

03-08-2023 Town Council Meeting

Responses to Council Questions

ITEM #9: Consider a Conditional Zoning Application for Aspen Chapel Hill at 701 Martin Luther King Jr Blvd. from Neighborhood Commercial (NC) and Residential-3 (R-3) to Residential-6-Conditional Zoning District (R-6-CZD)

Council Question:

Since the number of parking spaces is less than the number of units, how does the applicant plan to allocate the spaces? Will any special provisions regarding parking be made for the residents of the affordable housing units? Will parking be a separate charge? What steps, if any, does the applicant propose to ensure that parking from the building does not spill over into the neighborhood?

Staff Response:

The applicant states that parking spots will be allocated on a reserved basis with a monthly fee, but all affordable units will have a dedicated spot at no charge. While the applicant will be limited in ability to restrict parking in the neighborhood, this project will be marketed as a walkable and transit-oriented housing option with all parking reserved for a fee, so the number of residents with cars and no reserved spot should be limited. As a result of the reserved parking and onsite property management, the applicant states that residents will know well in advance of move-in that they need to plan accordingly.

Council Question:

How were the determinations regarding the number of persons to be used for calculating the AMI levels for the affordable housing units made? Are these usual and customary for other projects? Will students be eligible for the affordable housing units?

Staff Response:

The affordable housing conditions follow the formula of 1.5 persons per bedroom, which is what the NC Housing Finance Agency uses to guide maximum rents for the Low Income Housing Tax Credit program. The HAB adopted revisions to its Guiding Principles for Affordable Housing in New Rental Housing Development (attached) in September 2022 to include more specifics on the calculation of affordable rents, including the referenced formula for household and bedroom size. Staff have incorporated the revised guiding principles into their conversations with market rate developers about their affordable housing proposals.

The applicant states that affordable units are intended for adult and/or family residents of the Chapel Hill community who qualify based on the Town's requirements and AMI limits in Durham-Chapel Hill NC HUD Metro Fair Market Rent Area. If those same residents are enrolled in classes then the applicant believes they should still be allowed to qualify for the affordable housing units. However, the applicant welcomes feedback on this point.

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Council Question:

Has the developer considered bicycle parking in excess of Town requirements given the experience of other similar projects?

Staff Response:

Yes, the developer has proposed to provide bicycle parking in excess of Town requirements. Under the Land Use Management Ordinance, 1 bicycle parking space is required per 4 dwelling units, resulting in a minimum of 28 spaces for this project. At the October 19, 2022 public hearing, the developer's proposal was to provide 60 bicycle parking spaces in the project. More recently, the developer has increased the proposal to 80 bicycle parking spaces.

Council Question:

The applicant proposes modifications to accommodate a "loading area, rideshare/pick up area, transformers or utilities, and/or other similar encroachments. As a result, there may be less plantings per 100 linear feet as described in the Design Manual." Does that mean that transformers or utilities or similar mechanical equipment that is usually behind a building will be visible from the street when traveling on Longview?

Staff Response:

Yes, the plans currently include transformers along the Longview frontage, located as far away from the corner with MLK Jr. Blvd as conditions allow. While the applicant would typically prefer having those out of view, the applicant states that site constraints do not allow for placement behind the buildings due to both utility access concerns, including truck access, as well as needed density.

Staff notes that there are a number of other examples of development where transformers, utilities, and mechanical equipment are located in front of or beside a building. While not preferable for the pedestrian experience or from an aesthetic perspective, it is often necessary so that utility providers have reasonable access to the equipment. Developers provide screening (fences, landscaping, etc) to reduce the visibility of equipment from the street in these situations.

Council Question:

How is the applicant proposing to activate MLK frontage?

Staff Response:

The applicant notes that the site plan currently calls for wood decking and walkways to create pedestrian-friendly connectivity with MLK Jr. Blvd. The deck area will feature public seating, tables, etc. to create a welcoming frontage along the street. While the presence of the RCD

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limits a more built-out activated frontage on MLK, the applicant feels that this feature, along with the outdoor amenity/pool courtyard amenity opening out to the street, will create a visually appealing and welcoming frontage for both tenants and Chapel Hill residents. The applicant also proposes to clean up and landscape the RCD to reestablish its natural appeal.

Staff notes that as defined in the Future Land Use Map, activated street frontages should have buildings that engage with the street with no parking located in between. It appears the applicant's proposal meets this criteria based on the location of the main building entry, pedestrian connections, and structured parking.

Council Question:

Is this a standard practice: AMI for a given unit size shall be calculated assuming 1.5 persons per bedroom: 1 person for the studio units, 1.5 persons for the one-bedroom units, and 3 persons for the two-bedroom units?

Staff Response:

The affordable housing conditions follow the formula of 1.5 persons per bedroom, which is what the NC Housing Finance Agency uses to guide maximum rents for the Low Income Housing Tax Credit program. The HAB adopted revisions to its Guiding Principles for Affordable Housing in New Rental Housing Development (attached) in September 2022 to include more specifics on the calculation of affordable rents, including the referenced formula for household and bedroom size. Staff have incorporated the revised guiding principles into their conversations with market rate developers about their affordable housing proposals.

Council Question:

How will the parking spaces be allocated?

Staff Response:

The applicant states that parking spots will be allocated on a reserved basis with a monthly fee, but all affordable units will have a dedicated spot at no charge.

Council Question:

Will there be a charge for the community pool/fitness memberships and if so, how much? How will those memberships be advertised and allocated?

Staff Response:

Per the advice of the Town Attorney, a community membership component is no longer included as a condition of approval as it is not advisable for the Town to require owners to enter into

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private service agreements with individuals. The draft condition regarding community memberships has therefore been removed.

Council Question:

The applicant is proposing putting built floor area in the streamside RCD. Will this provide a flooding hazard for building occupants? Will adding built floor area (obstruction) in this RCD increase flood risk for nearby properties?

Staff Response:

Although Resource Conservation Districts (RCD's) often overlap with floodplains, the project site is not within a floodplain and there are no known flood risks on the site.

It is highly unlikely that the proposed encroachment into the RCD will increase flood risks for nearby properties. The development must comply with the Town's stormwater regulations, which require that post-development stormwater runoff may not exceed pre-development levels.

Council Question:

I noticed when rereading the packet that staff commented they "have concerns with creating precedent for RCD encroachments, particularly for built floor area." Interested in understanding more about these concerns.

Staff Response:

Staff understands that minimizing encroachment into the RCD is an important strategy for protecting natural resources. The report aims to provide information that may be useful for Council's consideration of the proposed Modification to Regulations for uses/activities in the RCD. In this case, the proposal appears notable in that it includes a small portion of the multifamily building encroaching into the RCD. However, it is not uncommon for encroachment requests to include other types of impervious surfaces. Staff also notes that the developer proposes to remove invasive species within the RCD, which may mitigate impacts on stream health overall.



Guiding Principles for Considering Affordable Housing in New Rental Housing Development



*Housing Advisory Board Recommendations
September 2022*

Goal

The goal is for 15% of units in new rental developments to be designated as affordable for households with an income of 60% or below of the Area Median Income (AMI).

Principles

- Affordable is defined as housing-related costs not exceeding 30% of a household's income. Calculation of housing costs should incorporate the following assumptions:
 1. Housing-related costs include rent, utilities (heat, water, sewer, electric, and gas), and other required fees.
 2. Maximum housing costs are based on the Area Median Income for the Durham-Chapel Hill, NC HUD Metro Fair Market Rent Area published annually by the U.S. Department of Housing and Urban Development [here](#).
 3. When determining housing costs for a given unit size, developers should assume a household size of 1.5 persons per bedroom. The most recent housing cost data by household size is attached as Exhibit A.
 4. Orange County publishes estimated utility costs by housing type and bedroom size annually [here](#). Developers may also propose their own project-specific utility cost estimates for the Town's consideration, along with a method of estimating anticipated cost escalation over time.
- Strong preference to receive units on site rather than payments in lieu of units or land dedication.

On-site Units

1. Units should be physically indistinguishable from and a comparable mix to the rest of the development and interspersed throughout the development.
2. Affordable for at least a 30 year period.
3. Properties to accept housing vouchers.
4. May seek partnerships with affordable housing developers to create affordable housing on-site or pursue other creative solutions to create affordable housing on-site.
5. Dedicate all affordable units to households that are not comprised entirely of full-time students.
6. Promote access to housing, including by considering extenuating circumstances for applicants, such as criminal or credit issues, or a history of evictions.

Payments-in-Lieu

1. A payment-in-lieu of affordable units on site may be considered when:
 - The applicant is able to clearly demonstrate that providing units onsite would create an unreasonable financial hardship; or
 - The applicant is able to clearly demonstrate that the payment-in-lieu would directly provide an equivalent or greater amount of affordable units in a way that better achieves the Town's affordable housing goals than providing units on-site.
2. The payment should be based on the cost to provide an equivalent number of affordable housing units off site to households at 60% AMI and below.

Land Dedication

1. The dedication of a portion of the parcel for a future affordable housing project may be considered when:
 - The applicant proposes to donate the land at no or minimal cost to an affordable housing development partner.
 - The applicant proposes to complete and/or pay for construction of site infrastructure up to the parcel dedicated for affordable housing development.
 - The site will receive a competitive site score for 9% Low Income Housing Tax Credits or the applicant documents a viable pathway to financing the affordable project.
2. The applicant should document that the dedicated land can support the construction of affordable units that equate to at least 15% of the market-rate units the applicant is proposing.