

# **Independent Senior Living Facility**

## **WRITTEN NARRATIVE**

### **SITE DESCRIPTION**

The subject parcel is located on 15.76 acres located at 2217 Homestead Road in Chapel Hill, North Carolina. It currently has one single family residence. The portion of the site with visibility to Homestead road is partially wooded, but mostly is lawn and residential garden with a gravel driveway. There is a storage shed towards the mid-portion of the site. The rear nearly 8 acres of the site is completely wooded in primarily mature hardwoods. The site is bordered on the north by Homestead Road, and on the east and south by the University of North Carolina's North Campus property which is vacant and is being used for public trails and park. The property on the west boundary is currently under construction with a single family age-restricted residential development. The site has vehicular access to Homestead Road and the age restricted development to the west has stubbed out one of its internal roads to the common property line. The University property bounding the south and east lot lines are designated as Permanent Open Space and allow for the Gross Land Area (GLA) to maximize at Net Land Area plus 10%.

The property gently slopes towards Homestead Road. There is no Resource Conservation District, Jordan Buffer, perennial or ephemeral streams on the property per a stream determination performed by the Town of Chapel Hill. The property is currently zoned R-2 and this Special Use Permit and Rezoning is requesting a re-zoning to R-5.

### **PROPOSED DEVELOPMENT**

#### **BUILDING**

The proposed use is a 190 unit residential for-rent apartment development. The units are age restricted to tenants over the age of 55. The project will include a single four story building of approximately 250,000 SF. There will be 109 one bedroom apartments and 81 two bedroom apartments. The project also includes roughly 12,000 SF of common activity area, which includes meeting rooms, activity areas, food service and administration. All circulation and common areas are interior to the building. The building will not exceed the 60' secondary height maximum.

#### **SITE DEVELOPMENT UTILITIES AND STORMWATER**

The site development will include 254 parking spaces, of which five are ADA and three additional are ADA van accessible. There will be 38 bike storage areas included. The number of parking spaces falls within the minimum and maximum requirements of the LUMO. The bike storage has been reduced to accommodate the projected use for this population, a demographic that is less inclined to biking. As the project is a single building, the setbacks substantially exceed the required. The LUMO street setback of 20 feet on the north property line, and the LUMO solar setback of 8' also on the north is expected to be approximately 700'. The LUMO interior setback of 6' is expected to be approximately 140'. The project has approximately 503 LF of street frontage along Homestead Road. The stormwater BMP will be developed at the low point of the site bounded by Homestead Road on the north, the project entry road on the East and the adjoining property line to the west. Sewer and water will be provided by OWASA, Duke Energy is providing power, Spectrum will provide the cable and internet access.

## **RECREATION**

It is anticipated that 25% of the required recreational space will be provided as a payment in lieu, per the request of the Town. The remaining 75% will be provided on site. Total recreation space required is 37,336 SF. The on-site recreation required is therefore 28,002 SF. A pedestrian trail linking to the UNC property trailways system will be provided at 1,495 SF. Additionally, a 10' wide multi-use sidewalk and bike lane will be provided along the Homestead Road frontage, accounting for 5,033 SF. Two recreation courtyards including a pool area, outdoor yoga classroom areas, bocce courts and gathering areas in the project have a residual 22,777 SF and there is approximately 4,000 SF of interior active recreation areas in the common area which includes a fitness center, spa, game room, media room and a demonstration kitchen. Total recreation provided is approximately 33,305 SF, which well exceeds the 28,002 required square footage.

## **AFFORDABLE HOUSING**

The Applicant is requesting that the affordable housing component of the Inclusionary Zoning requirements of the LUMO be satisfied with a payment-in-lieu.

## **INDEPENDENT SENIOR LIVING**

This independent senior living facility in Chapel Hill is an age-restricted community developed as an "Active Adult" residence. This project is developed to provide a new segment of age-restricted rental housing to Chapel Hill. The design will be targeted at "active adults" ranging in age from 55 to 80+ who, while they no longer wish to care for and live in a single-family home, do not want or need the entire suite of services offered by traditional retirement communities (full-scale nursing, three daily meals, etc). Moreover, this project will specifically provide a community for local and in-migrating seniors of people in their own age cohort.

The project will offer a number of services to residents – there will be a full-time Activity Director, who will plan daily activities, from field trips to game nights to yoga classes to lecture series and much more. Additionally, the project will offer a daily brunch for residents. As each apartment will have full, chef-inspired kitchens, residents are welcome and encouraged to cook their own meals the rest of the day, or explore the restaurants in the surrounding community.

In addition to the Activity Director, the project will have a Community Director, Business Manager, two or three Leasing Professionals, a Service Supervisor, and a Service Technician, for a total of seven or eight full-time, onsite jobs. Additionally, the project will contract out several other services (janitorial, landscape maintenance, pool maintenance, trash removal, pest control, and more) that will create a significant number of other jobs.

The residents of this project remain a very active group. Whereas traditional senior housing options (CCRC's, Independent Living facilities, and Assisted Living facilities) tend to skew towards an older population, this project skews younger. While traditional senior housing generally has an average resident age ~85, this project will have an average resident age of 74. This means that residents are still of an age where they spend time and money engaging in the community – eating at restaurants, staying involved in local churches and civic organizations, many even still working! As a result, residents tend to

utilize cars at a higher rate than traditional senior housing residents – it can be expected that residents utilize their cars at a rate of approximately 1 car (and parking space) per unit. The project also intends to provide sufficient parking for guests (~0.2 cars/spaces per unit) and onsite staff (~0.1 car/space per unit), for a total target parking ratio of 1.3x spaces per unit. A portion of these spaces will be covered.

This independent senior living project represents a housing option that fills a sorely needed gap in the existing housing landscape for both existing residents and new in-migrating residents to Chapel Hill. Offering a fresh take on the senior housing model, it will give “active adults” who wish to rent a unit, but still want to live in a convenient location, an alternative. Previously, living in an age-restricted community like this would often entail moving. Offering this residential housing type to Chapel Hill, is filling a community need.

# Independent Senior Living Facility

## STATEMENT OF JUSTIFICATION

---

This project complies with the Development Ordinance and Design Guidelines. The project further complies with the 2020 Comprehensive Plan and the current zoning for the uses.

### Project Description

The project consists of developing a 15.76 acre parcel that currently has one single family residence on it. The project includes 190 apartment style rental age-restricted units, connections to existing roadway systems, new sewer and water connections to current OWASA services, grading the site for constructability stormwater management, installation of Duke Power services and cable/ internet extensions. The project intends to comply with Section 3.10.2 (e) – Inclusionary Zoning – Rental Units through an approved payment in lieu for affordable housing. A density and square footage bonus based on the provision of an affordable housing payment in lieu is being pursued. The project is being proposed with a rezoning from the current R-2 to an R-5. The plan will exercise a 15% density bonus and 4400SF floor area bonus for multi-family dwellings with interior common elements.

### Compliance with the Comprehensive Plan

The sections of the 2020 Comprehensive Plan that are particularly applicable to this project focus on the need in the community to provide a variety of housing types- Big Idea number 4. We believe that providing age restricted rental housing, which is severely under-represented in this market, meets the expectations and accomplishes the goals of the 2020 Comprehensive Plan by introducing an entirely new form of housing into an already undersupplied portion of the local housing market

This project responds to the Themes and Goals in Chapter 3 of the Comprehensive Plan as follows:

1. ***A Place for Everyone*** -

Rental apartment type housing aimed at the targeted range of age restricted to 55 years old and above is a currently unmet need, fulfilling the requested goal of a diversity of housing types in Chapel Hill. This project provides that housing opportunity to Chapel Hill residents.

2. ***Community Prosperity and Engagement***

A key element in prosperity and engagement, the second theme, is “sustaining healthy neighborhoods”. This project provides new housing as a continuation of an existing (although new) neighborhood, expanding the same fabric of that age specific neighborhood in proximity to walkable surrounding amenities in the Southern Orange Senior Center and the nearby Homestead Park Aquatic Center.

### **3. *Getting Around***

Key in the Getting Around theme is linking neighborhoods to thriving greenways, sidewalks, bicycle amenities and other options. The proximity of this project to the existing University land and trail system, and the anticipated payment in lieu providing support for the continued operation of this greenway and bicycle friendly neighboring property indicates the contribution this project will make to keeping Chapel Hill greenway and park facilities thriving.

### **4. *Good Places New Spaces***

This theme talks about “balancing respect for the old with the prospect of the new”. This development respects the character of Homestead Road, and maintains an appropriate distance from the roadway that allows for the quiet residential character of Homestead Road to be maintained while providing the density and housing type that furthers the Town’s quest for housing diversity.

### **5. *Nurturing Our Community***

Environmental Sustainability and aspects of people’s interaction with the natural habitat from parks and open spaces are the focus of this theme. With the existing wooded areas surrounding it to remain, there is great opportunity for the residents to interact with the immediate natural habitat. The proximity of Homestead Park and the Senior Center on the other side of the site virtually insures that the residents will have the ability to take advantage of the Town park facilities. The basic elements of the project development centralize the construction in the middle of the site and allow for density while intentionally maintaining significant portions of the existing wooded terrain.

### **6. *Town and Gown Collaboration***

While there is direct linkage between this project and the University property, there is also every likelihood that a significant number of the residents will in some way be associated with UNC. It is not anticipated nor is it a goal of the developers that this project provide student housing, which is further underscored by the age-restriction on the project, which will limit residents to ages 55+. However, the developer intends to capitalize on the University connection by virtue of a proximate location to the University, by partnering with the University to offer guest lecturers on site, organizing field trips to attend fine arts and sporting events at the University, and generally aiming to partner with the University wherever possible to provide a rich experience for residents.

# Independent Senior Living Facility

## ENERGY MANAGEMENT PLAN

---

This Independent Senior Living Facility will achieve 10% improvements on ASHRAE energy efficiency standards. Heat pump technology used to heat and cool the apartments is the limiting factor on further gains. An energy management system will be installed in each apartment. The energy management system is a combination of a thermostatically controlled sensors and user defined set points to conserve energy when the apartment is not in use, or in off hours. Energy efficient lighting will be used throughout the building. Lighting is a combination of LED and compact florescent though LED is quickly replacing compact florescent bulbs of all types.

It is not anticipated that energy origination will be utilized on site. The apartment's roof will be a white single ply membrane with high reflectivity for solar heat gain mitigation.

During construction, ductwork will be sealed to prevent dust from settling in the duct. High efficiency filters will be used in the primary HVAC units. The project design will exceed ASHRAE and USGBC standards by requiring 100% outside makeup air to all apartments and corridors while achieving positive pressurization. Natural day lighting will be utilized. Each apartment has exterior windows and the ends of corridors will have windows. The ground floor activity areas are designed around a large expanse of window walls. Windows are high efficiency with a low E coating.

This project is committed to energy efficiency in both building and operating the project. An energy efficient building reduces the carbon foot print and reduces energy cost.

An important point of the Independent Senior Living Facility is its location near and walkable to facilities likely to be used by the residents thereby reducing automobile carbon. The building is close by the Southern Orange Senior Center and the Chapel Hill Aquatic Center. It is also on the HS bus line and close to an existing stop making use of public transportation.

# **Homestead Road Independent Senior Housing Proposal for Inclusionary Zoning compliance**

The Homestead Independent Seniors Housing project delivers points of concurrence with the Town's desire to provide housing diversity in new projects. This proposal indicates:

- Compliance with the 2020 plan for both affordable and moderately priced housing,
- The basis for a payment in lieu for this project in relation to previous similar projects, and
- Compliance with the inclusionary zoning statements in the Ordinance.

## **Project Description**

The description of the project is 190 active adult rental apartments serving exclusively a 55+ segment of the population. 109 of the units are one bedroom, 81 of the units are two bedroom. Included in the monthly rent is a "grab and go" breakfast, valet service for trash removal at each resident door, educational and social events, supervised recreational activities and scheduled transportation. These services are specifically exclusive of any health related services. It is the intent of this project to provide a rental opportunity for a population segment that wishes to live in an age restricted community offering specific services that are tailored to their age requirements. It is not focused on the segment who find it necessary to live in a health care related or assisted community. Currently, rental opportunities for this segment of the population either do not exist in Chapel Hill or are extremely limited.

## **Compliance with the 2020 Plan**

The project fulfills a community need of having rental housing as opposed to for-sale housing for this segment. Currently there are no other age restricted rental opportunities in the Chapel Hill market that allow for active adult rental without an additional healthcare or assisted living payment requirement associated with the rent. Older members of the Chapel Hill community who are not property owners, or wishing to live in primarily student and young professional projects, do not currently have any options for remaining in Chapel Hill. Opportunities for this segment of renters is available in Durham, Chatham, Alamance and Wake Counties. The lack of rental opportunities for this segment of the population forces people to either leave the community or live in facilities that do not meet their needs for aging in place. Typically rental facilities in Chapel Hill are focused on millennials and students. The services and support desired by an aging population are not included in these offerings. Nor is the social network that aids aging in place available in those communities for rental users. Although the North Carolina General Statute regulates 55+ as an age isolator that does not impact fair housing guidelines, the typical market for these facilities is for people in their mid-seventies.

We believe that this project, will materially fulfill one of the mandates of the 2020 plan. It will offer the opportunity for Chapel Hill to maintain a diversity of income levels and ages through moderately priced rental housing for this age group.

## Basis for a payment in lieu

It is recognized that the Chapel Hill Land Use Ordinance does not address a payment in lieu requirement for rental housing in Chapel Hill. Over the past several years, however, rental projects have come before the Town Council for approval and have voluntarily proposed affordable housing in their programs as either providing units on site or as payments in lieu for rental housing as a condition of their achieving a Special Use Permit. The number of units and the payments have not been consistent. Based on Town provided information, the previous projects are as follows:

Project	Total Units	Affordable Units	% Affordable	Payment in Lieu	Payment per unit
Grove Park	346	6	1.7%	0	0
Alexan	266	0	0	0	0
Graduate	100	15	15%	0	0
Timber Hollow	307	14	4.5%	0	0
Lux Apartments	194	0	0	\$120,000	\$618.56
Carolina Commons	300	0	0	\$250,000	\$833.33
Evolve	154	0	0	\$233,000	\$1,512.99
Shortbread	85	0	0	\$25,000	\$294.12
Woodmont	60	9	15%	\$320,000	\$5,333.33
<b>TOTALS</b>	<b>1,812</b>	<b>44</b>	<b>2.4%</b>	<b>\$948,000</b>	<b>\$523.17</b>

This represents a series of negotiations on each project as it was presented. Grove Park, the Alexan, Shortbread Lofts, The Graduate and Lux are primarily student housing. Timber Hollow is an addition to an existing 25 year old development that houses both moderate income as well as students. Carolina Commons is part of a mixed use project funded through the University with no land cost. Charterwood is a mixed use project.

The average provision of affordable housing where that option was selected is 2.4% of the number of total units developed. For the Homestead Road project this would translate to 4.56 units.

The average provision of a payment in lieu is \$523.17 per unit developed. For the Homestead Road project this would translate to a payment in lieu of \$99,402.30

We are proposing a payment in lieu for the Homestead Road project of \$220,000. This equates to \$1175.89 per unit developed.

## Inclusionary Zoning Statements

North Carolina General Statute 41A – Fair Housing recognizes 55+ as an age restriction for serving a particular population segment while providing all fair housing goals. The town’s statement of inclusionary zoning states:

***“This section promotes the public health, safety and welfare of the town by promoting housing of high quality located in neighborhoods throughout the community for households of a variety of income levels, ages and sizes in order to meet the town’s goal of preserving and promoting a culturally and economically diverse population in our community.”***

Of importance in this statement is provision for households representing a variety of income levels, ages and sizes. Provision of rental housing for moderate income seniors is currently a missing component of housing opportunities in Chapel Hill. While there is housing associated with some level of health related care available in Chapel Hill, there is no independent 55+ rental availability.

The inclusionary zoning portion of the ordinance addresses the need to provide housing opportunities in Chapel Hill not only for groups that are economically diverse, but also for groups that experience age diversity as a challenge in meeting housing needs. Although the NC General Statute recognizes 55+ as an age distinction, the overwhelming market for this population is typically in their mid 70s. They are physically and intellectually vital - not in need of health related services - and may or may not have the resources to purchase housing in Chapel Hill. The contribution of this age group to the character of Chapel Hill is enormous as witnessed by the extent of volunteerism in this group and their participation in town politics, events and activities. The intent of inclusionary zoning addresses both cultural as well as economic factors.

The housing characteristics of a 55+ rental community are unique. The rental rates are aimed at moderate income households. Higher income households typically will purchase within age restricted communities such as the Courtyards next door to this project. The market depth for rental is severely restricted by the 55+ limitation placing a burden on the leasing and management operations. The services provided to the tenants are specific and aimed at addressing the needs of a cohort that wishes to age in place. These services are not available in other rental projects that are aimed at students and young professionals. These services are also specific to those renters who do not have pressing health care needs that require them to join a health-related facility.

## Conclusion

We believe that this project, by its very nature, brings a component of inclusionary housing opportunities to Chapel Hill in its provision of rental housing to an age specific market that is under-served or not served at all in Chapel Hill. It adds to the cultural diversity of the town. This proposal is compliant with the intent of the 2020 Plan as well as the intent of the Inclusionary zoning portion of the Chapel Hill Ordinance.

The voluntary \$220,000 contribution as a payment -in-lieu to affordable housing represents an amount consistent with and at the high end of other project contributions for rental projects to date. It also is at the limit of allowing the project to be financially viable in Chapel Hill instead of inducing the developer to build in our neighboring communities.