

Case No. 14AMEND1003

LDC Text Amendments – Round Two



Louisville Metro Council - Ad Hoc Committee on Land
Development Code

April 20, 2015

Fair & Affordable Housing Sub-Committee

- Chuck Kavanaugh – Homebuilders Association of Louisville
- Gale Lively – Louisville Apartment Association
- Donnie Blake – Planning Commissioner
- Cathy Hinko – Metropolitan Housing Coalition
- Curtis Stauffer – Metropolitan Housing Coalition
- Gabe Fritz – The Housing Partnership, Inc.
- Janet Dakan
- Paul Mastrolia – Community Services & Revitalization
- Kevin Sullivan – Community Services & Revitalization
- Lester Sanders – Greater Louisville Association of Realtors
- David Mindel – Mindel Scott & Associates
- Jeana Dunlap – Community Services & Revitalization
- Mike Wilcher – Planning & Design Services
- Jen Ewa – Community Services & Revitalization
- Tammie Barrett – Community Services & Revitalization
- Jeremy Dyer – Community Services & Revitalization
- Patricia Edison
- Darnell Farris – Planning & Design Services
- Bonnie Cole
- Martina Kunnecke – Neighborhood Planning & Preservation
- Bill Friedlander
- Chris Dischinger – LDG Development
- Pat Dominik – Sabak Wilson & Lingo
- Rocco Pigneri – Ball Homes
- Tara Brinkmoeller – Homebuilders Association of Louisville
- Steve Porter – OPEN Louisville
- Barbara Sinai – Crescent Hill Community Council
- John Marshall
- Mike Raisor
- Jim Mims – Codes and Regulations
- Emma Smith
- Mark Lechner – Louisville Apartment Association
- Norman Noltemeyer – Noltemeyer Capital
- Steve Rusie – Dunaway Engineering
- Mark Pulliam – Triumph Development
- Tony Steier – AGS Development
- Katy Reuff – Brown Capital LTD
- Kyle Noltemeyer – Noltemeyer Capital
- Jeff Ratanapool – Century Mortgage
- Laura Grabowski – Community Services & Revitalization
- Rachel Hurst – Louisville Affordable Housing Trust Fund
- Tim Corrigan – The Rotunda Group
- Joel Dock – Planning & Design Services
- Dana Duncan – Metropolitan Housing Coalition

LDC Main Committee

- Jim King - Metro Councilperson District 10
- James Peden - Metro Councilperson District 23
- Donnie Blake - Planning Commission Chairman
- David Proffitt - Planning Commission & Board of Zoning Adjustments Member
- Chuck Kavanaugh – Building Industry Association of Greater Louisville
- Pat Dominik - Sabak, Wilson & Lingo
- Kathy Linares - Mindel Scott & Associates
- Deborah Bilitski - Wyatt Tarrant & Combs
- Barbara Sinai - Crescent Hill Community Council
- Steve Porter – Attorney, OPEN Louisville
- Tom FitzGerald - Kentucky Resources Council
- Teena Halbig - Floyds Fork Environmental Association
- Kevin Dunlap – Louisville Urban League
- Chris Raque/Matt Meunier – City of Jeffersontown
- Gabe Fritz – The Housing Partnership, Inc.

LDC Revisions - Round Two

- Between 6/12/12 and 5/22/13, the Fair & Affordable Housing Sub-Committee met 18 times.
- The recommendations of the Fair & Affordable Housing Sub-Committee were discussed at various LDC Main Committee meetings, with the last such discussion occurring on 11/19/13.
- The recommendations of the Fair & Affordable Housing Sub-Committee and the LDC Main Committee were presented to the Planning Commission at a public hearing on 8/11/14.
- The Planning Commission voted unanimously to approve 11 of the recommendations to Metro Council.

Summary of Recommendations

- **Official recommendations (11)**: These items were discussed and successfully voted on by the LDC Main Committee and Planning Commission and therefore are formally proposed amendments to the LDC.
- **Non-recommendations (2)**: These items were discussed by the LDC Main Committee, but were either rejected by vote, did not receive the required number of votes (8) to become official recommendations, or were not voted on altogether. This category also may include topics discussed by the sub-committee that were not forwarded to the LDC Main Committee for consideration.

Fair & Affordable Housing Overview

Proposed amendments to the LDC include the following:

- Alternative Development Incentives (ADI) – Existing regulations have been improved to encourage better utilization. **(FAH ITEM #1)**
- Mixed Residential Development Incentive (MRDI) – New optional development tool designed to encourage developments with a mixture of housing types, styles and pricing. **(FAH ITEM #2)**
- Affordable Housing Density Bonus (AHDB) – Additional density bonus offered for commitment to provide affordable units within a development. **(FAH ITEM #3)**
- Multi-family residential development to be allowed in the OR Office Residential District at a density of 12 units per acre. **(FAH ITEM #4, PART 3)**
- Attached housing to be allowed in the R-5A Multi-Family Residential District. **(FAH ITEM #5)**

Fair and Affordable Housing

FAH ITEM #1 - ADI –ALTERNATIVE DEVELOPMENT INCENTIVES REVISIONS

Proposed amendments:

- Improve references to Section 5.3.1.D, which includes dimensional requirements for ADI Developments.
- Eliminate limitations on density bonus by removing proximity to major transit corridor restrictions.
- Amend the minimum dimension required in open space from 50' to 30' to be consistent with Conservation Subdivision regulations.
- Restructure Diversity Housing Levels (change from 4 levels to 3 levels) in an attempt to simplify process. Diversity Housing Levels are now defined using a formula that factors in Jefferson Co. area median income (AMI) and the allowable monthly housing costs as determined by the KY Housing Corporation.
- Require 10% of all units in an ADI development to be Diversity Housing Units, with 10% of all Diversity Housing Units being Diversity Housing Level 1 units. Currently, 10% of all units in an ADI development must be Diversity Housing Level 1 or 2 units.

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FAH ITEM #1 - ADI –ALTERNATIVE DEVELOPMENT INCENTIVES REVISIONS

Proposed amendments (continued from previous slide):

- Require applicant to submit status reports to Planning & Design Services every 12 months. Interval changed from 6 months to 12 months.
- Add cemeteries as a cultural resource.
- Replace Major Transit Corridors with Arterial Corridors and change distance from $\frac{3}{4}$ mile to 1 mile.
- Add proximity to bus route point opportunity.
- Revise requirements for perimeter parcels in an ADI development to be less cumbersome yet still provide protections for adjacent developed residential properties.
- Revise point system to reflect proposed changes, but also to increase density bonus incentive opportunities.
- Update Table that illustrates current diversity level price points.

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FAH ITEM #1A - ADI - QUALIFIED BUYER DEFINITIONS

In order to be eligible as a homeowner of a Diversity Housing Unit in an ADI development, an individual must meet the definition of a “Qualified Buyer.” In an attempt to increase the pool of potential homeowners, an amendment to the definition of Qualified Buyer is proposed to include persons whose household income for the last 2 years was 110% or less of the median household income for Jefferson Co. as reported annually by HUD. Previously, the percentage was listed as 100%.

The following ADI-related definitions in LDC Section 1.2 would be amended to reflect the new 110% income levels:

- *Qualified Buyer* - The Metropolitan Housing Authority (City or County) or a person whose household income for the last two years was ~~400%~~ 110% or less of the median household income for Jefferson County as reported annually by HUD, or a corporation that has received low income housing tax credit to be applied toward the subject site.
- *Qualified Buyer Verification Form* - A form, provided by the public agency handling Community Development and Home Funds and successor programs, that verifies that a person's household income for the past two years was ~~400%~~ 110% or less of the median household income for Jefferson County as reported annually by HUD.

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FAH ITEM #1B - ADI - DIVERSITY HOUSING UNIT DEFINITION

This item is a recommendation to delete the definition of Diversity Units in LDC Chapter 1, which references the existing 4-level system, and establish new definitions for the proposed 3-level system:

- ~~— *Diversity Units* - Four price levels of housing unit qualify as housing diversity units. Level 1 units shall mean residential dwellings that shall be sold for a total price no greater than 2.5 times the current low-moderate income limit for a given household size; Level 2 units shall mean residential dwelling units that shall be sold for a total price no greater than 2.75 times the current low-moderate income limit; level 3 units shall mean a residential dwelling that shall be sold for a total price no greater than 3.0 times the current low-moderate income limit for a given household size; Level 4 units shall mean a residential dwelling units that shall be sold for a total price no greater than 3.25 times the current low-moderate income limit for a given household size. (See definition for a given household size.) Sales price restrictions are applicable to sale to initial occupant only. Household sizes shall be translated into house sizes as follows: one and two person households: 1 bedroom; three persons: 2 bedrooms; four persons: 3 bedrooms; five or more persons: 4 bedrooms.~~
- *Diversity Housing Level 1* - Level 1 unit sale prices shall be calculated using 80% of the current Jefferson County area median income (AMI) limit for a given household size.
- *Diversity Housing Level 2* - Level 2 unit sale prices shall be calculated using 90% of the current Jefferson County area median income (AMI) limit for a given household size.
- *Diversity Housing Level 3* - Level 3 unit sale prices shall be calculated using 100% of the current Jefferson County area median income (AMI) limit for a given household size.

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FAH ITEM #1C - ADI - LOT SIZE RESTRICTION

- Dimensional requirements such as required lot area, lot width and building setbacks for ADI developments are found in LDC Section 5.3.1.D.2.
- This item is a recommendation to remove those provisions that limit the number of smaller lots allowed in an effort to increase realistic design opportunities for alternative housing styles such as attached units, zero lot line units, townhouse units and patio home units.

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FAH ITEM #1D - ADI - PLANNED RESIDENTIAL DISTRICT ADJUSTMENT

- The Planned Residential Development (PRD) zoning district found in LDC Section 2.7.3 includes a diversity housing option and refers to the existing definition of diversity units (which is proposed to be deleted).
- This item is a recommendation to reference the revised definition of diversity housing units as proposed in FAH Item #1C.

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FAH ITEM #2 - MIXED RESIDENTIAL DEVELOPMENT INCENTIVE

This item is a recommendation of a new incentive that is intended to promote and encourage residential developments that include a mixture of housing types (single & multi-family) and a mixture of price points.

- This incentive allows multi-family residential development to occur in certain single-family zoning districts without requiring a zoning change. A density bonus is also offered in exchange for a commitment to provide multi-family units and affordable units.
- Highlights of MRDI Option
 - Allows multi-family development in R-4 & R-5 zoning districts without zoning change
 - Developer commits to certain number of multi-family units
 - Developer commits to certain number of affordable units - multi or single-family; owner occupied or rental
 - Requires minimum 10% open space
 - Accrue points in up to 13 categories
 - Higher point total entitles developer to higher density bonus - up to 25% above what underlying zoning allows
 - Allows reduced lot sizes to increase design options and to achieve density bonus
 - Major Subdivision Preliminary Plan review process applies
 - Annual report submitted to Planning & Design Services

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Mixed Residential Development Incentive (MRDI)

Traditional R-4 Development

- 55 acres – 4 acres ROW = 51 acres
- 4.84 lots/acre
- 246 lots (all 9,000 SF lots)
- All single-family
- No affordable units
- No open space



MRDI Development (R-4) (No rezoning required)

- 55 acres – 4 acres ROW = 51 acres
- 5.80 units/acre (20% density bonus)
- 296 total dwelling units
- 191 single-family (50-4,500 SF; 50-7,000; 91-9,000 SF)
- 105 multi family units (2 lots=8 acres) (35%)
- 59 affordable units (half houses/half apartments) (20%)
- 11 acre open space lot (20%)



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FAH ITEM #3 - AFFORDABLE HOUSING DENSITY BONUS (AHDB)

This item is a recommendation to offer a density bonus to a development that provides a certain percentage of affordable units. This option can be applied to developments in zoning districts that allow residential development, single-family or multi-family, as a permitted use.

- Compared to the MRDI option, the AHDB option: 1) is tied solely to the commitment to provide affordable units within a development proposal; 2) the density bonus could be used in many zoning districts (as opposed to only in R-4 and R-5); and 3) would not allow multi-family development to occur in single-family zones.
- Compared to the ADI option, the AHDB option requires a more significant commitment to affordable housing on the part of the developer in exchange for a more significant density bonus.
- All affordable owner occupied units in the AHDB option must be Diversity Housing Level 1 units.
- To improve the mixture of sales price/rental rates within a given area, the sales price/rental rates for market rate units in a development utilizing the AHDB option must be at least 25% higher than the affordable units within the development.

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FAH ITEM #3A - AFFORDABLE HOUSING DENSITY BONUS - ASSOCIATED CH. 2 & 5 CHANGES

This item is a recommendation to provide references in LDC Chapters 2 and 5 to the density bonuses and reduced lot sizes allowed by the AHDB.

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FAH ITEM #4, PART 3 - ALLOWABLE MULTI-FAMILY RESIDENTIAL IN ADDITIONAL ZONES

This item is a recommendation to eliminate CUP Section 4.2.37 and to allow multi-family residential as a permitted use in the OR zoning district.

- Multi-family residential development is only allowed in the OR Office Residential zone after a CUP is granted.
- The OR zone already allows single-family residential at a density of 12 dwellings per acre.
- It is recommended that the same density should apply to multi-family residential in the OR zone.

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FAH ITEM #5 - ATTACHED HOUSING IN R-5A ZONING DISTRICT

This item is a recommendation to allow attached housing as a permitted use in the R-5A zone, similar to how this kind of housing style is currently allowed in the PRD zoning district. This would expand the housing options available to the R-5A zone without requiring an additional zoning change.

Changes involved:

- Section 2.2.9.A – Add “Dwellings, single-family attached and detached” to permitted use list.
- Section 2.2.9 – Add a reference to portions of Section 2.7.3 PRD that apply.
- Section 2.2.9 –Add reference to applicable Section 5.2.2.D & 5.3.1.D Alternative Housing Styles for dimensional requirements.
- Section 5.2.2.D & 5.3.1.D – Refer to R-5A single family attached and detached developments.

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NON-RECOMMENDATIONS

FAH ITEM #4, PARTS 1 AND 2 – ALLOW MULTI-FAMILY RESIDENTIAL IN ADDITIONAL ZONES

- **1 - (THE LDC MAIN COMMITTEE DECIDED VIA A MOTION TO LEAVE THIS ITEM ALONE AT THE 11/5/13 MEETING)** Allow multi-family residential as a permitted use in the EZ-1 zoning district in any form district. Multi-family residential is currently allowed only in the Traditional Form Districts in the EZ-1 zone as a permitted use with special standards (Section 4.3.5). Section 4.3.4 also allows multi-family residential on EZ-1 zoned properties in the Suburban Workplace form district only if an existing structure is being reused. The sub-committee proposed eliminating Sections 4.3.4 & 4.3.5 from the LDC and amending Section 2.6.1 to allow multi-family residential as a permitted use at a maximum density of 217 dwellings per acre, which is the density previously used in Section 4.3.4 (density equivalent to OR-3, OTF, C-2, W-1 & W-2 zones.)
- **2 - (THE LDC MAIN COMMITTEE DECIDED *WITHOUT* A MOTION TO LEAVE THIS ITEM ALONE AT THE 11/5/13 MEETING)** Allow multi-family residential as a permitted use in the PRO zoning district. The sub-committee proposed residential density in PRO to be the same as another similar zone, PEC. PEC's residential density is the same as C-1, 34.84 dwellings per acre.

Required Actions

- Recommend approval or denial of the following LDC text amendments:
- **OFFICIAL RECOMMENDATIONS**
 - FAH ITEM #1** – ADI –Alternative Development Incentives Revisions (ADI)
 - FAH ITEM #1A** – ADI – Qualified Buyer Definitions
 - FAH ITEM #1B** – ADI – Diversity Housing Unit Definition
 - FAH ITEM #1C** – ADI – Lot Size Restriction
 - FAH ITEM #1D** – ADI – Planned Residential District Adjustment
 - FAH ITEM #2** – MRDI – Mixed Residential Development Incentive (MRDI)
 - FAH ITEM #2A** – MRDI – Associated CH. 2 & 5 Changes
 - FAH ITEM #3** – Affordable Housing Density Bonus
 - FAH ITEM #3A** – Affordable Housing Density Bonus – Associated CH. 2 & 5 Changes
 - FAH ITEM #4, PART 3** – Allow Multi-Family Residential in Additional Zones
 - FAH ITEM #5** – Attached Housing in R-5A Zoning District
- **NON-RECOMMENDATIONS**
 - FAH ITEM #4, PARTS 1 & 2** – Allow Multi-Family Residential in Additional Zones