



TOWN OF CHAPEL HILL

Town Council

Meeting Minutes - Final

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Mayor Pam Hemminger
Mayor pro tem Jessica Anderson
Council Member Donna Bell
Council Member Allen Buansi
Council Member Hongbin Gu

Council Member Nancy Oates
Council Member Michael Parker
Council Member Rachel Schaevitz
Council Member Karen Stegman

Wednesday, February 21, 2018

7:00 PM

RM 110 | Council Chamber

Roll Call

Present: 8 - Mayor Pam Hemminger, Mayor pro tem Jessica Anderson, Council Member Allen Buansi, Council Member Hongbin Gu, Council Member Nancy Oates, Council Member Michael Parker, Council Member Karen Stegman, and Council Member Rachel Schaevitz

Absent: 1 - Council Member Donna Bell

Other Attendees

Town Manager Roger L. Stancil, Deputy Town Manager Florentine Miller, Town Attorney Ralph Karpinos, Housing and Community Assistant Director Sarah Vinas, Housing and Community Executive Director Loryn Clark, Affordable Housing Manager Nate Broman-Fulks, LUMO Project Manager Alisa Rogers, Traffic Engineering Manager Kumar Neppalli, Planning and Development Services Director Ben Hitchings, Budget Analyst David Finley, Fire Protection Specialist Chris Kearns, Deputy Town Clerk Amy Harvey, Police Officer Rick Fahrer

OPENING

Mayor Hemminger opened the meeting at 7:00 p.m. She said Council Member Bell was absent, excused.

- a. Mayor Hemminger Regarding LIGHTUP New Year Festival.

[\[18-0143\]](#)

Mayor Hemminger congratulated Council Member Gu on a recent Chinese New Year festival - LIGHTUP - held at the Friday Center in Chapel Hill that had more than 7,000 attendees. She said that being involved in such a beautiful and enriching celebration had been heartwarming.

Council Member Gu thanked the Mayor and Council for supporting and attending the event. The Town was growing stronger due to its diversity, she said.

Mayor Hemminger pointed out that "team Chapel Hill" had performed a dragon dance, with Town Manager Roger Stancil leading the dragon's tail. It had been a bonding experience, and photos and a video would be shared with all, she said.

b. Mayor Hemminger Regarding Frederick Douglass Event.

[\[18-0144\]](#)

Mayor Hemminger said that a Frederick Douglas "Then and Now" event, co-sponsored by Carolina Public Humanities, would be held at the Chapel Hill Public Library on February 22 at 7:00 p.m.

c. Mayor Hemminger Regarding Orange County Affordable Housing Summit.

[\[18-0145\]](#)

Mayor Hemminger announced an Orange County Affordable Housing Summit at St. Thomas Moore Church on February 23 from 10:30 a.m. to 1:30 p.m.

d. Mayor Hemminger Regarding Transit Career Day.

[\[18-0146\]](#)

Mayor Hemminger said that Transit Career Day would be held on February 24 at the Town's transportation department building on Millhouse Road. Onsite interviews would take place from 9:00 a.m. to 1:00 p.m., she said.

e. Mayor Hemminger Regarding Wilson Caldwell Day Celebration.

[\[18-0147\]](#)

Mayor Hemminger announced a Wilson Caldwell Day celebration on February 25. It would begin at 3:00 p.m. at the Old Chapel Hill Cemetery, and then move to the School of Government for a discussion and reception, she said. She explained that Wilson Caldwell had made significant contributions to the Town and the state. These included founding a school for African American children in 1869, and being appointed as North Carolina's first African American Justice of the Peace. The Town, the University of North Carolina (UNC), the NAACP, and the Black Caucus student group were partnering for the event, said Mayor Hemminger.

f. Mayor Hemminger Regarding Chinese New Year Event.

[\[18-0148\]](#)

Mayor Hemminger noted that another Chinese New Year event would also be held on Sunday, February 25 at 2:30 p.m.

g. Learning Outside Recognition by NC Peace Corps Association.

[\[18-0149\]](#)

Mayor Hemminger recognized and thanked 'Learning Outside', a Town and Triangle Land Conservancy partnership that had been a 2018 NC Peace Corps Association Peace Prize winner.

Wendy Banning, co-founder and director of 'Learning Outside', explained that it was a nonprofit organization, begun in 2009, that focused on connecting children with the natural world. All of its programs were held outdoors on the Triangle Land Conservancy's urban nature preserve, she said. Ms. Banning said that 'Learning Outside's' programs served more than 540 youngsters each year. It had been recognized for a peace prize because of its deep culture of learning outside, and valuing the uniqueness of every child in a non-competitive environment, she said.

PETITIONS FROM THE PUBLIC AND COUNCIL MEMBERS

Petitions and other similar requests submitted by the public, whether written or oral, are heard at the beginning of each regular meeting. Except in the case of urgency and unanimous vote of the Council members present, petitions will not be acted upon at the time presented. After receiving a petition, the Council shall, by simple motion, dispose of it as follows: consideration at a future regular Council meeting; referral to another board or committee for study and report; referral to the Town Manager for investigation and report; receive for information. See the Status of Petitions to Council webpage to track the petition. Receiving or referring of a petition does not constitute approval, agreement, or consent.

1. Petitions from the Public and Council Members.

[\[18-1117\]](#)

a. Kimberly Brewer Request to Make Tiny Homes a Legal and Affordable Housing Option.

[\[18-0150\]](#)

Kimberly Brewer, representing the Chapel Hill Tiny Home Initiative, discussed the Town's affordable housing (AH) crisis and said that allowing 400 square-foot and less homes was an option that should be explored. Such homes provide the needed daily functions of a traditional home at a fraction of the cost, she said. Ms. Brewer pointed out that the Town's Accessory Dwelling Unit Ordinance would allow tiny homes, and that two of them already existed - in Northside and at the Church of the Advocate. She said that barriers in building and development codes would need to be changed to allow tiny homes, however.

April Kemper, co-leader of the Chapel Hill Tiny Home Initiative, summarized the petition's request to the Town to take the following actions: evaluate code revisions (adopted or being considered by other local governments) that make tiny homes legal, and consider which type would be appropriate for Chapel Hill; amend Town codes and ordinances to make tiny homes an option; and, adopt the International Building Code Tiny Home Appendix Q. There were more than 350 signatures on the petition being presented, Ms. Kemper said. She pointed out that the Town's Housing Advisory Board supported exploring a tiny homes option, and the Chapel Hill Alliance for a Livable Town (CHALT) had had great attendance at a recent forum on the topic.

A motion was made by Council Member Parker, seconded by Mayor pro tem Anderson, that this Petition be received and referred to Town Manager and Mayor. The motion carried by consensus.

PUBLIC COMMENT - ITEMS NOT ON PRINTED AGENDA

ANNOUNCEMENTS BY COUNCIL MEMBERS

- a. Council Member Anderson Regarding Rally Against Gun Violence. [\[18-0151\]](#)

Mayor pro tem Anderson announced a rally against gun violence at the Wilson Library on February 22, at 11:00 a.m. She praised the Parkland, Florida high school students, who had begun protests after a recent shooting at Marjory Stoneman Douglas High School, and said she was proud of those from Chapel Hill, and throughout the country who had been protesting for gun reform. She hoped that citizens would come out and support local students who were trying to get sane gun legislation passed, Mayor pro tem Anderson said.

Mayor Hemminger mentioned that Mayors for Sensible Gun Laws had partnered with Moms Demand Action and had reached out to student groups to help provide a platform, connections, and a venue for spreading the word about their marches. Information was also being put on a national website so that anyone across the country could find out about marches and activities, Mayor Hemminger said.

CONSENT

Items of a routine nature will be placed on the Consent Agenda to be voted on in a block. Any item may be removed from the Consent Agenda by request of the Mayor or any Council Member.

Approval of the Consent Agenda

A motion was made by Mayor pro tem Anderson, seconded by Council Member Parker, that R-1 be adopted, which approves the Consent Agenda and R-2 be adopted as amended. The motion carried by a unanimous vote.

2. Approve all Consent Agenda Items. [\[18-0124\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

3. Approve a Tentative Affordable Housing Bond Referendum Plan and Proposed Schedule of Actions. [\[18-0125\]](#)

Mr. Stancil pointed out that Resolution 2 had been revised to clarify that the Council's action would affirm its conversation at a recent work session. The revised resolution would also authorize him to prepare information on,

and before March 21, 2018 that would help the Council make an informed decision about whether or not to have a bond referendum, he explained.

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

INFORMATION

4. Receive Upcoming Public Hearing Items and Petition Status List. [\[18-0126\]](#)

All items received as presented.

DISCUSSION

5. Receive the FY18 Second Quarter Affordable Housing Quarterly Report. [\[18-0127\]](#)

Loryn Clark, executive director for Housing and Community, introduced a PowerPoint presentation on the Affordable Housing (AH) Second Quarterly Report and the AH Dashboard. Staff would also provide results and recommendations regarding a recent employee housing survey as well, said Ms. Clark.

Sarah Vinas, assistant director of Housing and Community, reviewed the Second Quarter Report and key AH data points, which included community indicators, such as median home value (\$362,700) and area median income (AMI), which was \$73,300. The report showed that 5,464 affordable homes were disbursed throughout Town for those who were below 80 percent AMI. Ms. Vinas discussed availability of housing stock for the 60 percent AMI level as well. She said that half of renters and 22 percent of homeowners in Town spent more than 30 percent of their income on housing.

Ms. Vinas said that the Town needed approximately 2,000 more AH units and was investing \$6.2 million during the current year in an attempt to close the gap for households below 50 percent AMI. Second quarter results had exceeded the Town's target, she said. She reported that the Town had subsidized more than 1,000 units, had completed three preservation projects, and had allocated 42 percent of its budget for AH. Ms. Vinas also noted that the Council had exceeded its target of 80 AH units by developing 94 units in the second quarter.

Council Member Oates confirmed with Ms. Vinas that cost-burdened renters included students who listed Chapel Hill as their permanent address.

Nate Broman-Fulks, Affordable Housing manager, highlighted projects that had recently come online: six new single-family Habitat for Humanity homes in Northside for households at or below 60 percent AMI; three preservation projects in the Rogers Road area for households at or below

60 percent AMI; a Community Home Trust acquisition in Northside that would serve households at 50 percent or below AMI; a tiny home duplex partnership among Self Help, Habitat for Humanity and Peewee Homes for residents who have been homeless or have a history of chronic homelessness; and, Greenfield Phase I, an 80-unit, multifamily development in the Blue Hill District, which was a partnership between the Town and DHIC.

Mr. Broman-Fulks said that the Town had 1,062 AH units, which meant that it had surpassed its goal by 62. Looking ahead, 106 projected units would surpass the Town's target for new AH units. A projected 40 preservation units would be below the target for 55, and staff was actively pursuing additional projects, he said. Mr. Broman-Fulks reviewed projects in process, and said that everyone in the AH work plan was on track to be completed on time, and within its project scope. Staff would present the Third Quarterly Report in the spring, he said.

Council Member Stegman confirmed with staff that most of the projects in Northside had been a result of the Northside Neighborhood Initiative.

Council Member Schaevitz asked for a quick summary of UNC and UNC Healthcare involvement in the process.

Ms. Clark replied that recent conversations with UNC had mainly pertained to the Northside Initiative. There were ongoing talks between UNC representatives and Mr. Stancil, regarding how to continue that relationship, she said, noting that this had been discussed with the Council during a recent workshop. Discussions with UNC Healthcare had been focused on the Homestead Road development, and a potential partnership with UNC Horizons (a UNC Healthcare program that supports women and children in recovery), Ms. Clark said.

David Finley, Strategic Plan project manager, demonstrated how the interactive web-based dashboard presented metrics on AH progress throughout the year. Staff was still developing and tweaking the tool, but the prototype was available on the Town's website and the community could look at data regarding the Town's efforts toward building AH, he said.

Mayor pro tem Anderson clarified with Ms. Vinas that the Town's total AH investment was \$6.2 million, which included the Public Housing budget, and the Department of Housing and Community's grant programs. Mayor pro tem Anderson and Mayor Hemminger recommended clarifying that the approximately \$2 million had been allocated to outside partners for projects.

Mayor pro tem Anderson clarified with Ms. Vinas that an increase in the number of preservation projects listed in the Council's packet was due to the inclusion of Town-initiated rehabilitation projects, and rental, and

utility assistance figures that had not been in prior projections.

Mayor pro tem Anderson said that the Town might need to rethink the targets that it sets, and perhaps set a range in order to not over-promise.

Ms. Vinas agreed, and pointed out that rental and utility assistance ebbed and flowed. The Town did not get any in the second quarter, but might get as many as 20 in the third quarter, she said.

Mayor pro tem Anderson confirmed with Ms. Vinas that nearly every one of the Town's AH endeavors had been done in collaboration with other organizations and/or jurisdictions.

Ms. Vinas said that staff would think about how to show that better and incorporate it into the report.

Council Member Gu suggested that staff present the actual numbers along with percentages. She asked staff to include a frequency table, with, for example, affordability versus income level, in order to show a more complete picture. In addition, more contextual information, such as who the 2,000 people are who make up the housing gap, would be useful, she said. Council Member Gu noted that solutions could differ depending on who people are.

Ms. Vinas replied that the Town's source, American Community Survey Data, might be able to get such granular information. Staff also had additional charts and graphs that would give more details, she said.

Council Member Schaevitz congratulated staff on the dashboard tool. She said that they had done a phenomenal job on it, and she praised the tool's appearance, and how it would do much of what the Town wanted to do. She asked if staff had envisioned a specific target audience to use the tool.

Ms. Vinas replied that staff had primarily created the dashboard for Council's use, but hoped it would give the community a good sense of what was going on. Staff had tried to simplify the terms and language, and hoped it would be understandable to anyone in the community, she said.

Council Member Schaevitz agreed that it would be useful to the community - and eventually to those who were in the market for AH. She recommended that the next step provide links to existing webpages and AH resources that would be useful to all.

Ms. Vinas agreed, noting that staff was working on an AH webpage, which would be linked through the Town website. That would become a clearing house for all things AH, and the dashboard would live there, she said.

Council Member Buansi asked if staff had asked housing providers for feedback and input on the dashboard and Ms. Vinas replied that the Council was the first to see it. However, staff had shared the related Quarterly Report with providers and had received positive feedback, she said.

Mayor Hemminger praised staff for their work and said that the dashboard would help the Council tell the story about all the Town was doing. The Council wanted to set goals, and it was important to know where the Town was before doing that, she said. Mayor Hemminger said that the Chapel Hill community cared deeply about the AH issue.

Mayor Hemminger agreed with Council Member Gu about the need for more context that would help explain the dilemma of median income not equaling a house. She also recommended including more information on how many AH units there were in Town, on average, their ranges, and the Town's efforts with partners to address AH. She proposed putting such information on a main sheet, and in a context where people would not have to do the math.

Mayor Hemminger said she was very pleased with how interactive the dashboard was. Being able to point interested citizens to a place where they could get both the cumulative and immediate story was very important, she said. She pointed out that having allocated more than \$6 million in the budget toward all types of AH was impressive for a Town the size of Chapel Hill.

Council Member Schaevitz confirmed that about \$2 million in un-allocated funds would go to the Housing Advisory Board for local allocations.

Ms. Vinas said that CDBG and HOME funds had not yet been approved and that all funds would be allocated by the end of the year. The Town usually had more requests than available funding, she pointed out.

Mr. Stancil commented on how Ms. Clark had assembled an impressive AH team and said that he wanted to make sure the Town expressed its gratitude. It was exciting to see the AH data, as presented, he said, adding that the AH dashboard was a prototype for what staff intended to do in other areas as well.

Mayor Hemminger agreed. She thanked the "incredible team" for the work they do and the passion they bring to it.

This item was received as presented.

6. Update on Exploration of Employee Housing Incentives.

[\[18-0128\]](#)

Mr. Broman-Fulks gave a PowerPoint presentation with background on the Council's interest in exploring incentives that would allow employees to

live in Town. He noted that only 33 percent currently did live in Chapel Hill, and that one in three commuted more than a half hour to and from work. He said that staff had explored options in a three-step process that included research, analysis and ultimate strategies.

Mr. Broman-Fulks explained that the first step had looked at best practices from various sources. Staff had learned that employees who participate in such programs have less stress due to the reduction in commuting times and distances. The data also suggested that incentives could improve employee retention and recruitment, increase employee morale and productivity, and give employees a better connection with the community, he said. Benefits for the community at large included pollution and congestion reduction, and the furtherance of Town goals, said Mr. Bowman-Fulks. He said that employee interest had been evaluated through two surveys.

Ms. Vinas provided analysis of the survey findings. She said that about half of employees who did not live in Town would be interested in doing so, and she discussed reasons that others had given for not being interested. Forty-five percent would take advantage of housing incentives, and many thought such incentives would be an effective tool for retaining and recruiting new employees, she said. Ms. Vinas provided additional information regarding respondents' interest in receiving help with closing costs and down payments, home-ownership and budgeting, rental and utility assistance, and a Town program that might match an employee's savings toward the purchase of a home in Town. She also noted several incentive ideas that the focus groups had identified.

Ms. Vinas recommended creating a pilot program to include a menu of rental and home ownership incentives. She suggested a list of what that menu could include. Potential funding sources might be the Town's AH Development Reserve, its AH Fund, HOME and CDBG funds, foundation and financial institutions grants/loans, and help from local partners, she said. Ms. Vinas recommended that staff return to the Council in the spring with a pilot program proposal. She provided details on what the next steps would be if the Council approved of the concept.

Council Member Oates asked if staff had gained any insight into why some respondents did not want a housing subsidy.

Ms. Vinas replied that it was difficult to know for sure, but that she imagined that those employees were not in a position to relocate or were not interested in living in Town.

Council Member Oates asked if the Town would want to be the landlord on a master lease.

Ms. Vinas replied that that would be determined based on direction from Council. The Town did have landlord experience with public housing and

transitional housing programs, she pointed out.

Mayor pro tem Anderson asked if staff had seen any trends across departments.

Ms. Vinas replied that the survey had not asked that question and staff had not looked at the survey data that way. However, differences had been expressed in the focus groups, where some, such as public safety employees, had expressed interest in living a distance from the community where they worked, she said.

Mayor pro tem Anderson asked about the budget scope, and Ms. Vinas replied that staff wanted Council feedback and direction before developing a pilot programs. Staff had figures on employees' salaries but would need to obtain whole household income in order to income-restrict the program, Ms. Vinas said.

Council Member Schaevitz verified with Mr. Broman-Fulks that the household income of more than half of respondents was less than 100 percent of AMI. She said that it would be helpful to have a sense of what percent of all Town employees were at that level in order to have a sense of the scope of the issue and how the budget should relate to it.

Council Member Gu asked for more contextual information and data on the Town's current recruitment, retention and turnover rate, and if those rates were being actively affected by the housing issue. Such data would help to understand how serious the need was, she said.

Ms. Vinas replied that she could likely gather such information from the Town's Human Resources Department. The survey and focus groups had stemmed from Council interest, which had been based on the fact that the majority of employees did not live in Town, she said.

Council Member Gu said that having AMI data on which groups of employees would be most interested in the program would be helpful as well.

Council Member Parker recommended that staff do some modeling and look carefully at the numbers to make sure that employees would actually be able to find houses in the marketplace that the program would let them afford. The fundamental problem was that those houses did not exist, he pointed out. Council Member Parker also wondered if there would be secondary measures of the program's success.

Council Member Stegman expressed strong support for the effort, stating that anyone who worked for the Town should have the option of living there if they chose. She praised the human-centered design approach that strove to understand employee issues and desires. She thought such incentives could play an important part in attracting and keeping staff

while also meeting some of the Town's AH goals, she said. In order to be able to give guidance on specifics and on whether to proceed or not, the Council would need to see cost analyses of different options, Council Member Stegman said.

Mayor pro tem Anderson characterized the report as a great initiative and said she was glad that staff was looking into the idea. She, too, requested additional data and noted the importance of working with the Chapel Hill-Carrboro School System, Orange County, and other partners. She wondered if there would be value in knowing how many people lived within the school district but not the Town, she said.

Council Member Oates commented that communities were stronger when people live in the Town where they work. She expressed concern about making the program sustainable while keeping houses affordable, however. She said that the expectation with down payment assistance was that the person would return it when selling the house so the money could go back into the system to be used again. She had no problem with offering incentives to new employees, she said. Council Member Oates suggested that the program be limited at first to homes in Town.

Council Member Oates expressed support for a tiered approach up to 120 percent AMI. If there was a master lease, or a partnering arrangement with other landlords, she would discourage apartment complexes that had a high vacancy rate from participating for a certain period of time, she said. Council Member Oates explained that moving into an apartment with the idea that one would have to move out within one-to-three years fell into the definition of homelessness. Employees should have to repay a subsidy once they stop being employed by the Town, she said.

Council Member Buansi expressed concern about an employee getting a rental subsidy and then having his/her employment terminated. He asked if staff had investigated what other towns had done in that situation. Had there been an extended period in which the person continued to receive the subsidy, he asked.

Ms. Vinas replied that most of the models that staff had looked at had been grants with no repayment requirements. There were some exceptions for home-ownership, and there could be a repayment requirement for employees who leave the organization or move out of town before a certain number of years, she said. Staff had structured agreements such as those for AH projects, but the typical incentive options were grants rather than loans, she explained.

Mayor Hemminger described a similar program in schools, where staying for a certain number of years meant not having to pay it back and it was prorated if the person left earlier than that. She recommended moving toward a grant program with parameters that make it work for all.

Mayor Hemminger pointed out that the Community Home Trust and Habitat for Humanity held financial preparedness and other classes and might be able to present those to Town employees as well.

Ms. Vinas replied that that idea was exactly in line with the staff's thinking. Many Town employees had already taken advantage of that Community Home Trust training but the programs could easily be included in a more structured way with a curriculum geared specifically for the interests of Town employees, she said.

Mayor Hemminger pointed out that some apartment complex owners were willing to offer discounted rates for Town employees, and she asked for more information on that. She said that she liked the idea of allowing people to live anywhere in the county and that partnering with groups like Community Home Trust could help the Town understand locations and price ranges of houses. Mayor Hemminger said that the program would probably have to be income restrictive at some level, and that staff would determine where those lines were.

Council Member Oates asked if a housing subsidy from the Town was considered taxable income for employees, and Town Attorney Ralph Karpinos agreed to bring that information back to the Council.

Mayor Hemminger told staff, in summary, that the Council liked the idea, would like to have a pilot program of some sort, and would like staff to provide more information and parameters.

This item was received as presented.

**7. Open the Public Hearing: Land Use Management Ordinance
Text Amendment - Proposed Revisions to Articles 3 and 4
Related to Conditional Zoning.**

[\[18-0129\]](#)

Alisa Rogers, Land Use Management Ordinance (LUMO) project manager, gave a PowerPoint presentation on Land Use Management Ordinance (LUMO) amendments to expand the use of Conditional Zoning (CZ) in Town. The effective date for those revisions would be April 1, 2018, she said. Ms. Rogers reported that the Planning Commission (PC) had reviewed the amendments and made recommendations, which she would present along with an ordinance and resolution of consistency.

Ms. Rogers explained that the amendments proposed to establish a link between the Town's Land Use Plan (LUP) and CZ district applications. As proposed, the amendments would preclude establishing a CZ district unless it conformed to the LUP, she said, and she explained the rationale behind that. Ms. Rogers said that the PC had recommended a condition to comply with "Architecture 2030 Challenge," which had the goal of carbon neutrality by 2030 for all new developments, major renovations, and new buildings. Mr. Stancil had requested that such compliance be retained in

the ordinance until Town staff had had an opportunity to assess a related petition from the Environmental Stewardship Advisory Board, she said.

Ms. Rogers said that another amendment pertained to the Town's Innovative Light Industrial Conditional Zoning District (a.k.a. Enterprise Zone). That amendment would clarify that the Council may act in the same evening as the initial public hearing for projects in the Enterprise Zone, she said. In summary, the proposed revisions related to a condition regarding Architecture 2030 Challenge, clarification of procedures for the Enterprise Zone, a requirement that conditional zoning districts conform to the LUP, and defining a process for amending the LUP, she said. Ms. Rogers recommended that the Council open the public hearing, receive comments, and recess the hearing to March 21, 2018.

Mayor pro tem Anderson verified with Ms. Rogers that an applicant could request the CZ process and have the Council provide advice on that during the concept plan stage.

Mr. Karpinos clarified that an applicant could apply for a special use permit (SUP) and rezoning, a development agreement (DA), or CZ at the concept plan stage, but the Council would decide whether or not to approve.

Mayor Hemminger pointed out that the Council could turn down an applicant who, for example, had recommended an SUP process at the concept plan stage but then turned in a CZ application. It would be difficult to do so, since the application would have gone through advisory board review and so forth, but the Council would have that option, she said. Mayor Hemminger pointed out that an applicant could not do a DA without the Council's agreement. Therefore, such a situation could only arise regarding SUPs versus CZs, she said.

Mayor pro tem Anderson asked about recent legislation regarding CZ projects that do not comply with the master plan going through the process and changing the plan as a result.

Mr. Karpinos explained that legislation gave the Council three options when looking at a rezoning: to deny if the project is not consistent with the Comprehensive Plan; to approve if it is consistent; and to approve and say that the project is not consistent -- and that would change the Comprehensive Plan. The Town had the opportunity, with the process that was being proposed, to look at the LUP and the Comprehensive Plan in a holistic manner and decide if it was appropriate to change the LUP, he said.

Mayor pro tem Anderson stated that approving a project that was not in compliance with the LUP would change the LUP.

Mr. Stancil pointed out that in some situations the text in the Comprehensive Plan or in a Small Area Plan would be impacted as well.

Therefore, it would behoove the Town to look carefully at what its functional documents say, he said.

Council Member Oates verified with Ms. Rogers that recent legislation impacted any land use change that the Town might make.

Council Member Oates asked if there was any way to have the CZ option be only for projects that comply with the LUP.

Ms. Rogers replied that there could be such an option. She pointed out that the LUP had been put in place in 2012 and said that there might be an opportunity in the future to do a project that had not been conceived of back then. That might be an opportune time to change the LUP, she said.

Council Member Oates noted that the Town was planning to rewrite the LUMO and it seemed like that might be an opportunity to make that change. She expressed concern about approving a project that would change the LUMO without people realizing it.

Ms. Rogers pointed out that the state legislature's action regarding changes addressed the Comprehensive Plan, not the LUMO.

Council Member Oates replied that it could, however, be something that someone might sue the Town over, but Mr. Karpinos said that he was not worried about that.

Council Member Parker commented that an SUP could only be approved if consistent with zoning and the Comprehensive Plan. The Town typically received combined rezoning/SUP applications and always approved a resolution of consistency with the LUP, he said. If an application were not consistent, then the Town could modify the land use map at that time, said Council Member Parker.

Mayor Hemminger expressed concern that changing the LUP for a CZ could affect the Council's negotiating strength.

Ms. Rogers replied that the Town could theoretically change the LUP, and have a project not move forward. The idea behind having a LUP amendment happen first was to provide an opportunity to think about whether or not the change was warranted, she said.

Mayor Hemminger confirmed with Ms. Rogers that making a land use change for an applicant would not enable that applicant to get the project approved in order to sell it.

Mr. Karpinos pointed out that some projects would go directly to a CZ application, and not involve an LUP. Those would be in the same situation as those that had the LUP change first, he said.

Mayor Hemminger said that she wanted to make sure that what Council members had approved was what they thought they had approved.

Council Member Gu asked if it was correct to say that the changes being considered would not change the Chapel Hill 2020 Comprehensive Plan, but that the LUP might or might not change when the Council approved a CZ.

Ms. Rogers replied that the Comprehensive Plan included both text and the LUP, and that projects would be evaluated for consistency with one or both of those. The amendment being proposed was actually calling out consistency with the LUP, she said. The Town would look at making decisions about whether or not it was consistent with that plan, and if it was not, then about changing the plan, she said.

Council Member Gu asked for clarification that, if it was not consistent, then the Town may or may not decide to change the LUP, but did not have to do so.

Ms. Rogers replied that the N.C. Legislature had said in October 2017 that approving a rezoning that was not consistent with both the text and map in the Chapel Hill 2020 Plan would change the map.

Mayor Hemminger asked if this was the case with SUPs or a DAs as well.

Ben Hitchings, Director of Planning and Development Services, replied that it was not true for a DA. A rezoning associated with a SUP or DA would trigger the consistency statement, but a straight SUP with no rezoning would not, he said.

Del Snow, a Chapel Hill resident, strongly urged the Council to not implement the text amendment until concerns had been addressed. She said that the previous Council had discussed applying the CZ to specific districts and that staff had said at that time that CZ applications could be denied if the Council deemed them problematic. Allowing the LUP to be amended as the result of approval was a difficult policy to endorse, she said. Ms. Snow argued that the amendment would undermine the purpose, spirit, and value of zoning and land use planning; would not give residents predictability; and would betray future landowners who would have no way of knowing what could be developed next to their property. She recommended not implementing the text amendment until the Council had clearly addressed residents' concerns and properly analyzed unintended consequences.

Mayor pro tem Anderson pointed out that Ms. Snow 's concerns seemed to pertain more to the state legislature than the Town Council.

Mr. Stancil agreed that to a certain extent, the state legislature had taken it out of the Council's hands because approving a project with a rezoning

that does not conform with the 2020 Plan changes the Plan at that moment, he said.

Mayor pro tem Anderson asked if the Council could address any of the other concerns that Ms. Snow had raised.

Mr. Hitchings described the differences among CZs, SUPs and DAs, and said that the Town had constructed the CZ to be the same process as the SUP in the sense that community and Council would have control over decisions. He said that keeping the CZ process similar to that for a SUP might lead to more applicants choosing the CZ in order to be able to talk directly with the Council. He pointed out that a DA process also allowed dialogue, but could be more time-consuming. A CZ provided the opportunity for dialogue but, like a SUP, was a more systematic process, Mr. Hitchings said.

Mayor pro tem Anderson asked if the text amendments were addressing the issue of not allowing CZ all over Town.

Ms. Rogers replied that tying it to the LUP and fully thinking about how a project would impact its surrounding area was how the Town was addressing that issue. However, an applicant could always apply to rezone anything to anything, she pointed out.

Council Member Parker said that the Council had made a deliberate effort when it approved a CZ in November to have it mimic the SUP process as closely as possible, but allow for conversations with the community. He pointed out that the LUP was not a zoning map, and did not have any regulatory power. That power resided in the zoning atlas, which specified zoning - including restrictions and privileges - for every parcel in town, he said. .

Council Member Parker said that the text amendment would make the CZ process more onerous than a traditional rezoning/SUP process. He described and contrasted processes, and said that a project that was in conflict with the LUP would have to go through one that would involve the Council and PC before applying for CZ, which would add cost and time. In addition, the current Land Use Map was in conflict with the Comprehensive Plan in some cases, he said, and gave an example of that in the Central West area. Council Member Parker said he was concerned about the Council making the CZ process so onerous that it would push applicants back to rezoning/SUP and defeat the purpose of the CZ tool.

Mr. Stancil replied that he had intended when proposing the amendment to make it more onerous. Any proposal that was not consistent with the LUP would have to go through something more difficult, he said. He explained that his reason for that was exactly what Ms. Snow and others had said about sending a message to someone in a single-family, detached neighborhood that CZ did not mean putting a grocery store beside their

house. Mr. Stancil then described improvements that staff was making to the Land Use Map.

Council Member Parker said he appreciated the intent of protecting single-family detached areas, but thought the tool was overly broad. Maybe a better approach would be to just not allow CZ in areas such as R-1 and R-2 that need to be protected, he said. He pointed out that the Council could approve a grocery store with traditional rezoning. It seemed as though the proposal was being asymmetric by trying to use more protection for CZ than was in place for the traditional rezoning/SUP, Council Member Parker said.

Mr. Stancil explained that the goal was to have someone applying for something that was not consistent with the Council's interests go through a separate, more onerous process so the Council could give direction before spending a lot of staff and community time. That was the intent, he said, noting that the Council had asked, when initiating the CZ tool, for a way to provide assurance to single-family detached neighborhoods that they were not under threat.

Mr. Karpinos pointed out that the Council had the legislative authority to make changes during its term of office, and that the next Council would have the authority to change that if it chose. The Town could have protections and procedures that would make it more challenging to do certain actions, but there were no guarantees, he pointed out.

Mr. Hitchings explained that staff had been trying to make it smooth when it was consistent with the framework the Council had described and more difficult when it was not.

Council Member Schaevitz asked if having an applicant drop out after the Council approves an LUP amendment would leave the Town locked into the change. It seemed that the SUP process did not leave much space for loop holes whereas there seemed to be many loop holes and contiguous steps with the CZ process, she said.

Mr. Hitchings replied that the Council would need to consider whether such a proposal for changing the LUP made sense broadly. What was sometimes more problematic, was granting a CZ associated with a project and then having something happen that makes it no longer relevant, he said. Mr. Hitchings explained that there was a clause that allowed reversion to the previous zone when a project was not started within a certain time.

Mr. Karpinos added that the Town could revisit and change the LUP on its own initiative if it were to amend it and then a CZ did not come forward, or was denied and no one brought another one in a reasonable period of time.

Mayor pro tem Anderson asked staff to bring back the pros and cons of having Townwide CZ versus having it in only certain areas. She needed more information on how single-family detached neighborhoods would be protected, she said.

Mayor Hemminger asked about prohibiting use of the CZ tool on R-1, R-2 and maybe R-3 areas without going through the land use change first.

Mr. Karpinos replied that, as proposed, the Town would have to go through the LUP change before approving a CZ that was inconsistent. For example, changing R-1 to commercial would clearly be inconsistent, he said.

Mayor Hemminger replied that she wanted to make that clearer to the public so that citizens would not fear having a grocery store built next to their house, and Mr. Hitchings agreed to work on that.

Council Member Gu said she understood that changes could be changed back through the legislative process. However, the purpose of having an LUP was to provide predictability for residents and being able to change it so easily undermined its purpose somewhat, she said.

Council Member Oates said that not having predictability lowered land values and that the Town needed to carefully guard against such "creep." All Council members liked the idea of having a mechanism through which it could talk with the applicant when a proposal comes before it, but they needed to make sure that they did not shoot themselves in the foot along the way, she said.

Council Member Gu asked for information on whether staff was proposing to retain and follow the Environmental Stewardship Board's suggestions.

Mayor Hemminger asked staff to include having the Council come to some agreement with the applicant by the end of the concept plan review regarding which tool it preferred they use, with the understanding that it would not be a requirement. She said that the Council liked the CZ tool because it allowed conversations and that she, personally, liked having legislative authority without having to worry about the four findings alone. What appealed to her most was that the CZ provided the Town with leeway to get the project it wanted, she said. Mayor Hemminger asked staff to bring back a better description of the text amendment, based on the evening's comments.

A motion was made by Council Member Parker, seconded by Council Member Buansi, that this Public Hearing Item be continued to March 21, 2018. The motion carried by consensus.

8. Authorize the Town Manager to Enter into a Supplemental Municipal Agreement with NCDOT to Proceed with Additional

[\[18-0130\]](#)

Design Services and Construction for Variable Message Signs Project.

Traffic Engineering Manager Kumar Neppalli gave a brief PowerPoint presentation on the Town's traffic signal system, which was implemented in 2012. The system included fiber communication cable throughout the Town, and communicated signals back to a Traffic Management Center, he explained. Mr. Neppalli said that traffic monitoring cameras had also been installed, but the Town had not had funding to install variable message signs (VMS) at that time.

Mr. Neppalli said that UNC used VMS as temporary message boards to provide information regarding special events. In 2014, the Town and UNC had agreed to develop a joint project for implementation of permanent signs, he said. Mr. Neppalli noted that the Council had adopted a resolution in June 2014, and had also enacted a budget ordinance for design services of VMS project. The initial funding for design was \$93,750 (\$75,000 federal/\$18,750 Town) and the Town had hired Kimley-Horn and Associates to begin the design, he said.

Mr. Neppalli recommended that the Council provide input regarding the location, number and aesthetics of variable message signs (VMS), and adopt the resolution authorizing a municipal agreement with the NC Department of Transportation (NCDOT) and enacting the budget ordinance amendments.

Kevin Smith, a project manager with Kimley-Horn and Associates, said that the project team included stakeholders from UNC, the Town, and NCDOT. He displayed slides showing what VMS signs look like on roadways and said that the purposes were to reduce congestion, convey information, and manage traffic operations. VMS in Chapel Hill would be subject to NCDOT policy, he said, explaining that state policy specifically stated that VMS were only for traffic operations and guidance.

Mr. Smith discussed the project's three main phases. The third phase was to develop construction documents that the Town would put out to bid, he said. He presented a map showing proposed signs at 10 locations in Town, and explained stakeholders' reasons for choosing those. Seven of the 10 would be medium (5.5' x 11') signs, and three would be small (4.5' x 10'), he said. Mr. Smith asked for Council feedback regarding color (black or green finish) and structure (single or double posts). He said that the next steps would be to finalize the design, hopefully by June 2018. The project would be put out to bid in fall 2018, with construction running from January to December 2019, Mr. Smith said.

Mr. Neppalli stated that the cost would be \$1,024,000, with the Town's share being \$10,300. He said that the signs could be painted any color, and that UNC's and the Town's Police Departments would both have access to programming.

Mayor Hemminger confirmed with Mr. Neppalli that the colors of the LED lights could be changed.

Council Member Buansi clarified that Carrboro had decided not to participate in the project because of the lack of major decision points for drivers in its area. There would be a sign near Southern Village before the bridge on U.S.15-501, Mr. Neppalli said.

Council Member Oates ascertained from Mr. Neppalli that NCDOT would reimburse the Town for 92 percent of the maintenance costs, and would pay the full cost of replacement.

Council Member Gu confirmed that signs would be dark when not in use. She asked if there was any data showing their effectiveness, and Mr. Neppalli replied that he thought there was, but did not know if it was available.

Mr. Smith commented that the signs were the best way to reach all motorists on a road, and said that their effectiveness depended on whether or not people obey the message.

Council Member Gu asked who would be responsible for putting out the messages, and if it was possible to give real time traffic information, such as how many minutes to a specific destination.

Mr. Smith replied that DOT signs on the freeway could display travel times, but he did not know if the Town had the necessary vehicle detectors in place. That could be done in the future, if the Town saw value in it, he said.

Council Member Stegman proposed moving signs closer to one or two areas where there had been fatal accidents, and Mr. Neppalli offered to talk with the team about making that change.

Council Member Oates asked who would program the language on the signs, and Mr. Neppalli replied that the details of that still had to be worked out. It would be an automatic process, but Town and University police would be able to program them if needed during emergencies, he said.

Council Member Oates said she favored whichever post design would be safer, and the least distracting to drivers. She said that she found the \$100,000 total cost of each sign to be astounding, and asked why they were so expensive.

Mr. Smith replied that most of the cost was for the heavy, mounted structure, which contained a lot of electronics, as well as the costs of getting power and communications to the signs.

Council Member Oates confirmed with Mr. Smith that the project had not yet been put out for bids, and that the estimate was based on what VMS typically cost in other places.

Council Member Schaevitz asked about solar-powered options, and Mr. Smith replied that they existed, but not in North Carolina. Those required huge solar panels that were about twice the size of the sign itself, he pointed out.

Mayor Hemminger said she preferred a single, green post and confirmed that DOT required the sign itself, and the border around it to be black. She asked if the sign could direct people coming off Interstate 40 to the Eubanks Road park and ride lot.

Mr. Smith replied that the sign in that area would direct people to a detour when there was a traffic problem in that area.

A motion was made by Mayor pro tem Anderson, seconded by Council Member Stegman, that O-1 and O-2 be enacted and R-3 be adopted. The motion carried by consensus.

APPOINTMENTS

9. Affirm Chapel Hill-Carrboro City School's Nomination of Council Member Parker to Serve on Chapel Hill-Carrboro City Schools' Business Advisory Council.

[\[18-0131\]](#)

A motion was made by Mayor pro tem Anderson, seconded by Council Member Schaevitz, that R-4 be adopted. The motion carried by a unanimous vote.

ADJOURNMENT

Mayor Hemminger reminded the Council that it had established a light rail orientation session with GoTriangle to be held on March 12 for new Council members, and anyone else who would like to attend.

Mr. Stancil encouraged all Council members to attend the meeting, noting that it would include an introduction to gateway planning as well. It would be a comprehensive view of GoTriangle's incursion into Chapel Hill, and an opportunity to ask questions, he said.

Mayor pro tem Anderson requested that the meeting be added to the Council's calendar.

The meeting was adjourned at 10:22 p.m.