

01-16-2019 Town Council Meeting
Responses to Council Questions

ITEM #13: Update on the Negotiations for the Amity Station Development Agreement

Council Question: It's unclear what we are being asked to consider. Are we supposed to be considering the 3 scenarios? Could staff please provide an overview or summary and guidance on what kind of input is being sought?

Staff Response: *The applicant has proposed several scenarios that represent packages of community benefits and possible ways to help pay for them in order to outline some of the options for the Council to consider. If the Council restarts the negotiation, the scenarios could help provide the basis for developing a possible Development Agreement.*

Council Question: 80% AMI is basically market-rate affordable - is there an option to consider 60% AMI? What is the timeframe for affordability?

Staff Response: *Including some affordable units at 60% AMI could be a negotiating point if the Council decides to resume the negotiation. The applicant is proposing that the affordable units would be affordable in perpetuity.*

Council Question: Are these proposed affordable units to remain affordable in perpetuity?

Staff Response: *The applicant is proposing that the affordable units would be affordable in perpetuity.*

Council Question: Can staff please explain the rationale for solar setbacks?

Staff Response: *The rationale for solar setbacks is to require new buildings to step down in height at the edge of the buildings to help make sure they don't block light to existing structures. The solar setbacks also help with ensuring a smoother transition between buildings of different height that are adjacent to each other.*

Council Question: What is the profile of a micro unit renter?

Staff Response: *The applicant describes the profile of a micro unit renter as a young professional with his/her first job or a graduate student.*

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Council Question: Isn't tax abatement usually an incentive to encourage economic development in a less attractive site? This is prime Chapel Hill real estate. Why would we incentivize 90% market rate residential in a prime location?

Staff Response: *Staff doesn't necessarily think there is a good public policy basis for providing a tax abatement in this context, unless it helps to leverage community benefits that an applicant wouldn't be able to provide otherwise.*

Council Question: Is there a proposed timeline with a development agreement?

Staff Response: *If the Council decides to proceed with negotiations, a timeline would be developed to share with Council.*

Council Question: What would development agreement process look like?

Staff Response: *The development agreement process next steps would include additional negotiation sessions with the Amity Station Council Subcommittee as well as technical staff review. Crafting of the development agreement would be done in conjunction with the Town Attorney's office, and the document would be reviewed by Advisory Boards as well as by Council. Adoption of a development agreement would include a public hearing and action by Town Council.*

Council Question: Referring to p. 294, how was the \$75K per unit figure for affordable units calculated?

Staff Response: *The applicant ran an analysis on what the shortfall would be per unit if it developed the project entirely as affordable housing, and the result was that it would cost about \$75k per unit.*

Council Question: Referring to p. 294, how was the \$50K per space figure for incremental public parking calculated?

Staff Response: *This figure was an approximate figure based on industry knowledge provided by the applicant.*

Council Question: What is incremental public parking?

Staff Response: *Incremental public parking refers to the number of public parking spaces available out of the total amount of parking provided on site. An option to consider is an additional level of public parking.*

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Council Question: Has there been discussion or mention of square footage of affordable units and live-work units, and/or the number of bedrooms?

Staff Response: *There has been limited discussion of the size of the affordable units or live-work units, and the number of bedrooms. We would anticipate that the existing minimum standards in the Land Use Management Ordinance would be considered.*

Land Use Management Ordinance Section 3.10

<i>Unit Type</i>	<i>Attached Units</i>	<i>Detached Units</i>
<i>Efficiency apartment</i>	<i>500*</i>	<i>-</i>
<i>1 Bedroom</i>	<i>700*</i>	<i>1000*</i>
<i>2 Bedroom</i>	<i>850*</i>	<i>1100*</i>
<i>3 Bedroom</i>	<i>1100*</i>	<i>1200*</i>
<i>4 or more Bedroom</i>	<i>1200* plus 250 square feet per additional bedroom above 4*</i>	<i>1300* plus 285 square feet per additional bedroom above 4*</i>

**If unrestricted, market rate units in a building are constructed at sizes below those stated in Table 3.10.2, the minimum floor area for affordable units may be reduced to the size of such comparable unrestricted units in the building.*

Council Question: Regarding applicant benefits (i.e. additional density), how is the value of \$46K per unit calculated?

Staff Response: *The applicant ran an analysis of the project using only market-rate units to estimate the value of each additional market-rate unit that might be allowed through a density bonus. The result was an estimate of \$46k per unit, once the actual cost of construction was factored in.*

Council Question: In the scenarios given on pages 297 thru 302 of the packet, what is meant by “height impacts”?

Staff Response: *The “height impacts” refers to the possible impacts on surrounding development of an additional story above the 4-story limit identified in the West Rosemary Street Design Guidelines. This is one option under consideration as a way to help fund community benefits that the development could not otherwise support. The applicant team has explored scenarios with an added floor and possible exemption from or requirement for solar setbacks to help offset this impact.*