



**Gateway: 19 E. Lakeview Drive** - Conditional Zoning

**Planning Dept. Staff:** Britany Waddell, Judy Johnson, Corey Liles, Charnika Harrell

**Town Council Meeting Date:** October 11, 2023

**Project Overview**

- NorthView Partners and Bryan Properties, on behalf of JTCIV LLC, Redwing Joco LLC, and APL Capital LLC are asking to rezone 18 properties from Residential-1 (R-1) to Residential-6-Conditional Zoning District (R-6-CZD). The properties are located between E. Lakeview Drive and N. White Oak Drive.
- Most of the site is in Durham County, but it is fully within Chapel Hill’s jurisdiction.
- The applicant proposes two options for residential development that would consist of:
  - Option 1: Up to 388 multifamily units, including up to 72 affordable rental units.
  - Option 2: Up to 340 multifamily units, including 24 for-sale townhouse units. All other units will be rental.
  - A maximum of 316 market-rate units are proposed for each option.
- Proposed building heights will be up to 4 stories.
- The applicant provided two options for affordable housing for Council to consider:
  - Option 1: Up to 72 affordable rental units (23 percent of market-rate units).
    - The units will be reserved for households with an average of 60 percent or less of the Area Median Income (AMI), with a maximum of 80 percent.
    - The applicant intends to apply for Low-Income Housing Tax Credits (LIHTC) funding for up to five consecutive years. They propose to donate land if they don’t obtain funding.
  - Option 2: Up to 24 for-sale townhouses (8 percent of market-rate units) at the following AMI levels:
    - 8 units at 65 percent of the AMI
    - 8 units at 80 percent of the AMI
    - 8 units at 100 percent of the AMI

**Staff Recommendation & Analysis**

	Staff recommend <b>approval with conditions</b> following resolution of the issues below. <ol style="list-style-type: none"> <li>1. Affordable Housing Plan</li> <li>2. N. White Oak Drive Improvements</li> </ol>
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1. **Affordable Housing Plan:** Staff ask Council to identify their preferred affordable housing option. Staff recommend the applicant adhere as closely as possible to the Housing Advisory Board (HAB) Guiding Principles for Affordable Rental Housing, which calls for at least 15 percent of market-rate units be affordable to households earning 60 percent of the Area Median Income (AMI).

Affordable Housing staff prefer Option 1 because it offers more units at deeper levels of affordability. It also exceeds the Housing Advisory Board’s (HAB) [Guiding Principles for Rental Development](#). The Town typically prefers that affordable units be interspersed among market-rate units. However, staff acknowledge Option 1 exceeds the number of units and depth of affordability that the applicant may offer with a dispersed approach.

Staff confirmed that the project will not compete with Orange County projects for Nine Percent LIHTC awards because the parcel is in Durham County.

Staff recommend approval with Option 1 if the applicant agrees to the following:

- The developer will apply for Nine Percent Low-Income Housing Tax Credits (LIHTC) through the North Carolina Housing Finance Agency (NCHFA) for five consecutive years.
- The developer will donate the 1.7-acre parcel to the Town, or an affordable housing provider, if they are unsuccessful in obtaining LIHTC funding. The parcel shall have all necessary infrastructure installed before it can be donated.

Staff acknowledge that Option 2 guarantees some affordable housing will be built. Staff asked the applicant to consider making Option 2 the fallback scenario to Option 1 instead of a land donation. The applicant indicated this would cause logistical challenges and increased costs if the townhouses were built separately from the rest of the project.

**2. N. White Oak Drive Improvements: Staff recommend approval if the applicant agrees to phase construction to align with the current Traffic Impact Analysis (TIA).**

Staff recommend phasing construction so that no more than 80 percent of dwelling units can be constructed with Lakeview Drive as the only full vehicular access point. The remaining 20 percent can be constructed once one of the following occurs:

- A revised TIA demonstrates that Lakeview Drive can accommodate 100 percent of vehicular trips to and from the site.
- The applicant constructs a roundabout on Lakeview Drive.
- All of N. White Oak Drive is improved to meet Town standards.

Staff propose this phasing plan because Gateway's traffic impact analysis (TIA) was based on a few assumptions:

- The development would be accessed through Lakeview Drive and White Oak Drive. Both streets would allow unrestricted access.
- Eighty percent of vehicular trips to and from the site would be on Lakeview Drive.
- Twenty percent of the vehicular trips to and from the site would be on White Oak Drive.

N. White Oak Drive will only provide emergency access because it can only be improved to meet Town standards along the development's frontage. The public right-of-way is not wide enough to construct improvements supporting full access on the segment that extends beyond the southern site boundary out to Old Chapel Hill Road


Staff's recommendation does not change the total number of dwelling units approved by the Conditional Zoning District. The recommendation provides a few alternatives to demonstrate an adequate road network for full buildout of units at the Final Plans stage.

**3. Modifications to Regulations: Staff recommend approval of all requested modifications to regulations.**

Staff have reviewed all requested modifications to regulations and find that the public purpose is served to an equivalent or greater degree. The modifications are shown in Ordinance A and the applicant's materials.

**Summary of Comprehensive Plan Consistency**

Viewed through the holistic lens of the [Complete Community Strategy](#), this project **meets the Town’s strategy for growth**. No single issue raised below should be considered in isolation.

- Consistent
  Somewhat Consistent
 Not Consistent

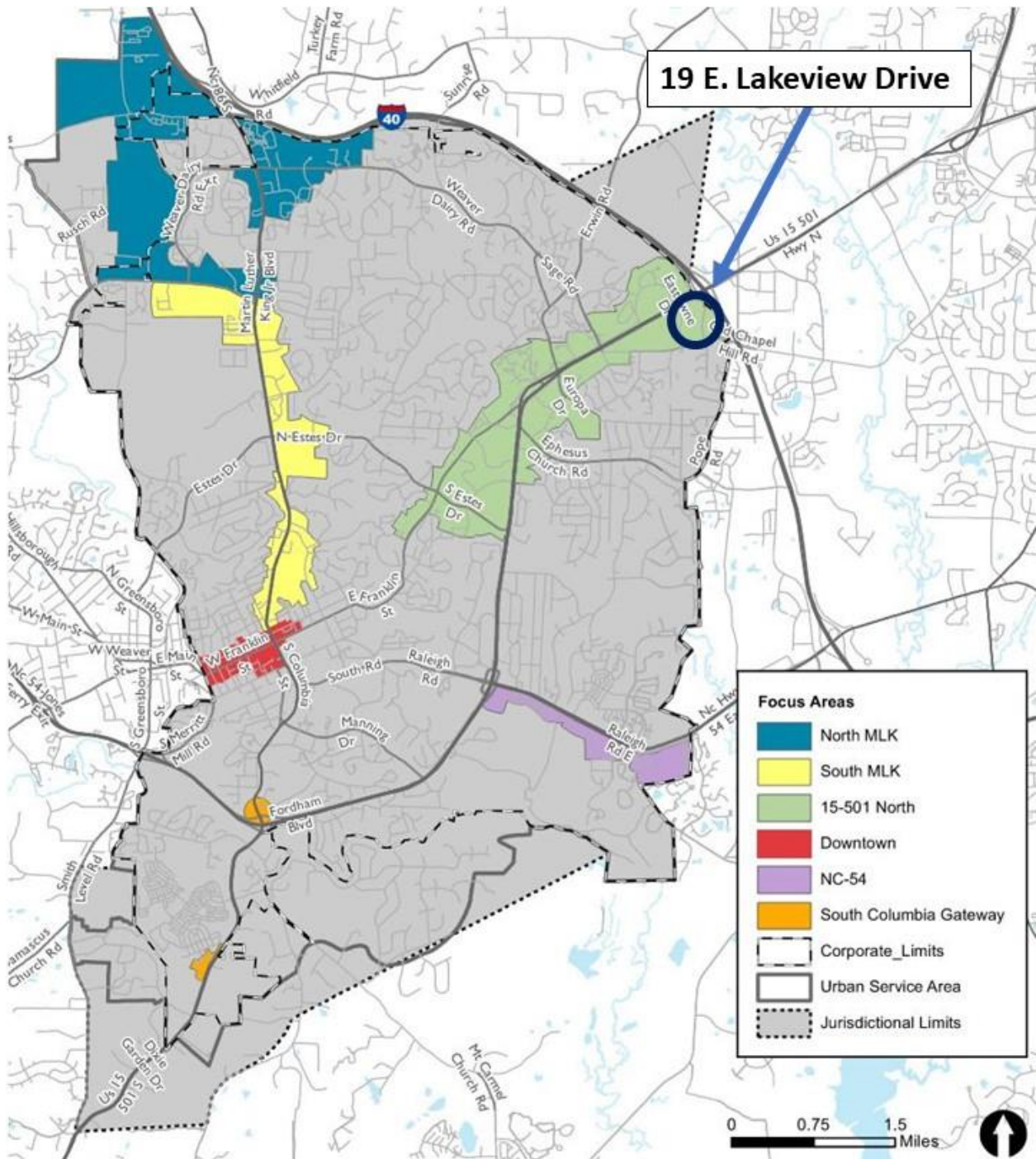
<input checked="" type="checkbox"/>	<b>Chapel Hill will direct growth to greenways, transit corridors, large infill sites with existing infrastructure, and smaller infill sites.</b>	
	<ul style="list-style-type: none"> <li>• Infill of existing single-family lots and other vacant lots next to developed land that is well-served by existing infrastructure</li> </ul>	
<input checked="" type="checkbox"/>	<b>Goal 1: Plan for the Future Strategically</b>	Comprehensive Plan Elements: <ul style="list-style-type: none"> <li>• <a href="#">Future Land Use Map (FLUM)</a></li> <li>• <a href="#">Shaping Our Future</a></li> </ul>
	<ul style="list-style-type: none"> <li>• The proposed multifamily residential use is consistent with the FLUM guidance for Sub-Area A of the North 15-501 Corridor Focus Area</li> <li>• The applicant proposes two options for affordable units: up to 72 affordable rental units and 24 for-sale units</li> <li>• The applicant was involved in the Parkline East planning effort, which focused on interconnections between multiple proposed projects in the area</li> </ul>	
<input checked="" type="checkbox"/>	<b>Goal 2: Expand and Deliver New Greenways for Everyday Life</b>	Comprehensive Plan Elements: <ul style="list-style-type: none"> <li>• <a href="#">Mobility &amp; Connectivity Plan</a></li> <li>• <a href="#">Connected Roads Plan</a></li> </ul>
	<ul style="list-style-type: none"> <li>• As part of the Parkline East planning effort, multiple greenways and multiuse paths are anticipated for this area. Those improvements will be completed as individual projects are developed. This project includes multiuse paths along its north, south, and east boundaries that will contribute to this future network.</li> </ul>	
<input checked="" type="checkbox"/>	<b>Goal 3: Be Green and Provide Housing</b>	Comprehensive Plan Elements: <ul style="list-style-type: none"> <li>• <a href="#">Climate Action &amp; Response Plan</a></li> </ul>
	<ul style="list-style-type: none"> <li>• The project provides up to 388 dwelling units</li> <li>• Stormwater facilities will be designed to accommodate 100-year storm events</li> <li>• The project provides electric vehicular (EV) parking spaces</li> <li>• The applicant is working with Town staff to finalize energy management and climate action plans that meet Town expectations</li> </ul>	
<input checked="" type="checkbox"/>	<b>Goal 4: Plan for Excellence in the Public Realm and Placemaking</b>	
	<ul style="list-style-type: none"> <li>• The applicant has worked extensively with the Town's Urban Designer and Planning Department staff to create a framework for future development in the area. The proposed site design contributes to that framework.</li> <li>• Please see the Town Urban Designer’s assessment of the project.</li> </ul>	

***Public Engagement***

Members of the public identified areas of concern noted below. Engagement related to this project has included one virtual public information meeting.

Residents commented on whether the development provides adequate sidewalks, manages stormwater, and addresses traffic concerns.

**Project Location**



### ***Attachments***

#### **Applicant Materials**

1. Applicant's Draft Presentation
2. Applicant's Requested Modifications to Regulations
3. Applicant's Narrative and Statements
5. Site Plan and Other Applicant Materials

#### **Staff Materials**

6. Planning Commission Recommendation (*matrix in progress*)
7. Urban Design Assessment and Parkline East Overview
8. Transportation Impact Analysis Executive Summary

#### **Draft Ordinance and Resolutions**

9. Resolution A – Consistency and Reasonableness
10. Ordinance A – Approving the Application
11. Resolution B – Denying the Application