



# TOWN OF CHAPEL HILL

## Town Council Meeting Agenda

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

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**Wednesday, March 21, 2018      7:00 PM      RM 110 | Council Chamber**

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### OPENING

### 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.*

### PUBLIC COMMENT - ITEMS NOT ON PRINTED AGENDA

### ANNOUNCEMENTS BY COUNCIL MEMBERS

### 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.*

1. Approve all Consent Agenda Items. [\[18-0236\]](#)

By adopting the resolution, the Council can approve various resolutions and ordinances all at once without voting on each resolution or ordinance separately.

2. Amend the 2018 Council Calendar. [\[18-0237\]](#)

By adopting the resolution, the Council amends the 2018 Council calendar to incorporate the Special Meetings for the Legislative Breakfast, Planning Commission

and Community Design Commissions Interviews, and a series of meetings associated with the Town Manager Selection Process.

## INFORMATION

- 3. Receive Upcoming Public Hearing Items and Petition Status List. [\[18-0238\]](#)**

By accepting the report, the Council acknowledges receipt of the Scheduled Public Hearings and Status of Petitions to Council lists.

## DISCUSSION

- 4. Consider Adopting a Resolution for the Sale of \$12.5 million of 2015 Public Improvement General Obligation Bonds. [\[18-0239\]](#)**

PRESENTER: Kenneth C. Pennoyer, Business Management Director

RECOMMENDATION: That the Council adopt the resolution authorizing the issuance of \$12.5 million of 2015 GO referendum bonds.

- 5. Public Forum: 2018-2019 Community Development Block Grant Program Plan. [\[18-0240\]](#)**

PRESENTER: Renee Moyer, Community Development Program Manager

RECOMMENDATION: That the Council open the public forum to receive comments on a preliminary plan to use 2018-2019 Community Development Block Grant (CDBG) funds and refer comments and questions related to the use of 2018-2019 CDBG funds to the Manager.

- 6. Consider Adopting a Preliminary Resolution Stating Chapel Hill's Intent to Proceed with a November 2018 Affordable Housing Bond Referendum. [\[18-0241\]](#)**

PRESENTER: Kenneth C. Pennoyer, Business Management Director  
Loryn Clark, Housing and Community Executive Director

RECOMMENDATION: That the Council adopt the Preliminary Resolution stating Chapel Hill's intent to proceed with a referendum for general obligation bonds.

- 7. Presentation: Blue Hill Biannual Report [#7]. [\[18-0242\]](#)**

PRESENTER: John Richardson, Community Resilience Officer

RECOMMENDATION: That the Council receive the staff's report and presentation.

- 8. Consider Land Use Management Ordinance Text Amendment - Proposed Revisions to Articles 3 and 4 Related to Conditional [\[18-0235\]](#)**

## Zoning.

PRESENTER: Alisa Duffey Rogers, LUMO Project Manager

- a. Introduction and revised recommendations
- b. Comments and questions from the Mayor and Town Council
- c. Motion to adjourn the Public Hearing
- d. Motion to adopt Resolution A, Resolution of Consistency
- e. Motion to enact the Ordinance, amending Articles 3 and 4 of the LUMO related to conditional zoning
- f. Motion to adopt Resolution C, amending the fee schedule
- g. Motion to adopt Resolution D, preferred Development Review Process during Concept Plan Review

RECOMMENDATION: That the Council close the Public Hearing; adopt Resolution A, finding that the proposed text amendment is reasonable, in the public's interest, and consistent with the Town's Comprehensive Plan; enact the Ordinance, amending Articles 3 and 4 related to conditional zoning of the Land Use Management Ordinance; adopt Resolution C, amending the Fee Schedule; and adopt Resolution D, preferred Development Review Process during Concept Plan Review.

## APPOINTMENTS

9. Consider a Process for Recruiting and Selecting Community Members to Participate in the Town Manager Assessment Center.

[\[18-0243\]](#)

PRESENTER: Pam Hemminger, Mayor

RECOMMENDATION: That the Council approve a process for recruiting and selecting community members to participate in the Town Manager assessment center process; and that, in the interest of timely appointments, a Council Committee be selected and authorized to recommend four to six community members for appointment by the full Council on May 2, 2018.

## REQUEST FOR CLOSED SESSION TO DISCUSS ECONOMIC DEVELOPMENT, PROPERTY ACQUISITION, PERSONNEL, AND/OR LITIGATION MATTERS



# TOWN OF CHAPEL HILL

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

## Item Overview

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**Item #:** 1., **File #:** [18-0236], **Version:** 1

**Meeting Date:** 3/21/2018

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### **Approve all Consent Agenda Items.**

**Staff:**

Sabrina M. Oliver, Director and Town Clerk  
Amy T. Harvey, Deputy Town Clerk

**Department:**

Communications and Public Affairs

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



**Recommendation(s):**

That the Council adopt the various resolutions and ordinances.

**Fiscal Impact/Resources:** Please refer to each agenda item for specific fiscal notes.

**Council Goals:** Please refer to each agenda item for specific Council Goals.



**Attachments:**

- Resolution



**A RESOLUTION ADOPTING VARIOUS RESOLUTIONS AND ENACTING VARIOUS ORDINANCES  
(2018-03-21/R-1)**

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby adopts the following resolutions and ordinances as submitted by the Town Manager in regard to the following:

2. Amend the 2018 Council Calendar. (R-2)

This the 21<sup>st</sup> day of March, 2018.

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

By adopting the resolution, the Council can approve various resolutions and ordinances all at once without voting on each resolution or ordinance separately.



## Item Overview

**Item #:** 2., **File #:** [18-0237], **Version:** 1

**Meeting Date:** 3/21/2018

### Amend the 2018 Council Calendar.

**Staff:**

Sabrina Oliver, Director  
Amy Harvey, Deputy Town Clerk

**Department:**

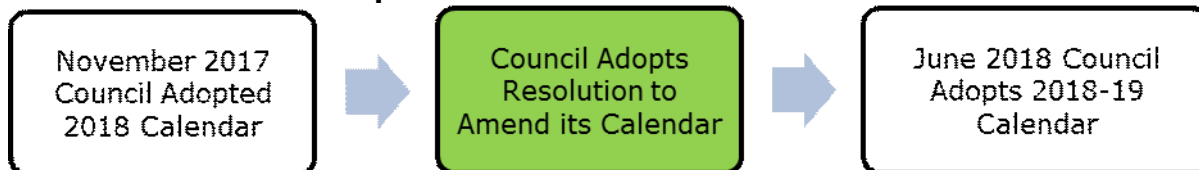
Communications and Public Affairs

**Overview:** The Council adopted its 2018 meeting calendar on November 15, 2017. This action amends the Council calendar to show Special Meetings for the Legislative Breakfast, Planning Commission and Community Design Commission Interviews, and a series of meetings associated with the Town Manager Selection Process.

☆ **Recommendations**

That the Council adopt a resolution amending the 2018 Council calendar to incorporate various scheduling changes.

**Where is this item in its process?**



-  **Attachments:**
- Resolution

**A RESOLUTION AMENDING THE COUNCIL'S 2018 MEETING CALENDAR (2018-03-21/R-2)**

WHEREAS, on November 15, 2017 the Council adopted its 2018 meeting calendar; and

WHEREAS, the Council holds a yearly meeting with the State Legislative representatives from Orange County; and

WHEREAS, the Council interviews all applicants to the Community Design Commission and the Planning Commission prior to appointments being made to those boards. Interviews usually take place at a Council meeting at least one meeting prior to the Council meeting at which appointments will be made. Interviews for the Community Design Commission and the Planning Commission are currently scheduled for May 2, 2018; and

WHEREAS, the Council has started a [recruitment and selection process to hire a new Town Manager <http://www.townofchapelhill.org/town-hall/departments-services/human-resource-development/town-manager-search>](http://www.townofchapelhill.org/town-hall/departments-services/human-resource-development/town-manager-search).

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council amends its 2018 meeting calendar to add the following meetings:

- April 3, 2018 from 8:30 a.m. to 10:30 a.m. in Library Room A, at 100 Library Drive for the Legislative Breakfast
- April 18, 2018 from 5:00 p.m. to 7:00 p.m. in the First Floor Conference Room, Town Hall for a Closed Session related to the Town Manager Selection Process
- April 25, 2018 from 5:00 p.m. to 7:00 p.m. in the First Floor Conference Room, Town Hall to interview applicants for the Planning Commission and Community Design Commission
- May 2, 2018 from 5:00 p.m. to 7:00 p.m. in the First Floor Conference Room, Town Hall for a Closed Session related to the Town Manager Selection Process
- June 1, 2018: time and location will be advertised on the Town's web calendar for a Closed Session related to the Town Manager Selection Process Assessment Center Debrief
- June 11, 2018: time and location will be advertised on the Town's web calendar for a Closed Session related to the Town Manager Selection Process

This the 21st day of March, 2018.

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

By adopting the resolution, the Council amends the 2018 Council calendar to incorporate the Special Meetings for the Legislative Breakfast, Planning Commission and Community Design Commissions Interviews, and a series of meetings associated with the Town Manager Selection Process.



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TOWN OF CHAPEL HILL

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Item Overview

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Item #: 3., File #: [18-0238], Version: 1

Meeting Date: 3/21/2018

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**Receive Upcoming Public Hearing Items and Petition Status List.**

**Staff:**

Sabrina Oliver, Director and Town Clerk  
Amy Harvey, Deputy Town Clerk

**Department:**

Communications and Public Affairs



**Recommendation(s):**

That the Council accept the reports as presented.

**Background:**

Two pages on our website have been created to track:

- public hearings scheduled for upcoming Council meetings; and
- petitions received, including their status and who you can call for information.

The goal is to provide, in easily available spaces, information that allows people to know when Council will be seeking their comments on a particular topic of development and to know the status of a petition submitted at Council meetings.

In addition to being on the website, these pages will be included in each agenda for Council information,

**Fiscal Impact/Resources:** Staff time was allocated to create the semi-automated web pages, and additional staff time will be needed for maintenance.

**Council Goals:** Foundational Program: Govern with quality and steward public assets



**Attachments:**

- Scheduled Public Hearings <<http://www.townofchapelhill.org/town-hall/mayor-and-council/council-minutes-and-videos/scheduled-agenda-items>>
- Status of Petitions to Council <<http://www.townofchapelhill.org/town-hall/mayor-and-council/council-minutes-and-videos/petition-status>>

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By accepting the report, the Council acknowledges receipt of the Scheduled Public Hearings and Status of Petitions to Council lists.

## SCHEDULED PUBLIC HEARINGS

This webpage lists public hearings that are scheduled for a specific Council meeting date, although periodically, some may be continued to a future date. Public hearings may relate to the Land Use Management Ordinance (LUMO), Residential or Commercial Development, Budget, Transportation, or Housing issues. Meeting materials are posted at [Council Meeting Agendas, Minutes and Videos](#).

Interested in a development project not yet scheduled for Council review? See the [Development Activity Report](#) for the project's current status.

Date	Title
03-21-2018	Continued Public Forum: 2018-19 Community Development Block Grant Program.
03-21-2018	Consider a Land Use Management Ordinance Text Amendment - Proposed Revisions to Articles 3 and 4 Related to Conditional Zoning.
04-18-2018	Open the Public Hearing: Application for Zoning Atlas Amendment, 11 Sixty 5 Weaver Dairy Road, 1165 Weaver Dairy Road. (Project #17-112)
04-18-2018	Open a Public Hearing for Wireless Telecommunications Master Plan and Land Use Management Ordinance Text Amendment.
04-18-2018	Public Hearing to Consider Adopting the Blue Hill Design Guidelines and Associated Amendment to Form District Regulations.
04-18-2018	Open the Public Hearing: Application for Special Use Permit, 11 Sixty 5 Weaver Dairy Road, 1165 Weaver Dairy Road. (Project #17-112)
04-25-2018	*Consider a Zoning Atlas Amendment - Merritt Mill East, Multi-Family Residential Development (Project #17-084)
04-25-2018	Consider an Application for Special Use Permit - Merritt Mill East, Multi-Family Residential Development (Project #17-084).

Last updated on 03/16/2018 03:00:02.

# STATUS OF PETITIONS TO COUNCIL

Petitions submitted during the Town Council meetings are added to the list below, typically within five business days of the meeting date.

To contact the department responsible, click on the department name. Meeting materials are posted at [Council Meetings, Agendas, Minutes and Videos](#).

Meeting Date	Petitioner	Petition Request	Departments Responsible	Petition Status
03/21/2018	Council Members Anderson, Gu, and Schaevitz	<a href="#">Request Regarding Addressing Blue Hill District Community Interests.</a>	Planning & Sustainability	
03/07/2018	Kidzu Children's Museum	<a href="#">Request for Town Assistance to Explore the Southern Village Site for New Museum.</a>	Town Manager	
03/07/2018	Residents of East 54	<a href="#">Regarding Noise Ordinance.</a>	Police <a href="#">Chris Blue</a> , Police Chief Phone: 919-968-2766	
02/21/2018	Kimberly Brewer	<a href="#">Request to Make Tiny Homes a Legal and Affordable Housing Option.</a>	Housing & Community <a href="#">Loryn Clark</a> , Executive Director Phone: 919-969-5076 Planning & Sustainability	Staff is preparing information to respond to this request.
01/31/2018	Environmental Stewardship Advisory Board	<a href="#">Request for Council Support of a Resolution Endorsing a Federal Revenue-Neutral Carbon Free and Dividend Program.</a>	Planning & Sustainability Public Works <a href="#">Lance Norris</a> , Public Works Director Phone: 919-969-5100	Staff is preparing information to respond to this request.
11/29/2017	Council Members Anderson and Parker	<a href="#">Regarding East Rosemary Street Design Guidelines.</a>	Planning & Sustainability Town Manager	Staff is preparing information to respond to this request.
11/15/2017	Whit Rummel	<a href="#">Request to Reconsider Land Use of Certain Properties along Estes Drive.</a>	Planning & Sustainability	Staff is preparing information to respond to this request.

Meeting Date	Petitioner	Petition Request	Departments Responsible	Petition Status
10/25/2017	Kidzu	<a href="#">Regarding Co-locating a Parking Deck/Children's Museum on the Pritchard Park Property.</a>	Town Manager	The petitioner withdrew this request.
09/06/2017	Tom Henkel from the Environmental Stewardship Advisory Board	<a href="#">Request for Modification to the Ephesus-Fordham Form-Based Code for the Purposes of Energy Efficiency.</a>	Planning & Sustainability	Where feasible, modifications will be considered as part of the development process for the Blue Hill Design Guidelines.
06/26/2017	Council Members Parker and Greene	<a href="#">Request Regarding Payments in Lieu for Rental Housing Projects</a>	Housing & Community <a href="#">Loryn Clark</a> , Executive Director Phone: 919-969-5076	Staff will provide information to Council at a work session in early 2018.
02/13/2017	Transportation and Connectivity Advisory Board	<a href="#">Request for Increased Staff Time to the Town Staff Bicycle and Pedestrian Committee; and Request for a Process to Update and Modify Bicycle and Pedestrian Projects Reviewed by the Board.</a>	Town Manager Planning & Sustainability	Regular updates on bicycle and pedestrian projects are now being provided at board meetings. Staff will propose a way to consider future staffing resources at an upcoming board meeting.
01/23/2017	Transportation and Connectivity Advisory Board	<a href="#">Request to Support Low/No Vision Guidelines to be Included in the Town's Engineering Manual as Stated in the April 11, 2016 Petition to Council</a>	Public Works <a href="#">Lance Norris</a> , Public Works Director Phone: 919-969-5100 Planning & Sustainability	Request incorporated into process to update Public Works Engineering Design Manual.
11/07/2016	Mayor Hemminger	<a href="#">Regarding Parking and Transit Needs in Downtown Area.</a>	Planning & Sustainability Police <a href="#">Chris Blue</a> , Police Chief Phone: 919-968-2766 Public Works <a href="#">Lance Norris</a> , Public Works Director Phone: 919-969-5100	Staff shared information about different strategies and best practices and will return with recommendations in Spring 2018.

Meeting Date	Petitioner	Petition Request	Departments Responsible	Petition Status
11/07/2016	Heather Payne	<a href="#">Regarding Development Proposed at 111 Purefoy Road.</a>	Planning & Sustainability Town Attorney <a href="#">Ralph Karpinos</a> , Attorney Phone: 919-968-2746	A revised application was submitted to the Town on 05/26/2017. Public information meetings were held 06/29/2017 and 07/13/2017.
06/27/2016	Alan Rimer	<a href="#">Regarding Town Action Center</a>	Technology Solutions <a href="#">Scott Clark</a> , CIO Phone: 919-968-2735	A potential service request software solution is being piloted internally. Results of the pilot will guide future expansion to additional departments and the public. A public rollout will be announced through regular communication channels.
05/09/2016	Stormwater Management Utility Advisory Board	<a href="#">Request for Orange County Commissioners to Increase Staffing in Soil and Erosion Control Division and Improve Efficiency of Temporary Soil Erosion and Sediment Controls During Construction.</a>	Public Works <a href="#">Lance Norris</a> , Public Works Director Phone: 919-969-5100	Petition forwarded to Orange County. Consider changes to soil erosion and sediment control as part of Public Works Engineering Design Manual updates.
04/11/2016	Transportation and Connectivity Advisory Board	<a href="#">Request for Senior Citizen Pedestrian Mobility and Complete Street Implementation</a>	Public Works <a href="#">Lance Norris</a> , Public Works Director Phone: 919-969-5100	Request incorporated into process to update Public Works Engineering Design Manual.
04/11/2016	Transportation and Connectivity Advisory Board	<a href="#">Request to Incorporate Proposed No-Vision and Low-Vision Pedestrian Facilities Guidelines into Design Manual and Development Code as Required</a>	Public Works <a href="#">Lance Norris</a> , Public Works Director Phone: 919-969-5100	Request incorporated into process to update Public Works Engineering Design Manual.
02/22/2016	Ken Larsen	<a href="#">Regarding Town Formulas for Development Parking Space</a>	Planning & Sustainability	Referred to the Future Land Use and Land Use Management Ordinance rewrite process, which began in Fall 2017.





Item Overview

Item #: 4., File #: [18-0239], Version: 1

Meeting Date: 3/21/2018

**Consider Adopting a Resolution for the Sale of \$12.5 million of 2015 Public Improvement General Obligation Bonds.**

**Staff:**

Kenneth C. Pennoyer, Director  
Amy Oland, Assistant Director

**Department:**

Business Management

**Overview:** The Business Management Department is working on the issuance of \$12.5 million of General Obligation (GO) bonds to fund various public improvements. The sale of GO bonds scheduled for April 3, 2018 will be the second issuance from the 2015 GO Bond Referendum authority. Council adoption of the attached resolution will, among other things, authorize the bond sale and approve the official offering statement.

★ **Recommendation(s):**

That the Council adopt the resolution authorizing the issuance of \$12.5 million of 2015 GO referendum bonds.

**Key Issues:**

- The Local Government Commission (LGC) staff will conduct the sale, receive and evaluate bids and award the bonds based on the best bid received.
- The draft Official Statement is available in the Town Clerk’s Office for review by Council members or other interested parties.

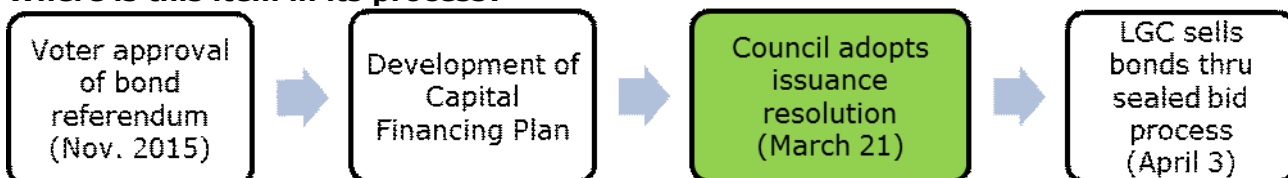
**Fiscal Impact/Resources:** The bonds will be issued for a 20-year term for the following purposes and amounts:

- Streets & Sidewalks \$5.5 million
- Parks Facilities 4.3 million
- Stormwater Improvements 2.7 million
- Total \$12.5 million**







Annual debt service for the Streets & Sidewalks and Parks Facilities bonds will be paid from the Town’s Debt Management Fund. The Stormwater Improvements bonds will be repaid from the Stormwater Enterprise Fund. The estimated average annual debt service for the proposed bonds is as follows

- Debt Management Fund \$675,000
- Stormwater Fund 186,000
- Total \$861,000**

**Where is this item in its process?**



**Council Goals:**

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input checked="" type="checkbox"/>		Develop Good Places, New Spaces
<input type="checkbox"/>		Support Community Prosperity	<input checked="" type="checkbox"/>		Nurture Our Community
<input checked="" type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration

**Attachments:**

- Staff Memorandum
- Resolution

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

PRESENTER: Kenneth C. Pennoyer, Business Management Director

RECOMMENDATION: That the Council adopt the resolution authorizing the issuance of \$12.5 million of 2015 GO referendum bonds.

# Staff Memorandum

Business Meeting– 03/21/2018



**Overview:** The Business Management Department (BMD) is working on the issuance of \$12.5 million of 2015 General Obligation (G.O.) referendum bonds to fund various major capital projects. This will be the second issuance from the 2015 referendum authority. The next step in the issuance process is for Council to adopt a resolution that, among other things, formally authorizes the issuance of the bond. The bonds will be sold April 3<sup>rd</sup> using a competitive bid process administered by the Local Government Commission (LGC).



## Recommendations:

That the Council adopt the resolution authorizing the issuance of \$12.5 million of 2015 G.O. of referendum bonds.

## Key Issues

- In November of 2015 the voters of Chapel Hill approved 5 bond orders authorizing the issuance of up to \$40.3 million of G.O. bonds. The purposes and amounts of the referendum authorization are shown in the table below, along with the amounts issued to date, amounts planned for sale in April, and the balance of authority remaining after the sale.

2015 General Obligation Bonds Authority

Bond Order	Authorized Amount	Issued to Date	April 2018 Issue	Balance
Streets & Sidewalks	\$ 16,200,000	\$ 3,000,000	\$ 5,500,000	\$ 7,700,000
Trails & Greenways	5,000,000	5,000,000	-	-
Recreation facilities	8,000,000	1,000,000	4,300,000	2,700,000
Solid Waste facilities	5,200,000	-	-	5,200,000
Stormwater Improvements	5,900,000	-	2,700,000	3,200,000
Total	\$ 40,300,000	\$ 9,000,000	\$ 12,500,000	\$ 18,800,000

- The referendum process grants authority to issue bonds, but the actual issuance is a separate process that requires Council approval. Council authorized the first issuance from the 2015 referendum authority in October of 2016.
- In addition to the authority to issue G.O. bonds, the Town must also have the capacity to repay the bonds. The Streets and Sidewalk and Parks Facilities Bonds will be paid from the Debt Management Fund and the Stormwater Improvement Bonds will be repaid from the Stormwater Enterprise Fund.
- The \$5.5 million of Streets & Sidewalks Bonds will be used for various projects including Downtown streetscapes, bike and pedestrian amenities, Bolinwood Drive bridge replacement, Mobility Plan projects and street infrastructure improvements.
- The \$4.3 million of Parks Facilities Bonds will be used for the installment payments for the purchase of the American Legion property. The Town purchased the American Legion Property for \$7.9 million using a combination of General Fund fund balance (\$3.6 million) and owner financing (\$4.3 million plus 1% interest). The proceeds of the Parks Facilities Bonds will be used to pay-off the balance of the owner financing.

# Staff Memorandum

Business Meeting – 03/21/2018



- The \$2.7 million of Stormwater Improvement Bonds will be used for the design and construction of the Elliott Road Flood Storage Project. The Flood Storage facility is the highest priority project identified in the Lower Booker Creek Subwatershed Study.

## Schedule

The key events for the planned general obligation bond issue are as follows:

- **Council adopts resolution formally approving issuance of referendum bonds** March 21
- LGC takes sealed bids for the purchase of the Town's Bonds April 3
- Closing on the Bonds April 19

## Fiscal Impact/Resources

The bonds will be issued for a 20-year term and the total estimated average annual debt service is about \$861,000. Annual debt service for the Streets & Sidewalks and Parks Facilities Bonds will be paid from the Town's Debt Management Fund. There is currently sufficient capacity in the Debt Management Fund to pay the additional debt service from these new bonds. The Stormwater Improvement Bonds will be repaid from the Stormwater Enterprise Fund. The Stormwater Fund has sufficient capacity to pay the debt service for the proposed new bonds.

The estimated annual debt service for the proposed bonds by fund is as follows:

• Debt Management Fund	\$675,000
• Stormwater Fund	<u>186,000</u>
<b>Total</b>	<b><u>\$861,000</u></b>

**A RESOLUTION AUTHORIZING THE SALE OF PUBLIC IMPROVEMENT  
GENERAL OBLIGATION BONDS (2018-03-21/R-3)**

WHEREAS --

The voters of the Town of Chapel Hill have previously approved the issuance of Town general obligation bonds for streets and sidewalks, stormwater improvements and recreational facilities. The Town Council has now determined that the Town should issue a portion of the authorized but unissued bonds.

This resolution provides for the issuance of these authorized but unissued bonds and takes related action, such as approving the form of the disclosure document that will be used to provide information to prospective bond investors.

BE IT THEREFORE RESOLVED by the Town Council of the Town of Chapel Hill, North Carolina, as follows:

1. Town Will Sell Public improvement bonds - The Town will issue and sell \$12,500,000 of the unissued bonds (referred to as the "Bonds" in this resolution) for their authorized purposes. In particular, the Town will issue (a) \$5,500,000 of the bonds approved for streets and sidewalks, (b) \$2,700,000 of the bonds approved for stormwater improvements, and (c) \$4,300,000 of the bonds approved for recreational facilities.

2. Payment Provisions. The Bonds will bear interest at the rates determined at the time of their sale by the Local Government Commission (currently scheduled for April 3). The principal of the Bonds will be payable in annual installments as the Finance Officer may determine after consultation with the LGC, except that the final maturity for the Bonds must not extend beyond December 31, 2038.

3. Pledge of Faith, Credit and Taxing Power -- The Town's full faith and credit are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the Town will levy and collect an annual ad valorem tax, without restriction as to rate or amount, on all locally taxable property in the Town sufficient to pay the principal of and interest on the Bonds as the same become due.

4. Approval of Official Statement for Offering - There has been made available to the Mayor and each member of the Council a draft of an official statement (the "Official Statement") relating to the Bonds, which is designed to provide appropriate information about the Town and the financing to prospective investors

in the Bonds. The draft Official Statement remains subject to completion and amendment.

The Council approves the LGC's distribution of the Official Statement to prospective purchasers of the Bonds. The Official Statement as distributed must be in substantially the form presented to this meeting, which the Council approves, with changes as the Finance Officer may approve. The Council ratifies the prior actions of the Finance Officer and other Town representatives, in collaboration with the LGC staff, in preparing the text of the Official Statement.

The Council acknowledges that it is the Town's responsibility, and ultimately the Council's responsibility, to ensure that the Official Statement in its final form neither contains an untrue statement of a material fact nor omits to state a material fact required to be included therein for the purpose for which the Official Statement is to be used or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. By the adoption of this resolution, the Council members acknowledge and accept their own responsibility for causing the Town to fulfill these responsibilities for the Official Statement.

The Town deems the Official Statement as distributed by the LGC to be a "final official statement" within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of certain final Bond pricing and other information that Rule 15c2-12 allows to be omitted.

5. Prepayment Provisions – The Council directs the Finance Officer, upon advice from the LGC and the Town's financial adviser, to determine the terms and conditions under which the Bonds will be subject to prepayment prior to maturity. The Finance Officer shall execute a certificate prior to the initial delivery of the Bonds designating prepayment terms and conditions. This certificate will be conclusive evidence of the Finance Officer's determination of these terms and conditions.

6. Form of Bonds; Payment Details -- The Bonds will be designated "General Obligation Public Improvement Bonds, Series 2018."

The Bonds will be in substantially the form set out in Exhibit A. The Bonds will be dated the date of their initial issuance, will be in fully registered form, will be in denominations of \$5,000 and integral multiples thereof and will be numbered for identification from R-1 upward.

The Bonds must be signed by the manual or facsimile signature of the Mayor or the Town Manager, and the Town's seal must be affixed to the Bonds (or a facsimile of the seal printed on the Bonds) and attested by the manual or facsimile signature of

the Town Clerk or any Deputy or Assistant Clerk. No Bond will be valid unless at least one of the signatures appearing on the Bond (which may be the signature of the LGC's representative required by law) is manually applied or until the Bond has been authenticated by the manual signature of an authorized officer or employee of a bond registrar selected by the Finance Officer.

Interest on each Bond will be payable semiannually (a) from its date, if it is authenticated prior to the first interest payment date, or (b) otherwise from the interest payment date that is, or immediately precedes, the date on which it is authenticated (unless payment of interest is in default, in which case such Bond will bear interest from the date to which interest has been paid). Principal, interest and any prepayment premium will be payable in lawful money of the United States of America.

The Council directs the Finance Officer to execute a certificate prior to the initial delivery of the Bonds designating the final aggregate principal amount of the Bonds (up to the maximum authorized amount of \$12,500,000), the final principal payment schedule, and the interest payment dates for the Bonds. This certificate will be conclusive evidence of the Finance Officer's approval and determination of these matters.

7. Finance Officer as Registrar; Payments to Registered Owners -- The Council appoints the Finance Officer as Registrar for the Bonds. As Registrar, the Finance Officer shall maintain appropriate books and records of the ownership of the Bonds. The Town will treat the registered owner of each Bond as the person exclusively entitled to payment of principal, interest and any prepayment premium and the exercise of all rights and powers of the owner, except that the Town will make payments to the person shown as owner on the registration books at the end of the calendar day on the 15th day of the month (whether or not a business day) preceding each interest payment date.

8. Advertising Bonds for Sale -- The Council directs the Finance Officer, in collaboration with the LGC, to take all proper steps to advertise the Bonds for sale in accordance with standard LGC procedures, including using a "Notice of Sale" document in the LGC's customary form and in substantially the same form as used for prior Town bond sales. The Council directs the Finance Officer to review and approve a form of Notice of Sale as that officer may determine to be in the Town's best interest.

9. LGC To Sell Bonds -- The Town asks the LGC to sell the Bonds, to receive and evaluate bids and to award the Bonds based on the best bid received.

10. **Completing Official Statement after Sale** – After the LGC has received bids and awarded the Bonds to the successful bidder, the Council directs the Finance Officer, in collaboration with the LGC, to prepare a final Official Statement within the meaning of Rule 15c2-12. The Council authorizes the Finance Officer to approve the final document as a final Official Statement. The Town, together with the LGC, will arrange for the delivery within seven business days of the sale date of a reasonable number of copies of the final Official Statement to the successful bidder on the Bonds for delivery to each potential investor requesting a copy of the final Official Statement and to each entity to which the bidder and members of the bidding group initially sell the Bonds.

11. **Town Officers To Complete Closing** – The Council authorizes the Finance Officer and all other Town officers and employees to take all proper steps to deliver the Bonds to the purchaser upon payment for the Bonds, and to take all other proper steps to complete the issuance of the Bonds.

The Council authorizes the Finance Officer to hold the executed Bonds, and any other documents permitted by this resolution, in escrow on the Town's behalf until the conditions for the delivery of the Bonds and other documents have been completed to the Finance Officer's satisfaction. The Finance Officer may then release the executed Bonds and other documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, the Council specifically authorizes the Finance Officer to approve changes to any documents previously signed by Town officers or employees, provided that the Bonds must be in substantially the form approved by this resolution and that any changes must not substantially alter the intent of the document from that expressed in the form originally executed. The Finance Officer's authorization of the release of any such document for delivery will constitute conclusive evidence of that officer's approval of any such changes.

In addition, the Council authorizes the Finance Officer to take all appropriate steps for the efficient and convenient carrying out of the Town's on-going responsibilities with respect to the Bonds. This authorization includes, without limitation, contracting with third parties for reports and calculations that may be required under the Bonds, this resolution, or otherwise with respect to the Bonds.

12. **Undertaking for Continuing Disclosure** -- The Town undertakes, for the benefit of the beneficial owners of the Bonds, to provide continuing disclosure with respect to the Bonds as described in Exhibit B.



The Council designates the Finance Officer as the Town officer to be primarily responsible for the Town's compliance with its undertakings for continuing disclosure provided for in this resolution. The Finance Officer will provide for the filings and reports (including the reports of material events) constituting the continuing disclosure provided for in this resolution.

13. Resolutions as to Tax Matters -- The Town will not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the "Code" (as defined below), or "private activity bonds" within the meaning of Code Section 141, or otherwise cause interest on the Bonds to be includable in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the Town will comply with any Code provision that may require the Town at any time to pay to the United States any part of the earnings derived from the investment of the proceeds of the Bonds, and the Town will pay any such required rebate from its general funds. For this paragraph, "Code" means the United States Internal Revenue Code of 1986, as amended, including applicable Treasury regulations.

14. Book-Entry System for Bond Registration -- The Town will issue the Bonds by means of a book-entry system, with one bond certificate for each maturity immobilized at The Depository Trust Company, New York, New York ("DTC"), and not available for distribution to the public. The book-entry system for registration will operate as described in the Official Statement. Therefore, so long as the book-entry system of registration with DTC is in effect, (a) the Town will make Bond payments only to DTC or its nominee as registered owner of the Bonds, (b) the Town will not be responsible or liable for any transfer of payments to parties other than DTC or for maintaining, supervising or reviewing the records maintained by DTC or any other person related to the Bonds, and (c) the Town will not send redemption notices (or any other notices related to the Bonds) to anyone other than DTC or its nominee. The Town, by Council resolution, may elect to discontinue the book-entry system with DTC. The Council authorizes the Finance Officer to enter into any agreements that officer deems appropriate to put into place and carry out the book-entry system with DTC.

15. Finding as to Useful Life and Term of the Bonds -- The Council finds and determines that the average weighted maximum useful life of the projects to be financed with the proceeds of the Bonds is at least twenty years, subject to ordinary maintenance for projects of this type, and therefore the term of the Bonds will be within that maximum useful life.

16. Miscellaneous Provisions -- The Council authorizes all Town officers and employees to take all such further action as they may consider desirable in

carrying out the purposes of this resolution. The Council ratifies all prior actions of Town officers and employees in this regard. Upon the absence, unavailability or refusal to act of the Mayor, the Town Manager or the Finance Officer, any of those officers may assume any responsibility or carry out any function assigned to another officer in this resolution. In addition, upon the unavailability of the Mayor or the Clerk, respectively, any of the rights or responsibilities directed to such officers may be carried out or exercised by the Mayor Pro Tem or any Deputy or Assistant Clerk. All other resolutions, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

This the 21<sup>st</sup> day of March, 2018.

## EXHIBIT A - Form of Bonds

REGISTERED

REGISTERED

Number R-X

UNITED STATES OF AMERICA  
STATE OF NORTH CAROLINA

TOWN OF CHAPEL HILL

General Obligation Public Improvement Bond, Series 2018

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	May 1, ____	April 19, 2018	159429 XXX

REGISTERED OWNER: \*\*\*\*\*CEDE &amp; CO.\*\*\*\*\*

PRINCIPAL AMOUNT: \*\*\*\*\_ THOUSAND DOLLARS  
(\$\_\_\_\_,000)\*\*\*

THE TOWN OF CHAPEL HILL, NORTH CAROLINA (the "Town"), for value received, promises to pay to the registered owner of this Bond, or registered assigns or legal representative, the principal amount stated above on the maturity date stated above, subject to prior redemption as described below, and to pay interest on this Bond semiannually on each May 1 and November 1, beginning November 1, 2018, at the annual rate stated above. Interest is payable (a) from the dated date stated above, if this Bond is authenticated prior to November 1, 2018, or (b) otherwise from the May 1 or November 1 that is, or immediately precedes, the date on which this Bond is authenticated (unless payment of interest on this Bond is in default, in which case this Bond will bear interest from the date to which interest has been paid).

This Bond is one of an issue of the Town's \$12,500,000 General Obligation Public Improvement Bonds, Series 2018 (the "Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The Bonds are issued pursuant to a resolution adopted by the Town's governing Town Council on March 21, 2018, and the Constitution and laws of the State of North Carolina, including the Local Government Bond Act.

The Town's full faith and credit are pledged for the payment of principal of and interest on this Bond.

The Bonds are issued by means of a book-entry system, with one bond certificate for each maturity immobilized at The Depository Trust Company, New York, New York ("DTC"), and not available for distribution to the public. Transfer of beneficial ownership interests in the Bonds in the principal amount of \$5,000 or any integral multiple thereof will be effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal, and interest on the Bonds are payable by the Town to DTC or its nominee as registered owner of the Bonds. The Town is not responsible or liable for such transfer of ownership or payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Bonds maturing prior to May 1, 2027, are not subject to redemption prior to maturity. Bonds maturing on May 1, 2027, and thereafter are redeemable, at the Town's option, from any moneys that may be made available for that purpose, in whole or in part on any date not earlier than May 1, 2026, at a redemption price of 100% of the principal amount to be redeemed, plus interest accrued to the redemption date, without premium.

If less than all the Bonds stated to mature on different dates are called for redemption, the Town will select the Bonds to be redeemed in such manner as the Town may determine. If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds or portions of Bonds to be redeemed from that maturity will be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of each Bond to be redeemed will be in the principal amount of \$5,000 or some integral multiple thereof, and that, in

selecting Bonds for redemption, each Bond will be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. Notwithstanding the foregoing, so long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all the Bonds within a maturity are to be redeemed, DTC and its participants will determine which of the Bonds within any such maturity are to be redeemed. If a portion of a Bond is called for redemption, the Town will issue a new Bond to the registered owner in a principal amount equal to the unredeemed portion, upon the registered owner's surrender of the Bond.

The Town will send notice of redemption to DTC or its nominee as the registered owner of the Bonds in such manner as may be provided for under DTC's then-current operating procedures. The Town will send this notice not more than 60 days and not less than 30 days prior to the date fixed for redemption. The Town is not responsible for sending redemption notices to anyone other than DTC or its nominee.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Town so elects, the Town will discontinue the book-entry system with DTC. If the Town does not identify another qualified securities depository to replace DTC, the Town will deliver replacement Bonds in the form of fully-registered certificates.

The Town Finance Officer has been appointed Registrar for the Bonds. As Registrar, the Finance Officer will maintain appropriate books and records indicating ownership of the Bonds. The Town will treat the registered owner of this Bond as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that the Town will make Bond payments to the person shown as owner on the Town's registration books as of the Record Date for the Bonds, which is the end of the calendar day on the 15th day of the month (whether or not a business day) preceding each interest payment date. Principal and interest are payable in lawful money of the United States of America.

The Town intends that North Carolina law will govern this Bond and all matters of its interpretation.

All acts, conditions and things required by the Constitution and laws of the State of North Carolina to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed, and the issue of Bonds of which this Bond is one, together with all other indebtedness of the Town, is within every debt and other limit prescribed by the Constitution and laws of the State of North Carolina.

IN WITNESS WHEREOF, the Town of Chapel Hill, North Carolina, has caused this Bond to be signed by its Town Manager, its seal to be affixed hereto and attested by the Town Clerk, and this Bond to be dated April 19, 2018.

(SEAL)

ATTEST:	
<p style="text-align: center;"><u>[Sample only - do not sign]</u> Town Clerk Town of Chapel Hill, North Carolina</p>	<p style="text-align: center;"><u>[Sample only - do not sign]</u> Town Manager Town of Chapel Hill, North Carolina</p>

The Bonds have been approved by the North Carolina Local Government Commission in accordance with the Local Government Bond Act.

[Sample only - do not sign]  
Greg C. Gaskins  
Secretary, Local Government Commission

Town of Chapel Hill, North Carolina  
\$12,500,000 General Obligation Public Improvement Bonds, Series 2018

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
(Please print or type transferee's name and address, including zip code)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OR TRANSFEREE:

the within bond and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_, Attorney, to transfer said bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

<p>Signature Guaranteed: _____ NOTICE: Signature(s) must be guaranteed by a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program</p>	<p>_____ (Signature of Registered Owner) NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular without alteration or enlargement or any change whatsoever.</p>
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Exhibit B -- Undertaking for Continuing Disclosure

The Town undertakes, for the benefit of the beneficial owners of the Bonds, to provide the following items and information to the Municipal Securities Rulemaking Board (the "MSRB"):

(a) by not later than seven months from the end of each of the Town's fiscal years, audited Town financial statements for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements are not available by seven months from the end of any fiscal year, unaudited Town financial statements for such fiscal year, to be replaced subsequently by audited Town financial statements to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each of the Town's fiscal years, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year (which data will be prepared at least annually, will specify the date as to which such information was prepared and will be delivered with any subsequent material events notices specified in subparagraph (c) below) for the type of information included under heading "The Town - Debt Information" and "- Tax Information" in the final Official Statement (excluding any information on overlapping or underlying units), and (ii) the combined budget of the Town for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner, not in excess of ten business days after the occurrence of the event notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;



- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of the beneficial owners of the Bonds, if material;
- (8) calls for redemption of the Bonds (other than calls pursuant to sinking fund redemption), if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar proceedings related to the Town or any other person or entity that may at any time become legally obligated to make payments on the Bonds (collectively, the "Obligated Persons");
- (13) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material; and

(d) in a timely manner, notice of a failure of the Town to provide required annual financial information described in (a) or (b) above on or before the date specified.

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occurs: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

If the Town fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking will not be an event of default and will not result in any acceleration of payment of the Bonds. All actions will be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The Town shall provide the documents and other information referred to above to the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The Town may discharge its undertaking as set forth in this resolution by providing such information in any manner that the United States Securities and Exchange Commission subsequently authorizes in lieu of the manner described above.

The Town reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the Town's judgment, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Town;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of the final Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the Town or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of the bond resolution, as it may be amended from time to time, at the time of the amendment.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the effect of the change in the type of operating data or financial information being provided.



## Item Overview

Item #: 5., File #: [18-0240], Version: 1

Meeting Date: 3/21/2018

**Public Forum: 2018-2019 Community Development Block Grant Program Plan.****Staff:**

Loryn Clark, Executive Director  
Nate Broman-Fulks, Affordable Housing Manager  
Renee Moye, Community Development Program Manager

**Department:**

Housing and Community

**Overview:** The purpose of this public forum is for the Council to receive public comment on a preliminary plan to use of 2018-2019 federal Community Development Block Grant (CDBG) funds. Tonight is the second of two public forums. The Council held the first forum on [November 1, 2017](#) [http://chapelhill.granicus.com/MetaViewer.php?view\\_id=7&event\\_id=1334&meta\\_id=178332](http://chapelhill.granicus.com/MetaViewer.php?view_id=7&event_id=1334&meta_id=178332)<sup>1</sup>. Based on feedback received at the public forums and recommendations from the Town's Application Review Committee, the Council will be presented with a recommended Program Plan for approval at the April 11<sup>th</sup> meeting.

**Recommendation(s):**

That the Council open the public forum to receive comments on a preliminary plan to use 2018-2019 Community Development Block Grant (CDBG) funds and refer comments and questions related to the use of 2018-2019 CDBG funds to the Manager.

**Background**

- Eligible activities must:
  - Serve households earning less than 80% of the Area Median Income (\$58,650 for a household of 4).
  - Meet one of three National Objectives of the CDBG program:
    - Benefit low/moderate income households; or
    - Address an urgent need that poses a threat to health or safety in the community; or
    - Prevent or eliminate slums or blight.
- The Department of Housing and Urban Development (HUD) requires communities that receive federal Community Development Block Grant (CDBG) funds to hold two public forums during the development of an annual plan for use of the funds.
- A CDBG Application Review Committee included a representative from the Human Service Advisory Board and two members of Town staff (representatives from the Business Management and Human Resource Development). We were unable to identify a representative from the Housing Advisory Board.
- The Committee reviewed the applications and developed its recommendation on February 22, 2018 during a public meeting.
- The Committee developed the following preliminary plan for use of funds:

<b>Public Services</b>		
Town of Chapel Hill	Summer Youth Employment Program	\$24,000
Inter-Faith Council	<u>HomeStart</u> Case Management	15,926
<b>Affordable Housing</b>		
Community Home Trust	Homebuyer Assistance	40,000
Habitat for Humanity	Home Preservation	50,000
Town of Chapel Hill	Neighborhood Revitalization	158,238
	Code Enforcement	25,000
<b>Administration</b>		
	Grant Administration/HUD Compliance & Reporting	<u>75,000</u>
<b>Total</b>		<b>\$388,164</b>

- Notice of tonight's forum was published in the Herald Sun, shared on the Town's website, and distributed through the Town's TownWeek electronic-news publications.

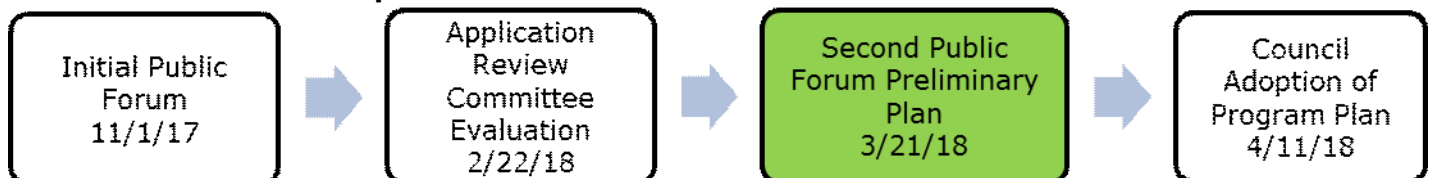
#### Key Issues:

- The preliminary plan recommends full funding for all projects and includes funding for:
  - Key Town projects: the Summer Youth Employment Program, code enforcement, neighborhood revitalization, and program administration.
  - Continued support for affordable housing and community development programs operated by the Community Home Trust, Habitat for Humanity and the Inter-Faith Council (IFC).
- The preliminary plan includes an estimated allocation of \$380,825 of grant funds (based on current funding level), and \$7,339 of program income received from the repayment of a loan, for a total of \$388,164. Final plan adjustments will reflect the actual award amount.

**Fiscal Impact/Resources:** The Town provides Community Development funds to non-profit agencies for affordable housing and public service projects as grants. These funds will not be repaid to the Town.

There is uncertainty about the federal budget for affordable housing related programs, including the Community Development Block Grant program. The preliminary federal budget proposes to eliminate the program. We will continue to monitor the federal discussions about the future of the Community Development program and share updates with the Council.







#### Where is this item in its process?



#### Next Steps

- On April 11, 2018, the Council will receive a staff-recommended CDBG Program Plan.
- The Plan approved by Council will be submitted to HUD by May 15, 2018 as part of the Annual Update to the 2015-2020 Consolidated Plan. The Town will compile and incorporate all comments received in writing and at public forums into the Community Development Annual Plan.

**Council Goals:**

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input type="checkbox"/>		Develop Good Places, New Spaces
<input type="checkbox"/>		Support Community Prosperity	<input type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration

**Attachments:**

- Draft Staff Presentation
- Committee Recommended 2018-2019 Community Development Block Grant Program Plan
- Community Development Block Grant Eligibility

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

PRESENTER: Renee Moyer, Community Development Program Manager

RECOMMENDATION: That the Council open the public forum to receive comments on a preliminary plan to use 2018-2019 Community Development Block Grant (CDBG) funds and refer comments and questions related to the use of 2018-2019 CDBG funds to the Manager.



# **Public Forum – Preliminary Plan 2018-2019 Community Development Block Grant (CDBG) Program**

March 21, 2018

DRAFT

# 2018-2019 CDBG Public Forum

Purpose of tonight's forum is to receive public comment on:

- Use of 2018-2019 Community Development Block Grant (CDBG) funds
- Community Development Block Grant (CDBG) Application Review Committee's recommendation

No Council action required



DRAFT



# CDBG Background

- Entitlement community designation
- Receive CDBG funding annually through the U.S. Department of Housing and Urban Development (HUD), for the purposes of:
  - Providing decent affordable housing
  - Creating suitable living environments
  - Expanding economic opportunity



DRAFT

# CDBG Eligibility

## National Objectives

- Benefit low/moderate income households
  - Households earning less than 80% Area Median Income (AMI=\$73,300; 80% AMI = \$58,650/household of 4)
- Aid in the prevention or elimination of slum
- Meet an urgent need



DRAFT

# CDBG Program Eligible Activities



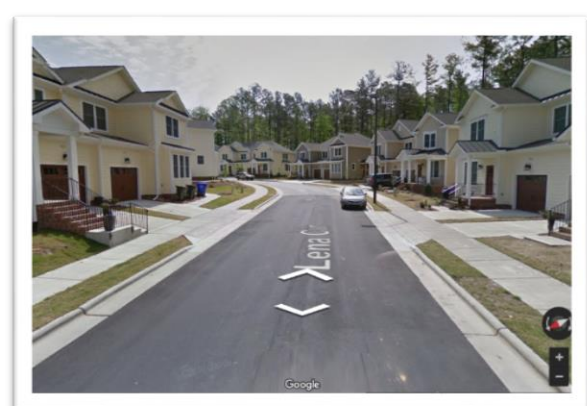
**Acquisition of Property**



**Public Services**



**Public Facilities & improvements**



**Homebuyer Assistance**

DRAFT



# Connections

DRAFT

**Affordable Housing Plan**

The Town of Chapel Hill's goal is to increase the availability of and access to housing for households and individuals with a range of incomes, from those who are homeless to those in middle-income households. The Town of Chapel Hill will work with for-profit and non-profit housing providers to offer a variety of housing opportunities that will promote socioeconomic diversity, recruitment and retention.

**Affordable Housing Strategy Statement:**

Support solutions and programs that offer affordable housing options along the entire continuum of housing need. Research and quantify the number, type, and location of affordable housing units that are needed and desired by the community. Advocate for a commitment to providing affordable housing opportunities for a variety of income levels, including studio units, one-bedroom units, two-bedroom units, and three-bedroom units. Support the ability for senior citizens to age-in-place or transition to affordable housing within the community. Work with affordable housing providers to develop a sustainable housing maintenance program. Develop a policy that addresses the importance of an Incentive Zoning Ordinance, renter assistance, and environmental protection. Advocate for a local and regional level comprehensive plan. Evaluate the impact of the urban services boundary have on housing cost and development. Work with community organizations and other stakeholders to identify and develop local funding sources. Link with affordable housing providers to reduce the cost of non-mortgage related housing costs such as energy expenses, cultural preservation program in the neighborhoods. Pursue creative partnerships on a local and regional level. Research and identify innovative solutions to reduce the cost of non-mortgage related housing costs such as energy expenses, homeowner association dues, and taxes. Expand the financial support available to non-profit housing providers both for operating and project expenses. Consider solutions that include partnering with the County, other municipalities, and major employers.

## Affordable Housing Strategy

**Affordable Rental Housing Strategy**

**Preface:** Chapel Hill residents value an inclusive community and want to support a broad range of housing options affordable by all. Those unable to find affordable rental housing include people we encounter every day. They are, for example, young entrepreneurs, senior citizens, people who serve us in our doctors' offices, creative artists, nonprofit social workers, and people in essential positions. Increasing our stock of affordable rental housing is a priority in the Town's Affordable Housing Strategy (2011).

**Statement:** The goal of the affordable rental housing strategy is to increase the availability of rental housing affordable to all who want to live in Chapel Hill, while preserving existing units and providing new units and preserving existing units.

**Northside and Pine Knolls Community Plan**

Overview  
During the summer and early fall of 2011, the Town of Chapel Hill worked with the Sustaining Ourselves Coalition and the Northside and Pine Knolls communities to jointly develop solutions to the incompatible development and student rental development on the neighborhoods.

**Comprehensive Approach**  
The Northside and Pine Knolls Community Plan sets forth solutions to address the following:

1. Affordable Housing
2. Cultural and Historic Preservation
3. Enforcement
4. Education and Outreach
5. Parking
6. Zoning

**Format**  
The Community Plan solutions are described in each section along with the following information:

- **Action Steps:** a description of those actions that would be necessary to implement the solutions.
- **Goal:** a purpose against which to measure the success of the solution, action steps and estimated cost.
- **Potential Partners:** a list of parties that could partner to implement the solutions. The Community Plan was developed by the Town of Chapel Hill and participants from the Sustaining Ourselves Coalition and the Northside and Pine Knolls communities. Outreach to other potential partners would need to occur to establish their involvement.
- **Estimated Cost:** a projection of cost should the solution be pursued. Affordable Housing costs were determined using input from affordable housing providers about subsidy needs and using information about homes that were recently sold in the neighborhoods.

January 9, 2012



**ORANGE COUNTY NORTH CAROLINA**

**Town of Hillsborough**

**ORANGE COUNTY HOME CONSORTIUM**  
300 W. Tryon Street  
Hillsborough, North Carolina 27278

**PROGRAM YEAR 2015-2020  
FIVE YEAR CONSOLIDATED  
PLAN AND FY 2015 ANNUAL  
ACTION PLAN**

Consortium Members: Orange County, the Town of Carrboro, the Town of Chapel Hill, and the Town of Hillsborough

**EQUAL HOUSING OPPORTUNITY**

CHAPEL HILL  
**2020**  
CONNECTIONS  
CHOICES  
COMMUNITY

# Process



- ✓ February 6 - Funding applications due
- ✓ February 22 - CDBG Application Review by Committee
  - 3 members
  - Representatives from staff and the Human Services Advisory Board
  - Public meeting to evaluate applications on February 22
  - Estimated CDBG funding \$388,164
- March 21 – Public Forum
- April 11 – Council Action
- May 15 – Annual Plans Submitted to HUD
- 

DRAFT

# CDBG Application Review Committee Funding Recommendation

- Affordable Housing

- Community Home Trust Homebuyer Assistance \$ 40,000
- Habitat for Humanity Home Preservation \$ 50,000
- Code Enforcement \$ 25,000
- Neighborhood Revitalization \$158,238

**Total Affordable Housing \$348,238**



DRAFT

# CDBG Application Review Committee Funding Recommendation

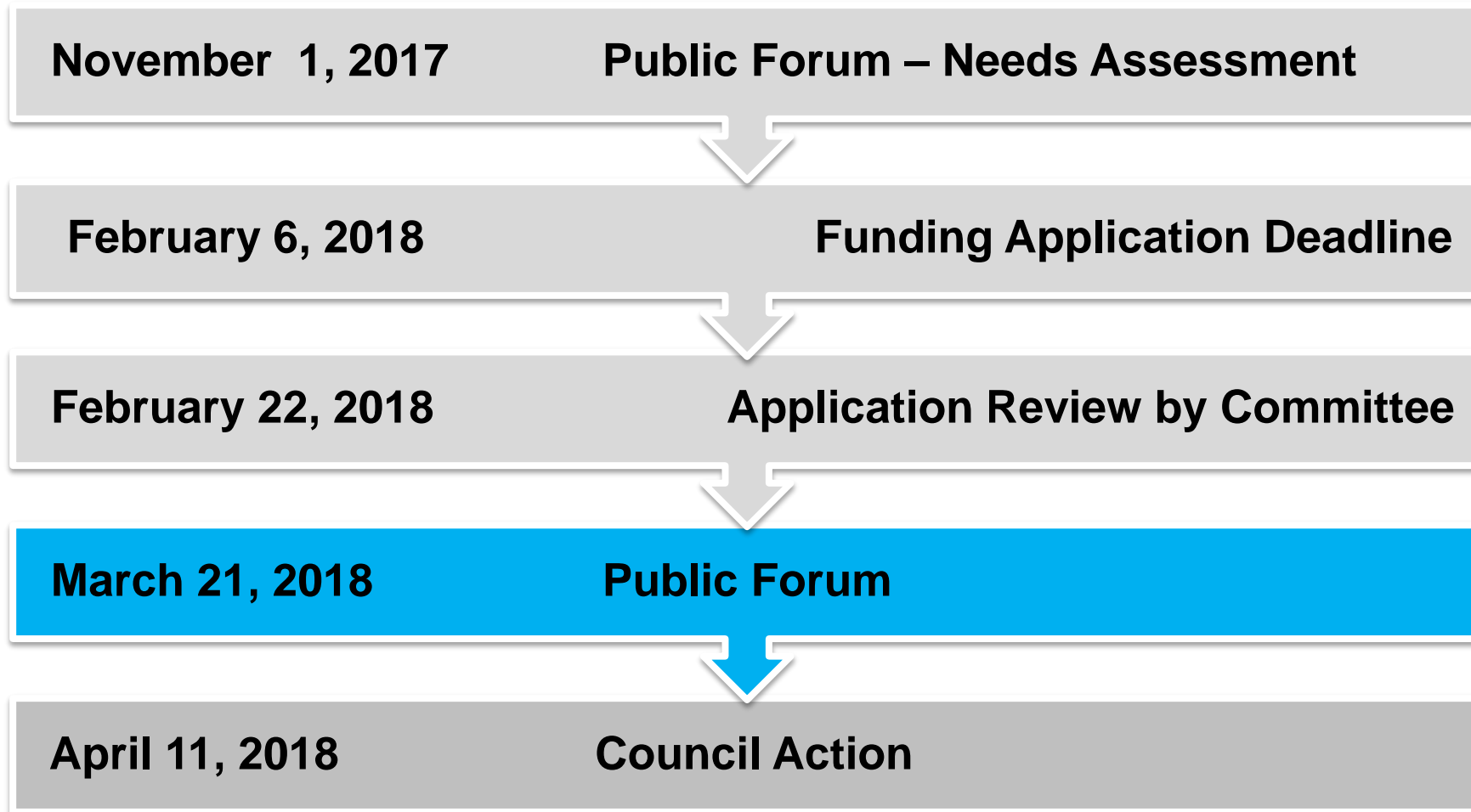
DRAFT

- **Public Services**

– IFC Residential Services HomeStart Program	\$15,926
– TOCH Summer Youth Employment Program	<u>\$24,000</u>
<b>Total Public Services</b>	<b>\$ 39,926</b>

- **Grant Administration** **\$ 75,000**

# Timeline



DRAFT





# Recommendation

- Open the public forum
- Receive comments on housing and community needs and use of 2018-2019 CDBG funds
- Requested Council action on April 11, 2018

DRAFT

## **Summary of Funding Requests and Preliminary Recommendations**

The summary below reflects the committee's recommendation for full funding of all requests, in the total amount of \$388,164. This estimated amount is based on the Town's current year allocation. If the Town receives a reduction in funding for FY18-19, the committee's recommendation includes reducing the funding for the Town's Neighborhood Revitalization Activities.

### **Affordable Housing**

#### 1. Town of Chapel Hill Requests

##### **Neighborhood Revitalization Activities: \$158,238**

We request that the Council budget \$158,238 for neighborhood revitalization activities throughout Town. Activities would serve households earning less than 80% of the HUD published area median income. Funds could be used for the following activities: second mortgage assistance; property acquisition and/or renovation; code enforcement; demolition; public housing improvements; public improvements such as installation of sidewalks; curb and gutter improvements; or parks and recreation facilities.

The Town Manager would approve projects, which must demonstrate compliance with Town policies and federal regulations.

##### **Code Enforcement: \$25,000**

We request use of \$25,000 of Community Development funds to continue to support the Town's enforcement initiatives identified as a priority in the Northside and Pine Knolls Community Plan. Funds would pay for a portion of salaries for code enforcement staff providing enforcement efforts in the Northside and Pine Knolls neighborhoods.

#### 2. **Community Home Trust – Homebuyer Assistance Program: \$40,000**

The Community Home Trust requested \$40,000 for its Homebuyer Assistance Program. These funds would be used to make land trust homes more affordable to households earning between 60% and 80% of the area median income

#### 3. **Habitat for Humanity – Home Preservation: \$50,000**

Habitat for Humanity requests \$50,000 for its Home Preservation program. The Home Preservation program addresses the needs of low-income homeowners for repairs, accessibility modifications, and beautification. This initiative would focus on 10 homes in the Northside, Pine Knolls, and Rogers Road neighborhoods. This project would serve households earning less than 80% of the area median income.

## **Public Services**

The use of funds for public services that benefit households earning less than 80% of the area median income is eligible under federal Community Development regulations. Examples of public service activities include programs focusing on employment, crime prevention, child care, healthcare, drug abuse, education, fair housing counseling, energy conservation, homebuyer down payment assistance or recreational needs. The amount of Community Development funds used for public services is capped at 15% of the Town's Community Development grant.

### **1. Town of Chapel Hill Summer Youth Employment Program: \$24,000**

We request \$24,000 for the Summer Youth Employment Program. This program provides job skills training, employment experience, and economic opportunities to Chapel Hill youth aged 14-18 whose families earn less than 80% of the area median income, with the majority being from households earning less than 30% of the area median income. Many of the participants serve as interns in Town departments. Last summer, there were over thirty participants in the program, and this year, the Office for Housing and Community proposes enrolling the same number. The Council has allocated Community Development funds to support this program since 1994.

### **2. InterFaith Council For Social Service (IFC): \$15,926**

IFC requests funds to continue salary support of a full-time case manager for the HomeStart residential program to assist families experiencing homelessness in obtaining shelter and securing permanent affordable housing.

### **Program Administration: \$75,000**

Town staff requests that the Council allocate \$75,000 in administrative funds to support oversight of the Community Development program and related affordable housing programs, as well as coordination with the U.S. Department of Housing and Urban Development, and agencies that receive funding to maintain compliance with federal regulations.

## **CDBG Application Review Committee Members**

Amy Merz (Human Services Advisory Board)  
 David Finley (Town of Chapel Hill Business Management)  
 Anita Badrock (Town of Chapel Hill Human Resource Development)

National Objectives of Community Development Legislation  
(Community Development Block Grant Program)

The primary objective of the Community Development Block Grant (CDBG) Program is the "...development of viable urban communities, including decent housing and a suitable living environment and expanding economic opportunity, principally for persons of low and moderate-income" (Housing and Community Development Act of 1974).

The Town of Chapel Hill must certify that its overall program carries out this primary objective. In addition, each Community Development Block Grant activity must:

1. Benefit low- or moderate-income persons (80% of median income and below);
2. Aid in the prevention or elimination of slums and blight; or
3. Treat urgent needs posing an immediate threat to public health and welfare.

Eligible activities for Community Development Block Grant funding include:

- Acquisition of property
- Disposition of property
- Public facilities and improvements
- Clearance, demolition and removal of buildings
- Site improvements
- Some public services (subject to a cap)
- Housing rehabilitation, preservation and code enforcement
- Economic development activities
- Planning and administrative costs (subject to a cap)

Activities that are generally not eligible include:

- Buildings used for the general conduct of government
- New housing construction (allowed in special circumstances)
- General government expense
- Political activities
- Purchase of equipment and personal property
- Operating and maintenance expenses



## Item Overview

Item #: 6., File #: [18-0241], Version: 1

Meeting Date: 3/21/2018

**Consider Adopting a Preliminary Resolution Stating Chapel Hill's Intent to Proceed with a November 2018 Affordable Housing Bond Referendum.**
**Staff:**Kenneth C. Pennoyer, Director  
Loryn Clark, Executive Director**Department:**Business Management Department  
Housing and Community

**Overview:** In support of the Chapel Hill 2020 theme of creating a place for everyone, staff drafted an affordable housing investment plan. The plan includes projects that are planned for development by the Town and projects shared by our non-profit partners that could be selected through an RFP process. Staff identified General Obligation (G.O.) bonds as the most effective and efficient funding source to support the investment plan. Adopting a Preliminary "Findings" Resolution is a required step in the process of authorizing a general bond referendum. The proposed referendum, for up to \$10.0 million of Affordable Housing Bonds, would be scheduled for November 6, 2018. The amount of the proposed referendum is based, in part, on the target number of affordable housing units and the estimated subsidy per unit.

**Recommendation(s):**

That the Council adopt the Preliminary Resolution stating Chapel Hill's intent to proceed with a referendum for general obligation affordable housing bonds.

**Decision Points:**

- The creation of more affordable housing is consistent with Council Goals and the Chapel Hill 2020 Plan. Finding reliable funding sources for affordable housing projects that are both flexible and cost-effective is problematic. G.O. bonds can provide sufficient funds to support major affordable housing projects while giving Council the latitude to issue debt only when needed at a cost lower than other types of borrowing.
- Issuing G.O. Bonds requires voter approval through a referendum. A successful referendum would authorize the Town to issue G.O. bonds in the amount of and for the purpose stated in the bond order. Actual issuance of authorized G.O. bonds would be authorized through a separate Council approval process. Prior to issuance of any new G.O. bonds, the source of repayment must be identified. The default repayment source is the Town's authority to levy additional property tax for the purpose of debt repayment. Issuance authority gains through referendum lasts seven years with an additional three-year extension with the approval of the LGC.
- The Preliminary Resolution, among other things, establishes the Council's intent to proceed with a referendum in November 2018 to authorize the issuance of general obligation bonds for the uses and amounts described above. The resolution also authorizes Town staff to proceed with the steps necessary to authorize the holding of the referendum.

**Key Issues:**

- The Town's Affordable Housing Development Reserve, supported by an annual allocation of about \$688,000, is designed to support affordable housing projects and initiatives. The decision not to pursue a bond referendum would create greater demand for these funds and significantly delay major projects, especially the Town-initiated projects located at 2200 Homestead Road and

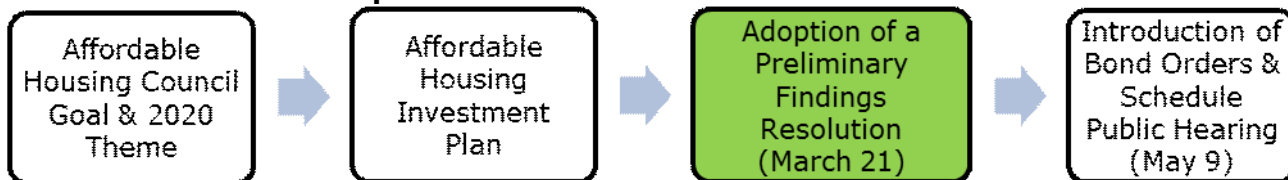
redevelopment of public sites, and make it more difficult to pursue opportunities to partner with non-profits.

- The issuance of \$10 million of Affordable Housing G.O. Bonds will require an increase in the Debt Management Fund tax rate in order to repay the bonds. Staff estimates that one penny on the tax rate, implemented as needed over time, will be sufficient to support the repayment of \$10 million in new housing bonds debt. An alternative to issuing bonds would be to simply add a penny to the tax rate and use the funds generated each year to augment the Affordable Housing Fund. The potential downside to this strategy would be inability to fund major affordable housing projects or multiple projects simultaneously.




**Fiscal Impact/Resources:** The Town’s Debt Management Fund will be the source of repayment for the proposed affordable housing bonds. Due to limited capacity in the fund, repayment of affordable housing bonds would need to be funded through an increase in the tax rate.

An ultimate one cent increase on the Debt Management Fund tax rate, implemented as bonds are sold, should be sufficient to repay \$10 million of affordable housing bonds.

**Where is this item in its process?**



**Council Goals:**

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input type="checkbox"/>		Develop Good Places, New Spaces
<input type="checkbox"/>		Support Community Prosperity	<input type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration

 **Attachments:**

- Resolution
- Notice of Intent for Publication
- Staff Memorandum

**A RESOLUTION STATING THE INTENT TO PROCEED WITH A REFERENDUM ON GENERAL OBLIGATION AFFORDABLE HOUSING BONDS (2018-03-21/R-4)****WHEREAS --**

The Town Council has determined that issuing general obligation bonds would be a desirable part of the Town's affordable housing strategy.

The issuance of these bonds is subject to the approval of the Town's voters at a bond referendum. This resolution is the Council's first formal step toward placing these bonds before the voters.

**BE IT THEREFORE RESOLVED by the Town Council of the Town of Chapel Hill, North Carolina**, that the Council makes an initial determination to proceed with a referendum on November 6, 2018, for Town general obligation affordable housing bonds in the maximum amount of \$10,000,000. The Town will use bond proceeds to pay capital costs of providing housing for persons of low and moderate income, together with related financing and other necessary or incidental costs.

**BE IT FURTHER RESOLVED** that Council makes the following findings of fact in support of its determination:

(1) The proposed capital expenditures are necessary and expedient for the Town.

(2) The amount of bonds proposed is adequate and not excessive for the proposed purpose. Although affordable housing needs in the community exceed the \$10,000,000 in proposed bonds, this is an appropriate amount of bonds given the other aspects of the Town's affordable housing strategy, the Town's other budget and capital needs, and the Town's financial resources.

(3) The Town's debt management and budgetary and fiscal management policies have been carried out consistently in accordance with the law.

(4) The Council estimates a maximum potential tax rate impact to the Town for repaying the bonds of approximately 1.0 cents per \$100 of assessed valuation. The actual tax effect will depend on the final amount borrowed, the financing term, and the interest rates on the bonds when sold. The Town will work to minimize the tax rate impact, in a manner consistent with moving ahead with the purposes and addressing other Town needs.

**BE IT FURTHER RESOLVED**, as follows:

(a) The Council directs the Finance Officer to proceed with the authorization of the referendum, including proceeding with an application to the North Carolina Local Government Commission (the "LGC") for its approval of the proposed bonds. The Council appoints the Finance Officer as the Town's authorized representative with respect to the LGC application process.

(b) The Council directs the Town Manager, in collaboration with the Clerk, to publish a notice of the Council's intent to apply to the LGC for approval of the bonds. This notice must be in the form

prescribed by statute and consistent with this resolution.

(c) The Council authorizes all Town representatives to take all further action as they may consider desirable for accomplishing the purposes of this resolution. The Council ratifies all prior actions of Town representatives in this regard. This resolution takes effect immediately.

This the 21<sup>st</sup> day of March, 2018.

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

PRESENTER: Kenneth C. Pennoyer, Business Management Director  
Loryn Clark, Housing and Community Executive Director

RECOMMENDATION: That the Council adopt the Preliminary Resolution stating Chapel Hill's intent to proceed with a referendum for general obligation bonds.



Notice of Intent To Apply to the North Carolina Local Government Commission  
for Approval of a General Obligation Bond Issue for the Town of Chapel Hill

Please take notice as follows:

1. The Town Council of the Town of Chapel Hill, North Carolina, intends to apply to the North Carolina Local Government Commission for the Commission's approval of general obligation affordable housing bonds for the Town.
2. The purpose of the proposed bond issue is to provide funds to pay capital costs of providing housing for persons of low and moderate income, together with related financing and other necessary or incidental costs.
3. The maximum amount of the bonds to be issued is \$10,000,000.
4. Any citizen or taxpayer of Chapel Hill may, within seven days of this publication, file with the Town Council (by writing to the to the Town Clerk, Town of Chapel Hill, 405 Martin Luther King, Jr. Boulevard, Chapel Hill, North Carolina 27514) and the North Carolina Local Government Commission in Raleigh (by writing to the North Carolina Local Government Commission, Attention: Secretary of the Commission, 3200 Atlantic Avenue, Longleaf Building, Raleigh NC 27604), a written statement of any objections that citizen or taxpayer may have to the issuance of the bonds.

By order of the Town Council.

Sabrina Oliver  
Town Clerk  
Chapel Hill, North Carolina



# TOWN OF CHAPEL HILL NORTH CAROLINA

## MEMORANDUM

**TO:** Roger L. Stancil, Town Manager

**FROM:** Kenneth C. Pennoyer, Business Management Director  
Loryn Clark, Executive Director Housing and Community

**SUBJECT:** November 2018 Bond Referendum Preliminary “Findings” Resolution

### Recommended Council Action

- That the Council adopt the Preliminary Resolution stating Chapel Hill’s intent to proceed with a referendum for affordable housing general obligation bonds.

### Context with Key Issues

- In the State of North Carolina public approval is required for the issuance of most municipal general obligation (GO) bonds. Public approval is gained through a public vote or referendum. Referendum questions for municipal GO debt must be broken out into bond orders that authorize issuance of bonds for a particular purpose. The amount of a bond order is the maximum amount that can be borrowed. Each Bond Order is voted on individually. The proposed November 2018 referendum considers only one bond for \$10 million for affordable housing.
- In support of the Chapel Hill 2020 theme of Create a Place for Everyone, in October 2017 and in February 2018, staff shared with the Council projections and targets for affordable housing development and preservation as well as a draft framework for an affordable housing investment plan. We also reviewed potential new revenue sources for affordable housing and identified an affordable housing general obligation bond as the primary revenue source to support the investment plan. Based on the Council’s affordable housing goals, projections, identified housing needs, we suggested that the Council pursue authority to issue up to \$10 million of affordable housing G.O. bonds through the referendum in November 2018.
- On February 21, the Council adopted a resolution approving a tentative affordable housing bond referendum plan as follows:

#### **Proposed Eligible Activities:** (serving households up to 120% of the Area Median Income)

- **Property and Land Acquisition:** Funds in this category would be available to purchase property or land to be used for affordable housing throughout the community. The goal of this eligible activity would be to create inclusive, mixed-income neighborhoods.
- **Home Repairs/Comprehensive Rehabilitation:** Home repair and comprehensive rehabilitation funds would be used to preserve existing owner-occupied or rental housing throughout Town, with a focus on properties located in

the Northside, Pine Knolls, and Rogers Road communities. The objective of this program would be to repair major housing code and structural problems.

- **Construction of New Affordable Units:** Funds would be used to create new affordable housing opportunities for rental or homeownership throughout the community. Funds could be provided in exchange for guaranteeing housing affordability such as 25 years for rental development and 99 years for homeownership development.

**Proposed Priorities:**

- Rental housing serving households less than 60% Area Median Income;
  - Rental serving vulnerable populations;
  - Long-term affordability;
  - Located near transit services; and
  - High leverage from other sources.
- As previously discussed with the Council, we would propose to use affordable housing bond funds to support Town-initiated affordable housing projects. At this time we have identified two projects: mixed income development at 2200 Homestead Road and the redevelopment and of the Town's public housing sites.
  - We envision that funds would also be available to housing providers to develop and preserve affordable housing opportunities. We would develop a process for review of proposed projects that could include issuing Requests for Proposals for these projects.

**Explanation of Recommendation**

- The Preliminary Resolution, among other things, establishes the Council's intent to proceed with a referendum in November 2018 to authorize the issuance of general obligation bonds for the uses and amounts shown above. The resolution also authorizes Town staff to proceed with the steps necessary to authorize the referendum. The Preliminary Resolution is a required step in the process of authorizing a general obligation bond referendum. After approval of the Preliminary Resolution, the actions needed to hold a general obligation bond referendum on the November 6, 2018 include the following:
  - Publish notice of intent to file an application with the LGC
  - Make Legislative Committee filing
  - File LGC application
  - Council introduces Bond Order and schedules public hearing (5/9 Council Meeting)
  - Publish notice of public hearing
  - Council holds public hearing; adopts bond orders and sets ballot questions and referendum date (5/23 Council Meeting)
  - Publish Bond Orders and notice of referendum (twice)
  - Referendum (11/6)

**Fiscal Note**

- The Town's Debt Management Fund will be the source of repayment for the proposed affordable housing bonds. Due to limited capacity in the fund and the number of large-scale projects currently planned, it is expected that an increase in the Debt Management Fund dedicated property tax will be needed. In other words, the repayment of any affordable housing bonds will need to be funded through an increase in the tax rate.
- It is most likely that the bonds will be issued in two or more installments separated by a year or more, as various projects move through the planning and design phases at different times. Based on this issuance scenario, it is estimated that a one penny increase on the Debt Management Tax rate will be sufficient to repay \$10 million of affordable housing bonds. For a typical Chapel Hill property owner with property values at \$350,000, a one penny tax rate increase would be \$35 per year.



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TOWN OF CHAPEL HILL

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

Item Overview

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Item #: 7., File #: [18-0242], Version: 2

Meeting Date: 3/21/2018

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**Presentation: Blue Hill Biannual Report [#7].**

See Staff Memorandum on next page.

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

PRESENTER: John Richardson, Community Resilience Officer

RECOMMENDATION: That the Council receive the staff's report and presentation.

PRESENTATION: BLUE HILL BIENNIAL REPORT [#7]<sup>1</sup>

## STAFF REPORT

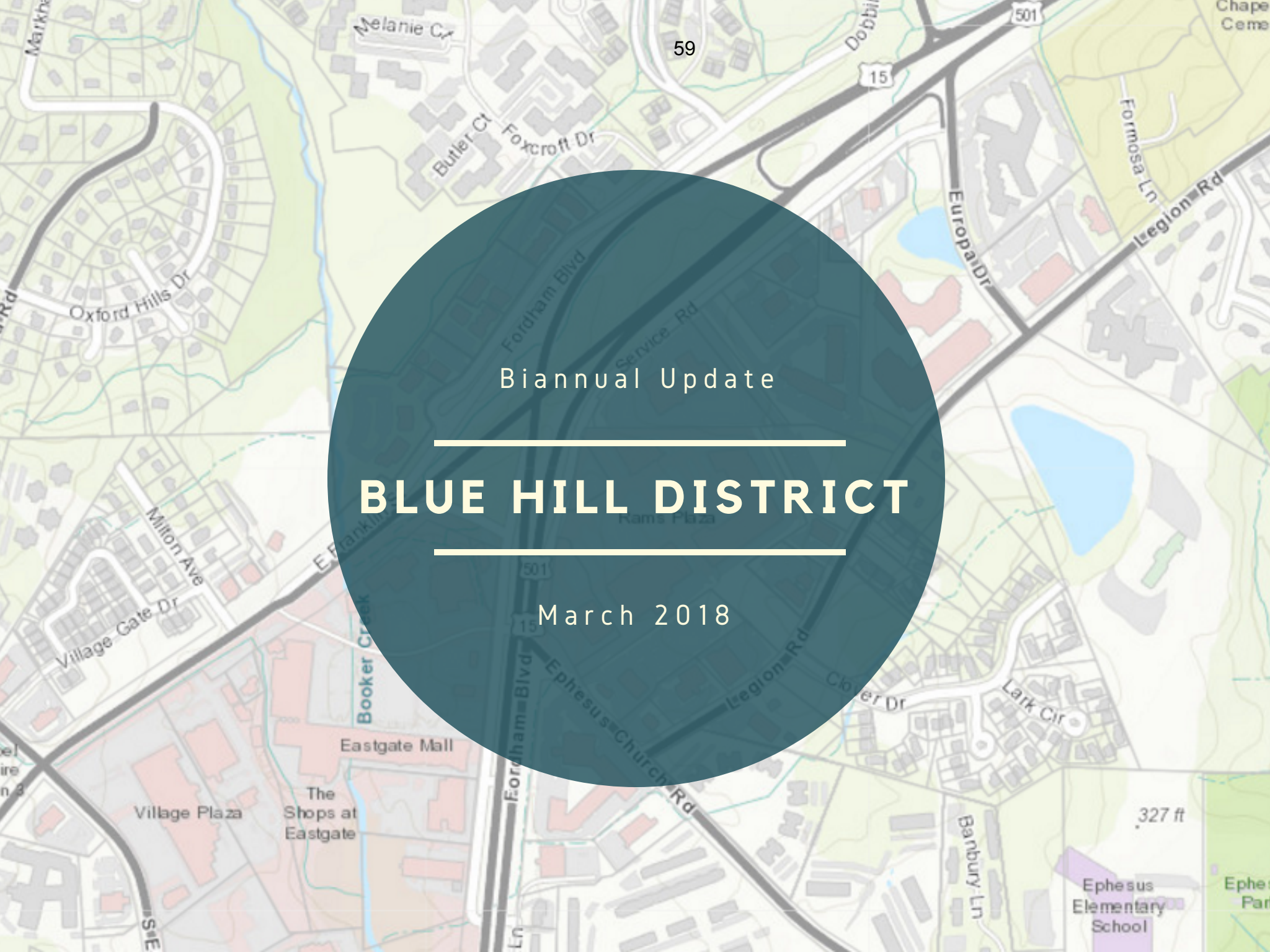
TOWN OF CHAPEL HILL PLANNING AND DEVELOPMENT SERVICES  
 Ben Hitchings, Director  
 John Richardson, Community Resilience Officer  
 Corey Liles, Interim Principal Planner

BUSINESS MEETING DATE March 21, 2018	
STAFF'S RECOMMENDATION That the Council receive the staff's report and presentation.	
UPDATES <ul style="list-style-type: none"> <li>Revised draft of <a href="#">Blue Hill Design Guidelines</a> <sup>2</sup> available for review; Council action anticipated in May/June</li> <li>Anticipated development applications: Park Apartments (multifamily), Quality Inn (mixed use)</li> <li>Park Apartments applicant anticipated to return to Council in May to propose an adjustment to Elliott Road Ext.</li> </ul>	
BLUE HILL METRICS <ul style="list-style-type: none"> <li>Assessed property value up 71%</li> <li>Number of school attending children up by 5</li> <li>Square footage of retail exceeds Phase 1 target by 30%</li> <li>Number of affordable housing units permitted or under construction up by 149 (half of goal)</li> <li>Impervious surface stormwater treatment 19% higher for new projects compared to Town-wide standards</li> <li>Linear feet of greenway up 177%</li> <li>Linear feet of sidewalk up 68%</li> </ul> <p>All percentages are based on a 2014 baseline; see attached report for details</p>	
OVERVIEW Tonight, the Council will receive a presentation that provides updates on various Town improvement projects and development-related activities in the Blue Hill District. The presentation will include updates about the District since the last report to Council on <a href="#">September 27, 2017</a> <sup>3</sup> , and the Manager's January report highlighting metrics (attached).	PRESENTATION UPDATE CATEGORIES <ol style="list-style-type: none"> <li>Blue Hill Design Guidelines</li> <li>Development Projects and Applications</li> <li>Elliott Road Extension</li> <li>Metrics and Story Map</li> </ol>
ATTACHMENT <ul style="list-style-type: none"> <li>March 21, 2018 Blue Hill District Report</li> </ul>	FISCAL IMPACT/RESOURCES There are no financial impacts associated with this report.

<sup>1</sup> This is the 7<sup>th</sup> Council-required report for the Blue Hill District that will occur through 2025.

<sup>2</sup> <http://www.townofchapelhill.org/town-hall/departments-services/chapel-hill-2020/future-focus-areas/the-ephesus-fordham-district/form-based-code/ephesus-fordham>

<sup>3</sup> [http://chapelhill.granicus.com/GeneratedAgendaViewer.php?view\\_id=21&clip\\_id=3270](http://chapelhill.granicus.com/GeneratedAgendaViewer.php?view_id=21&clip_id=3270) (see item #12)



Biannual Update

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# BLUE HILL DISTRICT

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March 2018



# DEVELOPMENT PROJECTIONS

Staff provided economic projections in 2014, based on market trends, developer analysis, and project proposals prior to the creation of the district.

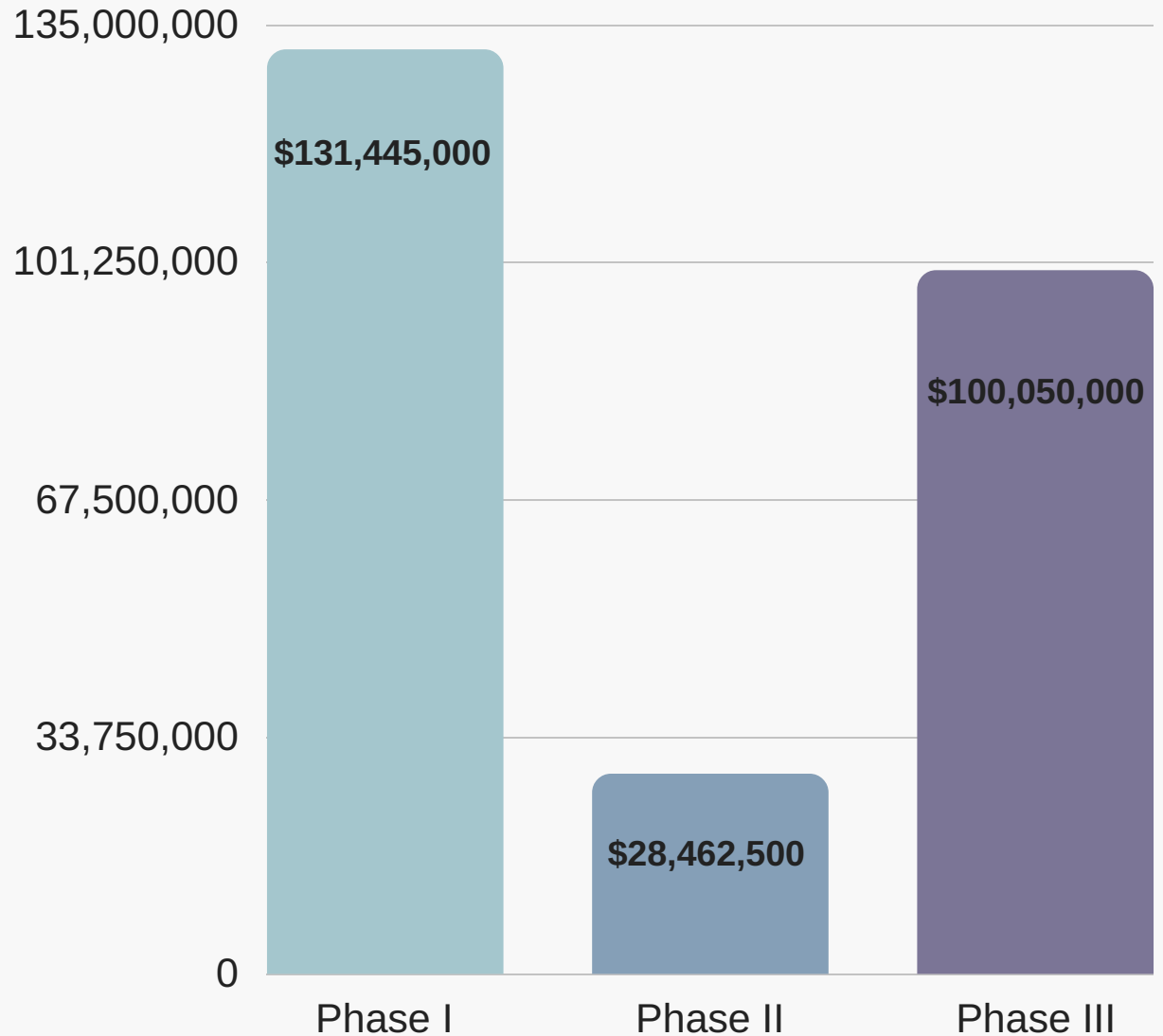
**Phase I**  
2014-2018

**Phase II**  
2018-2024

**Phase III**  
2024-2029

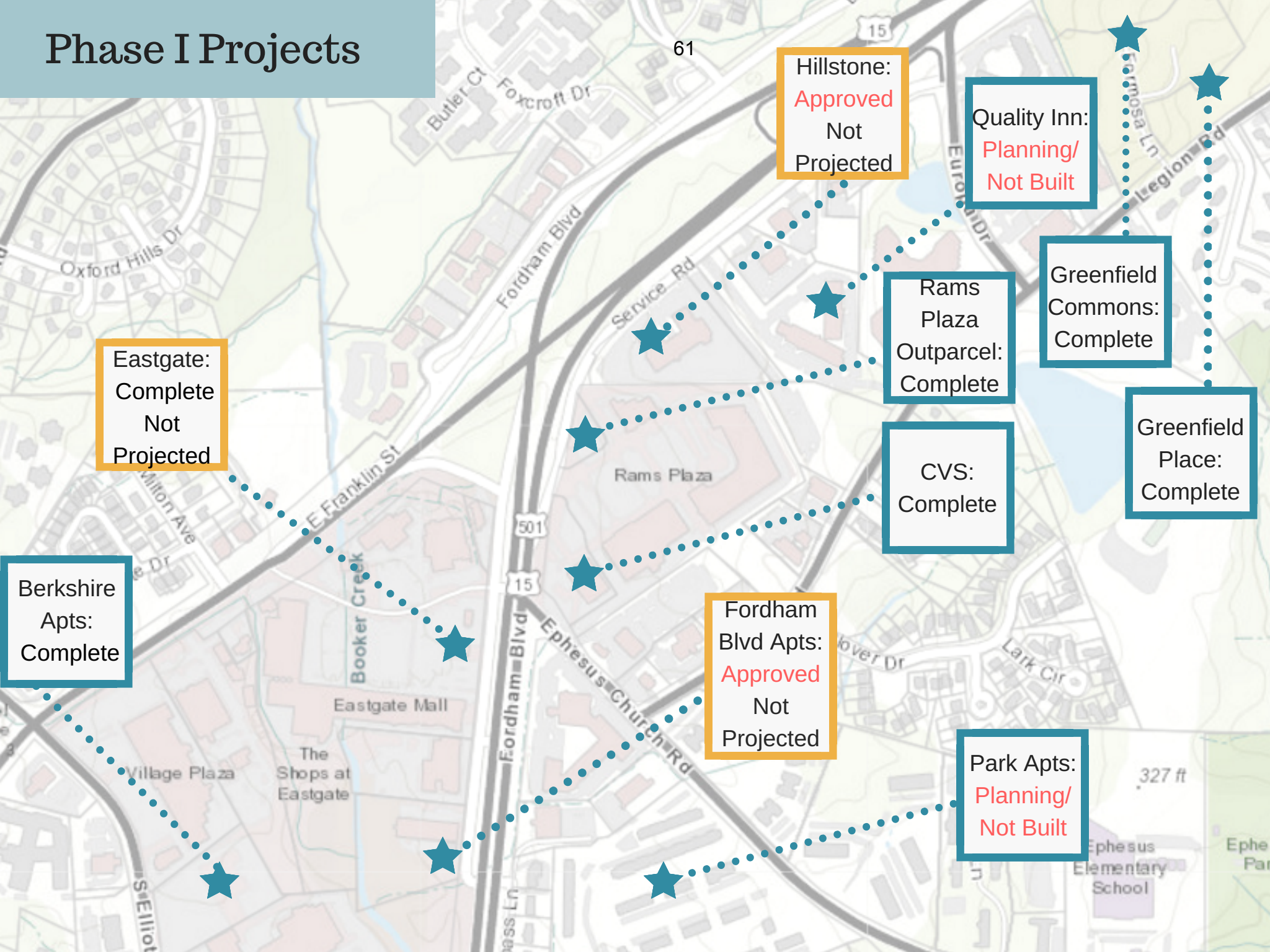
Total expected development based on November 2014 estimates = \$260 million.

## Estimated Development Per Phase Projected Added Value (2014)





# Phase I Projects



Eastgate:  
Complete  
Not  
Projected

Berkshire  
Apts:  
Complete

Hillstone:  
Approved  
Not  
Projected

Quality Inn:  
Planning/  
Not Built

Rams  
Plaza  
Outparcel:  
Complete

Greenfield  
Commons:  
Complete

Greenfield  
Place:  
Complete

CVS:  
Complete

Fordham  
Blvd Apts:  
Approved  
Not  
Projected

Park Apts:  
Planning/  
Not Built

# DISTRICT VALUE

District value has  
achieved 71% growth in  
phase 1 year 3 of 4

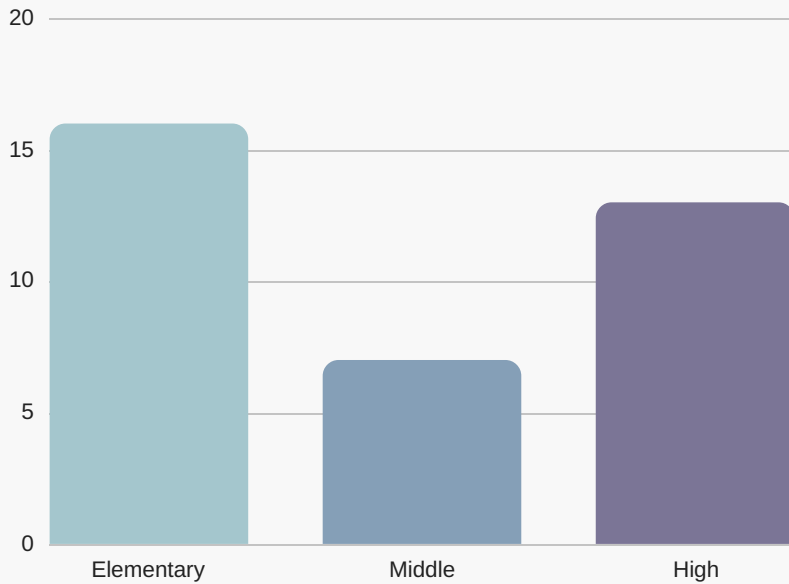


Orange County Tax Data

## <sup>62</sup> Increase in District Value



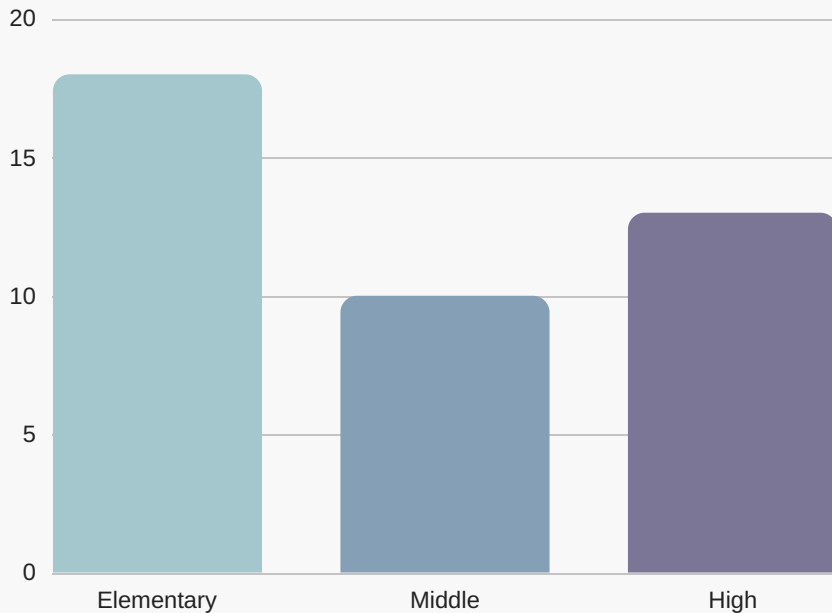
## 2014 Students



63



## 2017 Students



## SCHOOL DISTRICT



As residential options within the district increase, children attending Chapel Hill-Carrboro Schools are also increasing



**Additional school attending children residing in the District since 2014**

Data from Chapel Hill-Carrboro City Schools





# SQUARE FOOTAGE OF NEW USES

**2011 TIA Projections\***  
**Market Potential**  
**Full Build Out 2020**  
Office= 360,000 SF  
Retail= 258,000 SF  
Residential= 900 units

## **2014 Development Projections for Phase 1**

Office= 0 SF  
Retail= 30,000 SF  
Residential= 1000 units

## **2017 Development Built Phase 1 Year 3 of 4**

Office= 0 SF  
Retail= 39,061 SF  
Residential= 346 units  
(Berkshire Apts + Greenfield Place)

\*2011 TIA Projections (also used in Small Area Plan) based on market potential, not planned development

2014 development projections prepared by Economic Development Staff.

# PHASE I DEVELOPMENT

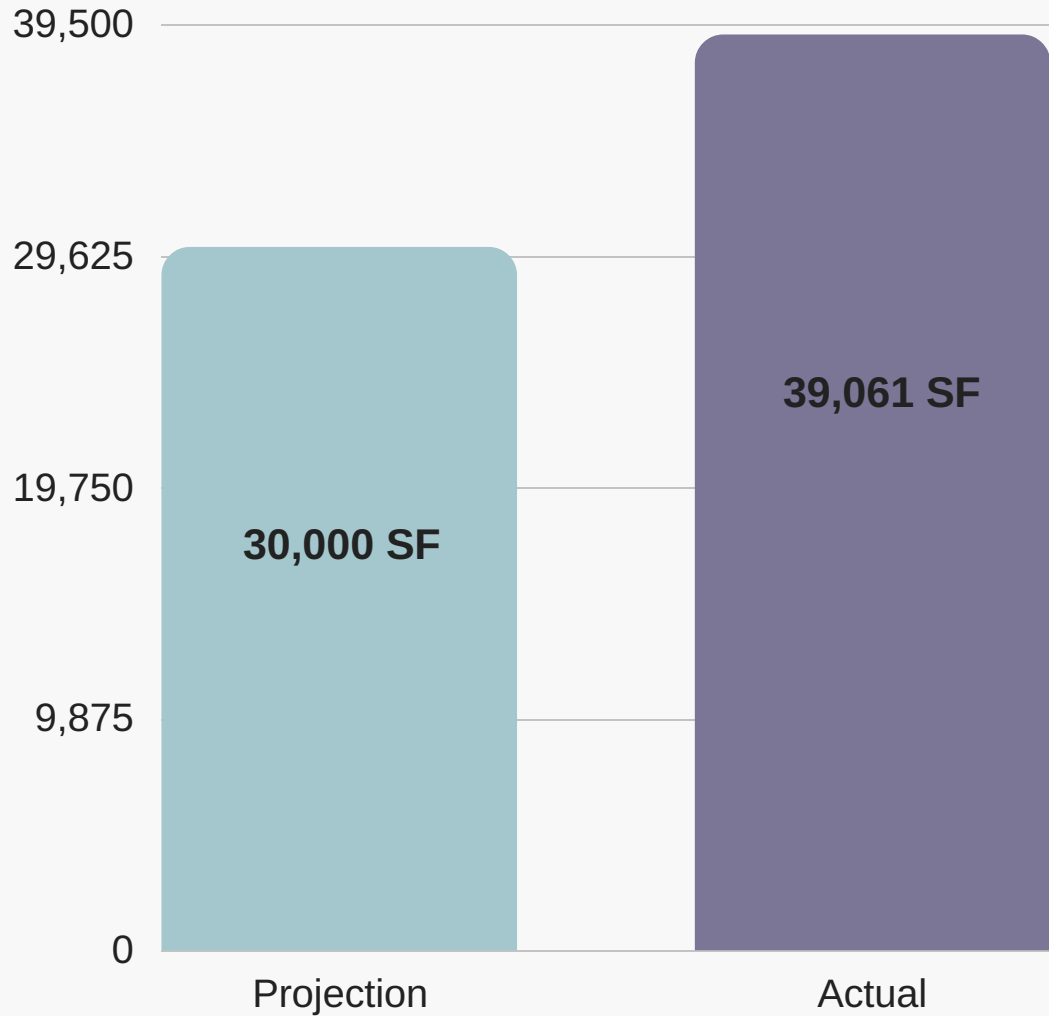
Exceeded Retail Target

13,000 SF CVS  
7,761 SF Eastgate  
2,700 Rams Outparcel  
15,600 Berkshire Apts



Additional retail space  
created above projection  
in phase 1 year 3 of 4

## <sup>65</sup> Square Footage of Retail Added 2014-2017

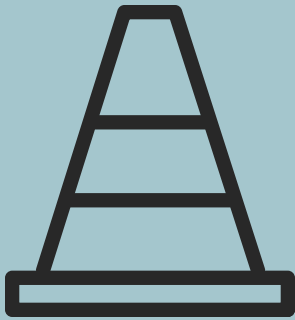


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# PERMITS

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**Permits within  
Blue Hill District since  
adoption of Form Based  
Code**



\*Permit Data  
from Development  
Application Summary  
Report

## <sup>66</sup>Form District Permits

### **2015**

Berkshire Apts., Mixed Use  
CVS at Rams Plaza, Commercial  
Rams Plaza Outparcel, Commercial

### **2016**

Eastgate Bldg D, Commercial  
Greenfield Place, Residential

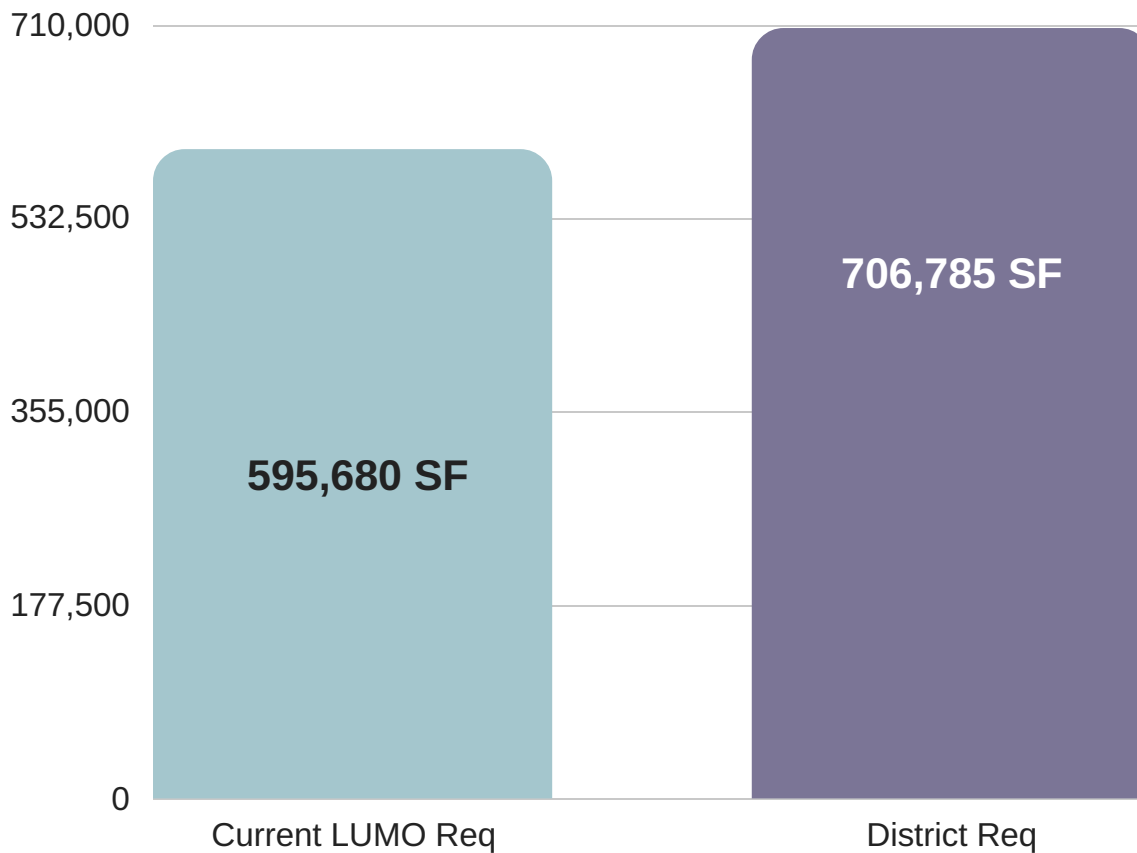
### **2017**

Hillstone Apartments, Residential  
Greenfield Commons, Residential  
Fordham Blvd Apartments, Residential

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# IMPERVIOUS SURFACE<sup>67</sup> TREATMENT

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District stormwater regulations require more impervious surface treatment than the town-wide requirement.

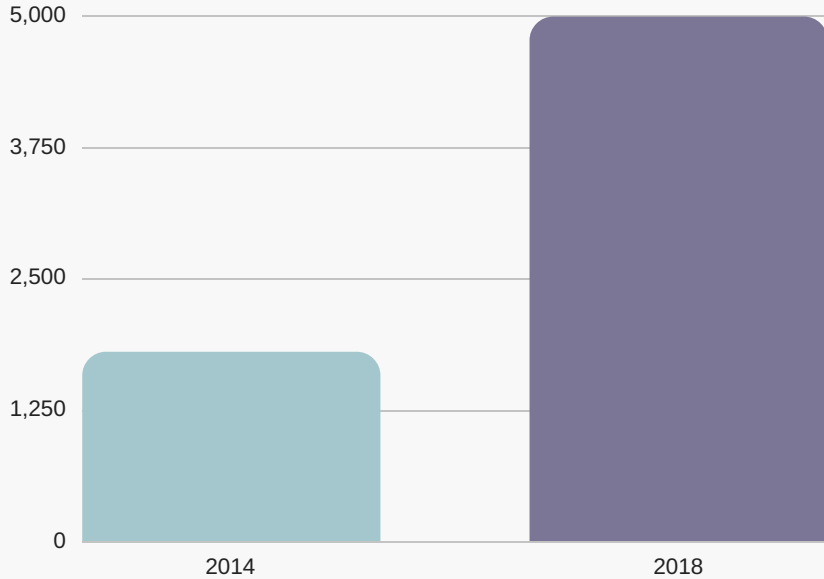
Since the implementation of the Form Based Code, new and permitted developments have been required to adhere to these standards. This has resulted in an additional 111,000 SF of surface treatment above the normal requirement.



Increase in impervious surface treatment above town-wide standard

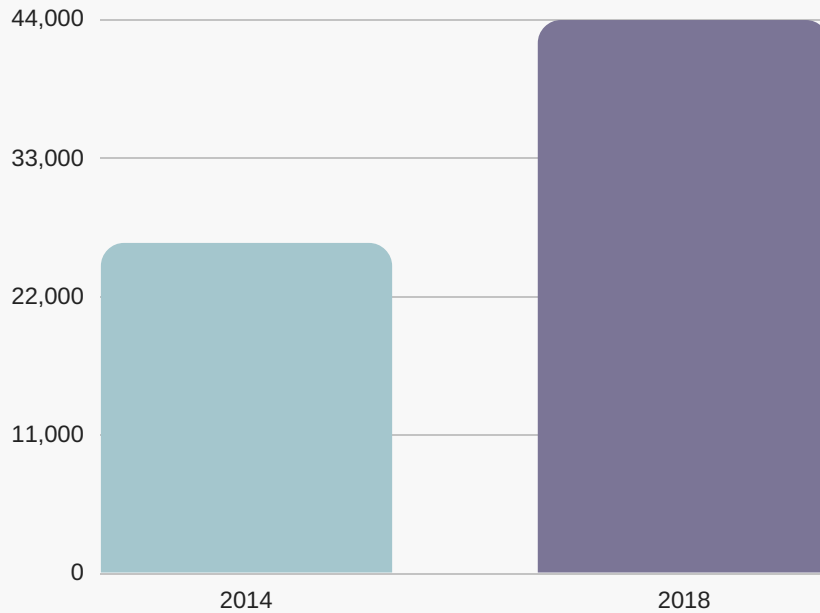
## Greenways/Paths (in linear ft)

68



+177%

## Sidewalks (in linear ft)



+68%

## CONNECTIVITY

Increase In:  
Sidewalks (linear feet)  
Bike lanes + Sharrows (linear feet)  
Trails and Greenways (linear feet)  
Bicycle parking (number of covered and uncovered spaces)

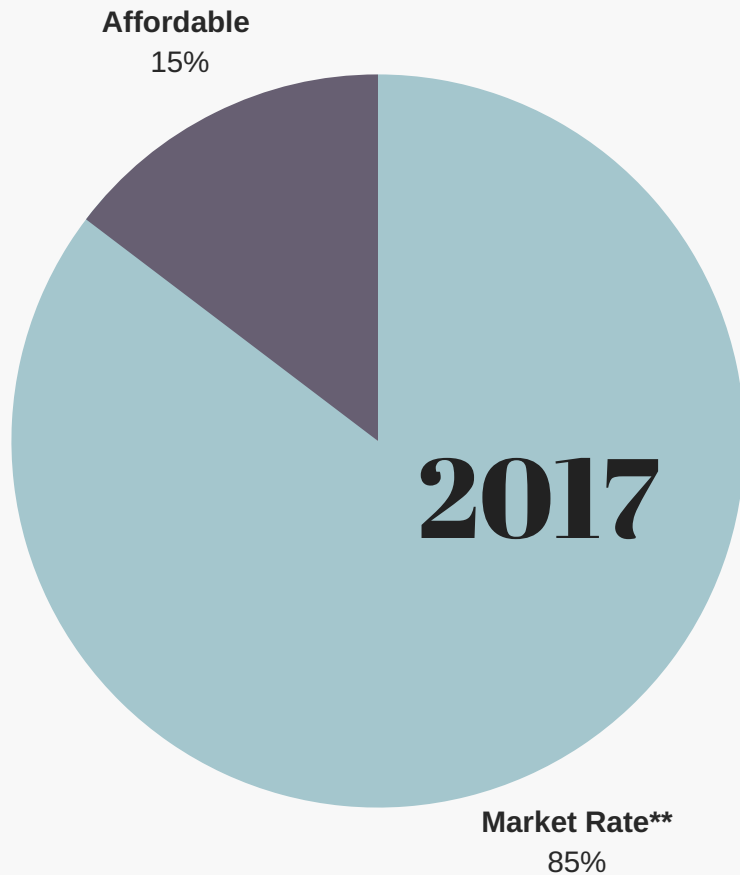


396

Bicycle Parking Spaces  
Permitted in 2017



# Current Affordable Housing (as percentage of net new housing in district)\*



\*Includes built and permitted units

\*\*Includes Hillstone, Fordham Blvd Apts. & Berkshire Apts

## HOUSING

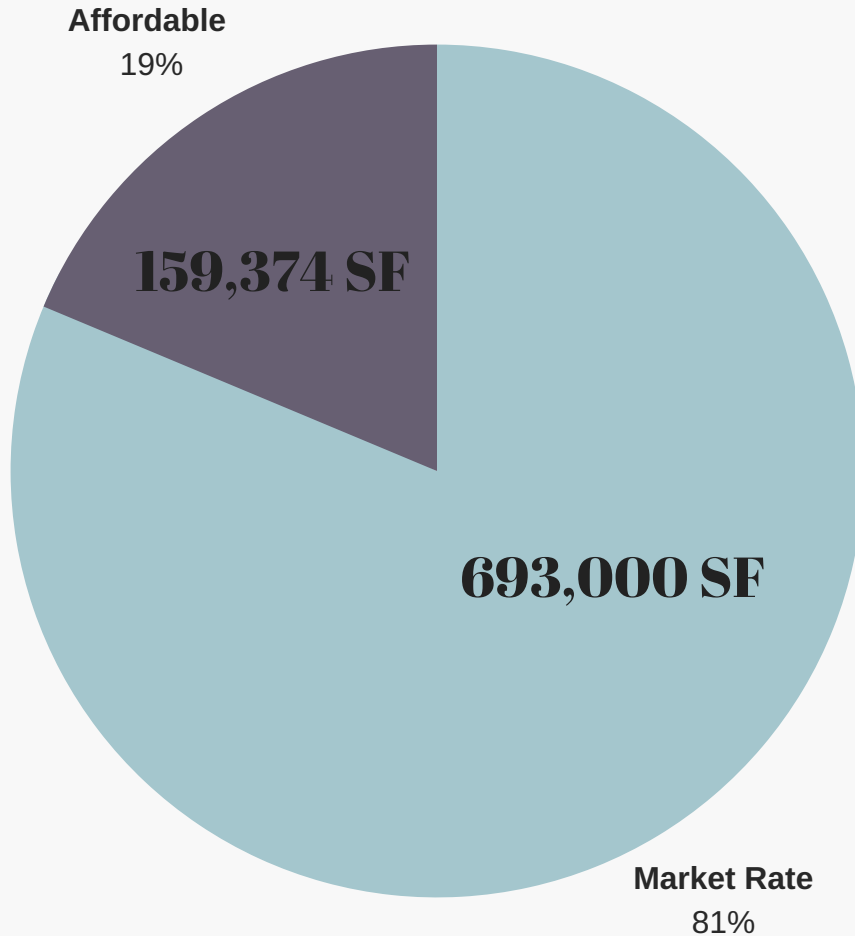
Goal: **300** new units of District affordable housing for all 3 phases or **20%** of total new units



Progress: **149** affordable units permitted or under construction - Half of goal

# 2017 Total Square Footage of Net New Housing

70



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## HOUSING

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New affordable housing represents 19% of total new housing square footage; 15% of total new housing units

Market Rate includes Berkshire, Fordham Blvd & Hillstone  
Affordable includes Greenfield Commons & Greenfield Place



71  
TOWN OF CHAPEL HILL

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

Item Overview

Item #: 8., File #: [18-0235], Version: 1

Meeting Date: 3/21/2018

**Consider Land Use Management Ordinance Text Amendment - Proposed Revisions to Articles 3 and 4 Related to Conditional Zoning.**

**Staff:**

Ben Hitchings, Director  
Alisa Duffey Rogers, LUMO Project Manager

**Department:**

Planning and Development Services

**Overview:** On [November 29, 2017 <http://chapelhill.granicus.com/MetaViewer.php?view\\_id=21&clip\\_id=3369&meta\\_id=181391>](http://chapelhill.granicus.com/MetaViewer.php?view_id=21&clip_id=3369&meta_id=181391), the Town Council amended the Land Use Management Ordinance (LUMO) to expand the use of Conditional Zoning. The effective date for those amendments is April 1, 2018.

Additional revisions are necessary at this time for clarity and to establish a link between the Town’s Land Use Plan and Conditional Zoning District applications.

☆ **Recommendation(s):**

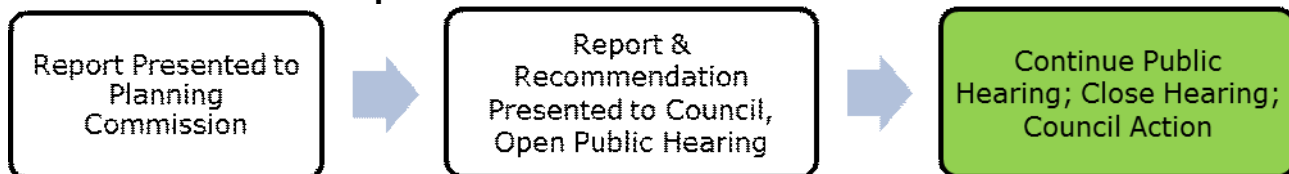
That the Council:

- Close the public hearing;
- Adopt Resolution A, finding that the proposed text amendment is reasonable, in the public’s interest, and consistent with the Town’s Comprehensive Plan;
- Enact the Ordinance amending Articles 3 and 4, related to conditional zoning, of the Land Use Management Ordinance;
- Adopt Resolution C, amending the Fee Schedule; and
- Adopt Resolution D, preferred Development Review Process during Concept Plan Review







**Decision Points:**

- Should the LUMO be amended to establish a link between the Town’s Land Use Plan and conditional zoning district applications?

**Where is this item in its process?**



**Council Goals:**

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input checked="" type="checkbox"/>		Develop Good Places, New Spaces
<input type="checkbox"/>		Support Community Prosperity	<input type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration

**Attachments:**

- Draft Staff Presentation
- Manager's Report
- Staff Report
- Resolution A, Draft Resolution of Consistency
- Ordinance
- Resolution B, Denying the Proposed Amendments
- Resolution C, Amending the Fee Schedule
- Resolution D, Preferred Development Review Process during Concept Plan Review
- Planning Commission Recommendation
- Conditional Zoning Map

---

**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

PRESENTER: Alisa Duffey Rogers, LUMO Project Manager

- a. Introduction and revised recommendations
- b. Comments and questions from the Mayor and Town Council
- c. Motion to adjourn the Public Hearing
- d. Motion to adopt Resolution A, Resolution of Consistency
- e. Motion to enact the Ordinance, amending Articles 3 and 4 of the LUMO related to conditional zoning
- f. Motion to adopt Resolution C, amending the fee schedule
- g. Motion to adopt Resolution D, preferred Development Review Process during Concept Plan Review

RECOMMENDATION: That the Council close the Public Hearing; adopt Resolution A, finding that the proposed text amendment is reasonable, in the public's interest, and consistent with the Town's Comprehensive Plan; enact the Ordinance, amending Articles 3 and 4 related to conditional zoning of the Land Use Management Ordinance; adopt Resolution C, amending the Fee Schedule; and adopt Resolution D, preferred Development Review Process during Concept Plan Review.



# **LUMO Text Amendment Conditional Zoning**

**Date: March 21, 2018**

DRAFT

NUMBER OF EXITS  
FIRE RESISTIVE CONSTRUCTION  
FIRE SUPPRESSION SYSTEMS  
MEANS OF EGRESS  
ACCESSIBILITY  
BUILDING MATERIALS  
BUILDING SYSTEMS

74

# Conditional Zoning

- LUMO amended on November 29, 2017
- Effective Date for Conditional Zoning Amendments – April 1, 2018
- Three revisions proposed at this time

DRAFT

SET BACK LINE

MEANS OF EGRESS

PARKING SPACES

PROPERTY LINE

CANNOT BUILD HERE

BUILD HERE

ZONING ORDINANCE ISSUES  
ZONING CLASSIFICATION  
PERMITTED USES  
CONDITIONAL USES  
MAXIMUM HEIGHT OF BUILDING  
MAXIMUM % OF LOT COVERED  
SET BACK LINES (FRONT/REAR SIDES)

# The Process for Proposed Revisions:<sup>75</sup>



DRAFT

March 21,  
2018

- Continue Public Hearing
- Close Public Hearing
- Take action

**Recommend: That the Council:**

- Adopt Resolution A, Consistency Resolution
- Enact the Ordinance
- Adopt Resolution C, amending the Fee Schedule; and,
- Adopt Resolution D, preferred Development Review Process during Concept Plan Review

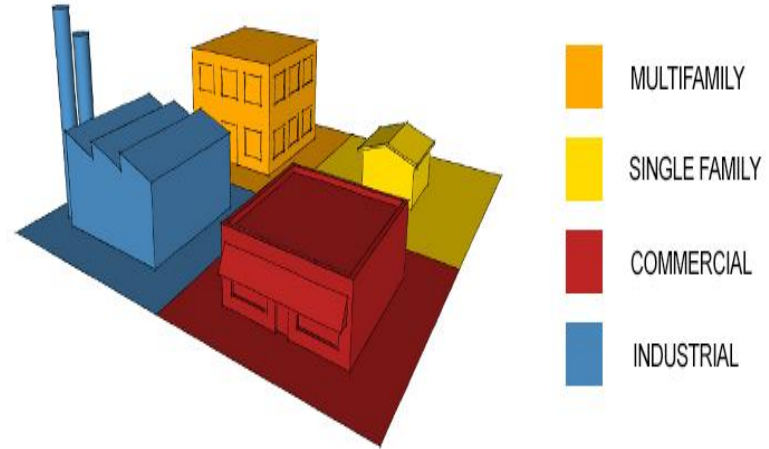
DRAFT



# Rezoning

- General Use districts
- Conditional use (special use) districts
- Conditional districts

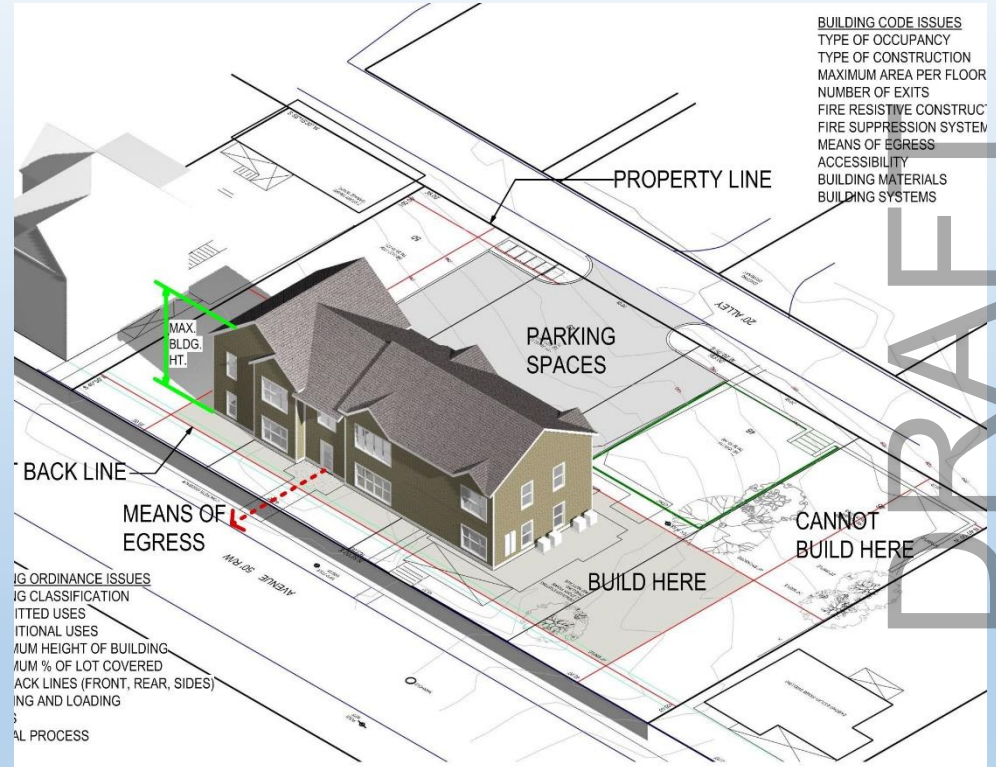
## EUCLIDEAN ZONING



DRAFT

# What is Conditional Zoning?

- Rezoning with site-specific conditions
- Tool used widely in North Carolina (45% of rezonings state-wide)
- Provides all the authority of an SUP, PLUS allows more engagement with stakeholders
- Allows concerned neighbors & others to voice concerns & for Council to consider opinion as well as facts
- Helps to retain neighborhood character & mitigate project impacts through site-specific conditions



# What is a Land Use Plan or Future Land Use Map?

Graphic Representation of Town's Future in terms of Land Use

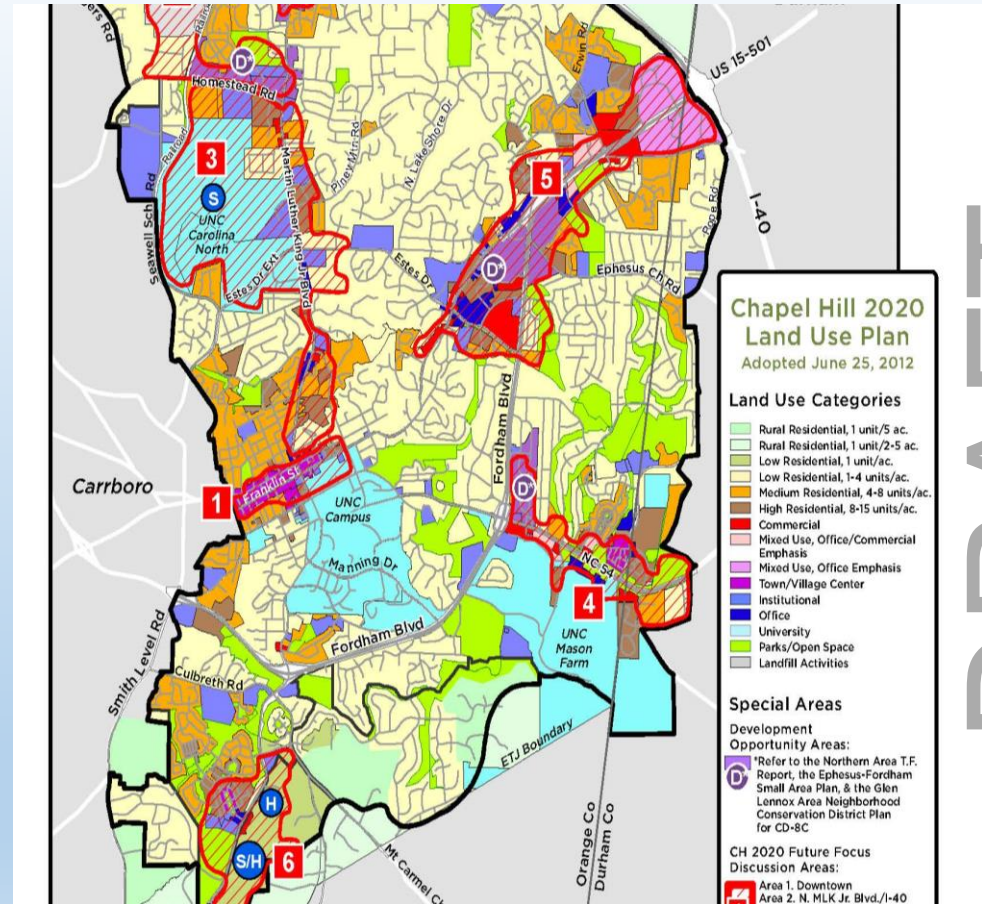
Illustrates where & to what intensity

development/redevelopment should occur or **not occur**

Establishes General Range of Land Uses Envisioned (Housing, Commercial, Office, Mixed Use)

Illustrates Desired Future Condition in 2049

Not an Exact Prediction



DRAFT

# Conditional Zoning & Land Use Plan (Sections 1 & 2 of the Proposed Ordinance)

- Conditional Zoning Districts must consistent with Land Use Plan
- To be consistent, the proposed conditional zoning district must be in:

Conformance with adopted small area plan	Town/Village Center
Medium Residential	Institutional
High Residential	Office
Commercial	University
Mixed Use, Office/Commercial Emphasis	Development Opportunity Area
Mixed Use, Office Emphasis	Light Industrial Opportunity Area

DRAFT

Chapter 202  
Land Use Plan  
Adopted June 25, 2012

Opportunity Areas

Rural Residential, 1 unit/5 ac.  
Rural Residential, 1 unit/2-5 ac.  
Low Residential, 1 unit/ac.  
Medium Residential, 4-8 units/ac.  
High Residential, 15 units/ac.  
Commercial  
Office Emphasis  
Development Opportunity Areas:  
\*Refer to the Northern Area T.F. District: the Ephesus-Corham

# Conditional Zoning & Land Use Plan (Sections 1 & 2 of the Proposed Ordinance)

- Process for Land Use Plan amendment with Conditional Zoning District Application



DRAFT



# Conditional Zoning – Minor<sup>82</sup> Alteration (Section 3 of the Proposed Ordinance)

- Clarification –
  - Only in the Innovative-Light Industrial Conditional Zoning District (Enterprise Zone) may the Council enact a conditional zoning district the same evening as the initial public hearing
- Resolution D – Formalizes Council's preference to discuss appropriate development review process during Concept Plan Review

DRAFT

# Conditional Zoning – Summary of Proposed Changes

83

- ❖ Clarification Amendment - Clarify Procedure for the Innovative, Light Industrial District
- ❖ Link between the Town's Land Use Plan & Conditional Zoning District Applications
  - Conditional zoning districts must be consistent with the Land Use Plan and/or an adopted small area plan
  - Defined process for amending Land Use Plan

DRAFT

# Recommendation:

## That the Council:

- Adopt Resolution A, Consistency Resolution;
- Enact the Ordinance;
- Adopt Resolution C, amending the Fee Schedule; and,
- Adopt Resolution D, preferred Development Review Process during Concept Plan Review



DRAFT



# Manager's Report

Business Meeting – 03/21/2018



**Overview:** On February 21, 2018, the Council opened the Public Hearing and received comments from the public and recessed the public hearing until March 21, 2018. After reviewing the record of the public hearing, the Town Manager finds that these proposed amendments conform with the intent of the Land Use Management Ordinance which is “to provide for the regulation of development, as provided in the North Carolina General Statutes and the Town Charter” (Section 1.3).

The Land Use Management Ordinance requires a Manager’s recommendation for a Text Amendment to the Land Use Management Ordinance.



## **Manager’s Recommendation:**

That the Council close the public hearing and:

1. Adopt Resolution A finding that the proposed text amendment to be reasonable, in the public’s interest, and consistent with the Town’s Comprehensive Plan;
2. Enact Ordinance amending Articles 3 and 4 of the Land Use Management Ordinance related to Conditional Zoning;
3. Adopt Resolution C amending the Town’s Fee Schedule to include applications for Conditional Zoning Districts and Land Use Plan Amendments; and,
4. Adopt Resolution D, preferred Development Review Process during Concept Plan Review.

# Staff Memorandum

Business Meeting – 03/21/2018



**Overview:** On November 29, 2017, the Town Council amended the Land Use Management Ordinance (LUMO) to expand the use of Conditional Zoning. The effective date for those amendments is April 1, 2018.

Additional revisions are necessary at this time for clarity and to establish a link between the Town's Land Use Plan and Conditional Zoning District applications.

This proposed amendment to the Land Use Management Ordinance does not rezone any particular parcel of land in the Town.




## Recommendations:

That the Council:

- Close the public hearing;
- Adopt Resolution A, finding that the proposed text amendment is reasonable, in the public's interest, and consistent with the Town's Comprehensive Plan;
- Enact the Ordinance amending Articles 3 and 4, related to conditional zoning, of the Land Use Management Ordinance;
- Adopt Resolution C, amending the Fee Schedule; and,
- Adopt Resolution D, preferred Development Review Process during Concept Plan Review

- *Advisory Board/Commission Recommendations:*

Key: ✓: Approval recommended   X: Denial recommended  : Comments		
Advisory Board/Commission	Support Staff Recommendation?	Notes/Edits
Planning Commission		The Planning Commission considered the amendments on 2-6-2018 and made suggestions. Those suggestions are now included in the draft Ordinance. The Planning Commission reviewed the revised Ordinance on 2/20/2018 and recommended adopting the proposed Resolution of Consistency as well as enacting the Ordinance.

## Key Issues:

- Should the LUMO be amended to establish a link between the Town's Land Use Plan and conditional zoning district applications?

## Overview of Proposed Amendments

### A. The following proposed amendment is for clarification purposes:

An amendment clarifying that only in the Innovative, Light Industrial District (LI-CZD) may the Council act on the conditional zoning application at the same meeting as the initial public hearing.

# Staff Memorandum

Business Meeting – 03/21/2018



Because the Innovative, Light Industrial Conditional Zoning District is only permitted on Millhouse Road, Council previously established a separate development review process for the LI-CZD. This proposed amendment clarifies that this different review process only applies to the LI-CZD, not other conditional zoning districts.

**B. These proposed amendments are necessary to establish a link between the Town's Land Use Plan and conditional zoning district applications:**

1. The first amendment precludes establishment of a Conditional Zoning District, unless such a district is consistent with the Land Use Plan in the Comprehensive Plan. A proposed Conditional Zoning District is deemed consistent if the proposed District will be located in conformance with an adopted small area plan and/or in one of the following Land Use Categories:

- Medium Residential
- High Residential
- Commercial
- Mixed Use, Office/Commercial Emphasis
- Mixed Use, Office Emphasis
- Town/Village Center
- Institutional
- Office
- University
- Development Opportunity Area
- Light Industrial Opportunity Area

This proposed change prevents conditional zoning districts from locating in a Low Residential or a Rural Residential Land Use Category, unless the Town Council reviews and approves a Land Use Plan amendment as discussed below

2. Because the Town may receive conditional zoning applications that are not consistent with the Land Use Plan, proposed amendments provide a process for amending the Land Use Plan. This process is similar to the process for a general rezoning and includes standards for evaluating the proposed Land Use Plan amendment.

**C. Miscellaneous Considerations:**

1. When the Council considered these amendments at the public hearing in [February](#)<sup>1</sup>, staff discussed the appropriateness of the existing encouragement for applications to comply with the Architecture 2030 Challenge. Pursuant to the discussions on

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<sup>1</sup> <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3346656&GUID=B12E6890-A643-4D77-8404-CC5AF41DC928&Options=&Search=>

# Staff Memorandum

Business Meeting – 03/21/2018



- February 21, 2018, the revised Ordinance before the Council does not include the deletion of the Architecture 2030 Challenge. As a result, this encouragement will remain and go into effect on April 1, 2018.
2. During that discussion in February, Council asked that staff formalize their request to discuss with an applicant the Council's preferred development review tool, for the application under review, during Concept Plan Review. If the Council wishes, Staff can include a reminder, in Concept Plan presentation and agenda materials, that Council may express to the applicant their preference for the most appropriate development review process. In addition, adoption of Resolution D, would formalize Council's desire to advise applicants of their preferred development review option during Concept Plan Review.
  3. The existing Fee Schedule does not include a fee for Conditional Zoning District and Land Use Plan Amendment applications. Consequently, an amendment to the Fee Schedule is necessary at this time. For Conditional Zoning District applications, the proposed fees mirror those of for a Special Use Permit. The proposed fee for a Land Use Plan amendment is the same as the current fee for a general use rezoning.

## **Amendments to the LUMO**

Section 4.4 of the Land Use Management Ordinance states as follows:

In order to establish and maintain sound, stable, and desirable development within the planning jurisdiction of the town is it intended that, this appendix shall not be amended except:

- a) To correct a manifest error in the appendix, or
- b) Because of changed or changing conditions in a particular area or in the jurisdiction generally, or
- c) To achieve the purposes of the comprehensive plan.

It is further intended that, if amended, this appendix be amended only as reasonably necessary to the promotion of the public health, safety, or general welfare, and in conformance with the comprehensive plan.

- For the following amendment, staff believes that the proposed amendment corrects an error in the appendix:
  - a) The amendment clarifying that only in the Innovative, Light Industrial District may the Council enact a conditional zoning district at the same meeting as the initial public hearing.



# Staff Memorandum

Business Meeting – 03/21/2018

- For the remaining amendments that require conditional zoning districts to conform to the Land Use Plan and permit amendments to the Land Use Plan, these amendments achieve the purposes of *Chapel Hill 2020*. *Chapel Hill 2020* states:

“The focus of the Chapel Hill 2020 comprehensive plan is to map how the community can balance responding to change with protecting what the community values. The community’s goal is to purposefully identify and seize opportunities, respond to and correct negative trends, and embrace positive change while preserving the community’s fundamental character, values, and identity.”

Requiring conditional zoning districts to conform to the Land Use Plan but also permitting that Plan to be amended allows the Town to “balance responding to change with protecting what the community values.” These proposed amendments also provide an intentional opportunity for the Town to “purposefully identify and seize opportunities” and to think beyond the boundaries of the proposed conditional zoning district to think critically about how the proposal impacts the Town as a whole.

- In terms of the conformance with the comprehensive plan, amending the LUMO to provide for thoughtful changes to the Land Use Plan would be in conformance with the following goals found in:

#### **Theme 4: Good Places, New Spaces:**

- A development decision-making process that provides clarity and consistency with the goals of the Chapel Hill 2020 comprehensive plan (GPNS.3)
- A community that welcomes and supports change and creativity (GPNS.6)

#### **Theme 1: A Place for Everyone**

- A community of high civic engagement and participation

### **Conclusion**

The Council has an opportunity this evening to receive further public input, to ask questions and, if it chooses, to enact the propose amendments to the Land Use Management Ordinance as well as the amendment to the Fee Schedule.

RESOLUTION A  
(Resolution of Consistency)

A RESOLUTION FINDING THAT PROPOSED AMENDMENTS TO ARTICLES 3 AND 4 OF THE CHAPEL HILL LAND USE MANAGEMENT ORDINANCE TO MODIFY CONDITIONAL ZONING PROVISIONS ARE CONSISTENT WITH THE COMPREHENSIVE PLAN (2018-03-21/R-5)

WHEREAS, the Council of the Town of Chapel Hill adopted an Ordinance on November 29, 2017 amending Articles 3 and 4 of the Land Use Management Ordinance to expand the use of Conditional Zoning; and

WHEREAS, the Planning Commission reviewed the draft text amendments to modify the Conditional Zoning provisions in the Land Use Management Ordinance on February 6, 2018 and February 20, 2018 and recommended that the Council enact the text amendments at its meeting on February 20, 2018; and

WHEREAS, the Council of the Town of Chapel Hill has considered the proposal to amend the Land Use Management Ordinance to modify Conditional Zoning provisions and finds that the amendment, if enacted, is reasonable and in the public's interest and is warranted to achieve the purposes of the Comprehensive Plan, as explained by, but not limited to, the following goals of the Comprehensive Plan:

- A development decision-making process that provides clarity and consistency with the goals of the Chapel Hill 2020 comprehensive plan (GPNS.3)
- A community that welcomes and supports change and creativity (GPNS.6)
- A community of high civic engagement and participation (PFE.5)

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby finds the proposed Land Use Management Text Amendments to be reasonable, in the public interest, and consistent with the Town's Comprehensive Plan.

This the 21<sup>st</sup> day of March, 2018.

AN ORDINANCE AMENDING ARTICLES 3 AND 4 OF THE LAND USE MANAGEMENT ORDINANCE RELATED TO CONDITIONAL ZONING (2018-03-21/O-1)

BE IT ORDAINED by the Council of the Town of Chapel Hill as follows:

Section 1 – Article 3. Section 3.1.4 is hereby amended to read as follows:

“Conditional Zoning Districts, other than the LI-CZD, may be established by the town council approval of a conditional zoning district pursuant to the procedures established in section 4.4.5 of this Appendix, provided the Conditional Zoning District is deemed consistent with the Land Use Plan in the Comprehensive Plan by locating in conformance with an adopted small area plan and/or in one of the following Land Use Categories:

Medium Residential  
High Residential  
Commercial  
Mixed Use, Office/Commercial Emphasis  
Mixed Use, Office Emphasis  
Town/Village Center  
Institutional  
Office  
University  
Development Opportunity Area  
Light Industrial Opportunity Area”

Section 2 – Section 4.2 is hereby amended to read as follows:

“Purpose statement: The purpose of this section is to prescribe uniform procedures for the establishment and amendment of the comprehensive plan.

- a) Process. The town council shall adopt and maintain a comprehensive plan for Chapel Hill. Amendments to the comprehensive plan, or a new comprehensive plan, shall be prepared by the planning commission with assistance from the town manager and approved, modified, or rejected by the town council. The comprehensive plan shall be used as a guide for decision-making.
- b) Schedule for updates. The comprehensive plan may be amended at the discretion of the town council and as provided for in this Section 4.2.”
- c) “Town council action on applications. When applications for a Conditional Zoning District are inconsistent with the Land Use Plan in the Comprehensive Plan, the town council may consider an amendment to the Land Use Plan pursuant to the procedures for a general rezoning in subsection 4.4.2 (a) – (f) (2) and 4.4.2 (k) (1). When considering such an amendment to the Land Use Plan, the town council shall review the record of the public hearing, the planning commission’s recommendation and the town manager’s report and shall approve or deny the application based on

the following:

- (1) The proposed amendment is consistent with the goals and policies in the Comprehensive Plan;
- (2) The proposed amendment addresses significantly changed conditions since the last time the Land Use Plan was adopted and/or amended with significantly changed conditions being defined as demonstrating evidence of change such as unanticipated consequences of an adopted policy, and/or changed conditions on the subject property or its surrounding area;
- (3) The subject property is suitable for development in general conformance with adjacent land use and the existing surrounding development pattern or patterns as envisioned in adopted plans; and,
- (4) The proposed amendment enhances the public health, safety, and welfare of the Town." "

Section 3 – Division 4.4.3 (e) is hereby amended to read as follows:

(e) "Town manager's report to town council.

- (1) After completion of the initial public hearing, the town manager and town attorney shall review the record of the public hearing and the town manager shall prepare and submit to the town council a report containing findings as to conformity with the intent of this appendix and a recommendation for action.
- (2) Such report shall be submitted to the town council within thirty (30) days after completion of the initial public hearing, or within such further time as may be consented to by written notice from the applicant or by town council resolution. Failure of the town manager to submit a recommendation to the town council within the prescribed time limit, or extensions thereof, shall be construed as a favorable recommendation.
- ~~(3) Subdivisions (e)(1) and (e)(2) shall not be a requirement of a rezoning application to an Innovative, Light Industrial CZD. The town council, at its own discretion, may act upon a rezoning application to an Innovative, Light Industrial CZD at the same meeting at which it conducts an initial public hearing on the application.~~

"Notwithstanding subsection (e)(1), the town council may act upon a rezoning application to an Innovative, Light Industrial CZD at the same meeting at which it conducts an initial public hearing on the application, in which case a report from the town manager pursuant to subsection (e)(1) shall not be required." "

Section 15 - This Ordinance shall take effect on April 1, 2018

This the 21<sup>st</sup> day of March, 2018.



## RESOLUTION B

(Denying the Land Use Management Ordinance Text Amendment proposal)

A RESOLUTION DENYING THE PROPOSED AMENDMENTS TO ARTICLES 3 AND 4 OF THE CHAPEL HILL LAND USE MANAGEMENT ORDINANCE TO MODIFY CONDITIONAL ZONING PROVISIONS (2018-03-21/R-6)

WHEREAS, the Council of the Town of Chapel Hill has considered the amendments to the Land Use Management Ordinance to modify conditional zoning provisions and fails to find that the amendment:

- a) Corrects a manifest error in the appendix; or
- b) Is justified because of changed or changing conditions in a particular area or in the jurisdiction generally; or
- c) Achieves the purposes of the comprehensive plan.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby denies the proposed amendments to the Land Use Management Ordinance to modify the conditional zoning provisions.

This the 21st day of March, 2018.

RESOLUTION C  
(Approving the Fee Schedule Amendment proposal)

A RESOLUTION TO AMEND THE FEE SCHEDULE ADOPTED FOR FISCAL YEAR 2017-18 (2018-03-21/R-7)

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby adopts the following additions as amendment to the Planning user fee policies and schedules as adopted on June 12, 2017, as follows:

Conditional Zoning District:	
Conditional Zoning or Modification	\$7,785 + \$30/100 sq. ft.*
Extension, Renewal, Minor Change, Abandonment, or Revocation	\$1,200
Land Use Plan Amendment:	\$1,200 plus \$60 / acre

This the 21st day of March, 2018.

\* Based on square footage of floor area

(Council Expresses Preferred Development Review Process during Concept Plan Review)

A RESOLUTION STATING THAT THE COUNCIL MAY ADVISE APPLICANTS DURING CONCEPT PLAN REVIEW OF COUNCIL'S PREFERRED DEVELOPMENT REVIEW PROCESS (2018-03-21/R-8)

WHEREAS, Chapel Hill's Land Use Management Ordinance includes multiple development plan review options including Conditional Use Zoning in combination with a Special Use Permit, Conditional Zoning Districts, and Development Agreements; and

WHEREAS, Chapel Hill's Land Use Management Ordinance includes Concept Plan Review which provides "an opportunity for Town Council...to review and evaluate...major development proposal[s]."

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel that the Town Council members may advise applicants of their preferred development review options during Concept Plan review.

This the 21<sup>st</sup> day of March, 2018.

## PLANNING COMMISSION

*The charge of the Planning Commission is to assist the Council in achieving the Town's Comprehensive Plan for orderly growth and development by analyzing, evaluating, and recommending responsible town policies, ordinances, and planning standards that manage land use and involving the community in long-range planning.*

### A RESOLUTION FINDING THAT PROPOSED AMENDMENTS TO ARTICLES 3 AND 4 OF THE CHAPEL HILL LAND USE MANAGEMENT ORDINANCE TO MODIFY CONDITIONAL ZONING PROVISIONS ARE CONSISTENT WITH THE COMPREHENSIVE PLAN (XXXX-XX-XX/R-#)

**February 20, 2018**

**Recommendation:**    **Approval**        **Approval with Conditions**        **Denial**   

**Motion:**        Amy Ryan moved and Melissa McCullough seconded a motion to recommend the adoption of the Resolution of Consistency with the 2020 Comprehensive Plan.

**Vote:**            8 – 0

**Ayes:**        Neal Bench, Michael Everhart, John Rees (Vice-Chair), Louie Rivers, Elizabeth Webber, Melissa McCullough, Katherine Roberts, Amy Ryan (Chair).

**Nays:**        None

Prepared by: Alisa Duffey Rogers, Planning and Development Services Staff

## PLANNING COMMISSION

*The charge of the Planning Commission is to assist the Council in achieving the Town's Comprehensive Plan for orderly growth and development by analyzing, evaluating, and recommending responsible town policies, ordinances, and planning standards that manage land use and involving the community in long-range planning.*

### RECOMMENDATION OF AN ORDINANCE AMENDING ARTICLES 3 AND 4 OF THE LAND USE MANAGEMENT ORDINANCE RELATED TO CONDITIONAL ZONING November 21, 2017

**Recommendation:**    **Approval**        **Approval with Conditions**        **Denial**   

**Motion:**        Amy Ryan moved and Michael Everhart seconded a motion to recommend an ordinance amending Articles 3 and 4 of the Land Use Management Ordinance Modifying Conditional Zoning Provisions with the following alterations:

Modifications:

1. That the encouragement for compliance with Architectural 2020 be retained.

**Vote:**            8 – 0

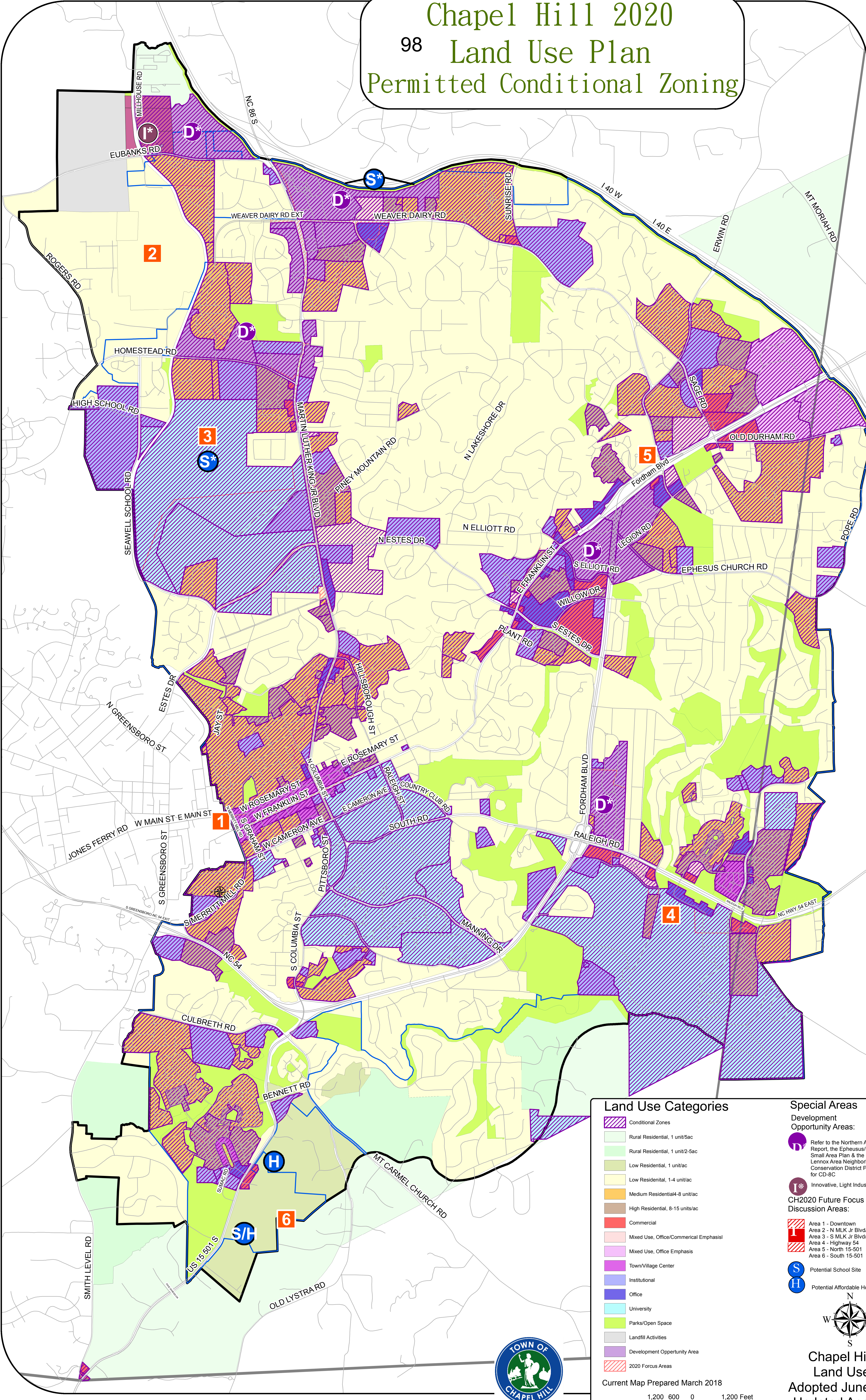
**Ayes:**        Neal Bench, Michael Everhart, John Rees (Vice-Chair), Louie Rivers, Elizabeth Webber, Melissa McCullough, Katherine Roberts, Amy Ryan (Chair).

**Nays:**         None

Prepared by: Alisa Duffey Rogers, Planning and Development Services Staff



# Chapel Hill 2020 98 Land Use Plan Permitted Conditional Zoning



<p><b>Land Use Categories</b></p> <ul style="list-style-type: none"> <li> Conditional Zones</li> <li> Rural Residential, 1 unit/5ac</li> <li> Rural Residential, 1 unit/2-5ac</li> <li> Low Residential, 1 unit/ac</li> <li> Low Residential, 1-4 unit/ac</li> <li> Medium Residential 4-8 unit/ac</li> <li> High Residential, 8-15 units/ac</li> <li> Commercial</li> <li> Mixed Use, Office/Commercial Emphasis</li> <li> Mixed Use, Office Emphasis</li> <li> Town/Village Center</li> <li> Institutional</li> <li> Office</li> <li> University</li> <li> Parks/Open Space</li> <li> Landfill Activities</li> <li> Development Opportunity Area</li> <li> 2020 Focus Areas</li> </ul>	<p><b>Special Areas</b></p> <p><b>Development Opportunity Areas:</b></p> <ul style="list-style-type: none"> <li> Refer to the Northern Area T.F. Report, the Ephesus/Fordham Small Area Plan &amp; the Glen Lennox Area Neighborhood Conservation District Plan for CD-8C</li> <li> Innovative, Light Industrial Opportunity Area</li> </ul> <p><b>CH2020 Future Focus Discussion Areas:</b></p> <ul style="list-style-type: none"> <li> Area 1 - Downtown</li> <li> Area 2 - N MLK Jr Blvd/40</li> <li> Area 3 - S MLK Jr Blvd/ Homestead to Estes Dr</li> <li> Area 4 - Highway 54</li> <li> Area 5 - North 15-501</li> <li> Area 6 - South 15-501</li> </ul> <p> Potential School Site</p> <p> Potential Affordable Housing Site</p>
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Chapel Hill 2020  
Land Use Plan  
Adopted June 25, 2012  
Updated April 5, 2017

Current Map Prepared March 2018

1,200 600 0 1,200 Feet







## Item Overview

**Item #:** 9., **File #:** [18-0243], **Version:** 1

**Meeting Date:** 3/21/2018

### **Consider a Process for Recruiting and Selecting Community Members to Participate in the Town Manager Assessment Center.**

**Staff:**

Pam Hemminger, Mayor

**Department:**

Town Council

**Overview:** On January 24, 2018, the Council authorized the Mayor to execute a contract with Developmental Associates to search for a Town Manager. At its February 14, 2018 business meeting, Council offered input as part of Developmental Associates' job and organizational analysis and reviewed steps in the recruitment, selection, and screening process. One of those steps is to recruit four to six community members to participate in an assessment center scheduled for May 31 and June 1, 2018. Anyone participating in the assessment center must complete a Statement of Confidentiality and will receive training on how to apply behavioral-based rating systems when evaluating candidates.

☆ **Recommendation(s):**

That the Council approve a process for recruiting and selecting community members to participate in the Town Manager assessment center process; and that, in the interest of timely appointments, a Council Committee be selected and authorized to recommend four to six community members for appointment by the full Council on May 2, 2018.

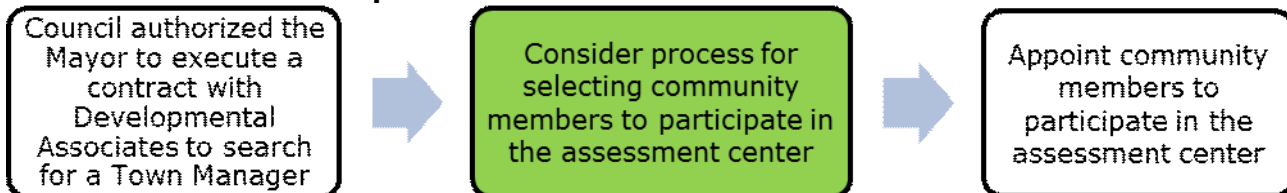
**Decision Points:**

- Approve a process to recruit and select community members to participate in the assessment center
- Select three Council members to serve on a committee to review applications and make a recommendation







**Key Issues:**

- The Council wishes to appoint between four and six community members with a spectrum of viewpoints representing the diversity of the community.
- Prospective participants must be willing to commit to attending the assessment center on both May 31 and June 1, 2018 and agree to keep candidate information confidential.

**Where is this item in its process?**



**Council Goals:**

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input checked="" type="checkbox"/>		Develop Good Places, New Spaces
<input checked="" type="checkbox"/>		Support Community Prosperity	<input checked="" type="checkbox"/>		Nurture Our Community
<input checked="" type="checkbox"/>		Facilitate Getting Around	<input checked="" type="checkbox"/>		Grow Town and Gown Collaboration

**Attachments:**

- Resolution
- Staff Memorandum
- Draft Application



**A RESOLUTION TO APPROVE A PROCESS FOR RECRUITING AND SELECTING COMMUNITY MEMBERS TO PARTICIPATE IN THE TOWN MANAGER ASSESSMENT CENTER (2018-03-21/R-9)**

WHEREAS, on January 24, 2018, the Council authorized the Mayor to execute a contract with Developmental Associates to search for a Town Manager; and

WHEREAS, the Council wishes to recruit between four and six community members to participate in the Town Manager assessment center; and

WHEREAS, the Council may appoint additional or different community members as needed.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council approves the plan submitted by the Mayor on March 21, 2018 to solicit applications from community members to participate in the assessment center on May 31 and June 1, 2018.

BE IT FURTHER RESOLVED that the Council selects \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ to serve on a committee to review applications and make a recommendation of up to six community members to participate in the assessment center.

BE IT FURTHER RESOLVED that the Mayor will return to the Council on May 2<sup>nd</sup> with a list of those communicating their interest.

BE IT FURTHER RESOLVED that these appointed community members shall have met their charge after participating in the assessment center on May 31 and June 1, 2018, unless the Council determines otherwise.

This the 21<sup>st</sup> day of March, 2018.

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

PRESENTER: Pam Hemminger, Mayor

RECOMMENDATION: That the Council approve a process for recruiting and selecting community members to participate in the Town Manager assessment center process; and that, in the interest of timely appointments, a Council Committee be selected and authorized to recommend four to six community members for appointment by the full Council on May 2, 2018.

# Staff Memorandum

Business Meeting – 03/21/2018



Overview: On January 24, 2018, the Council passed a resolution ([2018-01-24/R-14](#)) authorizing the Mayor to execute a contract with Developmental Associates to search for a Town Manager. The Town Manager recruitment and selection process includes the appointment of four to six community members to participate in a candidate assessment center.



## Recommendations:

Recommendation: That the Council approve the process for recruiting and selecting between four and six community members to participate in the assessment center.

Recommendation: That a Council Committee be selected and authorized to recommend four to six community members for appointment by the full Council on May 2, 2018.

## Community Member Charge:

The following charge includes input from the consultant, as reflected in the proposed steps for recruitment and selection of a new Town Manager provided to the Council at its February 14, 2018 meeting.

1. Complete a Statement of Confidentiality;
2. Attend both days of the assessment center from 8:30 a.m. to 5:00 p.m. on both May 31 and June 1, 2018;
3. Work on a team with assessors who are local government leaders from other communities to facilitate one of four exercises; and
4. Observe and rate candidate performance and, in some cases, serve as a role player.

Assessors will receive training on how to apply behavioral-based rating systems.

In the interest of providing a clear timeframe for volunteers participating in the Town Manager assessment center process, these appointed community members shall have met their charge after participating in both days of the assessment center on May 31 and June 1, 2018, unless the Council determines otherwise.

## Appointment Process:

The Council will confirm appointments to the task force at a regular meeting, likely May 2, 2018.

- Week of March 26, 2018: Town staff solicits applications from community members to participate in the Town Manager assessment center through eNews, social media, and targeted recruitment efforts; staff will be available to assist community members with the application process.
- Applications accepted through Monday, April 16, 2018.
- Week of April 16, 2018: A Council Committee meets to review applications and make a recommendation for the appointment of four to six community members to participate in the assessment center.
- May 2, 2018: At its regular business meeting, Council approves or proposes modifications to the Council Committee's recommendation.
- May 3, 2018: Applicants notified about selection.

# Staff Memorandum

Business Meeting – 03/21/2018



- May 31 and June 1, 2018: Appointed community members participate in the Town Manager assessment center.

## Application for Participation in the Town Manager Assessment Center

The Town of Chapel Hill is hiring a new Town Manager. In an effort to get the best information about candidates, the Town will be using an assessment center process on May 31 and June 1, 2018. An assessment center provides the opportunity for a team of assessors to view the candidates in simulated scenarios a town manager will face. In addition, there is typically a writing exercise and interview. Assessors from each scenario report back to a review committee where the information is analyzed and a recommendation made about the candidates moving to the next step in the hiring process.

The Town Council is interested in selecting between four and six community members to serve as assessors during the two-day assessment center. Community members must be available to serve on both days.

\* Required

1. Are you available between 8:30 a.m. and 5:00 p.m. on both May 31 and June 1, 2018? \*
- Mark only one oval.

Yes

No

### Public Records Statement

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2. I acknowledge that all information submitted in this application becomes a public record and will be searchable online. The Town is not able to remove information from the public record once it has been posted. \*
- Check all that apply.

I agree

### Confidentiality Statement

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3. Do you agree to maintain the confidentiality of all candidates in this process? This prohibition includes, but is not limited to, co-workers, supervisors, subordinates, friends, family members, professional contacts, etc. \*
- Check all that apply.

I agree

### Personal Information

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4. First and Last Name \*

5. Street Address \*

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6. City/State/Zip \*

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7. Phone Number \*

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8. Email Address \*

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9. Do you reside within the municipal limits of the Town of Chapel Hill? \*  
Mark only one oval.

Yes

No

10. What perspective(s) would you bring as a community member participating in the assessment center process? \*

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11. Please provide a brief summary of any other relevant qualifications (skills, abilities, interests and/or experiences). \*

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12. Is there anything else you would like us to know about you and your interest in participating in the assessment center?

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## Other Demographic Information

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In order to provide balance and representation, we ask that you please provide the following information.

13. Are you a Town of Chapel Hill employee? \*

Mark only one oval.

- Yes
- No

14. Gender \*

Mark only one oval.

- Male
- Female
- Transgender
- Nonbinary
- Other
- Prefer not to answer

15. Ethnicity \*

Mark only one oval.

- African American
- American Indian or Alaskan Native
- Asian or Pacific Islander
- Hispanic
- Caucasian (Non-Hispanic)
- Other
- Unknown
- Prefer not to answer

16. Age \*

Mark only one oval.

- 18 - 24
  - 25 - 34
  - 35 - 54
  - Over 55
  - Prefer not to answer
- 

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