

MEMORANDUM

TO: Mayor and City Council
FROM: Todd Okolichany, Planning & Urban Design Director
PREPARED BY: Stacy Merten, Principal Planner
VIA: Cathy Ball, Assistant City Manager
DATE: February 19, 2021
SUBJECT: Hotel Development Regulations

SUMMARY STATEMENT:

This memo is to update City Council on the revisions that Planning & Urban Design staff have made to the hotel development regulations and Hotel Overlay District Map following the public hearing on February 9, 2021.

BACKGROUND:

Planning and Urban Design staff presented proposed text and map amendments to the Asheville City Council regarding new hotel development regulations following a one and a half year study and public engagement process. Council had some additional concerns regarding the proposal. This memo summarizes the revisions staff has made to the proposed regulations in order to address those concerns.

UPDATE:

The following changes have been made to the [Hotel Overlay District Map](#):

- Removed properties where the proposed Hotel Overlay District overlapped with urban renewal program areas and removed any resulting non-contiguous parcels, including a small area on Depot Street.
- Removed the property located at 185 Clingman Avenue (The Grey Eagle Music Hall property).

The following changes have been made to the [Public Benefits Table](#):

- Increased the overall required points for hotels by 40-60 points (see attachment for [Analysis of Amendments to Public Benefits Table](#))
 - 22% to 40% increase for hotels in urban areas
 - 33% to 150% increase for hotels in suburban areas
 - **Will result in more or higher level public benefits being required**
- Further prioritized affordable housing and reparations options (Group 2)
 - Revised Group 2 to only include affordable housing and reparations options
 - 50% of required points must go toward either affordable housing or reparations
 - **Will ensure that hotel projects will have to either build affordable housing or contribute money toward affordable housing or reparations**
- Removed points for lower monetary contributions toward affordable housing and reparations (\$1,000 and \$2,000 options removed)
 - **Will ensure that hotels contribute a higher amount to affordable housing or reparations**
 - For example, a large 100 room hotel in the downtown will have to contribute a minimum

of \$4,000 per room (or \$400,000) in addition to other public benefits compared to a minimum of \$1,500 per room (or \$150,000) plus other benefits under staff's previous proposal

- A \$6,000/room option is still available and has been further incentivized
- Moved other equity-related benefits from Group 2 to Group 3
 - Will ensure that affordable housing and reparations benefits are the top priorities
 - Eliminates competition amongst these benefits
- Adjusted several other point allocations to incentivize equity-related benefits
 - Examples include lowering points for B corp and non-equity related options

The following changes have been made to the [ordinance](#) (see page 5) to address concerns about appointments to the Joint Design Review Committee:

- The Asheville City Council will make the appointments, consisting of four members from the Downtown Commission and four members from the Asheville Area Riverfront Redevelopment Commission.
- The ninth member will still be appointed by the seated members of the Joint Design Review Committee.
- Under staff's former proposal, the Downtown and Riverfront commissions would have made the appointments.

Attachment(s)

- [Hotel Overlay District Map and Urban Renewal Updates](#)
- [Revised Exhibit A Map](#)
- [Revised Public Benefits Table](#)
- [Analysis of Amendments to Public Benefits Table](#)
- [Revised Hotel Development Ordinance \(2-19-21\)](#)

Changes to Public Benefits Table for Hotel Development
February 18, 2021

Overall Required Points

February 9 Table (Old)

Hotel Location & Size	Points Requirement
Urban (CBD/Biltmore Village/RAD)	
35 rooms and under	100
36-80 rooms	140
81+ rooms	180

Hotel Location & Size	Points Requirement
Suburban (outside CBD/Biltmore Village/RAD)	
35 rooms and under	40
36-80 rooms	80
81+ rooms	120

February 23 Table (New)

Hotel Location & Size	Points Requirement	% Change
Urban (CBD/Biltmore Village/RAD)		
35 rooms and under	140	40%
36-80 rooms	180	29%
81+ rooms	220	22%

Hotel Location & Size	Points Requirement	% Change
Suburban (outside CBD/Biltmore Village/RAD)		
35 rooms and under	100	150%
36-80 rooms	130	63%
81+ rooms	160	33%

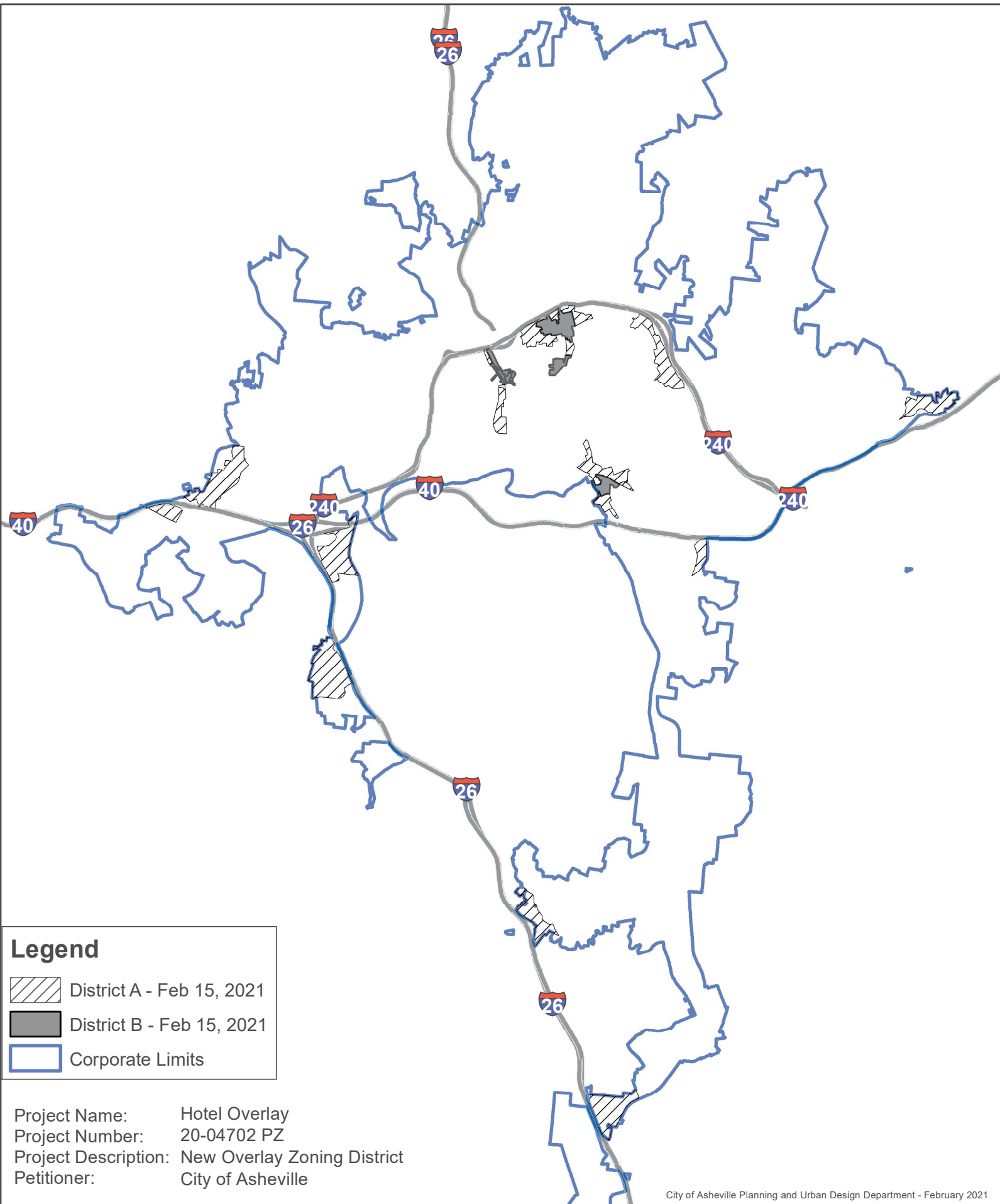
Individual Benefits

Group and Benefit	February 9 Table (Old)	February 23 Table (New)	% Change
Group 1			
One Green Globe	50	40	-20%
LEED Certified	70	60	-14%
LEED Silver/Two Green Globes	90	80	-11%
LEED Gold/Three Green Globes	110	100	-9%
LEED Platinum/Four Green Globes	160	120	-25%
Net Zero Building	200	210	5%
Group 2			
Affordable Housing Trust Fund or Reparations (\$6,000 /room)	180	210	17%
Constructing affordable for-sale housing at rate of 0.2/room at 80% AMI (~\$240,000)	200	210	5%




Group 3			
B Corp Certification (was Group 2)	160	120	-25%
Outdoor public plaza - Option #1 (5% of parcel)	40	20	-50%
Structured public parking - Option #2 (public parking at 50% of rooms)	160	140	-13%
Group 4			
Demolition of historic structure	-40	-50	25%



Exhibit A1 - Proposed Zoning Map Hotel Overlay



Legend

-  District A - Feb 15, 2021
-  District B - Feb 15, 2021
-  Corporate Limits

Project Name: Hotel Overlay
Project Number: 20-04702 PZ
Project Description: New Overlay Zoning District
Petitioner: City of Asheville

Appendix 7-A Public Benefits Table

Hotel Location & Size		Points Requirement		Hotel Location & Size		Points Requirement	
Urban (CBD/Biltmore Village/RAD)				Suburban (outside CBD/Biltmore Village/RAD)			
35 rooms and under		140 points		35 rooms and under		100 points	
36-80 rooms		180 points		36-80 rooms		130 points	
81+ rooms		220 points		81+ rooms		160 points	

Topic	Action	Points																		Notes
		-50	-20	10	20	30	40	50	60	70	80	90	100	110	120	140	180	210		
Group 1																				
Only 1 may be selected	Adaptive reuse of historic building							X											As per the Secretary of Interior standards.	
	One Green Globe						X													
	LEED Certified								X											
	LEED Silver/Two Green Globes										X									
	LEED Gold/Three Green Globes												X							
	LEED Platinum/Four Green Globes															X				
	Net Zero Building																	X		
Group 2 - AT LEAST 50% OF REQUIRED POINTS MUST COME FROM THIS GROUP																				
Only 1 may be selected	Affordable Housing/Reparations - Option #1												X						\$3,000/room to the city's Housing Trust Fund (HTF) or Reparations Fund	
	Affordable Housing/Reparations - Option #2														X				\$4,000/room to the city's Housing Trust Fund (HTF) or Reparations Fund	
	Affordable Housing/Reparations - Option #3																X		\$6,000/room to the city's Housing Trust Fund (HTF) or Reparations Fund	
	Affordable Housing - Option #4														X				Production of newly constructed affordable for-sale housing at a rate of 0.1/room at 80% AMI permanently affordable (~\$240,000 as defined and updated by the city)	
	Affordable Housing - Option #5																	X	Production of newly constructed affordable for-sale housing at a rate of 0.2/room at 80% AMI permanently affordable (~\$240,000 as defined and updated by the city)	
Group 3																				
Only 1 may be selected	Employee Owned Business										X								Certified EO (www.certifiedeo.com)	
	Living Wages with Inclusive Hiring								X										To be in place within 3 months of certificate of occupancy	
	B Corp Certification															X				
	Transportation benefit *			X															* Only available if providing living wages	
	Supporting MWBE						X												\$600/room contribution to the city	
	Contracting with MWBE			X																
	Neighborhood improvement				X														\$300/room contribution to the city	
Urban only	Public art				X														\$300/room contribution to the city	
	Outdoor public plaza - Option #1					X													On-site, Min size: 5% of parcel. Must comply with UDO Sec 7-11-4(f)(2)	
	Outdoor public plaza - Option #2						X												On-site, Min size: 10% of parcel. Must comply with UDO Sec 7-11-4(f)(2)	
	Structured public parking - Option #1												X						Public parking 25% of rooms. On- or off-site	
	Structured public parking - Option #2															X			Public parking 50% of rooms. On- or off-site	
Group 4																				
	Demolition of historic structure	X																		
	Displacement of business/housing		X																Per business/housing unit displaced within the previous or projected 24 months	