

## 04-10-2023 Town Council Meeting Responses to Council Questions

### **ITEM #1: Provide Guidance on Housing Choices for Complete Community Housing Text Amendment**

**Council Question:**

Allowing accessory apartments as an accessory use to institutional and cultural facilities as well as places of worship - would this change allow for only one unit or multiple units to be added?

**Staff Response:**

*Staff anticipates that more than one dwelling unit would be permitted, and staff is currently researching this topic to determine the appropriate number of units that could be added to these uses while still meeting the intent of being an accessory, or secondary, use.*

**Council Question:**

Administratively permitting triplexes and fourplexes in zones where they are currently an allowed use - Is it possible to provide an estimated time of this type of administrative approval?

**Staff Response:**

*The current process requires most of these uses to go through a site plan approval by the Planning Commission (up to 6 months) or a conditional zoning or special use permit process (12-18 months). Staff finds that administrative zoning approval of triplexes and fourplexes could reduce the application process significantly. For complete and detailed applications, the process could take weeks or even up to one month only.*

**Council Question:**

Could staff please elaborate on the thinking behind removing any type of cottage courts from the proposal? Might a cottage court with a limited number of cottages (maybe max 3) fit within the parameters staff are applying to the proposed revised approach?

**Staff Response:**

*Staff is investigating ways in which we can control the density on the lot by limiting the number of units per lot rather than focusing on the type of housing permitted on the lot. This would give us more opportunity to allow for smaller cottage courts of up to 3 units on the same lots that allow triplexes.*

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**Council Question:**

Could staff provide an estimated time for a review process that goes to the Planning Commission for approval?

**Staff Response:**

*The site plan approval process through the Planning Commission can take up to 6 months.*

**Council Question:**

Could staff please elaborate on the challenges they identified for R-1 and R-2 zones that would inhibit the construction of smaller multifamily buildings in these zones?

**Staff Response:**

*In addition to staff's research and analysis, staff has also heard meaningful feedback from residents of the R-1 and R-2 zones about the difficulties developing Missing Middle in these existing single-family zoning districts. In many cases, further development would require subdivisions that may require Council approval, upgrades to streets to meet Town standards, and even costly upgrades to neighborhood utilities such as water lines. Missing Middle housing forms are intended to reduce car-dependency by their location in denser, walkable neighborhoods. While many R-1 and R-2 neighborhoods have sidewalks and transit access, there are still many others that do not. Staff finds that additional research and analysis is needed to sensitively introduce Missing Middle housing in areas that can support additional density today.*

**Council Question:**

Did staff consider adding caps on the number of permits issued each year to the initial proposal rather than reducing the number of housing types allowed? If so, why was it rejected?

**Staff Response:**

*Staff has considered limiting the number of permits issued annually as well as incorporating restrictions requiring a separation distance between smaller multi-family developments in existing neighborhoods. Currently, staff proposes moving forward with administrative approval of triplexes and fourplexes in higher density zones. A future phase of this project could include incorporating guardrails such as these into a proposal to allow missing middle housing types in more residential zones.*

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**Council Question:**

Did staff explore following Durham's example of single family attached homes to allow for ownership of each unit of a duplex/triplex/quad?

**Staff Response:**

*Raleigh, Durham, and other cities have found some success in promoting ownership by encouraging attached single-family homes. This is a form of ownership, and staff is exploring subdivision and condominium requirements to allow for a greater diversity of ownership models.*

**Council Question:**

In the initial presentation on this topic, staff provided production estimates of new units. Could staff provide a revised production estimate based on the revised proposal?

**Staff Response:**

*Staff has not yet run calculations for the revised proposal; however, we can look into it further.*

**Council Question:**

Based on demographic data collected, where the presentation and materials state, "community feedback" this primarily consists of feedback from older, wealthier, white homeowners, rather than the full community. I think it is important to share a summary of that data in the staff presentation and also for Council to understand how much of the proposed revisions are driven by input from this group alone.

**Staff Response:**

*Staff recognizes that the demographics of our community engagement do not match the diversity of our residents. For that reason, Planning staff are working closely with CAPA, Community Connections, and others to reach those residents that may not yet be represented.*

**Council Question:**

Would either the initial proposal or the proposed revised plan make us eligible for federal implementation grant support?

**Staff Response:**

*The Biden Administration's Housing Supply Action Plan has signaled an intent to incentivize zoning reforms that remove barriers to housing production. Additional details are needed from the various federal agencies responsible for implementing the plan to determine how or if the proposed zoning reforms would make the town eligible for federal support.*

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### **Council Question:**

When the presentation/materials reference "luxury units", is this referring to market rate units or is there a specific definition of "luxury" that could be shared?

### **Staff Response:**

The [SB Friedman market analysis](#)<sup>1</sup> found that "on average, apartments built since 2011 require an annual income above \$69,000 to be considered affordable." It further outlines that there is a premium on rental housing, sometimes exceeding a premium of \$2.00/square foot, for those units built since 2000 compared to older housing stock. Staff finds that many of the new builds meet the definition for luxury apartments in that they provide higher-than average levels of comfort, quality, convenience, and amenities such as on-site gyms and pools.

### **Council Question:**

Has staff explored the use of pre-approved designs - especially for tri- and quadplexes - to avoid development of student-friendly housing?

### **Staff Response:**

Pre-approved designs can be used as an incentive to fast-track the permitting approval process and encourage more family-oriented designs. Staff finds that a pre-approved plan book would require additional time to develop and could be a supplement to future text amendments.

### **Council Question:**

If I read the material correctly, staff seems to be saying that these changes are unlikely to have a major impact on the supply of missing middle housing and that this type of housing is more likely to result from larger scale projects. Am I correct in this? If so, are there things we should be looking at to incentivize large-scale missing middle housing?

### **Staff Response:**

Based on the conversations staff has had with other communities, many saw that the greatest number of Missing Middle housing units were created by larger developments, not as infill projects.

In recent years, Chapel Hill has approved several larger-scale developments that are either entirely comprised of missing middle housing or include a significant amount of missing middle housing (e.g., Bridgepoint, Stanat's Place, 710 N. Estes, and the TriPointe Townhomes). Other larger-scale development applications currently under review by the Town (e.g., Barbee Chapel Apartments and Chapel Hill Crossing) also include missing middle housing forms.

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<sup>1</sup> <https://www.townofchapelhill.org/home/showpublisheddocument/53443/638151783539000000>

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*A potential challenge to including missing middle housing in larger developments, however, is that dense multifamily development is generally the best and highest use of many of the parcels on which the Town sees larger scale development. Pushing for missing middle housing on these sites can actually reduce density and thus limit overall housing production.*

**Council Question:**

As duplexes are currently allowed pretty much everywhere except R-1 (and some NCDs), given the existence of HOAs, covenants, etc., does the staff have any estimate of the likely number of duplexes that could result from this undertaking?

**Staff Response:**

*Staff has not yet calculated the number of duplexes that might be generated by this text amendment.*

**Council Question:**

Does the staff have an estimate of how much of our land and what proportion of our dwelling units are currently in R-1 zones?

**Staff Response:**

*Staff is currently working on calculating this.*

**Council Question:**

Given that duplexes are currently permitted in R-2 zones, do we know, or can we estimate, how many duplexes there are in R-2 zones? Can this serve as a sort of proxy for how many duplexes we might get in R-1 zones

**Staff Response:**

*Due to differences between properties in the R-1 and R-2 zoning districts and the current restrictions placed on duplexes, staff does not believe that the number of duplexes currently permitted in the R-2 zoning district can serve as a proxy for how many duplexes may be constructed in R-1 zoning districts.*

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### **Council Question:**

Was the recommendation not to move forward with triplexes, quadruplexes, and cottage courts in R-1 and R-2 zones driven by a belief that few would happen, difficulties in having them conform to neighborhood standards, community opposition, concerns about student occupancy, all of these? It would be helpful if staff can explain fully their rationale for this recommendation and what it was based upon.

### **Staff Response:**

*Yes, all of these informed the staff's recommendation. In addition to staff's research and analysis, staff has also heard meaningful feedback from residents of the R-1 and R-2 zones about the difficulties developing Missing Middle in these existing single-family zoning districts. In many cases, further development would require subdivisions that may require Council approval, upgrades to streets to meet Town standards, and even costly upgrades to neighborhood utilities such as water lines. Missing Middle housing forms are intended to reduce car-dependency by their location in denser, walkable neighborhoods. While many R-1 and R-2 neighborhoods have sidewalks and transit access, there are still many others that do not. Staff finds that additional research and analysis is needed to sensitively introduce Missing Middle housing in areas that can support additional density today*

### **Council Question:**

Since one of the major concerns I've heard is that triplexes and quadruplexes would become "student-stuffers" in neighborhoods proximate to campus, did the staff explore any options for restricting these forms based on geography, e.g., not permitting them within a mile of campus, rather than zoning, full recognizing the equity and other issues that such an approach might engender.

### **Staff Response:**

*Staff is investigating ways in which we might further restrict where uses are allowed. This could be added to future work to expand missing middle housing forms into neighborhoods.*

### **Council Question:**

In advance of the presentation, it might be helpful if staff could distribute a "primer" on what the current zones connote, e.g., how many DUs/acre each zone allows and associated minimum lot sizes.

### **Staff Response:**

*This information is available in Land Use Management Ordinance (LUMO) 3.8, [Table 3.8-1: Dimensional Matrix](#)<sup>2</sup>.*

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<sup>2</sup>[https://library.municode.com/nc/chapel\\_hill/codes/code\\_of\\_ordinances?nodeId=CO\\_APXALOUSMA\\_ART3ZODIUSDIST\\_3.8DIST](https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALOUSMA_ART3ZODIUSDIST_3.8DIST)