



TOWN OF CHAPEL HILL
Planning Department
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514-5705

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Requested Modifications to Regulations

Project Name	1701 NORTH APARTMENTS	Application Number [Staff to Complete]	CZD-25-1
LUMO Section	Sec. 3.4.6(c)(1)		
Requirement	An MU-V shall include office, commercial, and residential uses as described below. The mix of floor area within a proposed development shall contain at least twenty-five (25) percent of the floor area devoted to residential uses and at least twenty-five (25) percent of the floor area devoted to office/commercial uses.		
Requested Modification	required land use category percentages imposed by Sec. 3.4.6(c)(1) be waived		
Purpose or Intent of Regulation	The purpose of Sec. 3.4.6(c)(1) is to ensure a balanced mix of residential, office, and commercial uses in MU-V zoning districts by requiring at least 25% of the floor area to be dedicated to residential uses and at least 25% to office/commercial uses, fostering vibrant, mixed-use communities that support both housing and local economic activity.		
Justification	The request to waive the required land use category percentages under Sec. 3.4.6(c)(1) is justified based on the property's existing MU-V zoning and its development in line with those standards, as modified by the SUP. The commercial space has remained vacant since the development's opening in 2016, underscoring the lack of market demand for office, commercial, or retail uses. Repurposing the vacant space for residential use aligns with the regulation's broader objectives of meeting local housing needs and ensuring the efficient use of the property. This request takes into account the specific market conditions that render the commercial component unfeasible while still supporting the overall intent of creating a vibrant, mixed-use community		
Evaluation [Staff to Complete]	<i>Staff believe the modification offers an opportunity to recognize market conditions while promoting goals of the Comprehensive Plan such as meeting housing needs. Keeping the same mix of uses allowed, but not required at any specific percentage, can also promote Comprehensive Plan goals while allowing flexibility.</i>		

1701 NORTH APARTMENTS

6725 Monument Drive Wilmington, North Carolina, 28405 Cell: 910.800.9231 Fax: 910.763-0379

March 20th, 2025

Project Narrative

1701 North Apartments is a Class A multi-family development that opened in 2016, located on the west side of Martin Luther King Jr. Blvd, south of Weaver Dairy Road and north of Westminster Drive. The property consists of four buildings with a total of 154 residential units, 97% of which are currently leased. One of the buildings includes 5,171 square feet of commercial space, which has remained vacant since opening in 2016, despite multiple attempts to lease it. This Conditional Zoning application seeks approval for the conversion of the long-vacant commercial space into six additional multi-family residential units.

The site is zoned a combination of R-2 and MU-V. However, the site was developed in accordance with a Special Use Permit which permitted the uses that exist on the site today. The SUP has since expired, and the proposed rezoning is intended to allow the site to remain as it is currently built, but to also allow the vacant commercial space to be converted into residential space.

Importantly, the proposed rezoning will not necessitate any alterations to the existing site plan. Rather, it seeks to repurpose the underutilized commercial space in a manner that better serves both the property's needs and the broader community. In conclusion, the proposed addition of six residential units is consistent with the comprehensive plan and harmonizes with the property's current use as a multi-family development. Additionally, the proposal will result in a reduction of traffic compared to the allowed commercial use, while also addressing critical local affordable housing needs.

Response to Concept Plan Feedback

Concept Plan review criteria are established in LUMO Sec. 4.3.3, and include: “appropriate descriptions and explanations of the relationship and balance among site elements, the relationship of the development to natural features, neighboring developments and undeveloped land, access and circulation systems, retention of natural vegetation, minimal alteration of natural topography, mitigation of erosion and sedimentation, mitigation of stormwater drainage and flooding, arrangement and orientation of buildings and amenities in relation to each other and to neighboring developments and streets, landscaping, preservation or enhancement of vistas, and mitigation of traffic impacts.

The justification for this conditional rezoning is set forth as follows.

- **Vacancy and Market Challenges:** The extended vacancy of the retail space can be attributed to several factors identified through feedback received over the years, including:
 - I. **Lack of Visibility:** The retail space suffers from insufficient visibility. A tree buffer blocks visibility of the storefronts from MLK Blvd., and the storefronts face the parking lot. As a result, the commercial space lacks sufficient visibility.
 - II. **Limited Pedestrian Appeal:** The location does not promote pedestrian activity.
 - III. **Parking Constraints:** The existing parking configuration limits the feasibility of restaurant or café establishments.
 - IV. **Absence of Drive-Through Access:** The lack of drive-through facilities further restricts the potential for certain types of businesses to operate successfully within the space.
- **Consistency with Comprehensive Plan:** The conversion aligns with sound planning principles and the objectives outlined in the comprehensive plan, as it introduces residential space in proximity to existing commercial and office developments. The proposed conditional zoning is consistent with several of the goals established in the Chapel Hill 2020 Comprehensive Plan. Specifically, it is consistent with, among other things, the following goals:
- **PFE.3.** This goal seeks to facilitate the provision of “[a] range of housing options for current and future residents.” The proposed conditional rezoning is intended to provide additional multifamily housing options for current and future residents.
- **PFE.4.** This goal seeks to facilitate the provision of “[a] welcoming and friendly community that provides all people with access to opportunities.” The location of the proposed multifamily units is convenient and accessible to commercial and community amenities.
- **PFE.5.** This goal seeks to foster “[a] community of high civic engagement and participation.” This proposed multifamily units are located within walking distance of community amenities, which will promote community engagement and participation.
- **CPE.2.** This goal seeks to “[f]oster success of local businesses.” The proposed conditional rezoning will allow for additional dwelling units to complement nearby commercial use, which will contribute to the success of local businesses.
- **CPE.3.** This goal seeks to “[p]romote a safe, vibrant, and connected (physical and person) community.” For the same reasons discussed regarding PFE.4 and PFE.5, the proposed conditional zoning will contribute toward a vibrant and connected community.
- **GA.6.** This goal seeks to create “[a] transportation system that accommodates transportation needs and demands while mitigating congestion and promoting air quality, sustainability, and energy conservation.” The proposed rezoning is intended to reduce traffic congestion associated with the currently-underutilized commercial designation for the site.
- **GPNS.5.** This goal seeks to promote “[a] range of neighborhood types that addresses residential, commercial, social, and cultural needs and uses while building and evolving Chapel Hill’s character for residents, visitors, and students.” The proposed conditional rezoning is intended to help promote a range of neighborhood types by increasing the community’s access to multifamily housing in the vicinity of the intersection of MLK Jr. Blvd. and Weaver Dairy Road.

- **NOC.1.** This goal seeks to make Chapel Hill a “model for North Carolina and beyond in wisely and justly reducing waste in a way that minimizes local environmental impact without imposing upon the environmental and social rights of others.” The proposed conditional rezoning is intended to minimize wasted building space by repurposing underutilized commercial space for multifamily residential use.
- **NOC.8.** This goal seeks to “[p]rotect neighborhoods from the impact of development such as stormwater runoff, light and noise pollution, and traffic.” The proposed rezoning will accomplish this goal by providing additional multifamily housing within the community without creating additional development impacts on neighbors.
- **TGC.4.** This goal seeks to facilitate the provision of “[h]ousing for students that is safe, sound, affordable, and accessible and meets a demonstrated need conducive to educational and maturational needs of students, and housing for Town, University, and the Health Care System employees that encourages them to reside in the community.” The proposed conditional rezoning is intended to help provide safe, sound, affordable housing to the community, including students.

iii. **Consistency with Existing Use:** The proposed addition of 6 residential units aligns with the property's current use as a multifamily development, further integrating residential density within the established framework.

iv. **Reduction in Traffic Trips:** The conversion will significantly decrease traffic generation. The current commercial space permits up to 802 vehicle trips per day, whereas the proposed 6 multifamily units would generate approximately 5 vehicle trips per day.

v. **Meeting Housing Needs:** This conversion not only addresses the ongoing local housing demands but also enhances the overall functionality of the area.

In conclusion, the proposed Conditional Zoning application represents a strategic response to the challenges facing the existing retail space while aligning with broader community goals and planning initiatives.

Affordable Housing Proposal

The proposed rezoning will include a 10-year commitment to designate 100% of the six new one-bedroom units as affordable housing. These units will be available to households earning 60% of the Area Median Income (AMI), based on the current Durham/Chapel Hill AMI at the time of lease application. The units will be priced to ensure that total housing costs do not exceed 30% of household income, with household size determined at 1.5 persons per bedroom, in accordance with HUD guidelines for the Durham-Chapel Hill, NC Metro Fair Market Rent (FMR) Area.

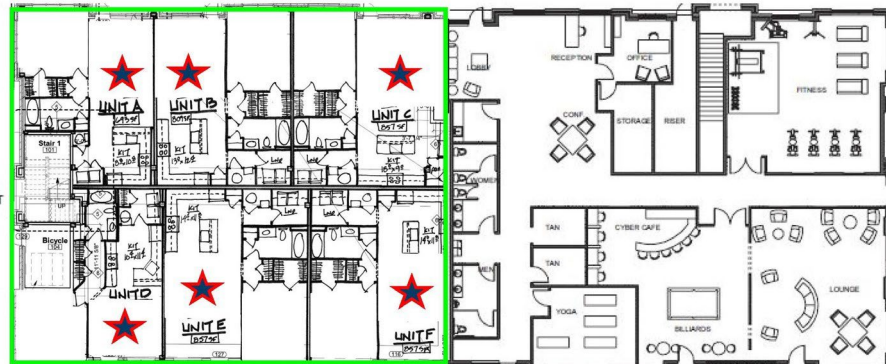
12/3 Conceptual Planning Commission Responses

The Planning Commission expressed general support for our proposal during the meeting on December 3rd, 2024. However, in response to the questions raised, we wish to provide clarification on the 3 items below to provide a clearer understanding of our proposal.

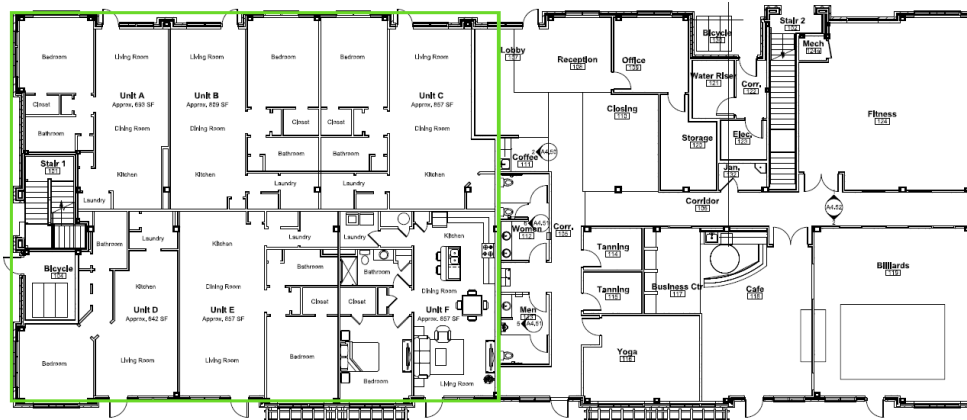
I. Floor Plan and Unit Layout:

To provide additional clarity on the proposed floor plan and unit layout, we have worked with our design team to update the floor plan. The updated layout offers a more detailed and clearer depiction of the proposal, including the addition of furniture to help visualize the space.

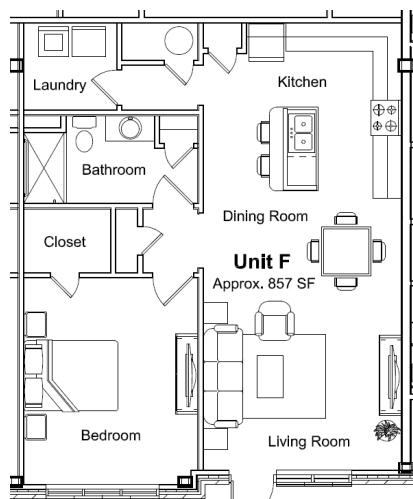
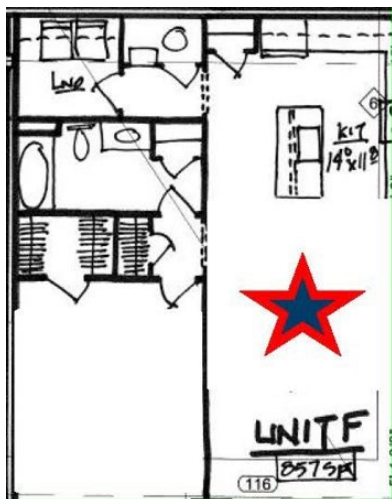
Below is the floor plan that was presented to the Board.



Below is the updated floor plan.



The image on the left is what was presented to the board, the image on the right is the updated unit layout

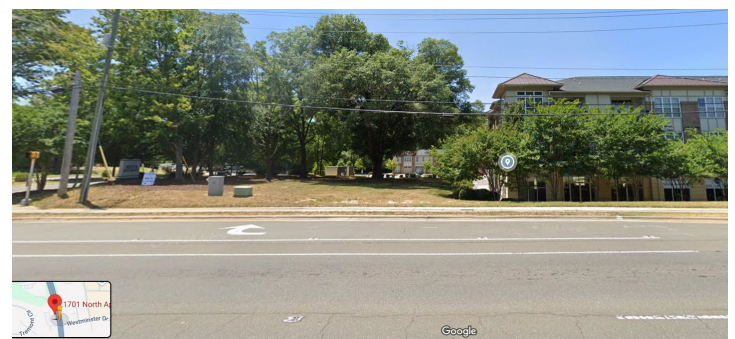
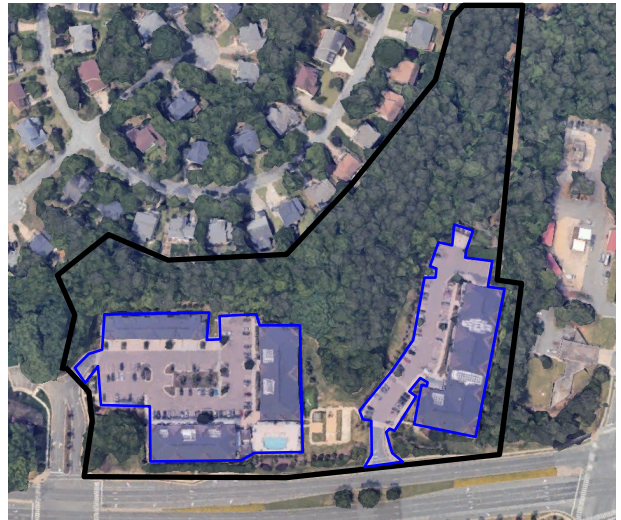


II. Parking and Green Space:

To provide additional clarity regarding the question of removing parking spaces to add green space:

- i. Approximately 50% of the site is already designated as green or open space. Below you will find images of the site plan and an aerial photo for reference.
- ii. The on-site management team advised that removing parking spaces could lead to inadequate parking and create operational challenges.

While we recognize the importance of green space, we believe the site already offers an optimal amount of green space and maintaining the existing parking configuration is necessary to ensure the operational efficiency of the site.



III. Affordable Housing Component:

To provide additional clarity regarding the affordable housing calculations, please reference the breakdown below. We will be working with Maggie Simon from the affordable housing staff to finalize the details of our proposal.

AREA MEDIAN INCOMES FOR CHAPEL HILL

The table below captures the 2023 AMI income limits for the Durham-Chapel Hill metro region.

Percentage of Area Median Income (AMI)	Household Size					
	One	Two	Three	Four	Five	Six
30% AMI	\$21,240	\$24,270	\$27,300	\$30,330	\$32,760	\$35,190
50% AMI	\$35,400	\$40,450	\$45,500	\$50,550	\$54,600	\$58,650
60% AMI	\$42,480	\$48,540	\$54,600	\$60,660	\$65,520	\$70,380
80% AMI	\$56,640	\$64,720	\$72,800	\$80,880	\$87,360	\$93,840
100% AMI	\$70,800	\$80,900	\$91,000	\$101,100	\$109,200	\$117,300

Chapel Hill Affordable Housing Plan & Investment Strategy | HREA Advisors

Affordable Housing Rent Calculation

- 60% AMI for a 1-person household:
\$42,480
- 60% AMI for a 2-person household:
\$48,450
- Average income for a 1.5-person household:
 $(\$42,480 + \$48,450) \div 2 = \$45,465$
- Calculate 30% of Household Income:
 $\$45,465 \times 30\% = \$13,639.50$
- Affordable monthly rent:
 $\$13,639.50 \div 12 \text{ months} = \$1,136 \text{ per month}$

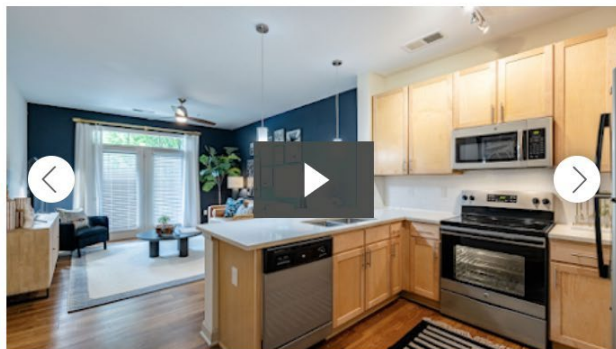
A market-rate 1-bedroom unit at 1701 North is currently renting for \$1,560 per month

● AVAILABLE

Hansbrough

1 | 1 | 643-759
BED | BATH | SQ FT

PRICES STARTING AT
\$1,560



See Details

Email Community



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Statement of Justification for the Zoning Atlas Amendment

This Statement worksheet addresses the reasonableness of the Zoning Atlas Amendment by considering characteristics of the site and its surroundings, comparing the scale of permissible development under the proposed zoning district to the scale permitted under existing zoning, and responding to Land Use Management Ordinance (LUMO) Findings of Fact. **This form is fillable. Please respond to all considerations listed in this worksheet.**

Project & Site Information	Project Name	1701 NORTH APARTMENTS	Application Number <i>[Staff to Complete]</i>	CZD-25-1
	Existing Zoning District	Mixed Use-Village (MU-V) and Residential-2 (R-2)		
	Proposed Zoning District	MU-V-CZD district, with minor modifications (proposed, for discussion with staff)		
	Proposed Land Uses	all land uses allowed within the MU-V-CZD district		

CONSIDERING THE SITE AND ITS SURROUNDINGS			
	Description	Compatibility with Proposed Zoning and Development Program	Evaluation [Staff to Complete]
Surrounding Land Uses	North: Institutional / Public Facility (Fire Station) South: Commercial (Bank) East: Commercial West: Residential (Single Family)	The proposed conversion aligns by introducing additional residential units in close proximity to existing commercial and office developments, supporting the integration of diverse housing options with surrounding land uses. This approach not only enhances access to local amenities but also fosters a welcoming community and supports the success of nearby businesses, contributing to the overall vitality of the area.	<i>Make sure to explain that the 2012 SUP led to the construction of the existing buildings. You're asking for a CZD that both covers those as well as the converted units.</i>

Surrounding Zoning Districts	North: OI-2 South: MU-V East: MU-OI-1 West: R-1	The MU-V-CZD (Mixed-Use-Village Conditional Zoning District) in Chapel Hill is designed to promote a blend of residential and commercial uses in areas with existing or planned infrastructure that supports both. This zoning district is consistent with surrounding residential and commercial zoning by encouraging development that integrates residential units with nearby compatible commercial spaces, enhancing accessibility to amenities and services while promoting vibrant, walkable communities. The MU-V-CZD complements nearby commercial zones and residential neighborhoods, fostering a dynamic environment that supports both residential needs and economic activity in the area. While the proposed conditional zoning would not provide commercial space on-site, the proposed rezoning would still accomplish the Town's goals by providing additional residential space which will support nearby commercial areas.	<i>The MU-V zoning district is intended to allow for mixed use development. Following the CZD, you will be a residential-only development. It's ok to point out that the additional residential will support existing transit and commercial areas off-site, but the change in use on your site does not align with MU-V. Explain how you're still meeting the goals.</i>
Transit Service	<i>The site has centralized a bus stop with direct access to the Chappel Hill Transit Line</i>	The proposed project is particularly reasonable given its direct access to Chapel Hill Transit lines, making it ideal for off-campus students and employees who rely on public transportation. This convenient access to transit ensures that residents can easily commute to nearby campuses, employment centers, and other community amenities, reducing the need for personal vehicles and supporting a more sustainable, transit-oriented lifestyle. The additional residential units that would be permitted under the proposed conditional zoning would also support the future NSBRT route along MLK Blvd.	<i>You can also mention how the additional units and the location of residential here will support the future NSBRT route along MLK.</i>

Road Frontages and Vehicular Access	Road Classification(s): Local ☐ Collector ☐ Arterial ☒ Road Maintenance: NCDOT ☒ Town ☐ Private ☐ Access Points for Site: 2 access points off Martin Luther King Jr Blvd.	The proposed project is reasonable based on the character of adjacent roads and its access to major thoroughfares, such as Martin Luther King Jr. Blvd and Weaver Dairy Road. These roads provide efficient connectivity to the broader Chapel Hill area, facilitating convenient transportation options for residents and visitors. The property's location near these well-established routes ensures easy access to key destinations, including commercial, educational, and recreational facilities, further supporting the project's integration into the surrounding community and transportation network. Additionally, improvements were made to the Martin Luther King Jr. Blvd and Westminister intersection as part of the original SUP, which included the addition of pedestrian crossings, signals, and turn lanes, enhancing overall accessibility and safety in the area.	<i>You could consider mentioning the work the previous developer did to improve the MLK-Westminister intersection in accordance with the 2012 SUP. They added pedestrian crossing, signals, and even turn lanes.</i>
Pedestrian & Bike Network	1701 North is centrally located in Chapel Hill, offering convenient access to key destinations within biking distance, including the University of North Carolina campus, Franklin Street, the Chapel Hill Greenway system, UNC Hospitals, and the nearby town of Carrboro. This prime location supports an active, bike-friendly lifestyle with easy access to shopping, dining, and recreational areas. The site is well-served by existing pedestrian and bicycle infrastructure, enhancing its connectivity and accessibility. The property benefits from approximately 2,000 linear feet of interior sidewalks, which facilitate safe and convenient movement within the development. Additionally, there is approximately 550 linear feet of sidewalk along the road frontage of Martin Luther King Jr. Blvd, providing a continuous pedestrian route for residents and visitors. The area also includes ample bike parking, further promoting	1701 North is well-served by existing pedestrian and bicycle infrastructure, enhancing connectivity and accessibility. The site features approximately 2,000 linear feet of interior sidewalks, ensuring safe and convenient movement within the development. Additionally, about 550 linear feet of sidewalk along Martin Luther King Jr. Blvd provides a continuous pedestrian route for residents and visitors. Ample bike parking is available, promoting alternative transportation options. These pedestrian-friendly and bike-accessible features support sustainable travel and ensure easy access to the surrounding community and transit networks.	<i>In the first box, stress what's around the property. In the second box, focus on what your property is offering.</i>

	alternative modes of transportation. This combination of pedestrian-friendly features and bicycle facilities supports sustainable travel options and ensures easy access to the surrounding community and transit networks.		
Hydrological Features	Not applicable, no change to existing site plan.	Not applicable, no change to existing site plan.	
Topography of Site	Not applicable, no change to existing site plan.	Not applicable, no change to existing site plan.	

COMPARING PROPOSED PERMISSIBLE DEVELOPMENT TO EXISTING			
	LUMO Description	Compatibility with Proposed Zoning and Development Program	Evaluation [Staff to Complete]
Intent of Proposed Zoning District (LUMO Sec 3.3 or 3.4)	The mixed-use village conditional zoning district (MU-V-CZD) established in 3.4.3 is intended to provide for the coordinated development of office, commercial, and residential uses and their necessary support functions in the vicinity of key highway intersections and transit corridors in Chapel Hill. The district is designed to facilitate stated public policies to encourage design which emphasizes lively, people-oriented environments and compatible, visually interesting development. This district provides areas where moderate scale mixed use centers can locate with an emphasis on development of a balance of residential, office	The site was previously developed in accordance with the MU-V district standards and a previously-approved Special Use Permit. The proposed rezoning is intended to maintain the integrity of the built environment, while acknowledging the practical reality that the dedicated commercial space has remained vacant for years. The purpose of the proposed rezoning is to eliminate the required floor area use percentages in order to allow the existing structures to be used more efficiently. This will allow the existing vacant commercial space to be converted to multi-family dwelling use, while maintaining the ability for that space to be converted back to	<i>In your description, you could add how the SUP envisioned this to be a true mixed use district with a SECU Bank, offices, and other commercial spaces. Your portion of the lot was developed in accordance to the plan; however, the inability to lease the commercial spaces on the first floor of the building has led to the need for a COA. You could also point out that this portion of the original SUP site was always intended to be more residential than commercial.</i>

	and commercial uses. It is further intended that the mixed use districts shall encourage development within which mutually supporting residential, commercial and office uses are scaled, balanced and located to reduce general traffic congestion by providing housing close to principal destinations, and convenient pedestrian and bicycle circulation systems and mass transit to further reduce the need for private automobile usage. Mixed use districts are intended to encourage development that allows multiple destinations to be achieved with a single trip. These standards encourage a design such that uses within a mixed use district are arranged in a manner that encourages internal vehicular trip capture and the development patterns that encourage walking, transit and bicycling as alternatives to automotive travel. When such districts adjoin residential development or residential zoning districts, it is intended that arrangement of buildings, uses, open space, and vehicular or pedestrian and bicycle access shall be such as to provide appropriate transition and reduce potentially adverse effects.	commercial or office space if market conditions permit.	
	Standard for Proposed Conditional Zoning	LUMO Standard for Existing Zoning	Evaluation [Staff to Complete]
Permitted Uses (LUMO Sec 3.4 or 3.7)	refer to Sec. 3.4.6(c)(2).	The uses permitted in the proposed conditional zoning district shall be identical to the permitted land use categories identified in Sec. 3.4.6(c)(2) of the LUMO. The only difference is that the proposed conditional zoning district will not require at least 25% of the floor area to be devoted to office/commercial uses.	
Maximum Floor Area (sq. ft.) (LUMO Sec. 3.8)	Building A = 28,800 residential + 7,200 office Building B = 38,000 residential Building J = 107,000 residential	Provide the maximum allowed floor area of the existing zoning district.	<i>You're changing the amount of residential and commercial floor area defined by the SUP, which is triggering the need for the CZD. Please specify</i>

	Building T = 17,000 residential Total = 198,000 Total Floor Area				<i>the amount of floor area for the total project as this is what will appear in your new entitlement.</i>
Maximum Building Height (ft.) (LUMO Sec. 3.8)	Maximum Proposed Setback Height	Bldg A: 44' Existing Bldg B: 42' Existing Bldg J: 55' Existing Bldg T: 24' Existing	Maximum Allowed Setback Height	Bldg A: 70' Allowed Bldg B: 70' Allowed Bldg J: 70' Allowed Bldg T: 70' Allowed	<i>We're going to codify the existing building heights in the new CZD. It's important to say what they are so there's no confusion in the future that you're meeting them..</i>
	Maximum Proposed Core Height	Bldg A: 44' Existing Bldg B: 42' Existing Bldg J: 55' Existing Bldg T: 24' Existing	Maximum Allowed Core Height	Bldg A: 70' Allowed Bldg B: 70' Allowed Bldg J: 70' Allowed Bldg T: 70' Allowed	

LAND USE MANAGEMENT ORDINANCE FINDINGS OF FACT FOR A ZONING ATLAS AMENDMENT

LUMO Section 4.4 states that the Zoning Atlas shall not be amended unless Council makes at least **one** of the Findings of Fact below.

Finding	Applicant Justification	Evaluation [Staff to complete]
FINDING #1: The proposed zoning amendment is necessary to correct a manifest error.	Describe how the project meets at least <u>one</u> finding of fact.	
FINDING #2: The proposed zoning amendment is necessary because of changed or changing conditions in a particular area or in the jurisdiction generally.	The existing site was developed under a SUP. Due to unforeseen circumstances, the southern portion of the site was never developed. Market conditions have prevented the commercial spaces from being filled, and residential conversion is now considered to be the highest and best use.	<i>You could describe how this proposal meets this finding. The existing site was developed under a SUP. Due to unforeseen circumstances, the southern portion of the site was never developed. Market conditions prevented you from filling the commercial spaces, and you've since found that the residential conversion is the highest and best use.</i>
FINDING #3: The proposed zoning amendment is necessary to achieve the purposes of the comprehensive plan.	<i>Complete the Statement of Consistency with the Comprehensive Plan.</i>	

1701 NORTH

6725 Monument Drive Wilmington, North Carolina, 28405 Cell: 910.800.9231 Fax: 910.763-0379

November 26, 2024

Town of Chapel Hill
405 Martin Luther King Jr Blvd.
Chapel Hill NC 27514

RE: Commitment to 100% Affordable Housing Units

Dear Judy Johnson,

Zimmer Development Company is pleased to confirm our commitment to offering 100% of the six new one-bedroom units at 1701 North as affordable housing for households earning 60% of the Area Median Income (AMI), based on the current Durham/Chapel Hill AMI at the time of lease application, for a period of 10 years.

These units will be priced so that total housing costs do not exceed 30% of household income, with household size determined at 1.5 persons per bedroom, in accordance with HUD guidelines for the Durham-Chapel Hill, NC Metro FMR Area.

This pledge represents our commitment to supporting Chapel Hill's housing goals and making a positive contribution to the community.

Thank you for your partnership in this effort.

Sincerely,



C. Adam Tucker
Vice President
Zimmer Development Company