THE CITY OF ASHEVILLE

STAFF REPORT

City Council Meeting Date: January 11, 2022

Subject: City-initiated Rezoning Request for Phase II of the Urban Centers Initiative

Staff Resource(s): Todd Okolichany, AICP, LEED AP ND, Planning & Urban Design Director;
Stacy Merten, Principal Planner;
Vaidila Satvika, AICP, Planner II/GIS Specialist

Action Requested: To rezone approximately 128 acres of land from Regional Business (RB), River (RIV), Residential Multi-Family High Density District (RM16), and Residential Single-Family Medium Density District (RS4) to Urban Place Form (UP) district.

Project Location and Contacts:

- The project sites are located along South Tunnel Road and summarized by the current zoning district on the right.
- Owners: various

Zoning District	Acres	Percent
RB	99.5	78%
RIV	20	16%
RM16	7.5	6%
RS4	1	1%
	128	100%

Background:

- This city-initiated petition aims to implement the Urban Centers initiative, which is a recommended growth strategy of *Living Asheville*, the city's long-range comprehensive plan.
- The request totals approximately 128 acres of property to be rezoned to Urban Place Form District.
- This petition is phase two of a two phase rezoning process that prioritizes the rezoning of those urban centers identified in the city's Future Land Use Map (FLUM), which are located closest to the Central Business District and also on the high-frequency transit network.
    - City Council adopted the Urban Place Form District on September 28, 2021 along with the rezoning of phase I, which totalled approximately 122 acres of rezoned land.
    - See attached ordinances.
- The rezoning will allow for the built environment of these properties to transition over time so that they become more urban and walkable, and better aligned with the city's long-term goals.
- The rezoning will lead to a more efficient use of land that encourages housing and incentivizes affordable housing along transit routes.
- Staff have prepared an equity analysis of the proposed rezoning using the Racial Equity Toolkit: An Opportunity to Operationalize Equity, as prepared by the Local and Regional Government Alliance on Race and Equity (attachment #4: Equity Toolkit).
- Staff met with the Legacy Neighborhoods Coalition (LNC) six times between January and August 2021 to discuss neighborhood concerns around displacement, ongoing development and neighborhood involvement in the development process.
- This community work led staff to recommend removal of the Patton Avenue node from Phase II to allow more time to develop neighborhood stabilization strategies identified through application of the Equity Toolkit and balance the goals of addressing equity and community concerns with other city goals related to the built environment.
- Staff met with the management staff of the Asheville Mall to review the proposed rezoning and answer questions.
- The mall management is generally in support of the goals of the rezoning.
- It was made clear that the mall is for sale, however, so there is complete uncertainty in that regard.

Comprehensive Plan Consistency:

- This proposal aligns with a number of themes within the *Living Asheville Comprehensive Plan* including 'A Livable Built Environment' and 'A Resilient Economy'. The following goals are applicable to this zoning amendment:
    - Encourage Responsible Growth (pp. 130-131); prioritize growth and development within

designated growth areas
    - Increase Mixed-Use Development Along Transit Corridors (p.134)
    - Promote Great Architecture & Urban Design to Enhance Placemaking (p.139)
    - Make Streets More Walkable, Comfortable and Connected (p.146)
    - Increase and Diversify Housing Supply (pp.178-9); incentivize development that maximizes public benefit
    - Promote the Development and Availability of Affordable Housing and Workforce Housing (pp. 182-183); promote affordable housing policies via incentives such as bonus densities and building heights
- The proposed rezoning aligns with the Future Land Use Map (FLUM) that is designated as Town Center in this area, which can be thought of as a more intensely developed Urban Center.

Compatibility Analysis:
- The proposed boundaries of the Urban Place Form District were derived from the Town Centers Land Use category of the Future Land Use Map adopted in the Living Asheville Comprehensive Plan.
- The Urban Place zoning district is deemed to be in alignment with the Town Center land use category.
- Compatibility is achieved by targeting existing commercial nodes with the ability to absorb additional density and mixed use development due to their location in areas with adequate infrastructure and along high frequency transit corridors.

Council Goal(s):
- A Well-Planned and Livable Community

Committees:
- On January 14, 2019, the Planning and Zoning Commission unanimously supported staff's revised process for the Urban Center initiative, which includes consideration of a new zoning district for the subject areas and additional community engagement.
- On February 11, 2019, staff provided an update to the Planning and Economic Development Committee (PED) that clarified redevelopment within Urban Center locations is not permitted while the rezoning application is under consideration.
- On September 5, 2019, an update was provided to the Affordable Housing Advisory Committee (AHAC) with input received regarding the incentive for affordable housing.
- On January 13, 2020, an update was provided to PED that included proposed incentives for housing. Staff also shared neighborhood concerns relating to gentrification.
- At the October 27, 2020 City Council work session on the hotel development regulations Council suggested that staff postpone the consideration of the Patton Avenue node from the project and allow the other areas to move forward and recommended that staff add the Asheville Mall node to the initiative as part of a Phase II rezoning effort that would include the Patton Avenue node.
- On September 1, 2021, the Planning & Zoning Commission voted to approve Phase I of the initiative with a 6:1 vote.
- On September 23, 2021, staff recommended to the City Council to remove the Patton Avenue node completely from Phase II of the Urban Centers Initiative.
- On September 28, 2021, City Council adopted the Urban Place Form district and rezoned Phase I properties.
- On October 6, 2021, the Planning & Zoning Commission voted to approve the rezoning of Phase II properties with a 6:1 vote.

Pros:
- Implements zoning regulations recommended in the comprehensive plan, *Living Asheville*
- Incentivizes the integration of market rate and affordable housing on large commercial parcels
- Form-based zoning regulations will create a more urban-style pattern of development.

- Transitions single-use commercial strips to walkable, mixed-use nodes along higher frequency transit corridors.
- Improves the efficiency of land that in time will help to improve the city's tax base.

Cons:

- Increases development cost due to added requirements for large projects (formalizing internal streets with sidewalks and, on larger projects, housing, etc).
- Zoning changes that encourage redevelopment will increase property values over time that can increase neighboring property values.

Staff Recommendation:

- Staff recommends approval of this rezoning request based on the reasons stated above.

Suggested Motion to Approve:

- Motion to approve the rezoning request for phase II properties that includes approximately 128 acres of property from Regional Business (RB), River (RIV), Residential Multi-Family High Density District (RM16), and Residential Single-Family Medium Density District (RS4) to Urban Place Form (UP) district and find that the proposed rezoning is reasonable, in the public interest, consistent with the City's comprehensive plan and aligned with the development needs of the community in that the rezoning will 1) encourage responsible growth; 2) increase mixed-use development along transit corridors; 3) improve urban design; 4) make streets more walkable, comfortable and connected; 5) increase housing supply and encourage the development of affordable housing; and, 6) facilitate development that maximizes public benefit.

Attachments

- Exhibit A - Existing Zoning
- Exhibit B - Proposed Zoning
- Exhibit C - List of Affected PINs
- Exhibit D - Future Land Use Map
- Equity Toolkit
- P&Z Recommendation Form
- P&Z Action Minutes
- Draft Ordinance
- Adopted Urban Place Form District
- Adopted Phase I Rezoning