

Legacy 2030 Growth Management Plan Amendment Proposal

REQUEST: Designate the area bounded by Business 40, US 52, 5th Street, and Martin Luther King, Jr. Drive as Growth Management Area 1

STAFF: Kirk Ericson

BACKGROUND

At the August 14, 2018 meeting of City Council's Community Development/Housing/General Government Committee, Planning staff was asked to investigate expanding the Central Business District, as defined in City Code section 86-2, to include all of the area within the draft East End Master Plan boundaries. This plan, prepared by the consulting firm Ayers Saint Gross, was presented to the Planning Board at its September 13, 2018 meeting.

In the City Code, the Central Business District is defined as having the same boundaries as *Legacy's* Growth Management Area (GMA) 1. The East End Master Plan area is already partially within GMA 1, but the southern half of the plan area is currently in GMA 2, the Urban Neighborhoods GMA. This area is bounded by 5th Street to the north, Martin Luther King, Jr. Drive to the east, Business 40 to the south, and US 52 to the west (see **Map 1**, attached).

Growth management boundaries are generally only changed during the process of preparing a new comprehensive plan – however, the Planning Board and City Council have made limited GMA boundary changes outside of such a process, as with a 2005 change that designated two areas east of US 52 to GMA 1.

ANALYSIS

Both positive and negative factors exist related to the proposed GMA change. The strongest support for the proposed GMA 1 expansion comes from the East End Master Plan (EEMP), which encourages “exploring all options to finance development projects in the area, including city, state, and federal grants or tax credits”. The plan notes that early-phase projects in particular may require some form of financial subsidy or other support to seed progress. Designating the entire plan area as GMA 1 would allow development here to take advantage of downtown development incentives as allowed in NCGS 160A-458.3. This statute allows for public-private development partnerships, and the use of federal and state grant funds to help fund development projects.

Other positive aspects of designating this area GMA 1 relate to Unified Development Ordinances (UDO) regulations which allow increased development flexibility:

- Pedestrian Business (PB) zoning has a height restriction of 60' in all GMAs other than GMA 1. In GMA 1, there is no height restriction - however, each foot in height over 60' has to be accompanied by an additional setback of four feet from adjacent residentially zoned properties. Two of the three existing PB zoned sites within this area are of such a size that they would not be able to accommodate a tall structure. The third PB zoned parcel, the Forsyth Seafood property, is zoned PB-S. As such, a tall structure on that site

(were it to redevelop) would require rezoning approval from City Council even with this provision available.

- The UDO requires multifamily developments in GMAs 1 and 2 with densities greater than 20 dwelling units per acre to provide 50 square feet of open space per unit. However, in GMA 2, the multifamily site must be located within one half mile of a public park or public recreation center which is connected by a public sidewalk. Multifamily developments over 20 dwelling units per acre in GMA 1 do not have to meet this additional geographic requirement.
- For sites zoned PB, CB, CI, and MU-S which are located within GMA 1, there is a provision that allows alternative compliance to the ten foot height limit for retaining walls. Alternative compliance would have to be processed through the Special-Use District rezoning process and approved by City Council to utilize this provision. This provision would provide greater site development flexibility than what exists under the current GMA 2 designation. It should be noted, however, that aside from PB, none of these zoning districts currently exist within the study area.
- Sites zoned CB, CI, and PB which are located within GMA 1 are exempt from complying with the tree preservation and planting requirements of the UDO. Again, there are no sites currently zoned CB or CI in the study area; however, there are three sites currently zoned PB-L or PB-S.

Potential negative consequences also exist with designating this area GMA 1. The largest of these is the potential risk of accelerated gentrification in the area. A primary goal of the EEMP is to “mitigate the risk of gentrification and dislocation by maintaining affordability”. If more development incentives become available by designating this area GMA 1, more development projects could become economically feasible in the area, and such projects could potentially lead to the displacement of residents and increased rents in the area. A report presented at the August 2018 CD/H/GG meeting stated that some signs of gentrification already exist in eastern Winston-Salem. However, it must be acknowledged that the threat of gentrification exists regardless of the proposed GMA change since this area is located between an expanding Winston-Salem State University and the Wake Forest Innovation Quarter.

It is also worth noting that the City has an affordable workforce housing policy in place to help reduce potential displacement from development projects which use City funds. The affordable workforce housing policy (adopted in 2015) requires development projects using City funds to set aside at least 5% of their units as affordable to households with incomes between 50-80% of area median income, and at least 5% of units as affordable to households with incomes between 80-120% of area median income, for a period of at least 15 years.

There are also negatives to converting this area to GMA 1 from a land use regulation perspective:

- The residential portion of this area would no longer be covered by the UDO’s infill ordinance provisions. These provisions ensure that new residential development fits in with existing neighborhood character, and provide specific standards for building placement, setbacks, and location/orientation of garages. The loss of these provisions could accelerate changes to neighborhood character, which residents have stated they desire to retain.

- The UDO also grants flexibility to older nonresidential sites located within GMA 2 to promote and facilitate their redevelopment. It provides flexibility in reduced streetyard width; reduced bufferyard width and planting ratio; reduced parking lot landscaping; and decreased setbacks for certain zoning districts. The additional flexibility offered by these provisions would not be available if the study area was converted to GMA 1.
- The proposed GMA 1 conversion would also cause several existing zoning districts in the area to become inconsistent with their UDO purpose statements. The residential districts RS7, RM5, and RM8 which currently exist in the area are not considered appropriate for GMA 1 per the UDO. Similarly, the LO and HB-zoned properties in the area are recommended in the UDO for GMA 2, but not for GMA 1.

Despite the aforementioned negatives, staff ultimately believes the positive aspects of the proposed GMA map amendment outweigh the potential negatives, and staff would support converting the area included in the EEMP to GMA 1.

RECOMMENDATION

APPROVAL OF THE PROPOSED *LEGACY 2030* GROWTH MANAGEMENT PLAN AMENDMENT