

To: Planning and Zoning Commission
 From: David McWilliams, Town Planner
 Meeting Date: July 2, 2019
 Topic: **PUBLIC HEARING**
 Code Text Amendment – Community Housing in the IC Zone District

INTRODUCTION

Staff held a PZC work session on June 18, where staff dove into a Code Text Amendment (CTA) for the Light Industrial and Commercial Employment District (IC) to potentially provide more Community Housing* in the area. Town Council tasked the Community Development department with initiating the CTA process to determine the best way to affect that. In front of PZC is a proposed CTA and some further clarifying information relating to a code change.

*Community Housing means residential housing which is subject to a deed restriction that limits use to long-term residential use as a primary residence by qualified persons and which deed restriction may impose other restrictions and limitation and may include terms deemed appropriate in the Town’s discretion, including but not limited to controls on the resale price of such residential property, and which deed restriction is enforceable by the Town.

Residential Density

In the work session, staff proposed a density of 7.5 units per acre as a potentially appropriate density in the district. Staff used the zoning (Residential-Low Density) from the Nottingham Road area to inform the potential density in the IC district. Staff found that the as-built density is closer to 10 units per acre along Nottingham and decided that this density may be more appropriate.

District Height Requirements

Building height (limited at 48 feet) has not been the limiting factor to development in the area and only 1/3 of the buildings are even three (3) stories tall. Perhaps the most visually formidable building is the Metcalf Commercial Park at 281 Metcalf Road, which is located on a slope above the road, and approaches the height limit. More buildings of this size would not overpower the surroundings or limit views. Staff feels the height limit is appropriate for the zone district, and encourages more development that approaches the limit. All-residential development is proposed to be allowed at 38 feet, to perhaps limit the pressure on the district.

Setbacks

Some of the smaller parcels in the zone district have nonconforming setbacks and are built too close to the road. Many of these are old structures. Further up Metcalf, the lots are larger, and the



buildings are up to 90 feet away from the right of way, well past the 25-foot setback. This speaks to another issue in the area: a lack of parking. While the lots are large, they abut steep hillsides and the amount of development is limited. Staff warns that redevelopment may be hindered by enforcement of the current setbacks on smaller lots with old development, and on larger lots, redevelopment is limited by steep terrain. Any change in the use types of the district needs to grapple with these fundamental limitations. The Special Review Use process will enable the Planning and Zoning Commission the ability to weigh these limitations against the benefit of increased Community Housing potential.

Undeveloped Properties

The four (4) undeveloped properties within the zone district all have severe limitations on potential development. The proposal of allowing 10 dwelling units per acre may still not be enough incentive to overcome these barriers. It is possible that property owners would still need to apply for rezoning (i.e. to Residential High Density) to accomplish a viable project on their lots.

Fiscal Impact

Staff estimates that approximately \$208,000, or 2.5% of the town's overall sales tax collection in a given year, is collected in the IC zone district. Staff did not estimate the impact of the 2% transfer tax collected by the town as a way to recoup some of the potential losses because the units would be deed restricted and therefore exempt from the transfer tax.

Amending Comp Plan or other parts of Avon Municipal Code

While there are possible underlying discrepancies within the foundational documents as noted in the last memo to PZC, staff is only preparing an update to the IC zone district purpose statement in this process.

Increased ADUs allowed in the IC District

Staff proposes that the 4 ADUs currently allowed in the IC District be a staff-reviewed plan, and that an additional 4 ADUs are allowed on a given parcel, subject to the SRU process. The updated ADU language requires ADUs in the IC district to be deed restricted Community Housing.

CTA LANGUAGE [redline represents new or deleted text]

7.20.080- Mixed-use and commercial districts purpose statements.

(g) Light Industrial and Commercial (IC). This district is intended to provide for a variety of businesses, including warehouses, research and development firms, repair shops, wholesale distributors, light manufacturing, and housing where appropriate. This district may include supporting office and commercial uses where appropriate. Uses permitted in this district are intended to serve community and regional needs. This district is intended to be located away from ~~low and medium density~~ inappropriate residential development. The IC district implements the light industrial commercial and employment classification of the Avon Future Land Use Plan and should be located along an arterial roadway.

Table 7.20-13

Dimensions for the Light Industrial and Commercial Employment District

USE TYPE	Min. Lot Size (acres or sq. ft.)	Min. Lot Width (feet)	Max. Lot Coverage (%)	Min. Landscape Area (%)	Min. Front Setback (feet)	Min. Side Setback (feet)	Min. Rear Setback (feet)	Max. Building Height (feet)	Max. Residential Density
Normal IC	21,780 sq. ft.	100	50	20	25	7.5	10	48	48 accessory units [12]
<u>Mixed-Use[1] IC</u>	<u>21,780 sq. ft.</u>	<u>100</u>	<u>50</u>	<u>20</u>	<u>25</u>	<u>7.5</u>	<u>10</u>	<u>48</u>	<u>10 du/acre [2]</u>
<u>All Residential</u>	<u>21,780 sq. ft.</u>	<u>100</u>	<u>50</u>	<u>20</u>	<u>25</u>	<u>7.5</u>	<u>10</u>	<u>48</u>	<u>10 du/acre [2]</u>

[1] ~~Accessory dwelling units are permitted as a special review use pursuant to Section 7.16.100. At least 50% of the ground floor area is designated for commercial or industrial uses; or the first floor(s) of the development are devoted to commercial or industrial uses.~~

[2] Residential densities above 4 units per property are permitted as a special review use pursuant to Section 7.16.100 and additional review criteria in Section 7.24.060(c).

7.24.040 - Table of allowed uses.

**Table 7.24-1
Allowed Uses**

Use Category	Use Type	P - Permitted Use S = Special Review Use Districts in GREY are retired and not available for rezoning.													Use-Specific Regulation ^s
		Residential					Nonresidential								
		R D	R L	R M	R H	RH -C	N C	M C	T C	S C	P	P F	IC	OL D	
Residential Uses															
Household Living	Dwelling, Single-Family Detached	P	P										S		
	Dwelling, Two-	P	P	P									S		

Family/ Duplex															
Dwelling, Townhouse			P	P	P	P	P	P			S				
Dwelling, Multi- Family			P [1]	P	P	P	P	P			S	<u>S</u> <u>[2]</u>			[1] Limited to 8 units per building in RM <u>[2]</u> <u>7.24.060(c)</u>
Dwelling, live/ work		S	S	S	S	S	S	P			S				
Accessory DU	S	S	S								S	<u>P/</u> <u>S</u> <u>[1]</u>			<u>7.24.070(e)</u> <u>[1] 4 units are allowed by right; up to 8 units per building are allowed by SRU</u>

7.24.060 - Special review uses.

(c) Residential uses in the IC zone district - Additional review criteria.

1. Compatibility with surrounding land uses.
2. Whether the proposed development is justified by changed or changing conditions in the area proposed to be developed.
3. Whether there are adequate facilities available to serve development of the type and scope suggested by the proposal compared to the existing use allowances, while maintaining adequate levels of service to existing development.
4. That, compared to the existing zoning, the development is not likely to result in significant adverse impacts upon other property in the vicinity of the subject tract.
5. The fiscal loss associated with net loss in commercial space due to the proposal is mitigated by the community's need for housing.

6. The property is underutilized or underdeveloped and would function better as Community Housing.
7. That all of the housing provided will be deed restricted as Community Housing.
8. Architecture that responds to the sensitive site conditions and raises the standard of design for the rest of Town are being provided.
9. The application provides an appropriate environment for housing.

7.24.070 – Accessory Uses and Structures.

(e) Additional Standards for Specific Accessory Uses and Structures.

(1) Accessory Dwelling Units. An accessory dwelling unit shall be permitted as a Special Review Use subject to the following standards:

(i) Districts Allowed. Accessory dwelling units shall be allowed as accessory uses to principal ~~residential~~ uses in the following districts: IC, PF, RL, RD and RM.

(ii) Where Permitted on Lot. A permitted accessory dwelling unit shall comply with all applicable site and building design, access and other standards for principal ~~uses dwelling units~~ in the zoning district in which the accessory dwelling unit will be located. Accessory dwelling units may be a separate structure from the principal structure or be attached to and part of the principal structure. Recreational vehicles, travel trailers and any other wheeled or transportable structure shall not be used as accessory dwelling units.

(iii) Requirements in the RL, RD and RM zone district:

(A) Size of Accessory Dwelling Unit. No accessory dwelling unit shall exceed thirty-three percent (33%) of the size of the habitable floor area of the principal unit or six hundred (600) square feet, whichever is less. An accessory dwelling unit shall contain private sanitary facilities with hot and cold running water and cooking and food storage facilities.

~~(iv)~~(B) Limit on Number. There shall be no more than one (1) accessory dwelling unit on a lot in addition to the principal single-family dwelling.

~~(v)~~(C) Off-Street Parking. At least one (1) off-street parking space shall be provided for each accessory dwelling unit.

(iv) Requirements in the IC zone district:

(A) Up to eight (8) units are permitted. Four (4) units are permitted by-right and an additional four (4) units are permitted through the Special Review Use process.

(B) All the units shall be deed restricted as Community Housing.

(C) Off-Street Parking. Parking allocation is subject to Section 7.28.020.

Code Text Amendment Review Criteria

- (1) The text amendment promotes the health, safety and general welfare of the Avon community;
- (2) The text amendment promotes or implements the goals and policies of the Avon Comprehensive Plan;
- (3) The text amendment promotes or implements the purposes stated in this Development Code; or

(4) The text amendment is necessary or desirable to respond to changed conditions, new planning concepts or other social or economic conditions.

Staff Response: Staff worked hard to balance a viable proposal that responds to changed conditions while maintaining the general welfare of the Avon community by preserving an important job base in the district. Goal B.5 in the comprehensive plan states:

Encourage revitalization of existing light industrial and manufacturing uses.

Policy B.5.1: Ensure infrastructure improvements include sidewalks, utilities, and controlled access from collector roads, like Nottingham Road.

Policy B.5.2: Encourage effective screening of industrial uses from adjacent uses and vehicular access and circulation separate from public roads.

Policy B.5.3: Review accessory residential uses in association with light industrial commercial development when compatible.

These policies are congruent with the application in that the application balances reusing light industrial and manufacturing uses and revitalizing the district by potentially allowing redevelopment in appropriate areas.

One purpose of the Development Code states:

(a) Divide the Town into zones, restricting and requiring therein the location, erection, construction, reconstruction, alteration and use of buildings, structures and land for trade, industry, residence and other specified uses; regulate the intensity of the use of lot areas; regulate and determine the area of open spaces surrounding such buildings; establish building lines and locations of buildings designed for specified industrial, commercial, residential and other uses within such areas; establish standards to which buildings or structures shall conform; establish standards for use of areas adjoining such buildings or structures;

While different zone districts have allowances of mixed use, the IC zone district currently has very strict parameters limiting that mix. Staff is not opposed to any addition of mixed use in this district, but warns that eliminating IC uses altogether is a worrying outcome of any looser code amendment.

The Community Housing Plan, as part of the Comprehensive Plan, states the following goals:

- Achieve a diverse range of housing densities, styles, and types, including rental and for sale, to serve all segments of the population.
- Focus on increasing deed restricted homeownership opportunities for households making equivalent of 140% or less of the Area Median Income - \$430,000 for a household of three people in 2018.
- Grow the inventory of homeownership and “missing middle” inventory, in place of additional rental housing stock, to create a more balanced portfolio with a long-term goal of 50% rental, 50% ownership.
- Seek to add deed restricted units to the inventory in the short term.

Staff feels this CTA would be a tool in achieving all of these goals.

AVAILABLE ACTIONS

July 2, 2019 Code Text Amendment Public Hearing

1. **Continue** the Public Hearing pending additional information.
2. Approve Findings of Fact and Record of Decision recommending that the Town Council **approve** the application.
3. Approve a modified Findings of Fact and Record of Decision recommending that the Town Council **deny** the application.

RECOMMENDED MOTION

“I move to recommend that the Avon Town Council approve Case #CTA19002, an application to amend and update the Avon Municipal Code, with the findings and fact and record of recommendation attached as Attachment C to Staff’s report.”

ATTACHMENTS

LINKS