



CITY OF CONCORD

New Hampshire's Main Street™

REPORT TO THE MAYOR AND CITY COUNCIL

FROM: Carlos P. Baía, Deputy City Manager-Development

DATE: March 22, 2019

SUBJECT: Ordinance amending the Code of Ordinances, Title IV, Zoning Code; Chapter 28, Zoning Ordinance; Article 28-2, Zoning Districts and Allowable Uses; Section 28-2-3, The Zoning Map.

Recommendation

Accept this report and set for public hearing the attached ordinance amendment rezoning the City's former water tower lot (MBL 143P/Lot 31) as well as a portion of 97 Village Street (MBL 143P/Lot 30)

Background

In 2015, the City entered into a P&S to convey the City's former water tower lot (see attached maps) to the Penacook Community Center, Inc. (PCC) for the construction of a new community center. The PCC had acquired 95 & 97 Village Street and needed the City lot to make their project viable.

The City's lot is zoned RM (medium density residential) while the adjacent lots at 95 & most of 97 Village Street are zoned CG (General Commercial). A very small portion of the western end of the 97 Village Street lot appears to be split-zoned. This discrepancy was discovered in preparing this report and is a product of a mapping inconsistency over the years. This proposed amendment would also correct this anomaly as a housekeeping measure.

A community center would only be allowed in CG by Special Exception. In addition, the community center use was not permitted in RM. The combination of these two factors led the PCC to successfully seek relief from the Zoning Board of Adjustment in 2015.

The PCC project never materialized and the City lot was never sold. The current PCC Board has since abandoned its plans for the new community center. Instead, PCC has opted to sell its lots at 95 & 97 Village Street to CATCH Neighborhood Housing for the development of multifamily housing. CATCH has approached the City to request that

the City sell CATCH the water tower lot. A separate Purchase and Sales Agreement between the City and CATCH is on the April 8th Council agenda for review and approval.

Under CATCH's proposal, it would develop 36-42 units of multifamily housing on the land today encompassed by the three lots in question. The City's P&S with CATCH requires them to merge the lots into a single property at closing. Prior to that, however, the zoning must be addressed. Multifamily dwellings are a permitted use in CG but not in RM. As such, the City's lot—as well as the western end of 97 Village Street—would need to be rezoned to match the adjacent CG district. This rezoning is also a requirement of the City's P&S with CATCH.

Compliance with the City's Master Plan

The City's lot is a flat piece of land located off a major arterial roadway within the City's Urban Growth Boundary. It is serviced by public water and public sewer is available. There are no significant environmental concerns with the property, such as wetlands, that would preclude or constrain development. The property is also on a bus route and within short walking distance to public schools. However, as a free standing lot it has very limited frontage and under its present zoning would likely only be viable as a single family home lot which would not be the highest and best use for a 2.1 acre parcel with the aforementioned characteristics.

The City has a tremendous need for additional, quality housing. The city's Master Plan recommends that land resources be allocated for residential development based on considerations that include "access to" transportation facilities, "land suitability" and "demand and absorption rate for various types of housing in varied price ranges." (Master Plan 2030, Chapter III (H:1(e)))

The Master Plan further calls for the promotion of a "broad range of housing types and densities within the Urban Growth Boundary" to "allow for a variety of options for rental as well as ownership...." (Master Plan 2030, Chapter IV (H:1(d)))

Rezoning the City's lot to allow for multifamily residential would be in keeping with the Master Plan's recommendations.

Fiscal Impact

From a fiscal perspective, the advantages of the proposed CATCH development to the City are numerous:

- 1) The City's lot has very limited frontage onto Village Street reducing its developable viability to largely the potential construction of a single family home that would be tucked behind whatever ultimately is built on Village Street.

- 2) Under the former PCC agreement, the City was to sell its property for assessed value which at the time was \$65,200. The current assessed value of the lot is \$70,800. CATCH has offered to pay \$75,000.
- 3) Under current City ordinances, CATCH's residential development would be subject to paying \$89,000 in impact fees.
- 4) CATCH's multifamily apartment complex is subject to taxation and will pay between \$50,000-\$80,000 in annual property taxes.
- 5) CATCH's development addresses one of the most significant economic development needs in our community: Housing. The City's residential rental vacancy rate has oscillated between .8% and 1.4% over the last two years. This extremely tight housing market poses a tremendous obstacle to business attraction and growth as potential employees have few good options for housing.
- 6) CATCH's project—at an estimated \$10,000,000—will likely incur about \$65,000 in City building permit fees.

When all impact and building permit fees and purchase price are totaled, CATCH's upfront investment will yield approximately \$229,000 to the City over the next 18 months in addition to on-going annual tax payments.

Timing

CATCH will be applying for tax credits and/or CDBG funding for this development. To meet these funding deadlines for 2019, CATCH has stated that they would need a rezoning decision in May. If Council voted to approve the rezoning at its May 13th meeting, it would allow CATCH to have their major site plan reviewed at a June public hearing before the Planning Board. In light of this situation and the fact that the City Council will be voting on the Purchase and Sales agreement at its April meeting (which includes a provision requiring a rezoning), staff is proposing that the Planning Board recommendation be sought at their April 17th meeting. A supplemental report from the Planning Board will be submitted prior to Council's May 13th public hearing.

w/att: Proposed Zoning Ordinance Amendment
Maps of Existing and Proposed Zoning