

	<h2 style="color: green; margin: 0;">REQUEST FOR COUNCIL ACTION</h2> <h3 style="color: green; margin: 0;">City of Greenville, South Carolina</h3> <p style="color: green; margin: 5px 0 0 20px;">TO: Honorable Mayor and Members of City Council</p> <p style="color: green; margin: 0 0 0 20px;">FROM: John F. McDonough, City Manager</p>	<p style="margin: 0;">Agenda Item No.</p> <div style="border: 1px solid black; width: 60px; height: 30px; margin: 5px auto; text-align: center; line-height: 30px;">15a</div>
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Ordinance/First Reading
 Ordinance/Second & Final Reading
 Resolution/First & Final Reading
 Information Only

AGENDA DATE REQUESTED: June 28, 2021

ORDINANCE/RESOLUTION CAPTION:
 ORDINANCE TO AMEND SECTIONS 19-2.3, SPECIFIC STANDARDS AND OTHER REQUIREMENTS FOR APPLICATIONS FOR DEVELOPMENT APPROVAL, 19-5.2, DEFINITIONS/MEASUREMENTS, AND 19-6.1, OFF-STREET PARKING AND LOADING, OF THE CODE OF ORDINANCES OF THE CITY OF GREENVILLE TO CREATE AFFORDABLE AND WORKFORCE HOUSING INCENTIVES (Z-6-2021)

SUMMARY BACKGROUND:

Staff submits these text amendments to amend Sections 19-2.3, Specific standards and other requirements for applications for development approval, 19-5.2, Definitions/measurements, and 19-6.1, Off-street parking and loading, to create affordable and workforce housing incentives for multifamily and single-family attached developments zoned RM-1, RM-1.5, RM-2, and RM-3, Single-family and multifamily residential districts.

The proposal provides incentives for construction of affordable housing units that can be used to allow the City's workforce and low-income residents to live closer to their place of work and maintain residence within the city limits. Availability of affordable and workforce housing is in low supply and this amendment will aid in increasing that supply.

The City Planning Commission, pursuant to public notice, held a public hearing on June 17, 2021, to consider the proposed text amendments. The application was recommended for approval by a vote of 5-0.

Planning Staff Recommendation: Approve with staff comments
 Planning Commission Recommendation: Approval with staff comments and two added conditions by a vote of 5-0.
 Commissioner Gardner was absent. The Commission recommended modifying language to ensure affordable developments are held to the same design standard as market rate developments and exempting developments in special emphasis neighborhoods from transit stop distance requirements.

IMPACT IF DENIED:
 The text amendments will not be approved, and no additional affordable housing incentives will be provided.

FINANCIAL IMPACT:
 None

REQUIRED SIGNATURES	
<p style="margin: 0;">Department Director <u>Jonathan B. Graham</u></p> <p style="font-size: small; margin: 0;">DocuSigned by: 219319F5AC3C445...</p>	<p style="margin: 0;">City Attorney <u>Michael Pitts</u></p> <p style="font-size: small; margin: 0;">DocuSigned by: 5E0F2A267E2D413...</p>
<p style="margin: 0;">OMB Director _____</p>	<p style="margin: 0;">City Manager <u>John McDonough</u></p> <p style="font-size: small; margin: 0;">DocuSigned by: FDC2AC15040F440...</p>

A N O R D I N A N C E

TO AMEND SECTIONS 19-2.3, SPECIFIC STANDARDS AND OTHER REQUIREMENTS FOR APPLICATIONS FOR DEVELOPMENT APPROVAL, 19-5.2, DEFINITIONS/MEASUREMENTS, AND 19-6.1, OFF-STREET PARKING AND LOADING, OF THE CODE OF ORDINANCES OF THE CITY OF GREENVILLE TO CREATE AFFORDABLE AND WORKFORCE HOUSING INCENTIVES (Z-6-2021)

WHEREAS, Chapter 19 of the Code of Ordinances of the City of Greenville, commonly referred to as the Land Management Ordinance (the “LMO”), contains regulations for the establishment of commercial uses, service and industrial uses, and multiple-family dwelling uses; and

WHEREAS, the city of Greenville (the “City”) provides municipal planning and land use services including, but not limited to, land development regulation, zoning, land use planning, permitting, and licensing of businesses and properties, which are vital to the public health, safety, welfare, and quality of life in the City; and

WHEREAS, the City recently adopted its decennial comprehensive plan, entitled GVL2040 (the “GVL2040”); and

WHEREAS, GVL2040 envisions Greenville’s future growth will be directed into higher density nodes or centers located throughout the City and connected by major corridors; and

WHEREAS, City Council desires to protect the character of existing single-family neighborhoods and quality of life for neighborhood residents; and

WHEREAS, GVL2040 recognizes the LMO required substantial revision in response to the rapid growth the City has experienced since the LMO was last revised almost 14 years ago; and

WHEREAS, GVL2040 calls for an immediate update to the City’s land management regulations and states this as the most critical step to take on the path toward implementation of the node and corridor growth framework; and

WHEREAS, the City has been faced with pressures created by multifamily and commercial development along the City’s major corridors that abut neighborhoods, as well as development of properties within existing neighborhoods; and

WHEREAS, the current LMO does not adequately protect neighborhoods from the impacts associated with concentrated development, including issues related to construction impact, noise, lighting, traffic, design, neighborhood character, height, massing, and form; and

WHEREAS, the City desires to modify Sections 19-2.3, Specific standards and other requirements for applications for development approval, 19-5.2, Definitions/measurements, and 19-6.1, Off-street parking and loading, of the Code of Ordinances of the City of Greenville (the “City Code”), as shown in the attached Exhibit A; and

WHEREAS, the City Planning Commission, pursuant to public notice, held a public hearing on June 17, 2021, to consider the proposed text amendments, and

WHEREAS, the Planning Commission voted unanimously to recommend approval of the proposed text amendments with staff comments/changes, as well as, two modifications regarding the removal of the word ‘substantially’ in Section 19-2.3.21(E)(3) to ensure affordable developments are held to the same design standards as market rate developments, and a modification to Section 19-2.3.21(E)(4) to exempt developments located within the city’s special emphasis neighborhoods from the distance to an existing transit stop; and

WHEREAS, City Council finds the text amendments to be compatible with the City’s Comprehensive Development Plan;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GREENVILLE, SOUTH CAROLINA, that Sections 19-2.3, Specific standards and other requirements for applications for development approval, 19-5.2, Definitions/measurements, and 19-6.1, Off-street parking and loading, of the City Code is hereby amended as set forth in Exhibit A, which is attached hereto and incorporated herein by reference. This Ordinance shall be effective upon second and final reading.

DONE, RATIFIED AND PASSED THIS THE _____ DAY OF _____, 2021.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

REVIEWED:

CITY MANAGER

EXHIBIT A

19-2.3.21. Affordable and workforce housing incentives

(A) Purpose. The purpose of this subsection is to:

- (1) Create incentives for the provision of affordable housing as a portion of certain new development within the community;
- (2) Ensure the opportunity of affordable housing for employees of businesses that are located or will be located in the community; and
- (3) Maintain a balanced community that provides housing for people of all income levels.

(B) Definitions. As used in this ordinance, the following words and terms shall have the meanings specified herein:

- (1) Affordable Housing. Housing with a sales price or rental amount within the means of a household that may occupy moderate- and low-income housing. In the case of dwelling units for sale, affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than thirty (30%) percent of such gross annual household income for a household of the size that may occupy the unit in question in which the aggregate household income is less than or equal to one-hundred (100%) of the area median income (AMI). In the case of dwelling units for rent, affordable means housing for which the rent and utilities constitute no more than thirty (30%) percent of such gross annual household income for a household of the size that may occupy the unit in question in which the aggregate, household income is less than or equal to eighty (80%) percent of the area median income (AMI).
- (2) Affordable Housing Development. Housing subsidized by the federal or state government, or any housing development in which at least twenty-five (25%) percent of the housing units are affordable dwelling units.
- (3) Affordable Housing Development Agreement. A written agreement between an applicant for a development and the City of Greenville containing specific requirements to ensure the continuing affordability of housing included in the development.
- (4) Affordable Housing Development Plan. A plan prepared by an applicant for an affordable housing development under this ordinance that outlines and specifies the development's compliance with the applicable requirements of this ordinance.
- (5) Affordable Housing Dwelling Unit. A dwelling unit subject to covenants or restrictions requiring such dwelling units to be sold or rented at prices preserving them as affordable housing for a period consistent with the restrictions per type of unit.
- (6) Affordable Housing Unit. A dwelling unit subsidized and/or incentivized by the federal or state government or an affordable dwelling unit.

- (7) Conversion. A change of a residential rental development or a mixed use development that includes rental dwelling units to a development that contains only owner-occupied individual dwelling units, or a change of a development that contains owner-occupied individual units to a residential rental development or mixed use development.
 - (8) Development Flexibility Incentive. An adjustment to the allowable standards for permitted development of a site, provided as an incentive for the construction of affordable housing pursuant to this ordinance.
 - (9) Very Low-Income Housing. According to the U.S. Department of Housing and Urban Development, housing that is affordable, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 50 percent of the median gross household income for households of the same size within the metropolitan area or portion of the metropolitan area in which the housing is located.
 - (10) Low-Income Housing. According to the U.S. Department of Housing and Urban Development, housing that is affordable, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 60 percent of the median gross household income for households of the same size within the metropolitan area or portion of the metropolitan area in which the housing is located.
 - (11) Moderate Low-Income Housing. According to the U.S. Department of Housing and Urban Development, housing that is affordable, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 80 percent of the median gross household income for households of the same size within the metropolitan area or portion of the metropolitan area in which the housing is located.
 - (12) Median Gross Household Income. The median income level for the city, as established and defined in the annual schedule published by the secretary of the U.S. Department of Housing and Urban Development, adjusted for household size.
 - (13) Renovation. A physical improvement that adds to the value of real property but that excludes painting, ordinary repairs, and normal maintenance.
- (C) Scope of application. Any affordable housing development or any development that otherwise includes one affordable housing dwelling unit for each four market-rate dwelling units shall be eligible to receive Development Flexibility Incentives for dimensional standards (Section 19-5.2.12) and parking requirements (Section 19-6.1.11) listed in this Chapter.
- (D) Application and affordable housing development plan.
- (1) For all developments in which the applicant proposes to include affordable housing, the applicant shall complete and file an application on a form required by the City of Greenville with the Community Development Department. The application shall require, and the applicant shall provide, among other things, general information on the nature and the scope

of the development as the City of Greenville may determine is necessary to properly evaluate the proposed development.

- (2) As part of the application required under paragraph (1) above, the applicant shall provide to the City of Greenville an affordable housing development plan. The plan shall be subject to approval by the City of Greenville and shall be incorporated into the affordable housing development agreement pursuant to Section F below. The affordable housing development plan shall contain, at a minimum, the following information concerning the development:
- (a) A general description of the development, including whether the development will contain units for rent or for sale;
 - (b) The total number of market-rate units and affordable housing units;
 - (c) The number of bedrooms in each market-rate unit and each affordable unit;
 - (d) The square footage of each market-rate unit and of each affordable unit measured from the interior walls of the unit and including heated and unheated areas;
 - (e) The location in the development of each market-rate and affordable housing unit;
 - (f) If construction of dwelling units is to be phased, a phasing plan stating the number of market-rate and affordable housing units in each phase;
 - (g) The estimated sale price or monthly rent of each market-rate unit and each affordable housing unit;
 - (h) Documentation and plans regarding the exterior appearances, materials, and finishes of the affordable housing development and each of its individual units; and
 - (i) A proposed marketing plan to promote the sale or rental of the affordable units within the development to eligible households.

(E) Criteria for Location, Integration, and Character of Affordable Housing Units. An affordable housing development shall comply with the following criteria:

- (1) Affordable housing units in an affordable housing development shall be mixed with, and not clustered together or segregated in any way from, market-rate units.
- (2) If the affordable housing development plan contains a phasing plan, the phasing plan shall provide for the development of affordable housing units concurrently with the market-rate units. No phasing plan shall provide that the affordable housing units built are the last units in an affordable housing development.
- (3) The exterior appearance of affordable housing units in an affordable housing development shall be made indistinguishable from exterior finishes of market-rate units.
- (4) The affordable housing units shall be sized, in terms of square footage and number of bedrooms, comparable and proportional to the square footage and number of bedrooms of the market rate units in the development as a whole. The smallest affordable housing unit by bedroom count shall

not be smaller than the smallest market rate unit with the same number of bedrooms. The affordable housing units shall be integrated and intermixed within the market rate units in a development and may not be clustered together or segregated from the market rate units. When a development contains multiple buildings, it shall incorporate into each building, affordable housing units comparable and in proportion, to the number of market rate units in the building so that affordable housing units are disbursed proportionately throughout the development.

- (5) Upkeep and maintenance of affordable housing rental units must be maintained at the same or better level provided to the market rate units.
- (6) The development shall be within 0.25 miles of an existing transit stop as measured from the property frontage or, where the applicant can display a shorter pedestrian route to a transit stop is available or will be established as part of the development, measurement along this route may be used. This requirement does not apply to Special Emphasis Neighborhoods designated by the City.

(F) *Affordable Housing Development Agreement.*

- (1) Prior to the issuance of a building permit for any units in an affordable housing development, the applicant shall have entered into an affordable housing development agreement with the City of Greenville. The development agreement shall set forth the commitments and obligations of the City of Greenville and the applicant and shall incorporate, among other things, the affordable housing plan.
- (2) The applicant shall execute any and all documents deemed necessary by the City of Greenville in a form to be established by the Legal Department, including, without limitation, restrictive covenants, deed restrictions, and related instruments (including requirements for income qualification for tenants of for-rent units) to ensure the continued affordability of the affordable housing units in accordance with this ordinance.
- (3) Restrictive covenants or deed restrictions required for affordable units shall specify that the title to the subject property shall be transferred only with prior written approval by the City of Greenville.

(G) *Enforcement of Affordable Housing Development Agreement; Affordability Controls.*

- (1) The planning director shall promulgate rules as necessary to implement this ordinance. On an annual basis, the director shall publish or make available copies of the U.S. Department of Housing and Urban Development household income limits and rental limits applicable to affordable units within the local government's jurisdiction, and determine an inflation factor to establish a resale price of an affordable unit.
- (2) The resale price of any affordable unit shall not exceed the purchase price paid by the owner of that unit with the following exceptions:
 - (a) Customary closing costs and costs of sale;
 - (b) Costs of real estate commissions paid by the seller if a licensed real estate salesperson is employed;

- (c) Consideration of permanent capital improvements installed by the seller; or
 - (d) An inflation factor to be applied to the original sale price of a for-sale unit pursuant to rules established pursuant to paragraph (1) above.
- (3) The applicant or his or her agent shall manage and operate affordable units and shall submit an annual report to the City of Greenville identifying which units are affordable units in an affordable housing development, the monthly rent for each unit, vacancy information for each year for the prior year, monthly income for tenants of each affordable unit, and other information as required by the City of Greenville while ensuring the privacy of the tenants. The annual report shall contain information sufficient to determine whether tenants of for-rent units qualify as low-or moderate-income households.
- (4) For all sales of for-sale affordable housing units, the parties to the transaction shall execute and record such documentation as required by the affordable housing development agreement. Such documentation shall include the provisions of this ordinance and shall provide, at a minimum, each of the following:
- (a) The affordable housing unit shall be sold to and occupied by eligible households for a period of 30 years from the date of the initial certificate of occupancy.
 - (b) The affordable housing unit shall be conveyed subject to restrictions that shall maintain the affordability of such affordable housing units for eligible households.
- (5) In the case of for-rent affordable housing units, the owner of the affordable housing development shall execute and record such document as required by the affordable housing development agreement. Such documentation shall include the provisions of this ordinance and shall provide, at a minimum, each of the following:
- (a) The affordable housing units shall be leased to and occupied by eligible households.
 - (b) The affordable housing units shall be leased at rent levels affordable to eligible households for a period of 30 years from the date of the initial certificate of occupancy.
 - (c) Subleasing of affordable housing units shall not be permitted without the express written consent of the planning director.

19-5.2.12. Dimensional standards incentives for affordable and workforce housing. Any affordable housing development or any development established under the provisions of 19-2.3.21 shall be eligible to receive the Development Flexibility Incentives listed in Table 19-5.2-2.

Table 19-5.2-2: Building and Lot Standards for Affordable and Workforce Housing				
	<i>District</i>			
	<u>RM-1</u>	<u>RM-1.5</u>	<u>RM-2</u>	<u>RM-3</u>
<u>Density (units/acre, max)</u>	<u>15</u>	<u>23</u>	<u>30</u>	<u>35</u>
<u>Building Height (stories, max)</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
<u>Building Height (FT, max)</u>	<u>40¹</u>	<u>40¹</u>	<u>40¹</u>	<u>40¹</u>
<u>Lot Width (FT, min)</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

<u>Lot Depth (FT, min)</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
<u>Lot Coverage (% , max)</u>	<u>UL*</u>	<u>UL*</u>	<u>UL*</u>	<u>UL*</u>
<u>Setback - Side (FT, min)</u>	<u>10²</u>	<u>10²</u>	<u>10²</u>	<u>10²</u>
<u>Setback - Front (FT, min)</u>	<u>15³</u>	<u>15³</u>	<u>15³</u>	<u>10³</u>

*Unlimited, provided all setbacks, stormwater, open/recreation space, and buffer requirements are met

¹ See subsection 19-5.2.9(C)(1), general.

² Zero lot line or common wall construction is allowed for single-family attached.

³ See subsection 19-5.2.4(B), setback, front.

19-6.1.11. Off-street parking requirements incentives for affordable and workforce housing. Any affordable housing development or any development established under the provisions of 19-2.3.21 shall be eligible to receive the Development Flexibility Incentives listed in Table 19-5.2-2.

Table 19-6.1-8: Parking Requirements for Affordable and Workforce Housing		
<i>Income-Qualified Level for Unit</i>	<i>Low-Income (60% and below AMI)</i>	<i>Moderate-Income (100%-61% AMI)</i>
<u>Parking (spaces/unit)</u>	<u>0.5</u>	<u>1</u>