THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: September 8, 2020

Subject: Hotel Development Moratorium

Staff Resource(s): Todd Okolichany, Planning & Urban Design Director
Stacy Merten, Principal Planner
Brad Branham, City Attorney
Jannice Ashley, Assistant City Attorney

Action Requested: Extension of an ordinance imposing a temporary moratorium on hotel development approvals within the City of Asheville.

Background:

- In response to concerns raised by community members and City Council regarding the significant influx of new hotel rooms into the City of Asheville over the past few years with 2,761 total rooms approved and 1,344 rooms opened since 2015 (39% within the central business district), the City of Asheville adopted Ordinance No. 4766 on September 24, 2019 establishing a temporary moratorium on new hotel development until September 24, 2020 in order to take actions to address this issue.
- While the City was able to accomplish many of the actions proposed in the moratorium ordinance to address the problems and conditions related to new hotel development, the City's ability to complete those proposed actions within the original time period set for the moratorium has been significantly impaired by the COVID-19 pandemic, the Emergency Declarations made at the State and Local levels and related restrictions imposed to ensure public health and safety.
- Consequently, more time is needed to complete the originally proposed actions.
- N.C.G.S. 160A-381 authorizes cities to extend a temporary moratorium on development approvals if new facts or conditions warrant an extension.
- It is proposed that the moratorium be extended by two months to November 24, 2020 in order to allow the time necessary to complete the actions proposed to address the issues and concerns regarding new hotel development.
- During the duration of the moratorium, city staff have taken reasonable steps to study the issues and develop recommendations.
- The following actions were proposed as part of the original moratorium imposition and the majority of the work has been completed:
  <u>Phase 1 (three months)</u>
  - Contract with the Urban Land Institute Charlotte District Council to conduct a planning process that includes two community engagement sessions, analysis of the hotel industry, assessment of impacts, research of best practices, and a report on best land use practices and policy recommendations for hotel development.

  <u>Phase 2 (up to nine months)</u>
  - Supplemental research and analysis by city staff, creation of a community engagement plan, and draft regulatory changes, strategies and tools for Council consideration.
- The draft regulatory changes were presented to the Planning and Zoning Commission at their meeting on September 2, 2020, but additional time is needed for Council consideration.
- Staff recommends that the temporary moratorium on new hotel development be extended until November 24, 2020 for the following reasons.
  - The COVID-19 pandemic delayed opportunities for community engagement early in the planning process
  - During the pandemic, city staff and resources were redirected to address other priority community needs
  - Additional time is needed to complete the hotel development study, conduct additional community engagement, draft the proposed zoning amendments and present the new zoning amendments to the Asheville City Council for consideration of adoption.

Council Goal(s):

- A Well Planned and Livable Community

Committee(s):

- City Council - August 25, 2020 - motion setting a public hearing on September 8, 2020 to consider extending a temporary hotel moratorium on hotel development, approved 7-0.

Pro(s):

- Gives the city time to better understand the impacts of new hotel development and mitigation requirements.
- Allows for research of best practices and to enhance the city's land use policies, tools and strategies.
- Will provide clearer direction to applicants of new hotel developments, City Council and the community.

Con(s):

- No new hotels will be approved during the moratorium extension period.

Fiscal Impact:

- None

Suggested Motion:

- Move to adopt an ordinance to extend the temporary moratorium on hotel development approvals within the City of Asheville, including "Hotel, extended stay", "Hotel, large" and "Hotel, small" as defined in Section 7-2-5 of the city's Unified Development Ordinance, for two months so that it expires no later than November 24, 2020.

Attachment(s)

- Ordinance for Moratorium Extension
- Ordinance No. 4766 for Hotel Development Moratorium