

City of Tucson Planning Commission



Item #4 Infill Incentive District (IID) Update UDC Text Amendment Public Hearing

Overview

- When changes were made to the IID in 2019, a four-year sunset date was added to the ordinance.
- That <u>sunset date expires on January 31, 2023</u>, providing us a chance to make some revisions to update the IID.
- On February 8th M&C provided the following direction:
 - "It was moved by Council Member Fimbres, duly seconded, and voted upon 6-0, to direct staff to begin the IID review and engage stakeholders and neighbors in the community."



Downtown Greater Infill Incentive Infill Sub-district Incentive **District** Infil Incentive Sub-districts Downtown Links Sub-district Greater Infill Downtown Core Sub-district Toole Avenue (DTLinks) Triangle (DT 4th Avenue (DTLinks) Iron Horse (DTLinks) Rio (DT Core, DT Links, & GIIS) Area 86

What is the Infill Incentive District?

- Optional zoning overlay property owners that choose this option can develop using standards designed to encourage pedestrian- and transitoriented mixed-use development
- Projects must meet design standards and historic preservation regulations in return for more flexibility
- Established by Mayor and Council in 2006 with modifications made over time

Infill Incentive District Background and Timeline

2010

 Public review & comment of select sections of IID 100+ meetings

2013

 Mayor & Council direct staff to revise portions of UDC related to IID & to simplify & incorporate Downtown Links & Rio Nuevo District overlays

2013-2015

- Analysis, deliberation & public review via:
 100+ public meetings
 - Stakeholder groups
 - IID Citizens'
 Task Force
 - Planning Commission IID Subcommittee

18 Feb. 2015

 Mayor & Council adopt current Infill Incentive District Ordinance setting sunset date on January 31,2019

July 2018 - Apr. 2019

 Review of IID sunset date and effectiveness of ordinance

23 Apr. 2019

 Mayor and Council adopt new IID ordinance with minor updates and extend the sunset date four years (January 31, 2023)

Last time IID underwent significant changes

IID Review Process

Pre-Application Meeting

- On request, meeting held with applicant, PDSD and applicable city departments
- Project review determined to be Major or Minor
- Staff provides comments and review process timeline
- Applicant must request City
 Development Review
 Committee (CDRC) for zoning compliance

Neighborhood Meeting

Applicant must:

- give notice
- host and
- document
 a public neighborhood
 meeting

Different notification requirements for

- Major Review
- Minor Review

Applicant provides information about the proposed project and listens to neighborhood concerns and interests

Application Submittal & Review

Applicant submits complete application:

- Project plans
- Supporting material
- Neighborhood Meeting documentation
- Zoning comments
- Fees
- If complete, application is forwarded for review and comment from:
 - City departments
 - Outside agencies as needed

Design Review

All projects undergo

 Design Professional Review

If applicable

Tucson-Pima County
 Historical Commission
 Plans Review
 Subcommittee (TPCHC,
 PRS)

Major Review also includes
IID Design Review
Committee, with member from the neighborhood

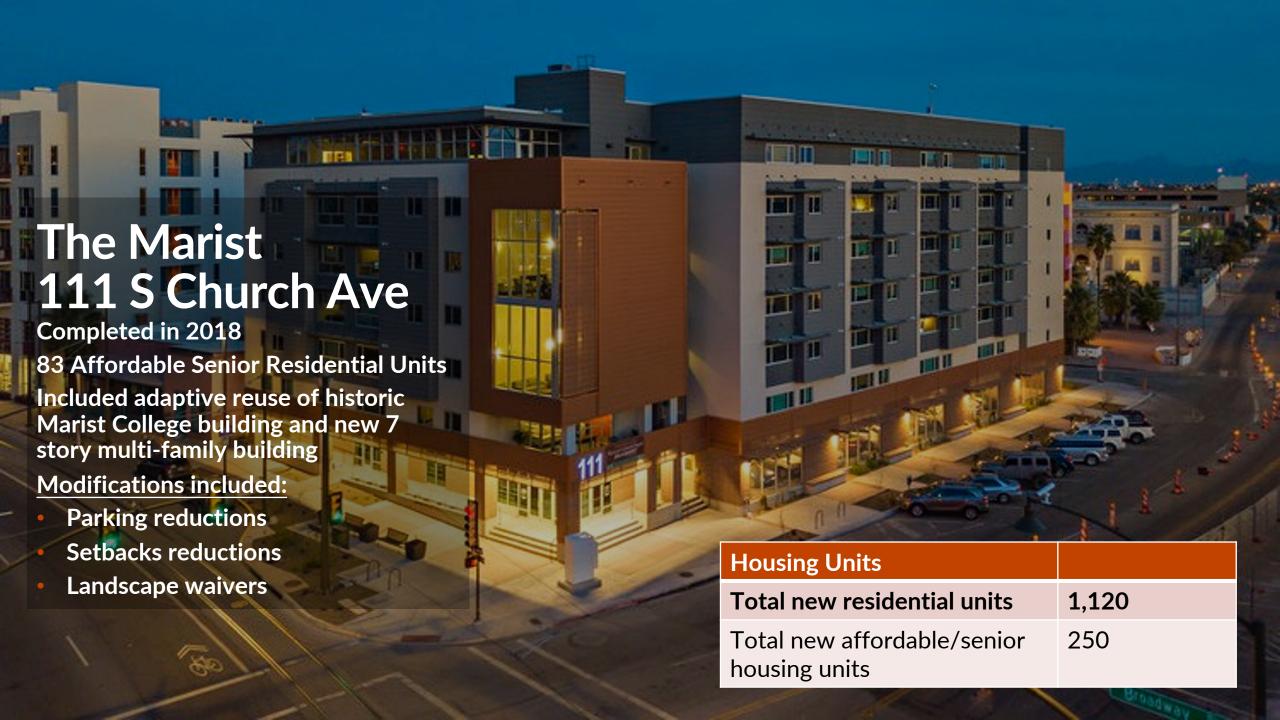
Recommendations sent to PDSD Director

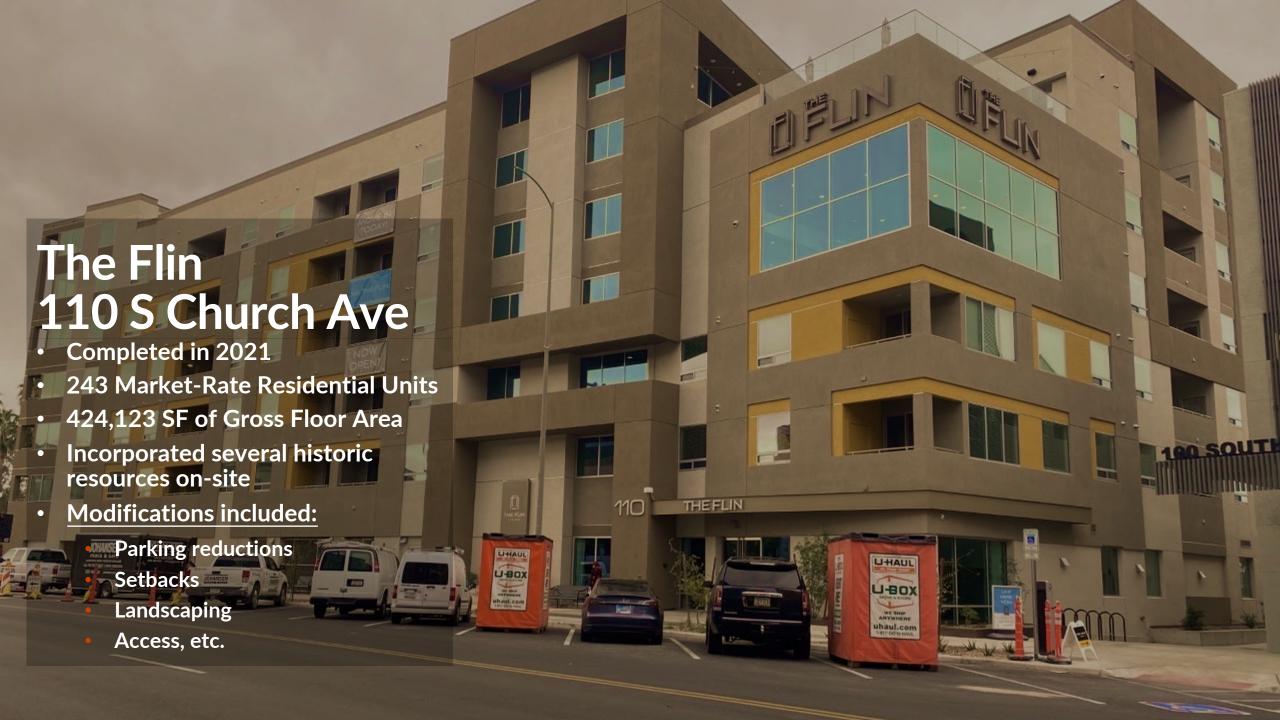
PDSD Director's Decision

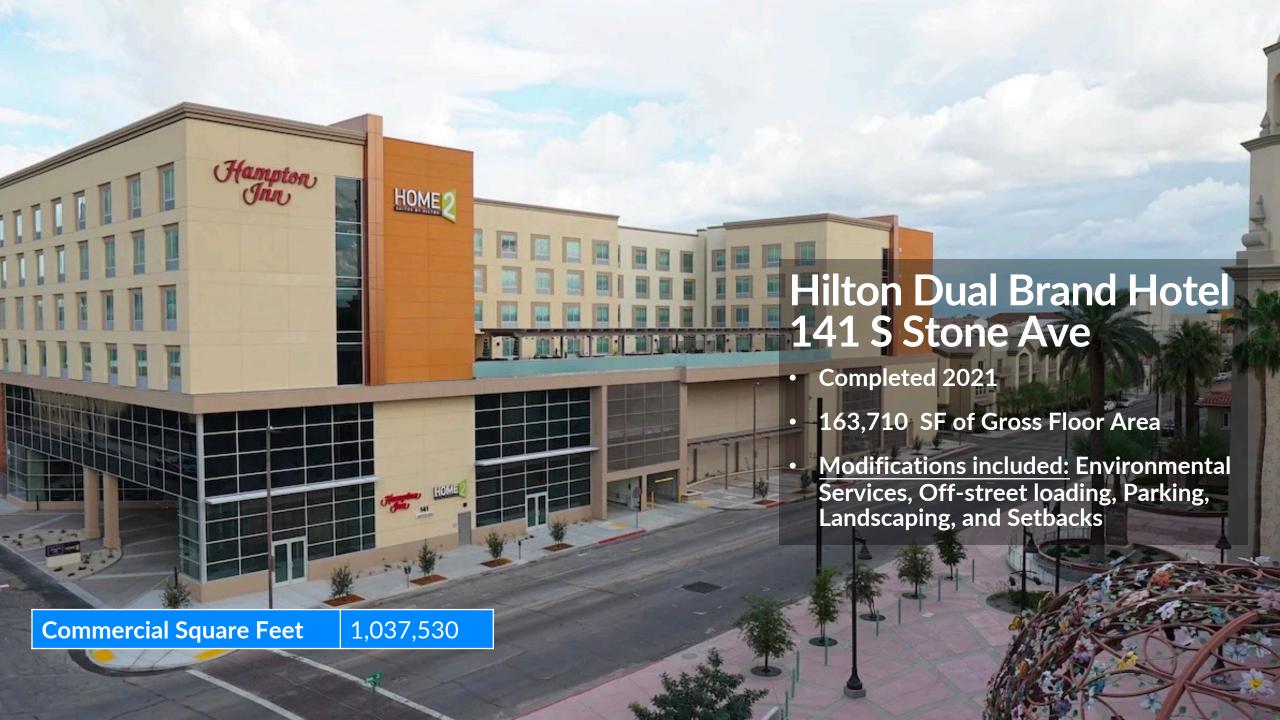
PDSD Director reviews the application and recommendations.

Project can be

- Approved,
- Approved with conditions, or
- Denied
- Major and Minor Reviews have different appeals processes
- If approved, applicant may submit a Development Package









Placemaking

Project Locations

Downtown Core 14
Greater Infill Incentive 11
Downtown Links 27

Legend

IID Projects

IID

Infill Incentive District Projects

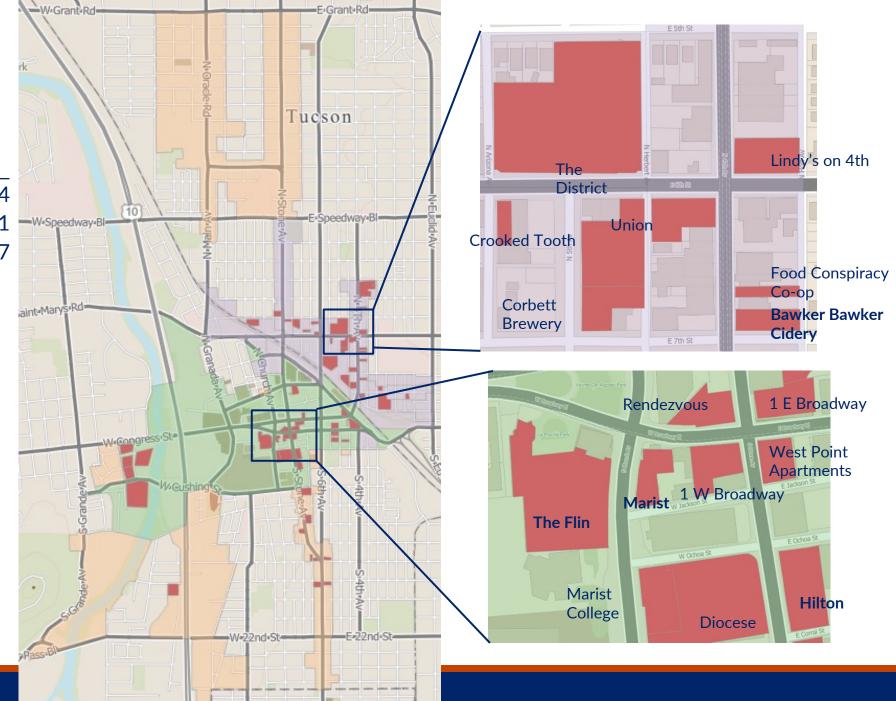
IID Subdistricts

IID Subdistrict Name

DOWNTOWN CORE SUBDISTRICT

DOWNTOWN LINKS SUBDISTRICT

GREATER INFILL INCENTIVE SUBDISTRICT



S Stone Ave and Broadway - 2011



S Stone Ave and Broadway – now

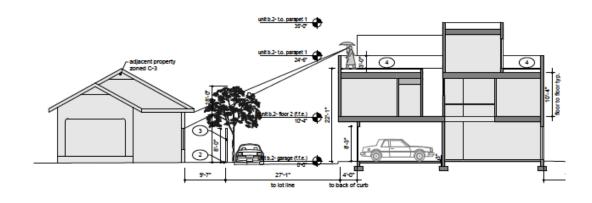


Development Transition Standards

The IID has development transition standards and bulk reduction requirements that the underlying zoning does not, such as:

- Requirement to step down heights over 25 feet to single-family residences (in the GIIS and DCS)
- Requirements to break up massing so the façade is less imposing
- Privacy reduction via window & balcony placement
- Buffers / screening via landscaping, walls, etc.





Historic Preservation / Adaptive Reuse

The IID also has historic preservation requirements and standards to encourage adaptive-reuse of existing structures that the underlying zoning does not, such as:

- Applicants are prohibited from using the IID zoning option where demolition of a historic structure occurs on that property or where work would de-list a contributing property
- Historic review is required for all sites utilizing the IID with or adjacent to contributing properties. This is in addition to the required IID design review.
- The flexibility built into the IID (parking, landscaping, lot coverage, setbacks, etc.) makes the reuse of older and historic sites more viable

Over half of IID projects have been smaller (minor) projects such as a simple change of use

Housing Affordability Strategy for Tucson

HAST

Comprehensive affordable housing strategy adopted by Mayor & Council .

Strategy includes:

- introduction of housing concepts
- data to inform future decisions
- ten policy initiatives

One of those initiatives (5.3) relates to incentivizing affordable housing in overlays:

"Incorporate incentives into planning and overlay zoning on transit corridors."



Outreach & Engagement

February 8	Mayor and Council Study Session to initiate process to update the IID and address sunset date
March, April	Pop-up events & survey on IID and downtown development, Tucson Norte-Sur, Cyclovia
March 10	Presentation to Tucson / Pima County Historic Commission – Plans Review Subcommittee
March 25	Presentation to City of Tucson Design Review Board
April 26	Stakeholder listening session
July, August	Presentations to Commission on Equitable Housing for feedback on new Affordable Housing incentives
September	Four focus group meetings with Design Professionals, DRC members, Architects, Business-owners, and Staff
October 4	Ward 1 W Congress St business & property owners
October 11, 13	Public meetings
October	Menlo Park and Dunbar Spring Neighborhood Association Meetings
October 26	Planning Commission Study Session

Early Survey Results

March & April 2022

Things about downtown and the IID to...

Keep the same or increase

- Bicycle routes & walkable environment
- Historic buildings, narrow streets
- Support for long-standing, independent, & local businesses
- Affordable housing
- Street trees & landscaping
- Culture & southwestern identity
- Wayfinding & signs to direct traffic

Avoid or reduce

- Car-centric environment
- Generic / modern building styles
- Gentrification
- Costs (as in rents for businesses & in a general context)

Feedback

Stakeholder Listening Session April 2022 Focus Groups September 2022

Boundaries

Proposed minor expansions at edges

Process

- How to streamline or consolidate different processes
- How to reduce the timeline for projects

Content

- Land Use Mixes / 1st floor commercial can pose challenges
- Affordable housing incentives
- More flexible parking standards
- Review design standards for Greater Infill Incentive Subdistrict / Downtown Links

Feedback

Planning Commission Study Session October 2022

Planning Commission Comments

- Effectiveness of the IID in spurring transit orientated development
- Proposed privacy standards in the proposal
- Effects on gentrification
- Labeling of the consolidated use table in Section 5.12.8.A

Public Comments

- More affordable housing in exchange for incentives
- Support and concern for reduced parking
- Landscaping / sustainability measures
- Ground floor retail / type of uses
- Boundary adjustments
- Support for small business

Proposed
Changes to
the Infill
Incentive
District

- 1. Individual Parking Plan integration
- 2. Design standards for Downtown Links / Stone Ave Corridor
- 3. Minor clean-ups and clarifications
- 4. Residential uses in industrial zones
- 5. Affordable housing incentive
- 6. Minor IID boundary changes
- 7. Sunset Date



Individual Parking Plan (IPP) Integration

- Existing regulation
 - Currently, the IPP is a separate process to reduce parking requirements that runs concurrently with the IID review
- Proposed change:
 - This proposal would amend Section 5.12.8 and clarify the review and approval would be done via IID review process.
- Intended outcome:
 - Instead of two separate approvals, there would be one for the IID that would include parking reductions, if needed.
 - Applicant would still need to provide parking study and show how they meet their parking needs.

Design standards & minor tweaks

Design standards for Downtown Links / Stone Ave Corridor

- Privacy standards for adjacent properties with same ownership
- Orientation of buildings to be reflective of in process transportation projects
- Guidance for temporary parking for phased of projects

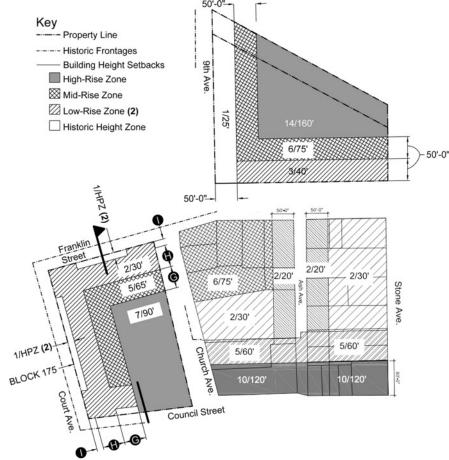
Clarifications & Minor Tweaks:

- Uses that encourage street level activation are not limited to commercial or retail trade.
- Shade coverage is measured at a more appropriate threshold: 12:00pm on June 21.
- Use Tables have been consolidated for easier reference.

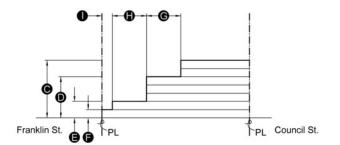
Adjustments to Downtown Links Diagrams

- Several minor adjustments made to design diagrams in:
 - Section 5.12.12.B Toole Avenue Area Figure 5.12-EPS-B
 - Section 5.12.16 Stone/Sixth Area Figures 5.12-STS-B & 5.12.STS-C

Section 5.12.12.B Toole Avenue Area - Figure 5.12-EPS-B



EL Presdio Subarea Building Heights Plan



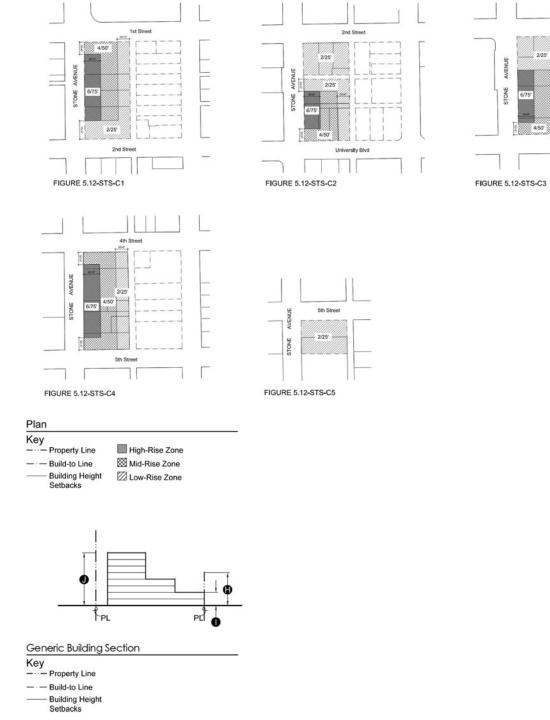
North/South Section thru Block 175

Key
------ Property Line
----- Building Height
Setbacks

Section 5.12.16 Stone/Sixth Area – Figures 5.12-STS-B



Section 5.12.16 Stone/Sixth Area – Figures 5.12-STS-C



University Blvd



Approach on residential and affordable housing

- Allow residential development on industrially zoned land within the Greater Infill Incentive Subdistrict and Downtown Core Subdistrict (expand land available for new residential)
 - Residential use in industrial areas already allowed in the Downtown Links subdistrict
- Baseline densities and building heights for market rate housing are proposed depending scale of development of those subdistricts
- Incentivize affordable housing through density and building height bonuses for affordable housing projects within those subdistricts

Industrially zoned land in the IID

- Residential development is currently allowed on industrially zoned land in the Downtown Links Subdistrict
- However, land zoned industrial in the Greater Infill Incentive Subdistrict and Downtown Core are zoned industrial and currently do not allow residential development
- This totals:
 - 27.5% of land in the Greater Infill Incentive Subdistrict
 - 17.7% of land in the Downtown Core

Residential uses in Industrial Zones

- Revise code so that multi-family residential development is allowed on industrially zoned property outside of the Downtown Links Subdistrict.
- Set a baseline density cap for industrial zones equal to:
 - R-3 zoned property in Greater Infill Incentive District (36/acre)
 - C-3 zoned property in the Downtown Core (87/acre)
- Set a maximum building height equal to:
 - R-3 zoned property in the Greater Infill Incentive District (35 feet)
 - 60 feet in the Downtown Core

Affordable Housing Incentive

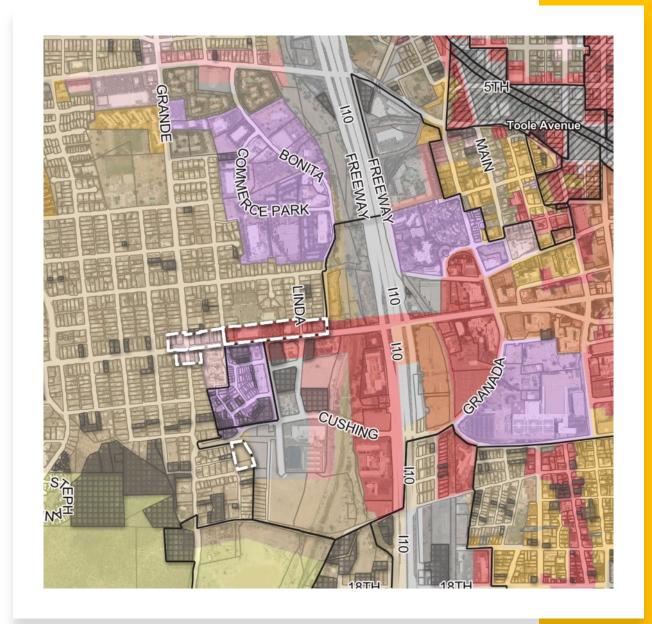
- Amend the IID to support affordable housing in the following ways:
 - Incentives for projects with 15% affordable units:
 - 1. Removal of residential density caps
 - 2. Building height up to:
 - 75 feet in the Downtown Core
 - 60 feet in the Greater Infill Incentive Subdistrict
 - New pre-approval process for affordable housing projects

Affordable is defined as 80% or less of Area Median Income (AMI) where housing costs do not exceed thirty (30) percent of a family's income.

IID Boundary Changes

Minor tweaks to boundaries at edges to reduce number of split parcels and include commercially zoned areas

- Congress St commercial corridor in Menlo Park
- 2. Former Nearmont landfill site
- Commercially zoned property along Stone Avenue & Main Avenue in Dunbar Spring
- 4. Vacant property near the Tucson House in Barrio Blue Moon



Congress St Commercial Corridor

C-1 and C-3 Zones Several historic properties



- Historic protections in the IID would help to encourage reuse of existing structures (modifications to building that would affect contributing status are prohibited)
- IID includes transition standards and bulk reduction that the underlying zoning does not
- Flexibility (parking, landscaping, etc.) of the IID allows for a change of use and business expansions which are more challenging with the underlying zoning

Former Nearmont Landfill Site

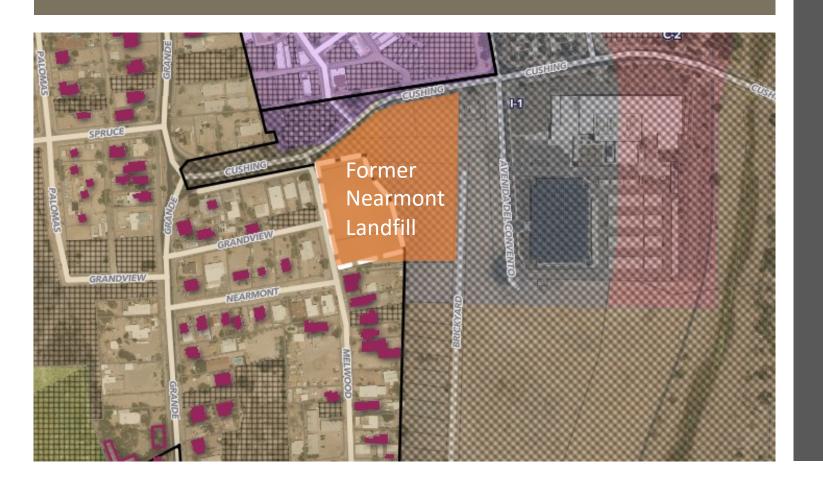
Owned by City of Tucson Portion outside IID is zoned R-2 Site is split by IID boundary



- Allows for more comprehensive site planning / development
- Ultimate development plan would be shaped by the goals established in the Menlo Park Neighborhood Plan
- IID option includes requirements for open space
- Provides flexibility for parking, min lot size, and the location of open space

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Owned by City of Tucson Portion outside IID is zoned R-2 Site is split by IID boundary

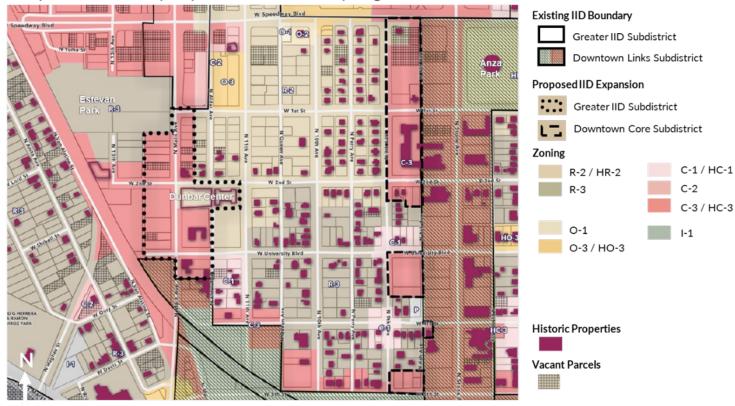


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- IID option includes requirements for open space
- Provides flexibility for parking, min lot size, and the location of open space

Commercially zoned property along Stone & Main

C-3 zoned properties (75' max building height)
Many parcels split by the IID
Several historic properties in these areas

Proposed Boundary Expansions, Dunbar Spring



- Historic protections (delisting is prohibited) in the IID would help to encourage reuse of existing structures
- IID includes transition standards and bulk reduction that the underlying zoning does not
- Flexibility (parking, landscaping, etc.) of the IID allows for a change of use when the underlying zoning generally does not

Vacant property near the Tucson House

R-2 zoned properties Vacant lots with single-ownership

Proposed Boundary Expansions, Barrio Blue Moon Existing IID Boundary Greater IID Subdistrict Proposed IID Expansion Greater IID Subdistrict Zoning OCR-1 Historic Properties Vacant Parcels

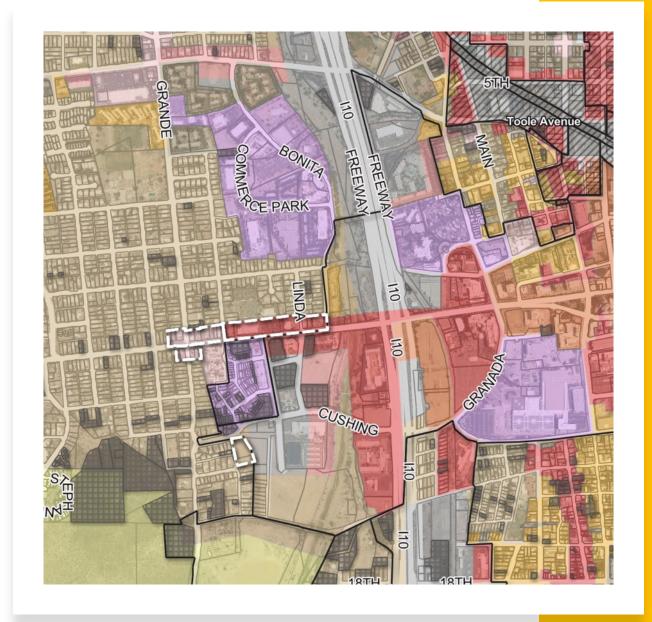
Benefits of adding to IID:

- Potential site for affordable housing to support the goals of Thrive in the 05 Neighborhood Transformation Plan
- IID includes transition standards and bulk reduction that the underlying zoning does not
- Flexibility (parking, landscaping, etc.) of the IID allows for a change of use when the underlying zoning generally does not

IID Boundary Changes

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Sunset Date Removal

- The removal of the IID sunset date is recommended for the following reasons:
 - The IID has a 10-year track record of facilitating new housing, commercial development, and supporting adaptive reuse and small businesses
 - The type of development supported by the IID, Transitoriented in fill development, implements long-term goals for the City (affordable housing, climate action, etc.)
 - Mayor and Council may direct staff to evaluation and amend the IID at any time

Recommendation

Staff recommends the Planning Commission approve a motion to:

"Recommend approval of the proposed Infill Incentive District Update UDC Text Amendment and removal of the sunset date to Mayor and Council."

Recommendation

Staff recommends the Planning Commission approve a motion to:

"Recommend the removal of the Infill Incentive District Sunset Date to Mayor and Council."

IPP Integration (Section 5.12.8.F)

- 2. Required vehicle and bicycle parking may be reduced pursuant to an IID Parking Plan in accordance with Section 7.4.5.A, except as modified as follows:
 - a. Section 7.4.5.A.3 in Permitted Uses and Types of Development does not apply. An IID Parking Plan may be used to reduce required residential parking.
 - b. Bike parking shall be provided when motor vehicle parking is provided. The PDSD Director may reduce the required number of bike parking spaces depending on the use, setting, and intensity of the proposal.
 - c. Section 7.4.5.A.6, Review and Approval Procedures does not apply. Review and approval of IID Parking Plan shall be done as part of the IID review process per Section 5.12.6, IID Plan Review and Approval Procedures under the IID Zoning Option. The neighborhood meeting that is required for under Section 7.4.5.A.6.a may be held concurrently with the neighborhood meeting required by Section 5.12.6.B.
 - d. Section 7.4.5.B, Downtown Parking District, does not apply.

Ground-floor Activation

Section 5.12.7.C.4

4. Every commercial building frontage shall provide a greater floor-to-floor height (14' recommended) than the floors above. It shall have windows, window displays, or visible activity within and adjacent to the building at the ground floor level, with a minimum of 50 percent of the building frontage providing such features; commercial and/or retails uses are recommended where economically viable.

Section 5.12.8.B.1.e

e. Uses, such as Commercial Services or Retail Trade uses that encourage street level pedestrian activity are preferred on the first floor of a structure of a multistory building. This may include, but is not limited to, Commercial Services, Retail Trade uses, etc; It is encouraged to have a greater floor-to-floor height (14' recommended) for the first level than the floors above.

Use Table Consolidation

Moved Section 5.12.9.A to 5.12.8.A

5.12.8. GENERAL IID ZONING OPTION DESIGN STANDARDS

An IID Plan under the IID zoning option design standards must demonstrate compliance with the following:

A. IID Land Uses

<u>Unless specifically stated otherwise elsewhere in Section 5.12, a proposed development project using the IID zoning option must meet one of following two requirements:</u>

1. Permitted land uses are limited to those listed in Table 5.12-GIIS-1 below:

TABLE 5.12-IID-1 LAND USE	
LAND USE TYPE	
Commercial Services Group	Industrial Use Group
Administrative and Professional Office	Craft work
Alcoholic Beverage Service	Retail Trade Group
<u>Entertainment</u>	General Merchandise Sales
Food Service	Food and Beverage Sales
Personal Services	Residential Group
Travelers' Accommodation, Lodging	Attached Family Dwelling
Civic Use Group	Multifamily Dwelling
Civic Assembly	Group Dwellings, pursuant to Section 5.12.6.K
<u>Cultural Use</u>	Other Uses
Educational Use: Instructional School	Mixed Uses are limited to a combination of
Educational Use: Post-secondary Institution	Residential and any other uses listed in this
Religious Use	table.

2. Additional Permitted Uses

Additional permitted uses include any use permitted in the underlying zone for the property, provided the PDSD Director finds the proposed use to be in accordance with Section 5.12.1, (Purpose).

3. Exceptions

- a. Permitted land uses for the Downtown Links Subdistrict (DLS) are listed in Section 5.12.11.C.
- b. Permitted land uses for property where the underlying zoning is R-1 are limited to the land uses allowed in the R-1 zone.
- c. Automotive Service and Repair uses are prohibited.
- d. Residential development is permitted where the underlying zoning of the property is P-I, I-1, or I-2.

Residential in Industrial Zones

• 5.12.8.A.2.d

d. Residential development is permitted where the underlying zoning of the property is P-I, I-1, or I-2.

• 5.12.9.C.a & c. (Greater Infill Incentive Subdistrict)

a. Building Height

- (1) For all development other than residential uses in the underlying I-1 and I-2 zones, Bbuilding height may be increased up to 60 feet unless the current zoning allows a greater height or where the IID Plan's Development Transition Standards as provided in Section 5.12.8.B require less.
- (2) Building height of residential uses in the underlying I-1 and I-2 zones, shall follow building height requirements of the R-3 zone district, and may be modified in accordance with Section 5.12.9.B.
- (3) Exception: affordable housing projects are governed by the standards of UDC Section 5.12.8.H.

c. Residential Density

- (1) For all development other than residential in the underlying I-1 and I-2 zones, Nno residential density calculation (RAN) standards apply,.
- (2) Residential density calculations for residential uses in the underlying I-1 and I-2 zones, shall follow density requirements of the R-3 zone district.
- (3). Exception: affordable housing projects are governed by the standards of UDC Section 5.12.8.H.

Residential in Industrial Zones (continued)

• 5.12.9.C.a & c. (Greater Infill Incentive Subdistrict)

1. Building Height

- <u>a.</u> Maximum building height may be increased up to 60 feet unless the current zoning allows a greater height or where the approved IID Plan's Development Transition Standards requires less.
- <u>b2</u>. In the underlying I-1 and I-2 Zone, uses permitted in the DCS under Section <u>5.12.9.A5.12.8.A</u>, other than residential uses, above are limited to a maximum 75 foot building height.
- c. Residential uses in the underlying I-1 and I-2 Zone, are limited to a maximum 60 foot building height.
- d. Exception: affordable housing projects are governed by the standards of UDC Section 5.12.8.H.

2. Residential Density

- (1) Residential uses in the underlying I-1 and I-2 zones shall follow residential density requirements of the C-3 zone district.
- (2) Residential uses where the underlying zoning is not the I-1 or I-2 zones, shall follow residential density requirements of the underlying zone.
- (3). Exception: affordable housing projects are governed by the standards of UDC Section 5.12.8.H.

Affordable Housing (Section 5.12.6.H)

H. Affordable Housing

1. Purpose & Applicability

To encourage the provision of housing for low- to moderate-income, disabled and elderly residents, incentives are offered in exchange for the incorporation of Affordable Housing Units into a Project. To be eligible for these incentives, the following criteria must be met:

- a. Only Projects with a minimum of ten (10) dwelling units, or Projects adding at least ten (10) dwelling units to an existing Project, shall be eligible for Density relief.
- b. All of the Affordable Housing Units shall be located within a single Project.
- c. Affordable Housing Units shall be incorporated throughout the Project and shall not be distinguishable in any manner from market-rate units, including square footage, access to amenities, location, grouping, or exterior design.
- d. At least fifteen (15) percent of the total number of dwelling units in the Project shall be Affordable Housing Units for households earning 80 percent of AMI or less. (Fractions are rounded up or down to the nearest whole number.)

Affordable Housing (Section 5.12.6.H)

2. Density Relief & Maximum Building Heights

a. A Project featuring Affordable Housing Units that meets the criteria in Section 5.12.8.G.1:

(1) Are exempt from maximum allowable residential Density restrictions pursuant to applicable IID development standards.

(2) Building height may be increased up to:

(a) 60 feet or the maximum height of what is allowed by the underlying zoning in the Greater Infill Incentive Subdistrict (GIIS).

(b) 75 feet or the maximum height of what is allowed by the underlying zoning in the Downtown Core Subdistrict (DCS).

b. Except as otherwise noted, projects featuring Affordable Housing Units shall comply with all other requirements of Section 5.12 in which it is located.

3. Terms of Affordability

a. The term of affordability for multi-family residential units for rent or lease is fifty (50) years from C of O.

b. The term of affordability for for-sale condominium units is thirty (30) years from C of O.

Affordable Housing (Sections 5.12.6.H & 11.4.2)

- 4. The Project developer or manager shall provide an annual report to the HCD Director verifying the units qualify as Affordable Housing Units. The report shall identify the income of persons residing in the Affordable Housing Units and the housing costs, including rents, mortgages, utilities and association fees being charged, and any other relevant information requested by the HCD Director to verify the Project is being utilized for affordable housing.
- 5. Compliance measures can be required at the time of approval, including but not limited to contracts, restrictive covenants, deed restrictions and stipulated penalties.

Section 11.4.2 – Definitions - A

Affordable Housing Unit

A dwelling unit committed for a minimum term as affordable, through covenants or restrictions, to households with incomes at 80 percent or less of the area median income ("AMI") for a family, as defined by the United States Department of Housing and Urban Development, for the City; and where housing costs (rents, mortgages, utilities and condo, homeowners or other association fees) do not exceed thirty (30) percent of a family's income as verified on an annual basis.

Sunset Date

Section 5.12.17 – IID District Termination

5.12.17. HD DISTRICT TERMINATION

The provisions of Section 5.12, Downtown Area Infill Incentive District, shall end on January 31, 2023, unless Mayor and Council extend the date by a separate ordinance.

(Ord. 11246, 2/18/2015; Am. Ord. 11640, 4/23/2019)