

June 11, 2021

Mayor Romero and Members of the City Council
c/o Scott Clark, Planning and Development Services Director
Department of Planning and Development Services
City of Tucson
Tucson, Arizona

Re: Sunshine Mile Urban Overlay District (Case C9-20-11)

Dear Mayor Romero and Members of the City Council:

As you know, since the Mayor and Council initiated the Sunshine Mile Overlay District (“SMD”) in March 2019, Rio Nuevo (“RN”) has been working closely with the City’s Planning and Development Services Department (“PDSD”), Department of Transportation and Mobility (“DTM”), and Housing and Community Development (“HCD”) along with hundreds of stakeholders to create the SMD draft Overlay Ordinance (the “Ordinance”). Public engagement began with a visioning exercise in 2017, and as part of the SMD Ordinance process four official/noticed neighborhood meetings were held (over 1200 notices sent) along with three noticed Zoning Examiner public hearings and countless meetings with individuals, Neighborhood Associations and small groups of stakeholders. As part of that process, significant modifications and improvements were made to the Ordinance in response to the stakeholder input. On February 4, 2021, the Zoning Examiner recommended approval of the draft ordinance dated February 3, 2021 that is part of the record.

On May 18, 2021, RN and PDSD presented an overview of the SMD ordinance and public engagement to Mayor and Council. At that time, RN and PDSD were directed to continue working with stakeholder groups and make any additional recommendations along with a report of the meetings with stakeholders and to return to Mayor and Council within sixty days. Below is a summary of the recommended changes to the Ordinance and a summary of additional stakeholder engagement and outstanding concerns.

Please note that the stakeholder meeting with Ward V took place the evening before this material was due to PDSD; the Center for Community Dialogue and Training (“CCD”) is providing a separate report of that input within a few days of the date of this letter that will be part of the Mayor and Council record and consideration of the Ordinance.

RN, PDSD, DTM and HCD will all be available at the upcoming Mayor and Council consideration of this Ordinance to clarify any of this material and answer any questions.

Recommended Changes to the Ordinance

1. **Uses.** Based on feedback from the community, we recommend removing “Group Dwelling,” as a permitted use from the SMD area.
2. **Setbacks/Stepbacks:** Attached is a recommended modification to the building setbacks and stepbacks in the Mid-Century Subdistrict for new building that acknowledges the circumstance of an alley adjacent to a single-story single-family residence and the depth of parcels within this subdistrict. The building setback is recommended to be a minimum of 50 feet or 1/3 the depth of a site, whichever is greater. At that location, the building would be limited to 2 stories (30 feet). The building can then step up to the next height if it is set back another 20 feet from the property line. So, at 70 feet from the property line, the building could be 4 stories (54 feet). Throughout the SMD, if a property owner decided to incorporate parking vertically into the structure (an expensive endeavor) or dedicate a portion of the property to a public use mobility hub, there is a 2-story/24-foot incentive (the “Height Incentive”). This Height Incentive was created because creating parking on-site and establishing mobility hubs are two objectives of the SMD. Therefore, in the Midcentury Subdistrict, the building could be increased from 4 stories to 6 stories (78 feet) if the Height Incentive is used. That additional height would be permitted at the step-up location (70 feet from the property line). This revised setback and stepback recommended modification was the result of extensive discussions with BBVNA, SHNA and Ward VI, and the result is to push the heights of the buildings to be along Broadway, with a limit of a 2-stories at the initial setback line.

In both the Bungalow and Mid-Century Subdistricts, there is an opportunity to consolidate properties for adaptive reuse/redevelopment and share both parking and other accessory uses such as bathrooms/bike lockers, etc. As such, we are recommending permitting an accessory structure within any required rear-yard setback that is limited to 16 feet high, 1,000 square feet in size and must comply with the prevailing setback. This would not permit any primary use in the rear setback area.

3. **Environmentally Conscious Design:** Stakeholders and Mayor and Council requested additional requirements to meet the Ordinance’s Environmentally Conscious Design provisions. After researching best practices and eliminating items that are already required in existing codes, additional items have been added to the list for compliance, and the Ordinance now requires incorporating 10 of these requirements (as opposed to 7) from the list. In addition, if a property owner chooses to design and certify their building/project to Leadership in Energy and Environmental Design (“LEED”) Silver standard, then compliance with this section of the Ordinance is met.

4. **Parking/Access.** Due to the roadway expansion and future conditions along Broadway, many properties do not have access to their rear lots from Broadway. The current Unified Development Code (“UDC”) does not permit alley access for nonresidential uses. One of the major purposes of the Ordinance is to encourage re-use and continued use of buildings along Broadway for commercial/non-residential. Therefore, a provision has been added that if circumstances require alley access for non-residential projects, that can be approved through DTM and the Design Professional/Design Review process, which involves neighborhood input.

As noted by PDSO, parking for adaptive reuse *and historic preservation* should not require additional parking if the parking requirement for the intended use is less than 1 space per 300 square feet. Additional language was added to ensure the historic preservation category is listed in the parking incentives.

In the Midcentury subdistrict, the east/west streets are not permitted to be used for the on-street parking. This was added to restrict further the ability to use on-street parking, but to still permit on-street parking within 300 feet of a property with DTM approval and only if those parking spaces are available for use.

5. **Adaptive Reuse.** In the Bungalow Subdistrict, the lots adjacent to Broadway are not very deep and are relatively small. One of the major goals within the SMD is to encourage successful adaptive reuse of existing buildings and properties. As such, we have added language permitting modification of building placement and lot coverage during the design review process.
6. **Clean-up:** As you will see, there were several corrections and clarifications noted by stakeholders, PDSO and DTM since the February draft. Those modifications/corrections are reflected in the attached pages, including clarifications in the charts/diagrams. These are not summarized in this letter but can be discussed at the July 7 hearing as desired.

Stakeholder Engagement and Outstanding Issues

Since May 18th, RN and PDSO have continued to meet with stakeholder groups and answer questions. Ward VI organized a meeting with sub-committees of the Broadmoor-Broadway Village Neighborhood Association (BBVNA) and Sam Hughes Neighborhood Association (SHNA) that have been working on this Ordinance. That meeting took place on May 24 and has included many subsequent phone calls and emails. In addition, Ward V organized a meeting with the Ward V constituents on June 10, 2021 that was professionally facilitated by CCD. CCD has also prepared a separate report from the Ward V facilitated discussion for your review and consideration. Below is a summary of the additional issues for Mayor and Council to consider.

1. **Height.** The heights in the Midcentury Subdistrict and Euclid Subdistrict were the primary issues as summarized below. Please note that any building incorporating the increased heights must meet the design criteria in the Ordinance and go through the Design Review process with neighborhood input in that process.

Midcentury Subdistrict heights: In addition to the location of the height being closer to Broadway (achieved with the setback/stepback recommendation above), BBVNA and Sam Hughes have indicated they want the maximum heights in the Midcentury Subdistrict to be 4 stories (54 feet). As stated in the Ordinance, 4 stories is the maximum height and the only opportunity to achieve 6 stories is if a landowner utilizes the Height Incentive offered throughout the Ordinance – establishing a public mobility hub on private property or vertically incorporating parking into the building.

If Mayor and Council considers lowering height in the Midcentury Subdistrict, BBVNA and SHNA have offered options/ideas. Understanding that any option that lowers heights below the 25, 30 or 40-foot currently permitted within the Midcentury Subdistrict underlying zoning may not incentivize use of the Ordinance, RN and PDS encourage Mayor and Council to consider one of the following:

- Maintain the current Ordinance draft that permits 2 stories (30 feet) up to 4 stories (54 feet), with the ability to go up to 6 stories (78 feet) only if the incentive is activated, which requires a property owner either dedicate a portion of land to a mobility hub or vertically incorporate parking into the project.
- Align the Midcentury Subdistrict heights with Bungalow, which permits up to 3 stories (42 feet) with the ability to go to 5 stories (66 feet) with the Height Incentive. This lowers height to a maximum of 5 stories and allows the Height Incentive to remain intact throughout the SMD. It is acknowledged that this does not cap the height at 4 stories as requested by BBVNA and SHNA.
- Remove the Height Incentive from the Midcentury Subdistrict, so that height is permitted at the 4-story cap only with no Height Incentive to go to 6.

Euclid Subdistrict: This area is currently zoned Industrial and permits up to 75 feet in height with no residential uses permitted. The Ordinance would permit residential uses and allows up to 14 stories (176 feet) with an additional 2 stories – 16 stories (200 feet) if the Height Incentive is utilized. The primary purpose for this height is to incentivize the integrated affordable housing development and provide the residential opportunities along our major transit corridor to support transit. The height issue was discussed further at the June 10, 2021 facilitated discussion conducted by CCD. A written supplemental report will be provided by CCD as supplement to this summary.

2. **Historic Preservation.** Some of the stakeholders have voiced concern over the requirement that if there is a historic eligible, individually listed or contributing property/building on a site, then to use the Ordinance that structure must be maintained in conformance with the Secretary of Interior Standards. The concern is that it feels like historic preservation has been prioritized at the expense of the other priorities in the Ordinance. The historic preservation approach in the Ordinance aligns with the other Infill Incentive Districts within the City. As a separate process, many buildings within the SMD were designated by the State Historic Preservation Office (“SHPO”) as contributing to the Sunshine Mile Historic District. Those are noted in the City’s mapping. Mayor and Council may consider another approach to handling the historic preservation if it desires.

3. **Parking on Streets.** As noted at the start of the SMD discussions, parking was going to be an issue for the Ordinance to address. The roadway project took much of the parking from the properties along the Sunshine Mile, and the current UDC parking requirements are very suburban in their requirements. As such, the parking requirements for uses have been reduced to acknowledge the transit opportunities, and creative reductions in parking and allowances for shared parking are in place within the Ordinance to assist with this effort. In addition, the adjacent streets can be used for required parking only with DTM approval and if those spaces are available. The current draft of the Ordinance permits on-street parking to count if within 650 feet of a property (same as current UDC) within the Kino and Park-Euclid Subdistricts. After discussions with stakeholders, that distance was reduced for the Bungalow and Midcentury Subdistrict to 300 feet. In addition, one of the newer recommended revisions in Midcentury is not to permit the east/west roadways to be used, which are primarily residential in that subdistrict. RN and PDSB believe this has appropriately balanced the parking issue on the streets and offer the protections requested by the stakeholders.

4. **Affordable Housing.** There is ongoing concern that the affordable housing incentive should lower the required Area Median Income (“AMI”) to be eligible only at a threshold below 80% and should increase the incentive and require more than 15% or 25% of the units to be affordable. As discussed at the study session, this is an optional overlay district and somewhat of an experiment in incentivizing integrated affordable housing. RN, PDSB and HCD have worked with a diverse stakeholder group over the last 2 years of housing advocates, developers of both market rate and affordable housing to develop this incentive. 120% AMI was initially selected. After much discussion and research in other communities, it was lowered to 80% because the goal is to capture the affordability target that includes the lower end of families and individuals who are just above the eligibility to obtain federal assistance but still cannot afford housing – which is a critical need that the private market needs to service. In addition, the Ordinance is encouraging the affordable housing incentive along the entire 2 miles, so this incentive needs to work

for both smaller and larger projects. We believe starting with 15% is the correct target. RN, HCD and PDSD recommend Mayor and Council approve the Ordinance with the current incentives, and HCD can report back after the Ordinance has been in place (recommended 2 years) to see if these criteria should be adjusted.

5. **Transit location incentive.** Within the affordable housing incentives, if a property is located within 650 feet of a mobility hub or transit stop, there is an additional density incentive to increase density from 25% to 35%. There is also an ability to reduce parking by 20% if a property is located within 650 feet of a transit stop. There have been statements made that virtually all properties are within 650 feet of a transit stop. First, as transit is modified and transit opportunities increase along the SMD, the locations of stops and hubs may look different than they do today, including some potential consolidation. In addition, and based on current transit stops, there are many properties that are not within 650 feet of a transit stop, especially within the Euclid/Park and Midcentury Subdistricts. The goals are to encourage the affordable housing to locate within 650 feet of transit and mobility, and to allow parking reductions within that same distance.

RN, PDSD, HCD and DTM are all very excited about this progressive step the City Mayor and Council are making to modify land use policy around a major transportation corridor in our City and create an opportunity for inclusive affordable housing. We will all be available to answer any question at the July meeting.

Sincerely,



Keri Silvyn
Lazarus & Silvyn PC