

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Richard Luedke, Planning Director

DATE: July 1, 2024

SUBJECT: **Public Hearing: Consideration of an Ordinance Granting a Zone Change From Light Industrial (LI) District to Medical District (MD); on Approximately 3.155-Acres, Legally Described as Lots 1R-1B AND 1R-1C, Block A, Valley Ridge Phase IV Addition; Located on the East Side of North Garden Ridge Boulevard Approximately 300 Feet South of Valley Ridge Boulevard; as Requested by Patricia Fant, on Behalf of Generation Housing Partners, the Developer, and Dalrock Management Inc, the Property Owner. (24-02-2-Z)**

BACKGROUND:

Generation Housing Partners is seeking a zone change to allow for development of Heritage Estate at Valley Ridge, a mixed-income independent senior living community located at Garden Ridge Boulevard and Valley Ridge Boulevard. This development has been awarded a nine percent Housing Tax Credit from the Texas Department of Housing and Community Affairs with a Resolution of Support granted by the City Council on February 19, 2024.

The Texas Department of Housing and Community Affairs Housing Tax Credit Program is one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households. Tax credits are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing.

There are two types of Tax Credits: Competitive (9%) and Non-Competitive (4%). The 9% housing tax credits are highly competitive and awarded based on a regional allocation formula. Both 4% and 9% awards provide equity for an affordable housing development. A 9% award may provide equity amounting to between 50% and 60% of the development's hard cost. A 4% award may provide equity amounting to approximately 30% of the development's hard cost.

The proposed development includes 110 one- and two-bedroom units. 100% will be rent restricted with 11 units at 30% of the area median income (AMI), 44 units at 50% AMI, and 55 units at 60% AMI. The development will be comprised of approximately 72 1-bedroom units and 38 2-bedroom units. With the Resolution of Support, the development has proposed a trail connection from Garden Ridge trail through the property to the east, in accordance with the Trail Master Plan. The Planning and Zoning Commission recommended unanimous approval (5-0) on June 4, 2024.

ANALYSIS:

The property adjacent to the east is the Solea Lewisville senior living community, which is zoned Medical District (MD). To the south is a City-owned drainage swale, which abuts the continued trail easement, as well as a homeowners association lot for the neighborhood zoned Single Family Residential-6,000 square-foot lots (R-6) south of the drainage swale. The west side of the property fronts on North Garden Ridge Boulevard and backs to a multi-tenant retail center zoned Light Industrial (LI). The properties across Valley Ridge to the north are zoned Estate Town Home (ETH) and Local Commercial (LC) zoning districts.

If rezoned, any permissible use in the MD district would be allowed. This includes compatible uses such as day care centers, nursing homes, clinics, medical offices, and churches. Some of the more incompatible uses that would be permitted are for institutions of care and hospitals; however, the limited area and height restrictions reduce the practicality of these uses. Based on the location and surrounding uses, the proposed use as a senior living community would be acceptable.

The requested MD zoning regulations limit any structure within 150 feet of a residential zoning district to the height regulations of the residential district. The maximum height of the adjacent Single Family Residential – 6,000 Square-Foot Lot (R-6) District is 35 feet. No structures are planned to be built within that 150 feet and they are instead providing a public open space to the rear of the property.

Prior to the resolution of support, the developer sent notification and held a community meeting for all property owners within 200 feet of the property. No residents attended, and further there have been no calls to staff regarding this development since official notifications for this proposed zone change were sent by City staff.

The Lewisville 2025 Vision Plan identifies the need for a diversity of housing choices in the community, including options for both affordable and senior housing with the need for options to age in place with the increase in residents aged 55 and older. The proposed development would directly assist in providing housing options for Lewisville's aging residents and contribute to diverse and thriving neighborhoods.

CITY STAFF'S RECOMMENDATION:

That the City Council approve the ordinance as set forth in the caption above.