



Gateway: 19 E. Lakeview Drive - Conditional Zoning

Staff: Britany Waddell, Judy Johnson, Corey Liles, Charnika Harrell

Town Council Meeting Date: November 15, 2023

Manager Recommendation

<input checked="" type="checkbox"/>	The Town Manager recommends approval of the project and approval of all requested modifications to regulations , subject to the conditions in Ordinance A.
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Updates since October 11, 2023, Legislative Hearing

- Affordable Housing Plan:** At the October 11, 2023 hearing, the applicant presented two affordable housing options to Council. The first option was a Low-Income Housing Tax Credit (LIHTC) project for up to 72 units and a land donation if funding wasn't obtained after five years. The second option was for the applicant to build 24 units with the rest of the development. Council favored the option that yielded more affordable units and asked the applicant to consider an alternative to a land donation. Council also asked the applicant to provide more information on what applying for LIHTC funding looks like for Durham County projects.

Response: The applicant intends to move forward with the LIHTC project for up to 72 affordable units. They also provided the attached letter from a LIHTC developer supporting the viability of the project, along with a draft Qualified Allocation Plan (QAP) scoring of the project.

Affordable Housing staff support the LIHTC project because of the opportunity to build a substantial number of affordable units that will likely exceed the Housing Advisory Board's (HAB) Guiding Principles for Rental Development. Staff acknowledge that this project depends on competitive tax credit financing but believe it's a strong candidate (see attached Draft 2023 QAP Score Sheet). If LIHTC funding isn't awarded and the land is donated, staff is concerned that development of any affordable units would depend on gap financing from the Town.

Currently, a land donation to the Town or an affordable housing provider remains the alternative option if LIHTC funding isn't awarded. The Revised Ordinance has affordable housing conditions for the LIHTC project and land donation. The land donation conditions are intended to give the Town or an affordable housing provider more flexibility in designing an affordable housing project. The number of affordable units can be as low as 24 to accommodate different housing types.

The applicant has met with potential affordable housing providers about developing affordable units at a lower density and without tax credits. The applicant will provide more information on the land donation scenario at the November 15 meeting.

- Connectivity:** The Council asked the applicant to consider adding a path connection in the northeastern corner to the recently approved Chapel Hill Crossings property. They also expressed concern with connectivity within the site and how residents can travel between buildings by bike or on foot.

Response: The applicant commits to continuing the 10-foot-wide multiuse path from the southern property boundary down to Old Chapel Hill Road as an extension of Street B. The applicant also commits to constructing a pedestrian path in the northeastern corner that connects to the Chapel Hill Crossings project. See Condition 10 for pedestrian improvements and Condition 11 for multiuse paths.

3. **Impervious Surface:** The Council asked the applicant to consider reducing the amount of impervious surface, specifically by considering area used for surface parking.

Response: The applicant indicated they are working to address concerns but have not amended the plan at this time.

4. **Commercial Space:** The Council asked the applicant to consider incorporating commercial space into the project.

Response: The applicant noted that the community green with food truck programming will provide pop-up retail opportunities. In addition, adult and child day care facilities have been listed as allowed uses in the Revised Ordinance.

Staff find that mobile retail/dining is allowed on the site for an event or otherwise on a temporary basis, as that wouldn't be a 'use' regulated by the Land Use Management Ordinance (LUMO). A more permanent food truck operation isn't an allowed use in the Residential-6 (R-6) zoning district.

5. **Electric Vehicle (EV) Parking:** The Council asked the applicant to consider installing more EV-charging stations.

Response: Three percent of parking spaces must be served by EV-charging stations and 50 percent of spaces must be designed to be EV-ready. No changes have been made to Condition 3 of the Revised Ordinance.

6. **Recreation Space:** The Council asked the applicant to incorporate more inclusive and family-oriented recreation amenities.

Response: The applicant has agreed to add a playground (see Condition 29). The applicant will provide more information at the November 15 meeting.

7. **Modifications to Regulations:** The applicant has asked for additional modifications to regulations to accommodate providing adequate emergency vehicle access (see Revised Modifications to Regulations). The applicant asked for the following modifications:
- Increase the maximum allowed floor area from 506,669 square feet to 650,000 square feet.
 - Allow understory trees in interior islands of the parking lots.
 - Allow parking spaces to be farther than 75 feet from the trunk of a canopy tree.

In discussing the modifications with staff, the applicant advised that at least 586,485 square feet of floor area was needed.

Staff support the additional modifications to parking lot landscaping standards. Staff support a maximum floor area of 586,485 square feet. The increased floor area does not result in any changes to the impervious surface limit, building height limit, number of permitted dwelling units, or other land use intensity regulations established in Condition 3 of the Revised Ordinance.


The applicant will provide more information about the additional modifications at the November 15 meeting.

Project Overview



- Thomas & Hutton, on behalf of developers NorthView Partners and Bryan Properties, on behalf of JTCIV LLC, Redwing Joco LLC, and APL Capital LLC are asking to rezone 18 properties from Residential-1 (R-1) to Residential-6-Conditional Zoning District (R-6-CZD). The properties are located between E. Lakeview Drive and N. White Oak Drive.
- Most of the site is in Durham County but within Chapel Hill's jurisdiction.
- The applicant proposes a residential development that consists of up to 388 multifamily units, including up to 72 affordable units. A range of 300-316 market-rate units is proposed.
- Proposed building heights will be up to 4 stories.
- The affordable housing plan consists of a Low-Income Housing Tax Credit (LIHTC) project for up to 72 affordable units and a land donation.
 - The applicant will apply for LIHTC funding for five consecutive years for a project consisting of up to 72 affordable units (23 percent of market-rate units). The units will be reserved for households with an average of 60 percent or less of the Area Median Income (AMI), with a maximum of 80 percent.
 - The applicant will donate a 1.7-acre parcel, including supporting infrastructure, if LIHTC funding isn't obtained.

Summary of Comprehensive Plan Consistency

Viewed through the holistic lens of the [Complete Community Strategy](#), this project **meets the Town's strategy for growth**. No single issue raised below should be considered in isolation.

☒ Consistent  Somewhat Consistent ☐ Not Consistent

<input checked="" type="checkbox"/>	Chapel Hill will direct growth to <u>greenways, transit corridors, large infill sites with existing infrastructure, and smaller infill sites.</u>	
	<ul style="list-style-type: none">• Infill of existing single-family lots and other vacant lots next to developed land that is well-served by existing infrastructure.	
<input checked="" type="checkbox"/>	Goal 1: Plan for the Future Strategically	Comprehensive Plan Elements: <ul style="list-style-type: none">• Future Land Use Map (FLUM)• Shaping Our Future
	<ul style="list-style-type: none">• The proposed multifamily residential use is consistent with the FLUM guidance for Sub-Area A of the North 15-501 Corridor Focus Area.• The applicant proposes up to 72 affordable units.• The applicant was involved in the Parkline East planning effort, which focused on interconnections between multiple proposed projects in the area.	
<input checked="" type="checkbox"/>	Goal 2: Expand and Deliver New Greenways for Everyday Life	Comprehensive Plan Elements: <ul style="list-style-type: none">• Mobility & Connectivity Plan• Connected Roads Plan

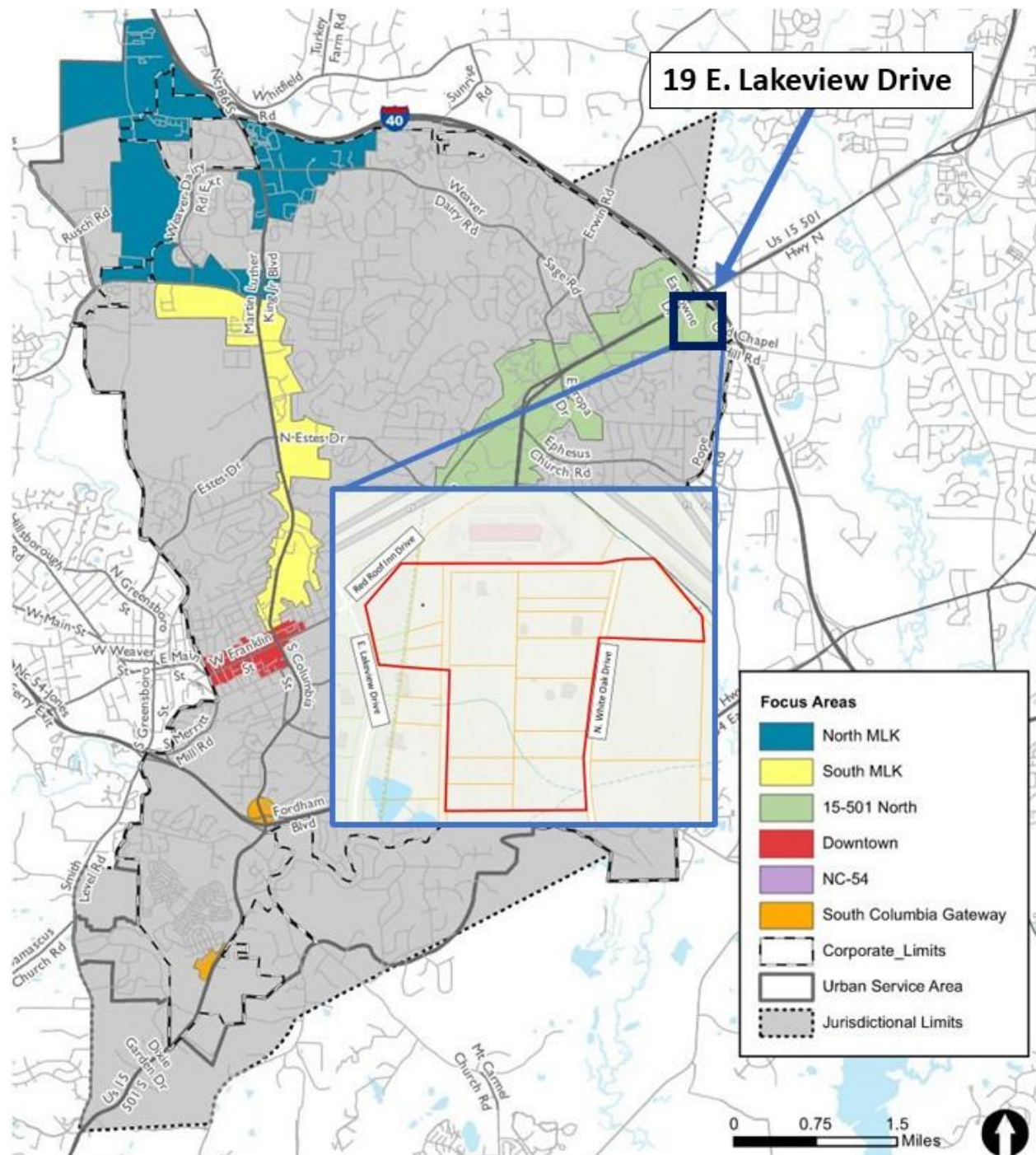
<ul style="list-style-type: none">As part of the Parkline East planning effort, multiple greenways and multiuse paths are anticipated for this area. This project includes multiuse paths along its north, south, and east boundaries that will contribute to this future network.		
	Goal 3: Be Green and Provide Housing	Comprehensive Plan Elements: <ul style="list-style-type: none">Climate Action & Response Plan
<ul style="list-style-type: none">The project provides up to 388 dwelling units.Stormwater facilities will be designed to accommodate 100-year storm events.The project provides electric vehicle (EV) parking spaces.The applicant has made climate action commitments that meet Town expectations.		
	Goal 4: Plan for Excellence in the Public Realm and Placemaking	
<ul style="list-style-type: none">The applicant has worked extensively with the Town's Urban Designer and Planning Department staff to create a framework for future development in the area. The proposed site design contributes to that framework.		

Public Engagement

Members of the public identified areas of concern noted below. Engagement related to this project has included one virtual public information meeting.

Residents commented on whether the development provides adequate sidewalks, manages stormwater, and addresses traffic concerns.

Project Location



Attachments

Ordinance and Resolutions

1. Resolution A – Consistency and Reasonableness
2. Revised Ordinance A – Approving the Application
3. Resolution B – Denying the Application

Applicant Materials

4. Draft Application Presentation
5. District-Specific Site Plan
6. Taft Mills Letter for Low-Income Housing Tax Credit (LIHTC) Affordable Housing Proposal
7. Gateway Draft 2023 Qualified Allocation Plan (QAP) Score Sheet
8. Revised Modifications to Regulations
9. Link to [Applicant Materials from October 11, 2023 Hearing](#)