following is an overview which outlines what conditional zoning requirements are currently in place and how those will be impacted by the proposed Zoning Text Amendment.

50,000 Requirement Existing (Commercial & Mixed Use):

The first group are commercial & mixed-use districts with an existing conditional rezoning requirement for development over 50,000 square feet. These zoning districts would see no change to the square footage trigger for conditional rezoning. However, also included within this text amendment is a greater than 50 dwelling unit trigger, this would impact C-1, C-2, C-3, MIC, I-1 & CHMU.

It is possible that a development of 51 units without this conditional rezoning requirement would fall under the 50,000 square trigger, but it would require units to average less than 980 square feet, including any common building facilities.

C-I Central Business	C-2 Secondary Business	C-3 Highway Business	MIC Medical,
Permits single, two and	Permits single, two and	Permits single & two	Institutional, Cultural
multifamily residential	multifamily residential	family residential	Permits single & two
	-		family residential
I-I Industrial*	CMU Central Mixed Use	CHMU Commercial	
Permits "Residential	Permits single, two and	Highway Mixed Use	
Dwellings"	multifamily residential	Permits single, two and	
	Includes existing 50	multifamily residential	
	dwelling unit cap		

I-I Industrial includes by-right uses which are exempted from the 50,000 square feet trigger for the conditional rezoning process and this exemption will remain in place under this current language. I-I is the only district above with any exemptions for the 50,000 square foot trigger.

50,000 Requirement Non-Existent (Commercial & Mixed Use):

The second group are commercial & mixed-use districts with no existing conditional rezoning requirement or one that differs in some way from the proposed zoning text amendment.

C-4 Neighborhood Commercial	Currently requires a Conditional Rezoning for projects which exceed 10,000 sq.ft.	10,000 sq.ft. trigger would remain without additional amendments. Significantly lower threshold than any other zoning district in code.	Lower max threshold currently in place
RCT Residential Commercial Transition	Currently has a 5,000 sq.ft. maximum commercial building footprint	Max footprint would remain; 50,000 sq.ft. & 51 dwelling units would be additional thresholds.	No max threshold currently in place
HMU Highway Mixed Use	Currently has a 40,000 square foot max building footprint in place, but no trigger for total development.	Max footprint would remain; 50,000 sq.ft. & 51 dwelling units would be additional thresholds.	No max threshold currently in place
GHMU Greenville Highway Mixed Use	Currently has a 12,000 max footprint in place, but no trigger for total development.	Max footprint would remain; 50,000 sq.ft. & 51 dwelling units would be additional thresholds.	No max threshold currently in place

50,000 Requirement Non-Existent (Residential):

The third group are residential zoning districts, none of which have a max threshold in place currently. A unique component of the City's residential zoning districts is the "Planned Residential" density and design incentive. Found within the form of our Major and Minor PRDs (Planned Residential Developments), these incentives typically drive residential development towards one or the other. Minor PRD is an administrative process and applies to development 50 or fewer dwelling units, whereas a Major PRD is a conditional rezoning triggered by more than 50 dwelling units.

Minor PRD's may be located in any of the following zoning districts: R-40, R-20, R-15, R-10, R-6, MIC (doesn't permit multi-family), RCT, C-2, C-3 (doesn't permit multi-family) & I-1 (which uses different language than all our other districts in terms of residential). Additional density bonuses are permitted under a Major PRD which requires a conditional rezoning.

District	Minor PRD Density	By-Right District Density
R-40	I.0 Unit/Acre	I.I Units/Acre
R-20	2.5 Units/Acre	2.2 Units/Acre
R-15	3.75 Units/Acre	2.9 Units/Acre
R-10	5.5 Units/Acre	4.3 Units/Acre
R-6	8.5 Units/Acre	7.3 Units/Acre
MIC*	5.5 Units/Acre	7.3 Units/Acre
RCT	5.5 Units/Acre	5.4 Units/Acre
C-2**	8.5 Units/Acre	10.4 Units/Acre (Multi-Family); 7.26 (Single Family); 8.7 (Two Family)
C-3	8.5 Units/Acre	7.26 (Single Family); 8.7 (Two Family)doesn't permit multi-family
1-1	8.5 Units/Acre	I.I Units/Acre

^{*}MIC appears to have some incongruencies because of the removal of multi-family as a by-right use in the past.

There are additional design standards which allow flexibility in layout to a developer gained by pursuing a minor PRD. These would be in addition to the density bonuses laid out above.

We point out all of the above simply to note that the likelihood of residential development not using the Planned Residential path in existing residential zoning districts is limited. However, if a large-scale residential development (greater than 50 units) met the zoning standard for R-40, R-20, R-15, R-10 or R-6 there is no max threshold, under the current code, that would require rezoning to a conditional zoning district. The amendment as currently written would establish that greater than 50 units would require a conditional rezoning.

^{**}C-2 also has some incongruencies, without further research we can't say how these came about.

COMPREHENSIVE PLAN CONSISTENCY Strategy LU-3.5 Minimize Negative impacts from growth and land use changes on existing land uses. Some zoning map changes and other development applications may create short-term compatibilities with existing neighborhoods, even if they are consistent with the Future Land Use Plan. It is critical that City officials consider the full range of impacts of all development applications. In addition to conformance with the Future Land Use Plan. Action LU-3.5.1 Consider a full range of short and long term impacts when reviewing zone change applications and other proposals that introduce land use changes. When reviewing zone change applications, the City should consider whether applications demonstrate a clear public purpose. Action LU 3.5.2 Adopt zoning amendment review standards that formalize the considerations of Action LU-3.5.1

Action LU-3.6.1 Conduct a comprehensive review of the Zoning Code and Map to identify and prioritize necessary changes, including but not limited to: New districts, Amendments to existing, districts, Amendments to review procedures and general provisions.

The petition is found to be [consistent] with the City of Hendersonville 2030 Comprehensive Plan based on the information from the staff analysis and the public hearing, and because:

The 2030 Comprehensive Plan Land Use and Development Chapter calls for the City to consider short- and long-term impacts on compatibility with existing development and further recommends the adjustment of review procedures to accomplish this goal as needed.

We [find] this petition to be reasonable and in the public interest based on the information from the staff analysis and the public hearing, and because:

DRAFT [Rationale for Approval]

- The petition addresses an incongruency in our existing zoning ordinance regarding the standard review process required of projects of a particular size.
- The text amendment will permit the community to address potential short-term incompatibilities caused by new development, particularly infill development.

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DRAFT [Rational for Denial]

- The text amendment includes additional regulatory thresholds which will negatively impact the ability of the market to address on-going housing needs.
- The text amendment is not targeted to individual zoning districts, marking changes that are too broadly impactful.