

ZONING TEXT AMENDMENT:
C-4 UPZONING UPDATES (25-55-ZTA)
CITY OF HENDERSONVILLE - COMMUNITY DEVELOPMENT
STAFF REPORT

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PROJECT SUMMARY



- Project Name & Case #:
 - C-4 Upzoning Updates
 - 25-76-ZTA
- Applicant:
 - City of Hendersonville
- Articles Amended:
 - Zoning Ordinance
 - Article V
 - Section 5-9
 - Article XVI
- Zoning Districts Impacted:
 - C-4, Neighborhood Commercial
- Relevant Future Land Use Designations:
 - Neighborhood Center

Summary

The City of Hendersonville has initiated a zoning text amendment to modify the uses and the dimensional standards of the C-4, Neighborhood Commercial Zoning District. The proposed updates to this zoning district are precipitated by changes to state law, specifically the ‘downzoning’ law which went into effect late last year. This law eliminated the City’s authority to rezone property at its discretion. It requires property owner consent for any rezoning that would be deemed a “downzoning” according to the definition provided in the law.

While it may seem logical that rezoning from residential to neighborhood commercial would be an ‘upzoning’, according to the State’s definition it is not. Therefore, to ensure that rezoning from residential to neighborhood commercial is an upzoning, all uses allowed under the City’s residential zoning districts must also be allowed in C-4. Similarly, the dimensional standards may not be more restrictive in C-4 than in a residential district in order to avoid a downzoning.

Staff is proposing to add 4 new permitted uses and 4 new special uses to C-4. Additionally, staff proposes to move 4 permitted uses to special uses and add minor setback Supplementary Standards for these uses. Dimensional standards are also proposed to be reduced to align with R-6.

AMENDMENT OVERVIEW - AMMENDMENT ANALYSIS

The proposed changes to C-4 can be categorized in three ways.

1) Addition of any/all Permitted Use and Special Uses that are currently allowed in each of the City's Residential Zoning Districts to the list of Permitted Uses and Special Uses allowed under C-4, Neighborhood Commercial Zoning District.

There are a total 4 new permitted uses proposed to be added (Agriculture, Camps, Childcare Homes, & Neighborhood Community Centers). These are the only 4 permitted uses found in the City's Residential Zoning Districts (R-40, R-20, R-15, R-10, & R-6) that are not currently allowed in C-4.

Similarly, the text amendment proposes to add 4 new Special Uses that are currently allowed in residential zoning districts but not in C-4.

As you may note, some of these proposed uses seem more logical than others to include in the C-4 Zoning District. It is important to keep in mind that the intent of this amendment is to ensure upzonings are achieved based on the letter of the law; as opposed to a typical analysis of permitted land uses and how they relate to zoning district regulations.

It is also really important to note that 5 new permitted uses were added to C-4 in May of 2025, after the 'downzoning' law was passed. Those new uses were two-family, three-family, four-family, and small-scale multi-family residential. This brings the total number of new permitted uses to 9 in C-4 and thus further removes any doubt of a downzoning.

2) Reductions in setbacks and minimum lot size.

Another requirement of a downzoning is that minimum dimensional requirements cannot be more stringent under the new zoning district than they were under the previous zoning district. As such, staff is proposing to adjust the setbacks to match those of R-6, the City's least restrictive residential zoning district.

3) Make adjustments to ensure compatibility.

One concern staff heard was that with the reduction in setbacks, neighboring residential uses could be negatively impacted by some commercial activity. As such, staff identified those uses that were most likely to strain compatibility with residential uses and is proposing to recategorize 4 currently Permitted Uses, making them Special Uses. As a Special Use, the proposed use would have to go before the Board of Adjustment to illustrate they are compliant with Supplementary Standards found in Article XVI. The supplementary standards that staff offers for these 4 uses are that they would be required to add 10' to side and rear setbacks when the use is located within 100' of a residential area. These additional setback requirements would match the current setback requirements and those would not be a downzoning for those uses.

COMMITTEE RECOMMENDATION

The proposed amendment was reviewed by the Legislative / Long-Range Planning Committee on October 29th. During the 1+ hour long discussion, the committee was given a significant amount of background on the rationale for the proposed changes as it relates to the ‘downzoning’ law, the idea that residential to commercial should be an ‘upzoning’, and why addressing C-4 is important to the City’s vision and avoiding ‘spot zoning’ concerns. The committee provided excellent feedback that resulted in a modified proposal that balances the City’s need to make adjustments due to the changes in state law while also protecting residential land uses and protecting existing C-4 property owners.

PROPOSED TEXT REVISIONS

The following revisions to the zoning code are presented for your consideration. The following language in ~~red~~ will be removed and language in green will be added to the current zoning district language, shown in black, as illustrated below. Adjustments to the numbering in Article XVI is not included but is available in the draft ordinance. Additionally, to get additional information on the Supplementary Standards required for each of the Special Uses, please refer to the text provided in the draft ordinance:

ZONING ORDINANCE

ARTICLE V. ZONING DISTRICT CLASSIFICATIONS

Section 5-9 C-4, Neighborhood Commercial Zoning District

5-9-1. Permitted uses.

The following uses are permitted by right in the C-4 Neighborhood Commercial Zoning District Classification, provided they meet all requirements of this Section and all other requirements established in this appendix:

Accessory dwelling units subject to supplementary standards contained in section 16-4, below

Accessory uses and structures

Agriculture
Camps
Childcare Homes

3 of 4 new “Permitted Uses”
added from Residential Districts

Dry cleaning and laundry establishment containing less than 2,000 square feet of floor area

Garage apartments

Home occupations

4 of 4 new “Permitted Uses”
added from Residential Districts

Neighborhood Community Centers

Parks

Planned residential developments (minor), subject to the requirements of article VII, below

Residential dwellings, single-family

Residential dwellings, two-family

Residential dwellings, three-family

Residential dwellings, four-family

Residential dwellings, small-scale multi-family subject to supplementary standards contained in section 16-4, below

5 new "Permitted Uses" added in May 2025

Signs, subject to the provisions of article XIII

Telecommunications antennas, subject to supplementary standards contained in section 16-4, below

The following uses are permitted by right in the C-4 Neighborhood Commercial Zoning District Classification, provided they meet all requirements of this Section and all other requirements established in this appendix and have no more than 10,000 gross square feet of floor area, including all proposed phases of development or redevelopment. Expansions of any of the following uses which, when added to the gross floor area of the existing use, bring the total gross square footage of floor area for all existing and planned phases to more than 10,000 square feet are prohibited.

Adult care centers registered with the NC Department of Health and Human Services (DHSS)

~~Automobile car washes so long as no attendants are employed on the premises~~

Banks and other financial institutions

Business services

~~Convenience stores with or without gasoline sales~~

Dance and fitness facilities

~~Laundries, coin-operated~~

Music and art studios

Offices, business, professional and public

Personal services

Religious institutions

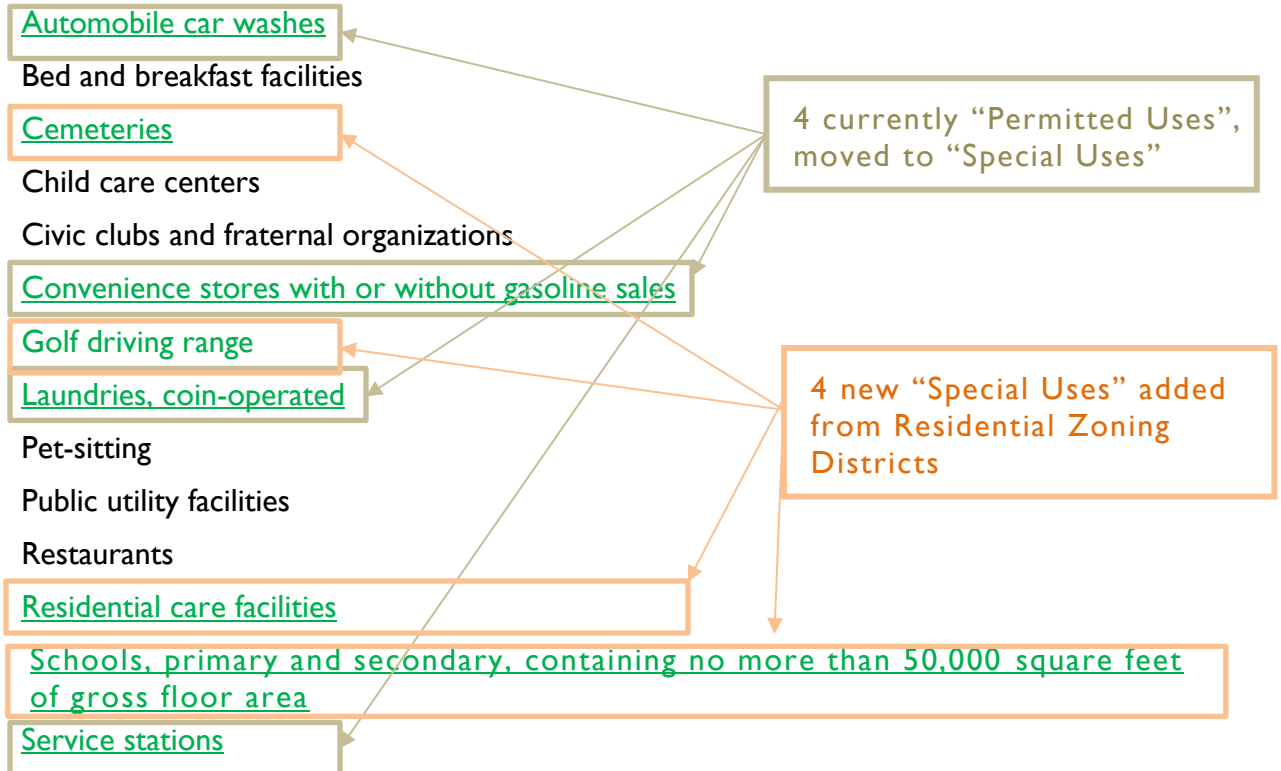
Retail stores customarily serving neighborhoods and designed to serve a neighborhood

~~Service stations~~

4 currently "Permitted Uses", moved to "Special Uses"

5-9-2. Special uses.

The following uses shall be permitted in the C-4 Neighborhood Commercial Zoning District Classification only upon issuance of a Special Use pursuant to article X and shall be subject to special use requirements contained in section 16-4, below:



5-9-3. Dimensional requirements.

Minimum lot area in square feet:	8,000 6,000
Lot area per dwelling unit in square feet:	N/A
Minimum lot width at building line in feet:	None
Minimum yard requirements in feet:	Front: +0 8 <u>Any portion of a building envelope featuring a front-facing garage shall be setback a minimum of 25 feet</u>
	Side: +5 5
	Rear: -20 10
Accessory structures	Front: Located to side or rear of principal structure.
	Side: 5
	Rear: 5
Maximum Height in feet	35

ARTICLE XVI. SUPPLEMENTARY STANDARDS FOR CERTAIN USES

Sec. 16-4. Standards.

16-4-5 Automobile car washes

- a) If located adjacent to a single-family or two-family residential use, setbacks along adjacent side and/or rear property lines will be increased by an additional 10'
- b) No attendants shall be employed on the premises

16-4-12 Convenience stores with or without gasoline sales

- c) If located adjacent to a single-family or two-family residential use, setbacks along adjacent side and/or rear property lines will be increased by an additional 10'

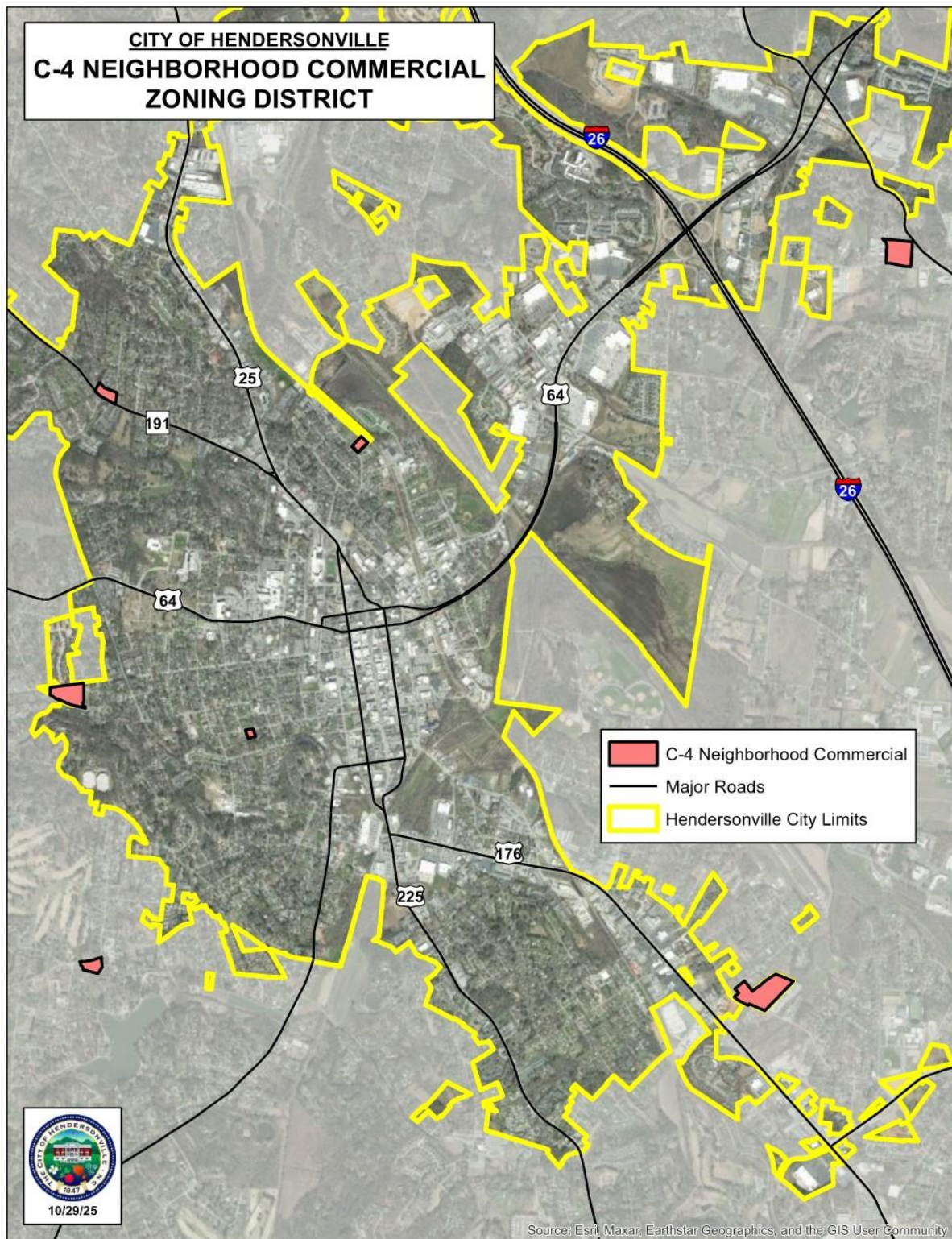
16-4-17 Laundries, coin-operated

- d) If located adjacent to a single-family or two-family residential use, setbacks along adjacent side and/or rear property lines will be increased by an additional 10'

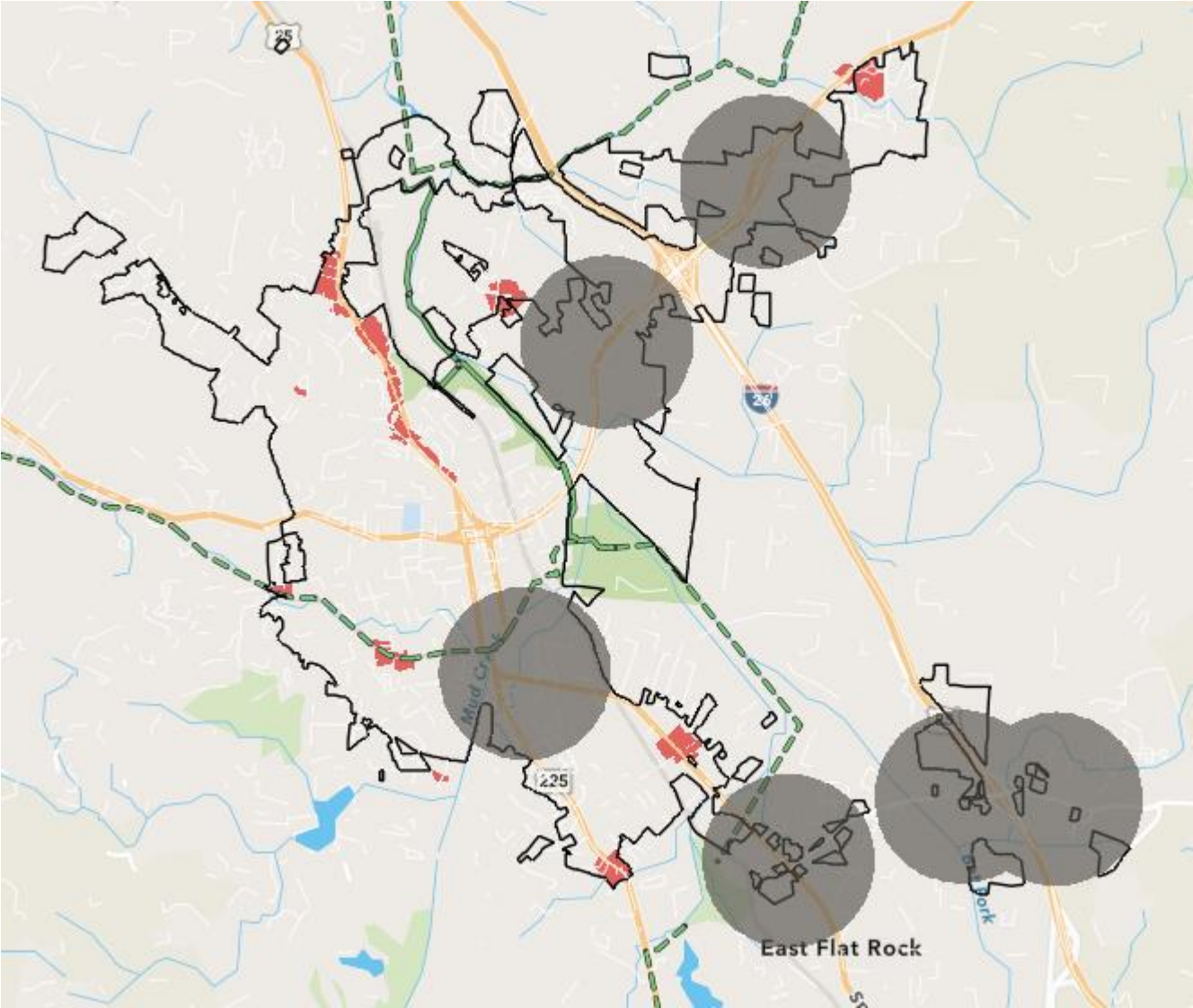
16-4-31 Service Stations

- e) If located adjacent to a single-family or two-family residential use, setbacks along adjacent side and/or rear property lines will be increased by an additional 10'

ZONING MAP – C-4 ZONING DISTRICTS



GEN H COMPREHENSIVE PLAN – NEIGHBORHOOD CENTER CHARACTER AREA



Future Land Use Character Areas

Focused Intensity Nodes

Hendersonville City Limits

Neighborhood Center



GENERAL REZONING STANDARDS: COMPREHENSIVE PLAN CONSISTENCY	
1) COMPREHENSIVE PLAN CONSISTENCY	LAND SUPPLY, SUITABILITY & INTENSITY Supply: N/A Suitability: N/A Intensity: N/A
	FUTURE LAND USE & CONSERVATION MAP Character Area Designations: Neighborhood Center Character Area Descriptions: Consistent Zoning Crosswalk: Consistent Focus Area: N/A
2) COMPATIBILITY	<i>Whether and the extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject property</i>
	Existing Conditions: Under current state statute, rezonings from the City's residential zoning districts to neighborhood commercial zoning district would be a downzoning.
	GEN H COMPREHENSIVE PLAN GOALS (Chapter IV) Vibrant Neighborhoods: Consistent Abundant Housing Choices: Consistent Healthy & Accessible Natural Environment: Somewhat Consistent Authentic Community Character: Consistent Safe Streets and Trails: Consistent Reliable & Accessible Utility Services: Consistent Satisfying Work Opportunities: Consistent Welcoming & Inclusive Community: Consistent Accessible & Available Community Uses and Services: N/A Resilient Community: Consistent
	GEN H COMPREHENSIVE PLAN GUIDING PRINCIPLES (Chapter IV) Mix of Uses: Consistent Compact Development: Consistent Sense of Place: Consistent Conserved & Integrated Open Spaces: Inconsistent Desirable & Affordable Housing: Consistent Connectivity: Consistent Efficient & Accessible Infrastructure: Consistent
3) Changed Conditions	DOWNTOWN MASTER PLAN: N/A
	<i>Whether and the extent to which there are changed conditions, trends or facts that require an amendment -</i> SB382 was adopted into law with an override of the Governor's Veto in December 2024. This law revoked the City's authority to 'downzone' property without property owner consent. The law also

	broadly defined 'downzoning'. Additional information can be found here: https://canons.sog.unc.edu/2024/12/limits-on-down-zoning/
4) Public Interest	Whether and the extent to which the proposed amendment would result in a logical and orderly development pattern that benefits the surrounding neighborhood, is in the public interest and promotes public health, safety and general welfare -
	The proposed amendment would allow for the City to pursue implementation of the City's Gen H Plan when necessary to rezone properties to fulfill the vision for the Neighborhood Center Character Area. This Character Area aligns with the C-4 Zoning District. The C-4 Zoning District will be applied in small, constrained areas concentrated around crossroads on the periphery of residential areas. As such, the districts present important opportunities for establishing neighborhood commercial nodes, mixing uses, reducing commute times and creating new opportunities for the local economy. Because it is applied in small, concentrated areas, perceptions of spot zoning are closely tied to the introduction of C-4 in areas where it is not currently in place. Ensuring that rezoning from residential to C-4 is an upzoning can help to combat perceptions of spot zoning by allowing the City to consider a complete district rather than a single parcel rezoning request by an individual applicant.
5) Public Facilities	Whether and the extent to which adequate public facilities and services such as water supply, wastewater treatment, fire and police protection and transportation are available to support the proposed amendment
	The proposed text amendment would facilitate a mild intensification of commercial development in and around neighborhood edges in key locations around Hendersonville. Infill commercial development allows for greater utilization of existing infrastructure without the need for utility expansion and increased cost of maintenance.
6) Effect on Natural Environment	Whether and the extent to which the proposed amendment would result in significantly adverse impacts on the natural environment including but not limited to water, air, noise, storm water management, streams, vegetation, wetlands and wildlife -
	There are no known environmental impacts and no immediate development proposed.

Staff Analysis

1. Comprehensive Plan Consistency - Staff finds the proposed text amendment to be consistent with the *Gen H Comprehensive Plan* Character Area designation.
2. Compatibility - The proposed text amendment is compatible with existing development patterns and aligns with Gen H Goals & Guiding Principles.
3. Changed Conditions - The text amendment is a response to changes in state law.
4. Public Interest – The revisions improve opportunities to implement the Neighborhood Center Character Area as established in the Gen H Comp Plan and to utilize C-4 as a tool that can provide a range of local benefits.
5. Public Facilities – The proposal allows for greater utilization of existing infrastructure.
6. Effect on Natural Environment – None.

DRAFT COMPREHENSIVE PLAN CONSISTENCY AND REZONING REASONABLENESS STATEMENT

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

The proposed text amendment aligns with the Gen H Comprehensive Plan Future Land Use Map and Guiding Principles

We **[find/do not 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 proposed amendment creates an opportunity to accommodate neighborhood commercial infill development*
- *The proposed amendment allows for greater utilization of existing infrastructure*
- *The proposed amendment increases opportunities for additional housing in key locations in the city*

DRAFT [Rational for Denial]

- *The proposed amendment would allow for incompatible rezonings from residential to neighborhood commercial*
- *The proposed amendment includes permitted land uses that are not compatible with neighborhood commercial zoning.*