

## 01-25-2023 Town Council Meeting Responses to Council Questions

### **ITEM #13: Open the Legislative Hearing for a Land Use Management Ordinance Text Amendment - Proposed Changes to Articles 1, 3, 4, 5, 6, and 7 and Appendix A Regarding Housing Choices for a Complete Community**

#### **Council Question:**

On the assumption that TC zones are only Downtown, is it appropriate to allow townhomes, quads, etc. uniformly in all TC zones. Might it be appropriate to look more closely at Downtown and see where such housing types would make sense economically and in terms of our goals for Downtown?

#### **Staff Response:**

*The areas adjacent to Rosemary and Franklin Streets are zoned TC-1, TC-2, and TC-3. Currently the Land Use Management Ordinance (LUMO) allows multifamily dwellings of 7 or more units in all TC-zoning districts, and the current proposal seeks to allow townhouses in the same zones that allow multifamily developments. Many of the larger multifamily developments, such as Shortbread Lofts and Carolina Square, received special use permits in the past to permit large-scale multifamily development. If there is interest from Council, staff could look more closely at the TC zones to determine if all three TC-zoning districts are appropriate for townhouses.*

#### **Council Question:**

By imposing multifamily parking requirements on triplexes and quads, might the amount of land required for such parking create a disincentive for these housing types? Might it be possible to allow at least some level of on-street parking on a street-by-street basis, taking into account street variables such as width, presence of sidewalks, etc.?

#### **Staff Response:**

*Staff recognizes that on-site parking and the 0.5 impervious surface ratio may deter the creation of small multifamily residential projects on some lots. In many cases, particularly in neighborhoods near downtown, staff has heard concerns from residents about front yard parking and illegally parked cars on the street. In recognition of concerns we've heard from the community around potential adverse effects, staff's recommendation is to put the onus on the developer to provide sufficient on-site parking for residents based on the number of bedrooms. In doing so, we also minimize overcrowding of student rentals by limiting occupancy to the number of vehicles that can be parked on-site.*

*If on-site parking is not sufficient for the residents of a small multifamily development, the Town does allow residential parking permits for up to five permits per lot for those in the Town's 16 residential parking districts.*

## 01-25-2023 Town Council Meeting Responses to Council Questions

### **Council Question:**

Is the requirement that triplexes and quads be no more than 10 feet higher than the lowest building in a neighborhood likely to be make it hard to build these housing types in some neighborhoods? Perhaps average height rather than lowest or a height more than 10 feet?

### **Staff Response:**

*Staff researched several cities' infill development standards to create the proposed neighborhood context standards. If there is interest from Council, we can analyze whether basing height on the neighborhood average or the adjacent building height is more in keeping with neighborhood context.*

### **Council Question:**

Have the decisions as to the percentage of impervious surface allowed for each housing type been informed by the ongoing stormwater regulations study? If not, can they be? Might it be possible to make some of these determinations based on the degree to which a particular area of Town is either prone to flooding or contributes in a significant way to flooding elsewhere?

### **Staff Response:**

*No decisions as to the percentage of impervious surface allowed for each housing type have been informed by the ongoing stormwater regulations study. This study is currently under review by Stormwater staff and will be presented to Council in February.*

*Planning staff tied the proposed 0.5 impervious surface ratio for triplexes and fourplexes to that required for single family development. Currently multifamily development is allowed an impervious surface of 0.7. Staff recognized community concerns around larger multifamily building masses and paved areas in residential neighborhoods characterized by tree canopy coverage and green spaces.*

### **Council Question:**

Would the requirement that quads provide sidewalks add a level of expense to construction that might defeat the purpose of this work? Would sidewalk construction be required everywhere or just where there is (or is likely to be) a sidewalk network to connect to? Overall, have the various requirements being imposed on construction been tested for cost and impact on affordability of resulting units?

### **Staff Response:**

*Missing middle housing forms are intended to promote walkability. On page 225 of the packet, staff has proposed regulations that will require new triplex and fourplex developments to enhance existing street improvements by connecting to adjacent sidewalk systems and*

## 01-25-2023 Town Council Meeting Responses to Council Questions

*continuing bike lanes, greenways, and multi-modal paths along the street frontage. Where sidewalks do not already exist, no new sidewalk will be required. Sidewalks are an additional expense for developers, and we have continuously heard from developers that the costs of any additional requirements – recreation space, street improvements, etc.—are passed on to the homebuyer or renter.*

*[Land Use Management Ordinance \(LUMO\) 5.2.4](#)<sup>1</sup> also requires that any new subdivided lot shall front on a street meeting town standards including sidewalks, curbs, and gutters. Where a subdivision occurs for single-family or for other housing types, staff can require street improvements such as sidewalks.*

### **Council Question:**

I would appreciate additional detail/clarity around the inclusionary zoning changes in Wednesday's presentation?

### **Staff Response:**

*Understood. Staff are continuing to work on the best way to address inclusionary zoning and will provide an update in the presentation to Council.*

### **Council Question:**

Has the staff performed any tests of fit using actual lots (vacant or otherwise) to show what the proposed changes could actually look like? Might this be possible before the Council takes action?

### **Staff Response:**

*Yes, Planning staff has worked with Urban Designer Brian Peterson to analyze how these improvements might look on a typical R-1 or R-2 block. Brian provided an analysis of adding accessory apartments as well as missing middle housing types. These were included in [staff's presentation](#)<sup>2</sup> to Planning Commission and we can incorporate them into our Council presentation.*

### **Council Question:**

The memo notes that there are 247 neighborhoods in Chapel Hill. What criteria were used for defining neighborhoods? Does the designation of a neighborhood have any specific legal/regulatory consequences?

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<sup>1</sup>

[https://library.municode.com/nc/chapel\\_hill/codes/code\\_of\\_ordinances?nodeId=CO\\_APXALOUSMA\\_ART5DEDE-ST\\_5.2LOLAST](https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALOUSMA_ART5DEDE-ST_5.2LOLAST)

<sup>2</sup> <https://www.townofchapelhill.org/home/showpublisheddocument/52949/638096273880170000>

## 01-25-2023 Town Council Meeting Responses to Council Questions

### **Staff Response:**

*To staff's knowledge, there is no uniform definition of a neighborhood; it may be tied to a subdivision plat or development approval. Staff used the Town's GIS data layer to identify 247 neighborhoods. From there, staff is determining whether the neighborhood is single-family or multi-family. We are also researching any previous entitlements, such as master land use plan (MLUP), special use permit (SUP), or conditional zoning district (CZD).*

*We are working on an initial map that will help us determine what neighborhoods may be most capable of incorporating missing middle housing. It is important to note that this will be a preliminary identification of neighborhoods. Substantial, detailed deed research is necessary to accurately depict neighborhoods that may be inhibited by restrictive covenants.*

### **Council Question:**

On page 171, it is noted that about 85 new cottages are expected. Is this per year? On what basis was this determination made? Similarly, on page 137 it is noted that 262 new housing units per year are expected. Is this solely from these changes? On what basis was this calculation made?

### **Staff Response:**

*Staff found that on average Chapel Hill issues 262 permits per year for housing. Using other cities as our benchmark, staff used the percentage of small house-small lots, duplexes, and triplexes from Durham and Minneapolis to determine how many Chapel Hill might see. Staff is currently revising this analysis, recognizing that the total number of units created in Durham and Minneapolis was over a period of several years. We will have revised calculations for our presentation on Wednesday.*

### **Council Question:**

Assuming that the Council passes the proposed changes, it would seem appropriate to evaluate their success in meeting expressed goals and ensure that there are no unintended consequences at some point. When (and how frequently) would the staff suggest such an evaluation and what metrics would they propose using?

### **Staff Response:**

*Staff agrees that it will be imperative to monitor the effects of these housing reforms. Staff would recommend that we return to Council twice a year initially to report back on the metrics achieved by these text amendments. Staff's initial proposal would be to follow Durham's lead and monitor the following related to the Housing Choices LUMOTA:*

- *Building permits issued*
- *Zoning compliance permits issued for missing middle housing types*

## 01-25-2023 Town Council Meeting Responses to Council Questions

- *Number of demolitions specifically related to missing middle housing types (i.e. removal of single family house to create missing middle housing)*
- *Zoning districts in which development is occurring*

### **Council Question:**

On p. 137, the predicted outcomes are based on a figure of 262 housing units per year – is that total units approved in the town? If so, should we be using the Complete Communities number of 450-500 units instead?

### **Staff Response:**

*Staff determined that using historical data was a sounder approach to forecasting the impacts of the proposed housing reforms. The Complete Community goal of building 450-500 units per year is a target but has not yet been sustained for an extended period of time.*

### **Council Question:**

What options would we have for enforcing occupancy limits?

### **Staff Response:**

*Town Code Enforcement staff currently enforce occupancy limits and would continue to do so. Enforcement action typically follows a complaint from a neighbor, but staff could explore options for a more proactive enforcement.*

### **Council Question:**

Are cottage courts subdivided, or are they considered a single lot with multiple dwellings?

### **Staff Response:**

*Cottage courts would be treated similar to townhouse developments. They could be a single lot with one owner containing multiple dwellings. Alternatively, each cottage could be on its own individual lot to allow for separate ownership of the lots by individuals and the common areas by a homeowners' association.*

### **Council Question:**

In many neighborhoods, existing buildings only fill a small part of the allowed building envelope, so there's a disconnect between the current built character and allowed development. How will we navigate that issue?

### **Staff Response:**

*The intent of the Neighborhood Context design standards is to encourage development that complements the neighborhood's established character. For this reason, the design standards*

## 01-25-2023 Town Council Meeting Responses to Council Questions

*focus on facades of the building – orientation of entrance, building width, roof forms, etc. We did not limit the depth of a building; however, we did propose limitations to unit sizes which would influence the overall size of a triplex or fourplex.*

**Council Question:**

Do we have any current tree canopy requirements for single-family development?

**Staff Response:**

*No. Single-family development is exempt from tree canopy requirements.*

**Council Question:**

Will the LUMO text amendment allow for ownership of individual units in a duplex, triplex or 4-plex?

**Staff Response:**

*The proposed text amendment does not regulate ownership. Missing middle housing forms may be constructed as a condo for individual owners, rental units, or owner-occupied with additional units rented.*

**Council Question:**

Would having pre-approved designs help to address the concern around a rush of new student-focused developments?

**Staff Response:**

*The proposed text amendment does not regulate who can rent these units. Staff does not believe that pre-approved designs would encourage or discourage occupancy by students.*

**Council Question:**

What limits will be in place on what can be built and where?

**Staff Response:**

*Zoning controls which types of units may be built in which zoning districts. Staff have suggested neighborhood context requirements for triplexes and fourplexes constructed in established neighborhoods as well as unit size limitations. We have also provided development standards for cottage courts.*

## 01-25-2023 Town Council Meeting Responses to Council Questions

**Council Question:**

What will keep developers from coming in and building structures out of keeping with an existing neighborhood?

**Staff Response:**

*The neighborhood context development standards are intended to limit the overall size of the buildings as well as dictate roof form, materials, fenestration patterns, and entry orientations in an effort for new triplexes and fourplexes to be of a similar mass and scale to existing residential structures when viewed from the street.*

**Council Question:**

Why won't this lead to a dramatic increase in student housing in an existing neighborhood, not middle-class housing?

**Staff Response:**

*The Land Use Management Ordinance (LUMO) cannot legally discriminate against students. The Projected Housing Needs, 2020-2040 study found that current demand for student housing was around 45 units per year. If the town continues to produce larger-scale multifamily housing in areas with easy access to UNC campus, this could limit the number of students living in neighborhoods and encourage non-students to move into the neighborhoods.*

**Council Question:**

Do you have any examples of other communities where this has worked?

**Staff Response:**

*Historically, most cities offered a variety of housing types within residential neighborhoods to accommodate the needs of families at different price points and lifestyles. Over time, zoning regulations segregated housing to prevent multifamily housing from being built adjacent to single family houses. Communities across the country are actively working on housing reforms that seek to reverse this trend. Some of the cities we've researched include:*

- *Charlotte, Durham, and Raleigh are at beginning phases of implementing missing middle housing*
- *Portland, OR*
- *Minneapolis, MN*
- *Seattle, WA*
- *Prince George County, MD*
- *Toronto, Canada*