

Islander Mixed-Use LMO Text Amendment Request

Town Council
July 18, 2023



Recommendation

That the Town Council review and consider Proposed Ordinance 2023-07 to amend sections of the Land Management Ordinance (LMO) to create a new use called Islander Mixed-Use within the Sea Pines Circle District.



Text Amendment Application

Request by Josh Tiller of J. K. Tiller Associates, Inc. for a text amendment to allow for a new use to be established called Islander Mixed-Use within the Sea Pines Circle District, establish a definition for the use, establish use-specific conditions and exceptions to development form standards.

Request to amend Land Management Ordinance

Sections:

16-3-105.M, Sea Pines Circle District

16-4-102.A, Principal Uses

16-4-102.B, Use-Specific Conditions

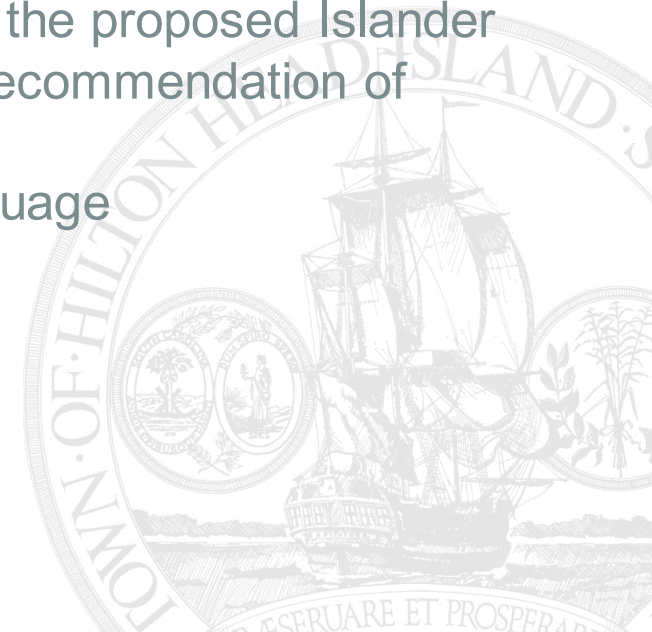
16-10-103.A, Use Classifications, Use Types, and Definitions



Background

Public Process:

- Initial request received July 22, 2022
- Initial discussion with Planning Commission held August 17, 2022
- LMO Committee reviewed on September 1, 2022, and moved the amendment forward to the Planning Commission on November 1, 2022
- Planning Commission held a public hearing on December 21, 2022, and moved the amendment be recommended for approval to Town Council.
- Public Planning Committee met January 26, 2023, but deferred action until a Traffic Impact Analysis and a Mass/Scale/Density Visual was received that illustrated the proposed policy.
- Public Planning Committee met on June 8, 2023, and voted 4-0 to advance the proposed Islander Mixed-Use LMO amendments to Town Council for consideration without a recommendation of approval or denial and requested the applicant consider the following:
 - Shared parking and adjacent street setback use-specific condition language
 - 4 bedroom per dwelling unit maximum use-specific condition
 - Workforce Housing requirements (term, percentage, AMI)
 - 10% functional open space or common amenity space



Text Amendment Request

Applicant Submittal:

- Text Amendment
- Letters of support from:
 - Shore Beach Services
 - Beach House Resort
 - SERG Restaurant Group
 - Browndog, Inc.
 - University of South Carolina Beaufort
- Traffic Impact Analysis
- Building Mass and Scale Exhibit



Text Amendment Request

Creation of a new use called “Islander Mixed-Use” within the Sea Pines Circle (SPC) District, establish a definition for the use, establish use-specific conditions and exceptions to development form standards.

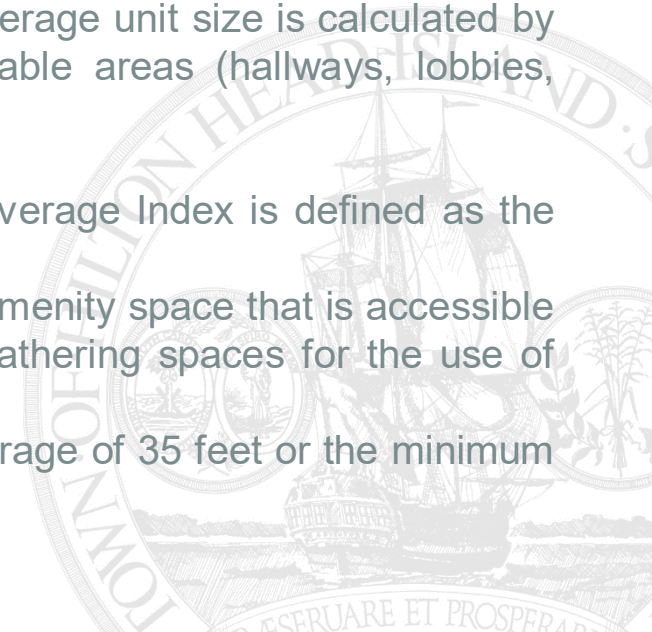
- **Islander Mixed-Use Definition:** Development that includes two or more different uses, which shall include multifamily or workforce housing use and one or more of the Office uses, as described in Sec. 16-10-103.F or one or more of the Commercial Services uses, as described in Sec. 16-10-103.G or some combination thereof. Such uses should be functionally integrated and share vehicular use areas, ingress/egress, and pedestrian access.
- **Density:** Proposed at a density that is “undefined density but limited by applicable design and performance standards such as height and parking”
- **Parking:** Requires separate parking spaces for residential use at 1.5 spaces per dwelling unit and separate parking spaces required for nonresidential use at 1 per 500 gross floor area



Text Amendment Request

- **Use-specific conditions:**

- i. Islander Mixed-Use development* shall designate separate parking spaces for **use** by the residential units. The parking spaces designated for residential **use** are eligible to be included as part of a **shared parking** plan meeting the requirements in Section 16-5-107.H.3.
- ii. Islander Mixed-Use development* may utilize **shared parking** on **Education Use** property if the development provides student housing.
- iii. Islander Mixed-Use development* must be on property which is within 500 feet (measured at nearest property line to property line) of **Education Uses**.
- iv. Islander Mixed-Use* shall not be a *Short-Term Rental Property* as defined in the Municipal Code, Section 10-2-20.(6).
- v. 15% of Islander Mixed-Use* units shall be workforce housing units rented to households earning up to 130% of the AMI per a Workforce Housing Agreement requirement. Rental workforce housing units shall remain in the WFH Program for a minimum of 10 years from the date of the initial certificate of occupancy.
- vi. A minimum average unit size of 750 square feet per dwelling unit is required. Minimum average unit size is calculated by taking the building's total gross floor area without commercial use less the non-habitable areas (hallways, lobbies, mechanical rooms, etc.) divided by the total number of dwelling units.*
- vii. Islander Mixed-Use* shall not exceed a floor area ratio of 0.68.
- viii. Islander Mixed-Use* shall not exceed a Site Coverage Index (SCI) of 50%. The Site Coverage Index is defined as the percentage of lot coverage by the building's footprint square footage.
- ix. Islander Mixed-Use* shall have a 10% requirement of functional open space or common amenity space that is accessible to the residents. This designated area should offer active or passive recreational and gathering spaces for the use of residents.
- x. Islander Mixed-Use* requires an adjacent street setback that shall meet or exceed an average of 35 feet or the minimum setback distance required per Table 16-5-102.C whichever is greater.



Analysis

Sea Pines Circle District Analysis

Sea Pines Circle District purpose:

“To provide lands for commercial and mixed-use development at moderate to relatively high intensities in the area around Sea Pines Circle. District regulations emphasize moderate-scale buildings and shopping centers that balance the needs of the driving public and pedestrian activity and circulation among the district's retail, dining, and entertainment activities. The district is also intended to accommodate nighttime activities.”



Analysis

Sea Pines Circle District Analysis

The Sea Pines Circle (SPC) District allows a range of uses permitted by right, permitted with conditions and by special exception.

- **Residential use type:**
 - *Permitted*- multifamily
 - *Permitted with conditions*- mixed-use, workforce housing
- **Public, civic, institutional and education use type:**
 - *Permitted*- community service uses, education uses, government uses, minor utilities, public parks, religious institutions
 - *Permitted with conditions*- telecommunication antenna and telecommunication towers
 - *Special Exception*- major utilities
- **Health services use type:**
 - *Permitted*- other health services
- **Commercial recreation use type:**
 - *Permitted*- indoor commercial recreation uses
- **Office use type:**
 - *Permitted*- other office uses
 - *Permitted with conditions*- contractor's offices
- **Commercial services use type:**
 - *Permitted*- eating establishments, grocery stores and other commercial services
 - *Permitted with conditions*- animal services, bicycle shops, convenience stores, nightclubs or bars, open air sales, and shopping centers
 - *Special Exception*- adult entertainment use and liquor stores
- **Vehicle sales and services use type:**
 - *Permitted*- car washes
 - *Permitted with conditions* - auto rentals, commercial parking lots and gas sales
- **Industrial use type:**
 - *Permitted with conditions*- self-service storage

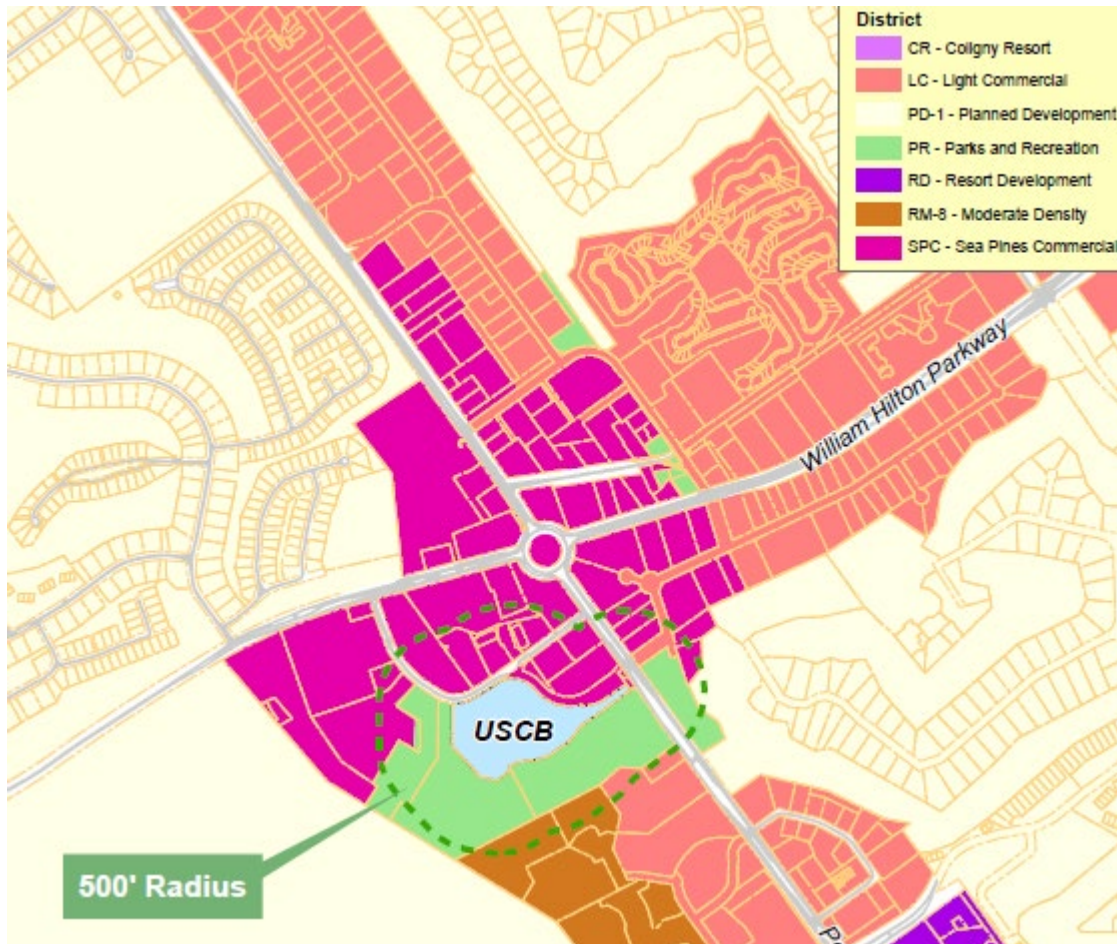
Analysis

Use

- The use definition proposed for Islander Mixed-Use is the same as the definition of Mixed-Use.
- The difference between Mixed-Use and Islander Mixed-Use are the use-specific conditions proposed.
- The Sea Pines Circle District allows a range of uses permitted by right, permitted with conditions and by special exception.
 - residential uses
 - public, civic, institutional and education uses
 - health services
 - commercial recreation
 - office uses
 - commercial services
 - vehicle sales and services; and
 - industrial uses
- Workforce Housing use is allowed in the SPC district with use-specific conditions.
- Islander Mixed-Use is generally compatible with other uses in SPC district.

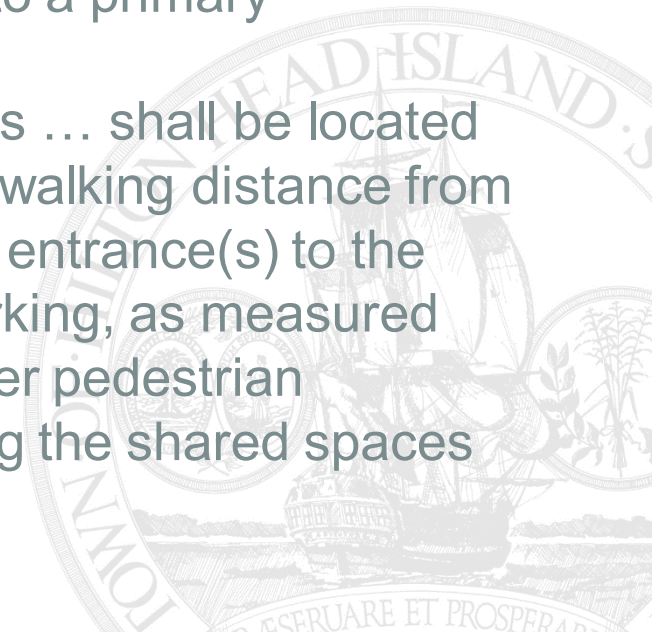


Analysis



Use Specific Conditions - Proximity to Education Use

- Proposal is to allow use within 500 feet of Education Use.
- 23 parcels are within 500 feet.
- Based on walking and biking tolerances from a residential unit to a primary destination, it is reasonable to walk or bike 500-1,500 feet from a residential unit to a primary destination.
- “Shared parking spaces ... shall be located no more than 500 feet walking distance from the primary pedestrian entrance(s) to the uses served by the parking, as measured along sidewalks or other pedestrian accessways connecting the shared spaces and such entrance(s).”



Analysis

Density

- Density is a measurement of intensity of the development of a parcel of land.
 - For residential, it is calculated by dividing the total number of dwelling units by the net acreage of the parcel.
 - For nonresidential development, it is calculated by dividing the total number of square feet of gross floor area by the net acreage of the parcel.
 - In mixed-use developments, acreage allocated to residential use shall not be used to calculate nonresidential density, and acreage allocated for nonresidential uses shall not be used to calculate residential density.
 - The calculation of dwelling unit density does not consider dwelling unit size, meaning that a 400 square foot unit and a 5,000 square foot unit both equal 1 dwelling unit.
- Sea Pines Circle District density:
 - 12 dwelling units per net acre for residential, and/or
 - 10,000 gross floor area per net acre for nonresidential
- Proposal is for **undefined density** limited by applicable design and performance standards such as height, parking, lot coverage, setbacks and buffers.
- Coligny Resort district does not have a defined density limit and is limited by required design standards.



Analysis

Density

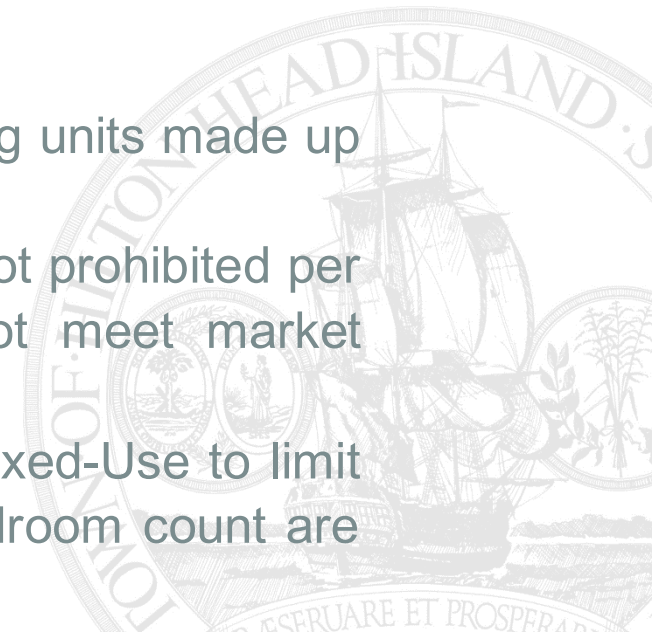
- In the Islander Mixed-Use Assessment Table, a comparison of possible conceptual developments was analyzed:
 - Each development concept includes 5,623 square feet of commercial service use.
 - The number of dwelling units (DU) varied on each development type and were as follows:
 - Workforce housing commercial conversion concept
 - 44 dwelling units
 - 11 DU/acre effective residential density
 - # of bedrooms not known
 - Mixed-Use development concept
 - 45 dwelling units, 0.86 FAR
 - 10 DU/acre effective residential density
 - 440 bedrooms
 - Islander Mixed-Use development
 - 132 dwelling units, 0.68 FAR
 - 31 DU/acre effective residential density
 - 292 bedrooms



Analysis

Density

- Existing Hilton Head Island effective residential densities are listed below:
 - Waterwalk I and II apartments in Shelter Cove
 - 23 and 27 dwelling units/acre
 - FAR 1.82 and 2.04
 - Aquaterra on Gardner Drive
 - 19 dwelling units/acre
 - FAR 0.82
 - Harbour Town
 - 22 dwelling units/acre
 - FAR unknown
- The applicant team supplied a by right mixed-use project of 45 dwelling units made up of 25 8-bedroom units and 20 12-bedroom units.
- While a development with a high bedroom count per dwelling unit is not prohibited per the LMO, a possible development scenario such as this may not meet market demands with the resulting low parking supply.
- Staff recommends a maximum of 4 bedrooms per unit for Islander Mixed-Use to limit the maximum number of bedrooms such that the dwelling unit to bedroom count are appropriately sized for this use.

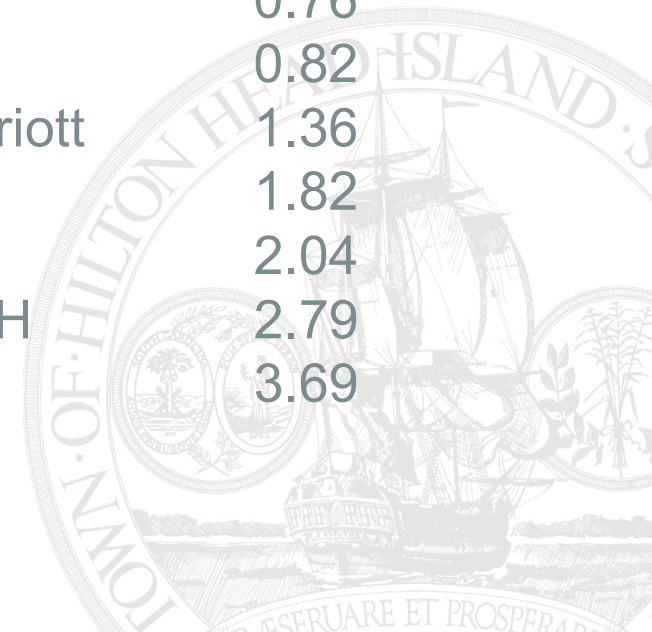


Analysis

Use Specific Conditions - Floor Area Ratio

- Floor Area Ratio (FAR) is the measurement of a building's total floor area (gross floor area) in relation to the size of the lot/parcel that the building is located on.
 - FAR ratio is a calculation for maximum building size to the land area of the lot square footage.
 - FAR is a separate calculation to density, dwelling units per net acreage of the parcel.
 - Proposal requires a maximum Floor Area Ratio of 0.68.
 - A FAR is not required for any other uses in the SPC district.
- For context, staff researched floor area ratios of existing Island-wide developments and found:

Development	FAR
The Seabrook	0.76
Aquaterra	0.82
Courtyard by Marriott	1.36
Waterwalk 1	1.82
Waterwalk 2	2.04
The Cypress in HH	2.79
Bayshore	3.69



FAR Analysis

Existing Property Island-wide



Development - The Seabrook

FAR - 0.76



FAR Analysis

Existing Property Island-wide



Development - Aquaterra

FAR - 0.82



FAR Analysis

Existing Property Island-wide



Development - Courtyard by Marriott

FAR – 1.36



FAR Analysis

Existing Property Island-wide



Development - Waterwalk 1

FAR - 1.82



FAR Analysis

Existing Property Island-wide



Development - Waterwalk 2

FAR – 2.04



FAR Analysis

Existing Property Island-wide



Development - The Cypress in HH

FAR – 2.79



FAR Analysis

Existing Property Island-wide



Development - Bayshore

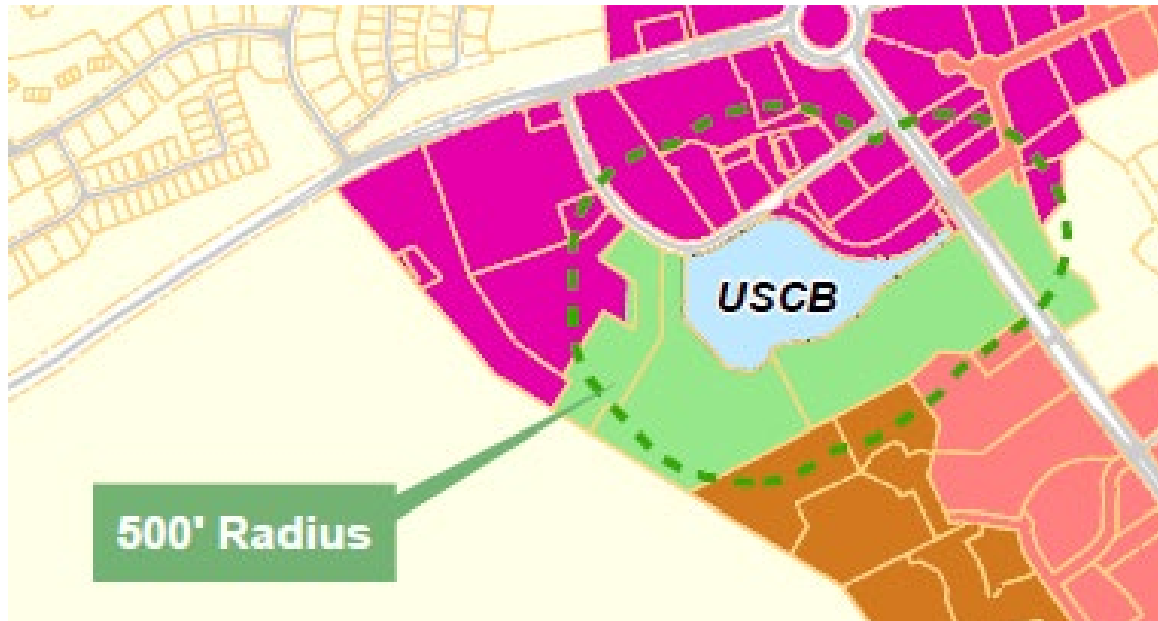
FAR – 3.69



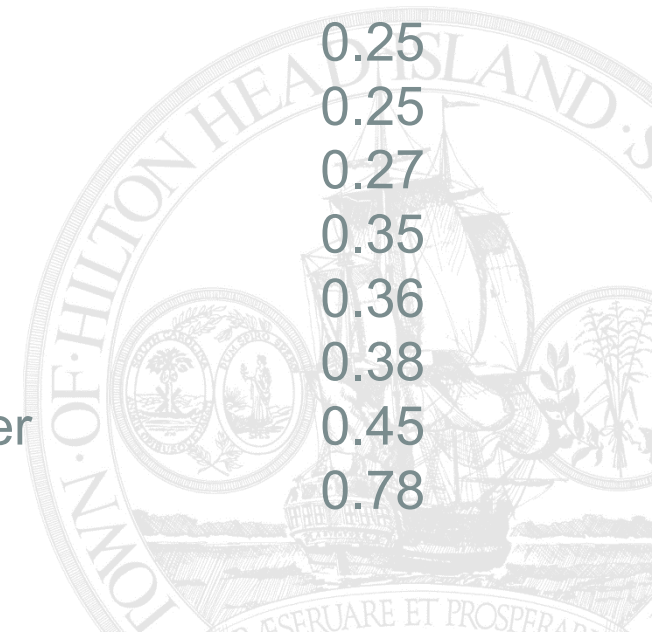
Analysis

Use Specific Conditions - Floor Area Ratio

- FAR for the 23 parcels in the 500-foot potential educational use boundary are listed on this page.
- FAR's tend to be higher for mixed-use or residential developments than for office or commercial developments.
- FAR's within the proposed boundary of Islander Mixed-Use eligibility are mostly lower and range from 0.09-0.78.



Development	FAR
USCB	0.09
CVS	0.13
Harris Teeter Gas	0.14
Reilley's Center	0.15
12 Office Way	0.17
Visitor's Center	0.19
Chronic Golf	0.21
10 Office Way	0.25
PNC Bank	0.25
8 Office Way	0.27
TND Bank	0.35
32 Office Park	0.36
Wells Fargo	0.38
Fountain Center	0.45
Spinnaker	0.78



FAR Analysis

Existing Property within 500ft IMU

Office Way	FAR
Building 6	0.27
Building 10	0.25
Building 12	0.17



Building 12

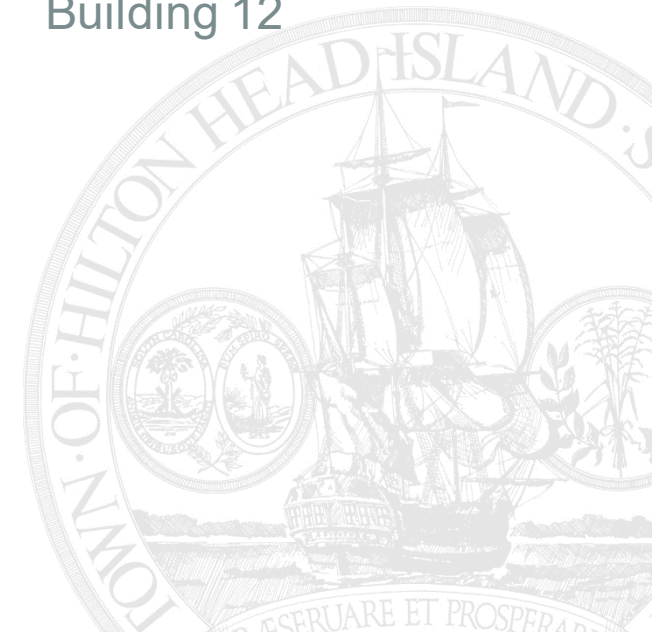


Building 6

0.27



Building 10



FAR Analysis

Existing Property within 500ft IMU



Development - 32 Office Park

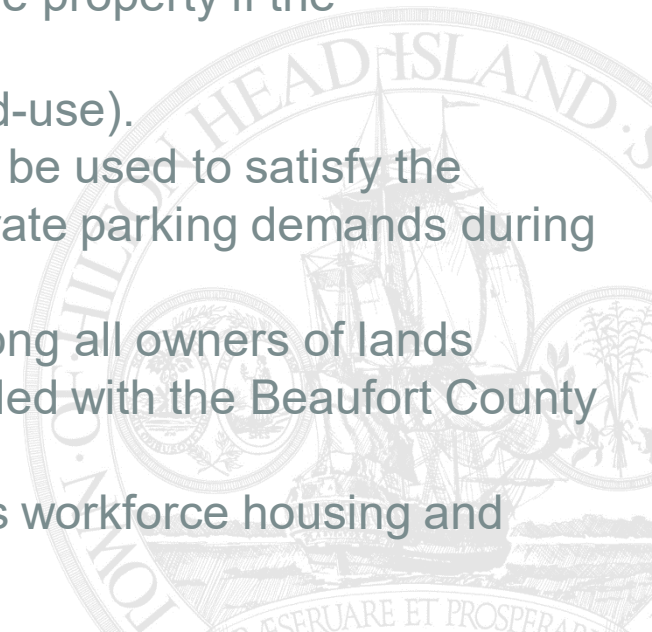
FAR - 0.36



Analysis

Use Specific Conditions - Parking

- Mixed-use and Islander Mixed-Use require 1.5 spaces per dwelling unit for residential and 1 per 500 gross floor area for nonresidential.
- SPC district allows mixed-use development with conditions. One of the use-specific conditions **does not** allow parking spaces for residential use to be included as part of a shared parking plan.
- Per the proposed use-specific conditions, Islander Mixed-Use will allow:
 - The parking spaces designated for residential to be eligible to be included as part of a shared parking agreement.
 - Islander Mixed-Use development may use shared parking on Education Use property if the development provides student housing.
- Shared parking plans are currently allowed for other uses (not allowed for mixed-use).
 - Shared parking plans allow up to 50% of parking spaces required for a use be used to satisfy the number of parking spaces required for other uses, provided the uses generate parking demands during different times of day/ different days of week.
 - A parking agreement is required that would be reviewed and approved among all owners of lands containing the uses proposed to share off-street parking spaces and recorded with the Beaufort County Register of Deeds.
- Islander Mixed-Use shared parking serves a public purpose as the use provides workforce housing and student housing.



Analysis

Use Specific Conditions - Site Coverage Index

- Islander Mixed-Use development shall not exceed a site coverage index (SCI) of 50%. The site coverage index is defined as the percentage of lot coverage by the building's footprint square footage.
- This regulation limits the building footprint to not exceed 50% of the lot area.

ISLANDER MIXED USE BUILDING MASSING AND SCALE EXHIBIT

FAR / FSI / SCI	0.25 25%	0.50 50%	0.68 68%	1.00 100% (EXCEEDS FAR)	1.50 150% (EXCEEDS FAR)	2.00 200% (EXCEEDS FAR)
17%						
25%						
50%	NOT POSSIBLE					
60%	NOT POSSIBLE	NOT POSSIBLE				
100%	NOT POSSIBLE	NOT POSSIBLE	NOT POSSIBLE			

Analysis

Use Specific Conditions- Open Space

Open Space

- Islander Mixed-Use is proposing a required 10% functional open space or common amenity space that is accessible to the residents. This designated area should offer active or passive recreational and gathering spaces for the use of residents.
- The SPC district only requires open space if it is a major single-family residential development. In that case, 16% open space is required.
- For all other development, no open space is required.

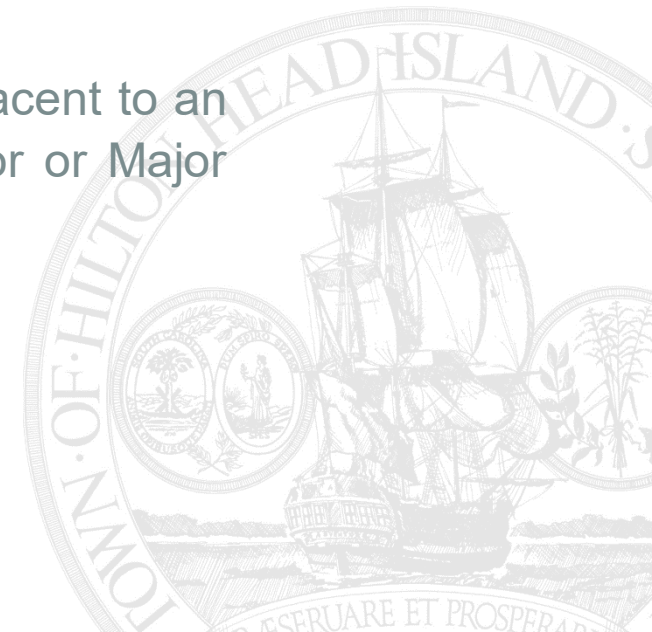


Analysis

Use Specific Conditions- Adjacent Street Setback

Adjacent Street Setback

- Proposal requires an adjacent street setback that shall meet or exceed an average of 35 feet.
- The SPC district uses must meet the setbacks per LMO Table 16-5-102.C. which require:
 - Other Street- 20' (i.e. Office Way, Office Park Road)
 - Minor Arterial- 40' (i.e. Greenwood Drive)
 - Major Arterial- 50' (i.e. Pope Avenue)
- As proposed, a greater adjacent street setback average would be required adjacent to an Other Street, but existing setback requirements would apply adjacent to Minor or Major Arterials.



Analysis

Use Specific Conditions – Minimum Average Unit Size

- A minimum average unit size of 750 square feet per dwelling unit is required. Minimum average unit size is calculated by taking the building's total gross floor area without commercial use less the non-habitable areas (hallways, lobbies, mechanical rooms, etc.) divided by the total number of dwelling units.
- This condition regulates the average unit sizes in the development.
- It prevents a development with a large quantity of micro-units.

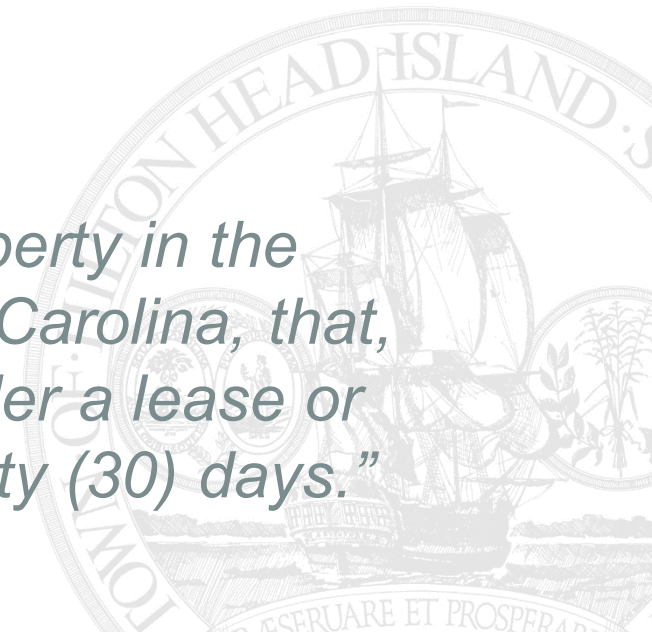


Analysis

Use Specific Conditions - Short-term Rentals

- Short-term rentals are prohibited for Islander Mixed-Use.
- Short-term rental properties are allowed in the SPC with Short-term rental permit.
- Short-term rental use intensity is generally greater than residential use intensity due to turnover and services necessary to operate a short-term rental.
- As proposed, the short-term rental prohibition will not sunset (like the workforce housing requirement), so the Islander Mixed-Use development units will remain in the long-term rental inventory.

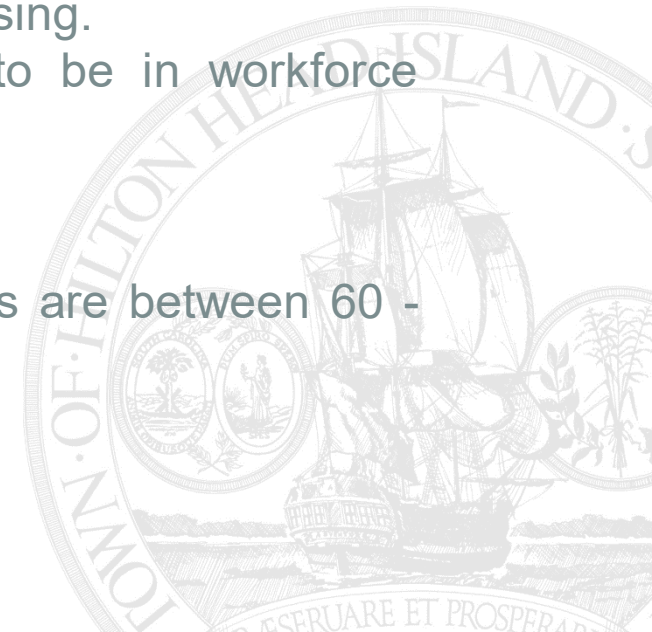
“Short-term rental property means any residential property in the municipal limits of the Town of Hilton Head Island, South Carolina, that, in whole or in part, is offered for lease or occupancy under a lease or any other form of agreement, for periods of less than thirty (30) days.”



Analysis

Use Specific Conditions- Workforce Housing

- As proposed, 15% of Islander-Mixed Use units shall be workforce housing units rented to households earning up to 130% of the AMI per a Workforce Housing Agreement requirement. Rental workforce housing units shall remain in the WFH Program for a minimum of 10 years from the date of the initial certificate of occupancy.
- Islander Mixed-Use contains workforce housing provisions, but they differ from the Town's Workforce Housing Program in the following ways:
 1. Percent of units in workforce housing-
 - a. Islander Mixed-Use requires 15% of the units to be in workforce housing.
 - b. Town's Workforce Housing Program requires 20% of the units to be in workforce housing.
 2. Area Median Income-
 - a. Islander Mixed-Use AMI is up to 130% AMI.
 - b. Town's Workforce Housing Program states that AMI for rental units are between 60 - 80% AMI and owner-occupied units are between 80 - 100% AMI.
 3. Term of Workforce Housing Agreement-
 - a. Islander Mixed-Use Workforce Housing term is 10 years.
 - b. Town's Workforce Housing term is 30 years.



Analysis

Use Specific Conditions- Workforce Housing

- Islander Mixed-Use contains workforce housing provisions, but they differ from the Town's Workforce Housing Program in the following ways:
 4. Density-
 - a. The Islander Mixed-Use has undefined density.
 - b. Town's commercial conversion program density is based on the existing building envelope and the minimum unit sizes chart in LMO Section 16-10-102.B.1.
 5. Agreement-
 - a. The applicant has not supplied an Islander Mixed-Use Workforce Housing Agreement document.
 - b. Staff created a sample Islander Mixed-Use Workforce Housing Agreement based on the Town's Workforce Housing Agreement which was approved with the Workforce Housing policy. The sample agreement has blanks that will need to be filled in by the applicant team as the policy is further defined.



Analysis

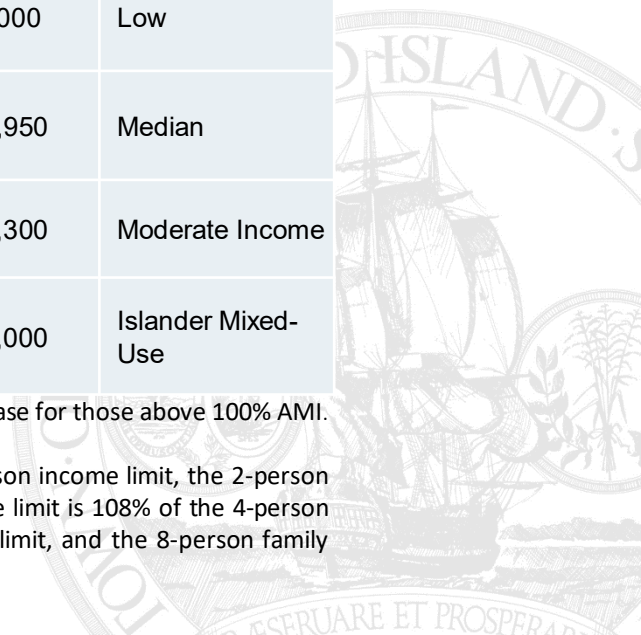
Use Specific Conditions- Workforce Housing

- Beaufort County 2023 Area Median Income By Family Size

Family Size	1	2	3	4	5	6	7	8	Income Range
30%	19,300	22,050	24,800	30,000	35,140	40,280	45,420	50,560	Extremely Low
50%	32,150	36,750	41,350	45,900	49,600	53,250	56,950	60,600	Very Low
60%	38,580	44,100	49,620	55,080	59,520	63,900	68,340	72,720	Low
80%	51,450	58,800	66,150	73,450	79,350	85,250	91,100	97,000	Low
100%**	77,950	89,050	100,200	111,300	120,250	129,150	138,050	146,950	Median
120%**	93,500	106,900	120,200	133,600	144,300	155,000	165,700	176,300	Moderate Income
130%**	101,300	115,800	130,300	144,700	156,300	167,900	179,500	191,000	Islander Mixed-Use

Note : Took from HUD AMI 100% of Beaufort AMI as of May 2023 \$111,300. Utilized the HUD recommended calculation based on family size and % of increase for those above 100% AMI. Calculation over 100% are rounded to the nearest 100 based on the HUD formula below.

**Calculated based on the HUD Median Income, which is assigned to a family of four at 100% AMI. The 1-person family income limit is 70% of the 4-person income limit, the 2-person family income limit is 80% of the 4-person income limit, the 3-person family income limit is 90% of the 4-person income limit, the 5-person family income limit is 108% of the 4-person income limit, the 6-person family income limit is 116% of the 4-person income limit, the 7-person family income limit is 124% of the 4-person income limit, and the 8-person family income limit is 132% of the 4-person income limit. All limits are rounded up to the nearest 100.



Analysis

Use Specific Conditions- Workforce Housing

- The proposed Islander Mixed-Use text amendment provides workforce housing. Workforce housing is supported by the following documents:
 - 2019 Workforce Housing Strategic Plan prepared by Lisa Sturtevant & Associates, LLC which includes housing recommendations.
 - 2022 Workforce Housing Framework- *Finding Home* which includes a policy framework for a workforce housing program on the Island.
 - Our Plan 2020-2040, the Town of Hilton Head Island Comprehensive Plan, which includes Housing Goals, Strategies, and Tactics.
 - Strategic Action Plan 2023-2025, includes within the Top 15 Strategies, Implementation of the Workforce Housing Framework: *Finding Home*



Analysis

Traffic Analysis

- Analysis prepared by Kimley Horn
- *The following improvements are recommended to be constructed by the Office Way Mixed-Use development:*
 - *Office Way at Site Access #1*
 - *Construct the proposed Site Access #1 with one ingress lane and one egress lane and operate under minor street stop control*
 - *Office Park Road at Site Access #2*
 - *Construct the proposed Site Access #2 with one ingress lane and one egress lane and operate under minor street stop control.*
- Reviewed by Town Engineering

- Engineering provided traffic counts from Sea Pines Circle 2005-2022:

Sea Pines Circle
Traffic Count Summary

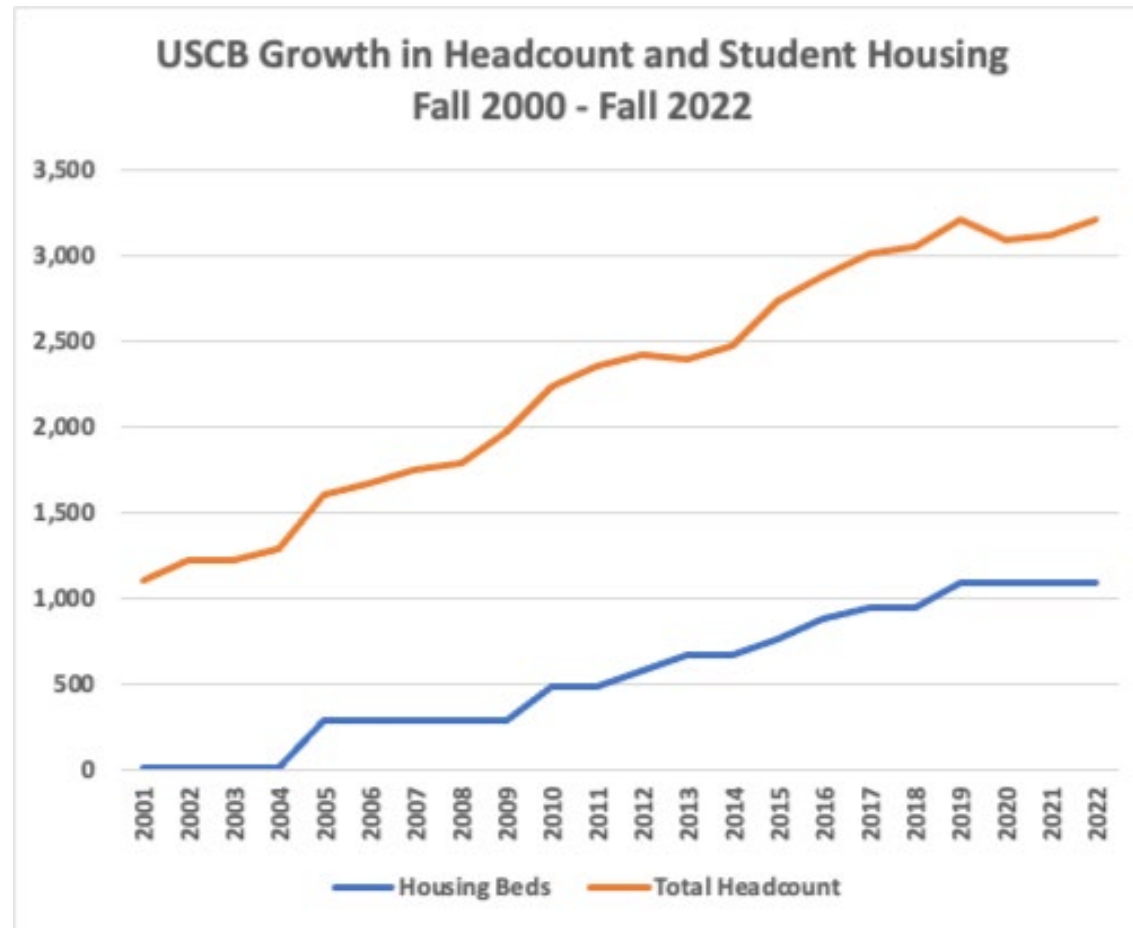
Year	A.M. Peak Hour	Midday Peak Hour	P.M. Peak Hour
2005	3264	4026	4199
2010	2493	3508	3525
2015	2791	3748	3930
2016	3072	3696	4168
2018	3028	3510	3559
2020	2841	3637	3818
2022	3008	3713	3828

- TIA analysis assumed build out by 2025
- Anticipated 44 new trips to the AM peak hour (an increase of 2.9 seconds)
- Anticipated 59 new trips to the PM peak hour (an increase of 4.6 seconds)

Analysis

Student Housing

- USCB comparison chart: Student Housing and enrollment growth. USCB noted the chart also illustrates the impact of Covid and the recovery underway.



Analysis

Mid-Island District

The plan included recommendations to:

- Increase residential density
- Allow for a mix of uses
- Allow shared structured or surface lot parking in existing centers

“As the existing commercial shopping centers redevelop over time, they will likely evolve to be more of a mix of retail, restaurant, commercial, residential, office and public spaces as opposed to being single-use developments. This new mixed-use category delivers on the live-work-play environment supported by the community and represents an opportunity to add needed housing. The development community also favors this style of redevelopment that offers a range of experiences and creates a more walkable, engaging environment.”

- Draft Conservation and Growth Framework Map designates the Sea Pines Circle area as a Primary Center
- District Planning for this area has been prioritized and it is anticipated that initial findings in a draft Bridge to Beach District Plan will be presented to the Public Planning Committee in September 2023

Mixed-Use

The mixed-use category encourages a mix of uses such as retail, restaurants, apartment flats, townhomes, office, institutional and allocation of open space to promote a green network. This mix of uses will create an area that can support local businesses, variety of housing types and context sensitive architecture. Walkability will be promoted through shared parking areas and pedestrian scaled streets and amenities.



Uses	Retail, Restaurants, Apartment Flats, Townhomes, Office, Institutional, Open Space
Residential Density	12-18 dwelling units per acre
Height	1-3 story height max, adherence to airport height restrictions by area (consistent with Shelter Cove, Harbour Town); 45 feet
Parking	Shared structured parking and surface lots

Assessment Table

Islander Mixed-Use Assessment Table-

Use	SPC District Allows	Islander Mixed-Use Proposed	Workforce Housing Concept
	<ul style="list-style-type: none"> -Mixed-Use PC -Multifamily P -Workforce Housing PC -Community Service Uses P -Education Uses P -Government Uses P -Major Utilities SE -Minor Utilities P -Public Parks P -Religious Institutions P -Telecommunication Antenna, Collocated or Building Mounted PC -Other Health Services P -Indoor Commercial Recreation Uses P -Contactor's Offices PC -Other Office Uses P -Adult entertainment use SE -Animal Services PC -Bicycle Shops PC -Convenience Stores PC -Eating Establishments P -Grocery Stores P -Liquor Stores SE -Nightclubs or Bars PC -Open Air Sales PC -Shopping Centers PC -Other Commercial Services P -Auto Rentals PC -Car Washes P -Commercial Parking Lot PC -Gas Sales PC -Self-Service Storage PC 	<ul style="list-style-type: none"> -Islander Mixed-Use PC -All other uses permitted in SPC District 	<ul style="list-style-type: none"> Workforce Housing Commercial Conversion PC

Assessment Table

	SPC District Allows	Islander Mixed-Use Proposed	Workforce Housing Concept
<p>Use-specific conditions</p>	<p>For Mixed-Use Development:</p> <p>Does not allow parking spaces for residential use to be included as part of a shared parking plan.</p> <p>Density for redevelopment/conversion of existing nonresidential structure to mixed-use is based on existing GFA and minimum unit sizes as described in Sec. 16-10-102.B.1.</p> <p>Mixed-use development that includes workforce housing shall comply with the Workforce Housing Program as outlined in Sec. 16-4-105.</p>	<p>Allows parking spaces for residential use are eligible to be included as part of a shared parking plan.</p> <p>Shared parking on Education Use property allowed if student housing is provided.</p> <p>Must be on property which is within 500 feet of Education Uses.</p> <p>Shall not be a Short-Term Rental Property.</p> <p>15% of units shall be workforce housing up to 130% of the AMI per Workforce Housing Agreement requirement for a minimum of 10 years.</p> <p>Average unit size of 750 square feet per dwelling unit.</p> <p>Floor area ratio of 0.68</p> <p>Site coverage index of 50%</p> <p>10% functional open space or common amenity space</p> <p>35' average adjacent street setback or min adjacent street setback, whichever is greater</p>	<p>Any development that includes workforce housing shall comply with the Workforce Housing Program as outlined in Sec. 16-4-105.</p> <p>Per agreement and private covenants requirements, rental units are between 60 and 80% AMI and owner-occupied units are between 80 and 100% AMI.</p> <p>Rental workforce housing units shall remain in the WFH Program for a minimum of 30 years from the date of the initial certificate of occupancy. Rental workforce housing units shall not be occupied for a period less than 90 days.</p> <p>Commercial conversion projects that include at least 20% workforce housing units will be eligible for incentives as described in Sec. 16-10-102B.1, including: a. A reduction in minimum unit sizes by 30% and; b. Up to 50% of the units in the development may be micro-efficiency and/or studio units.</p>

Assessment Table

	SPC District Allows	Islander Mixed-Use Proposed	Workforce Housing Concept
Density	12 du/net acre for residential and/or 10,000 GFA/net acre for nonresidential	Undefined density, but limited by applicable design and performance standards such as height, impervious coverage and parking	For conversion of non-residential square footage (commercial conversion) to residential or mixed-use development, density shall be based on the existing gross floor area and the minimum unit sizes established in Sec. 16-10-102.B.
Parking	Residential 1.5 per du Nonresidential 1 per 500 GFA	Residential 1.5 per du Nonresidential 1 per 500 GFA	Residential 1.5 per du Nonresidential 1 per 500 GFA
Height	45'	45'	45'
Impervious Coverage	60% maximum	60% maximum	60% maximum
Open Space	Only required for Major Residential Subdivisions	10% functional open space or common open space	Only required for Major Residential Subdivisions
Floor Area Ratio	n/a	0.68	n/a
Setbacks	16-5-102.C	35' Adjacent Street Average Buffer 16-5-102.C, whichever is greater	16-5-102.C
Buffers	16-5-103.D; 16-5-103.E; 16-6-102.D.2	16-5-103.D; 16-5-103.E; 16-6-102.D.2	16-5-103.D; 16-5-103.E; 16-6-102.D.2
Workforce Housing	Yes	Yes, but with different terms than Town WFH policy	Yes

Review Standards

Text Amendment Review Standards per LMO Sec. 16-2-103.B.3

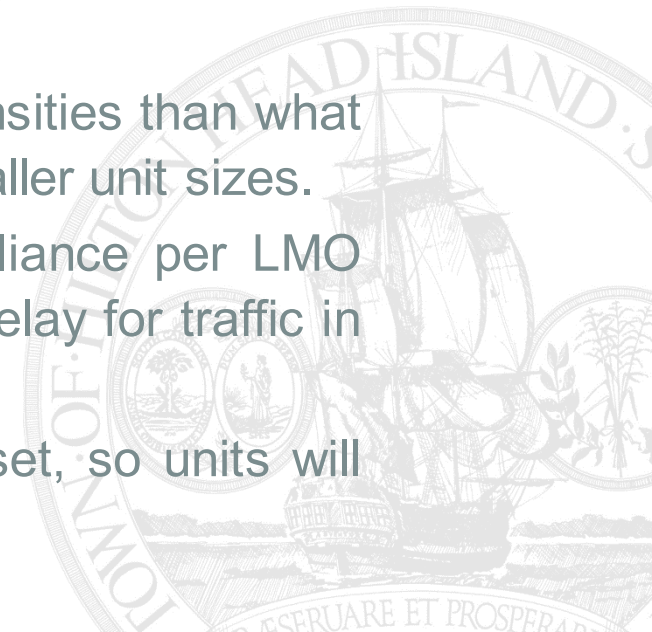
- Is in accordance with the comprehensive plan;
- Is required by changed conditions;
- Addresses a demonstrated community need;
- Is consistent with the purpose and intent of the zoning districts in this ordinance, or would improve compatibility among uses and ensure efficient development within the Town;
- Would result in a logical and orderly development pattern; and
- Would not result in significant adverse impacts on the natural environment, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.



Summary

Community Development Staff Assessment

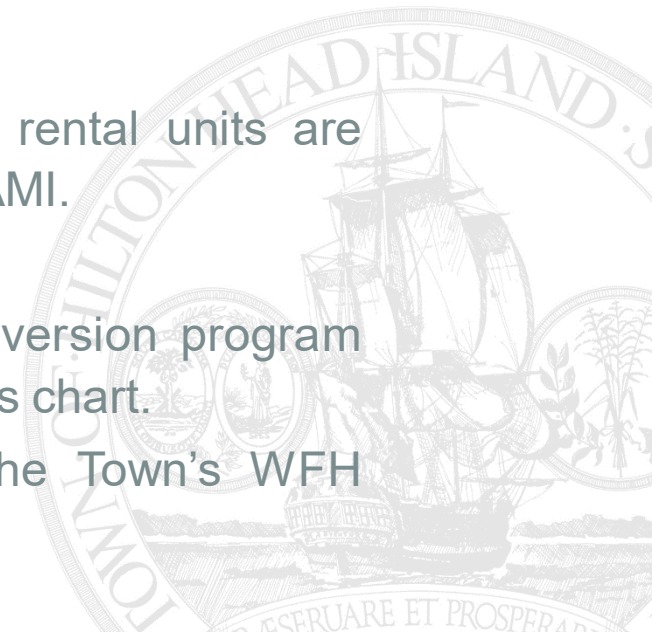
- Islander Mixed-Use meets the general purpose of the Sea Pines Circle District which is “to provide lands for commercial and mixed-use development at moderate to relatively high intensities in the area around Sea Pines Circle. District regulations emphasize moderate-scale buildings...”
- The undefined density and overall building mass in relationship to the site is limited by design and performance standards including parking, setbacks, buffers, impervious coverage, height limit of 45 feet, and use-specific conditions including floor area ratio, site coverage index, minimum average unit size of 750 square feet per dwelling unit, increased adjacent street setback, and 10% open space requirements.
- The policy’s undefined density may result in developments with higher densities than what is typical on the Island and within the Sea Pines Circle vicinity, but with smaller unit sizes.
- The traffic impact to the Sea Pines Circle does not result in non-compliance per LMO Traffic Impact Analysis Plan Standards even with the 2.9 second longer delay for traffic in the a.m. peak and 4.6 second longer delay in the p.m. peak.
- The use prohibits short-term rentals, and this requirement does not sunset, so units will remain in long-term inventory.



Summary

Community Development Staff Assessment

- The Bridge to Beach District Plan effort is underway, but not complete. District planning in this area has been prioritized and is intended to provide a clear vision for future investment within the policy area under consideration. It is anticipated that initial findings and draft Bridge to Beach District Plan will be presented to the Public Planning Committee in September 2023.
- The policy does not regulate the maximum number of bedrooms per dwelling unit.
- Islander Mixed-Use contains workforce housing provisions, but they differ from the Town's Workforce Housing Program:
 - Percent of units- IMU requires 15%. The Town's WFH requires 20%.
 - Area Median Income- IMU is up to 130% AMI. The Town's WFH for rental units are between 60 - 80% AMI and owner-occupied units are between 80 - 100% AMI.
 - Term- IMU term is 10 years. The Town's WFH term is 30 years.
 - Density- IMU has undefined density. The Town's WFH commercial conversion program density is based on the existing building envelope and a minimum unit sizes chart.
 - Agreement- IMU has not drafted a Housing Agreement document. The Town's WFH Agreement was approved with the Workforce Housing policy.



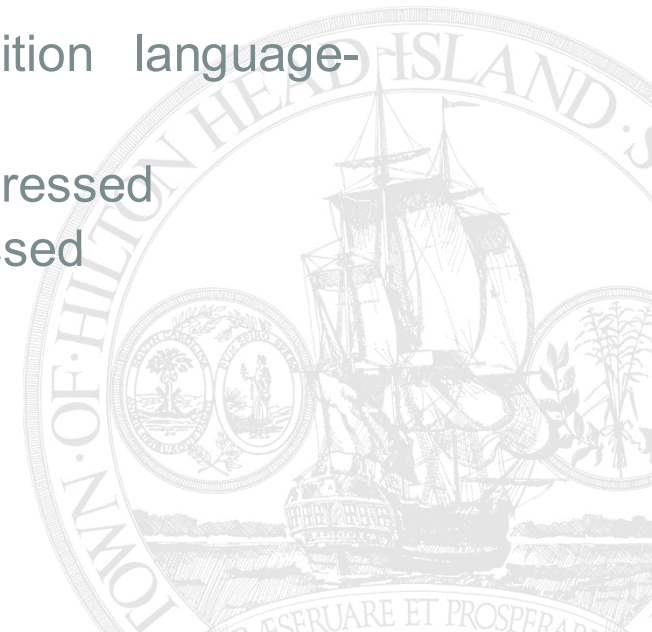
Summary

Community Development Staff Assessment

A full staff analysis was conducted to review the proposed policy. The staff analysis included broad review and breakdown of the proposed text amendment in the areas of traffic impact analysis, student housing, district planning, use, density, use-specific conditions including shared parking, proximity to education use, short-term rentals, workforce housing, minimum unit size, floor area ratio, site coverage index, open space and street setbacks.

Finally, the following were requested by Public Planning Committee:

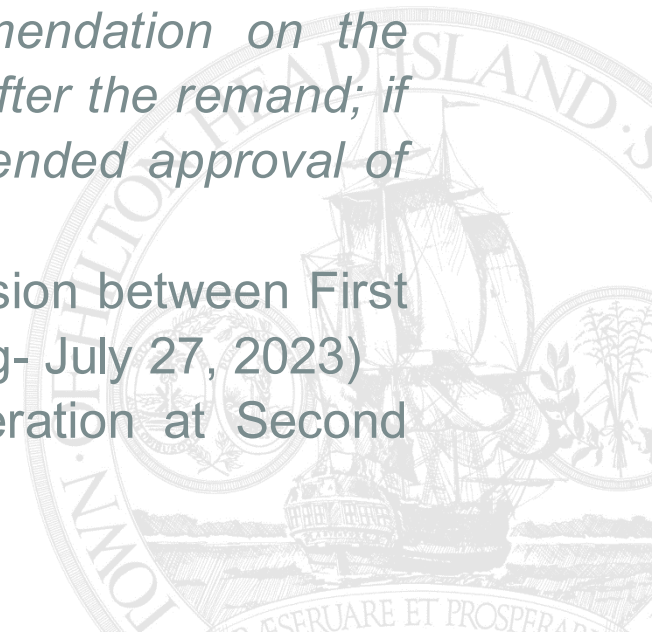
1. Shared parking and adjacent street setback use-specific condition language- Addressed
2. 4 bedroom per dwelling unit maximum use-specific condition- Not addressed
3. Workforce Housing requirements (term, percentage, AMI)- Not addressed
4. 10% functional open space or common amenity space- Addressed



Next Steps

Process

- Text amendments shall either be approved by an Ordinance or rejected by a Resolution per Section 16-2-103.B.2.e.i.
- If Town Council recommends approval at First Reading, and if it is different than what was approved by the Planning Commission, then the amendment needs to go back to the Planning Commission per Section 16-2-103.B.2.e.ii. which states the following:
“If the applicant proposes a change or departure from the text amendment that is different than what was reviewed by Planning Commission, the application shall be remanded to the Planning Commission for review of and a recommendation on the proposed changes and departures. The Planning Commission shall deliver its recommendation on the proposed changes and departures to the Town Council within 30 days after the remand; if the Planning Commission fails to do so, it is deemed to have recommended approval of the proposed changes and departures.”
- The amendment will need to be remanded back to the Planning Commission between First and Second Reading of Town Council. (Next Planning Commission meeting- July 27, 2023)
- A final workforce housing agreement document is required for consideration at Second Reading. (Possible Town Council Second Reading- August 15, 2023)



Recommendation

That the Town Council review and consider Proposed Ordinance 2023-07 to amend sections of the Land Management Ordinance (LMO) to create a new use called Islander Mixed-Use within the Sea Pines Circle District.



Questions?

Town Council
July 18, 2023

