

**CHAPEL HILL TOWN COUNCIL
DRAFT WORK SESSION SUMMARY MINUTES
MARCH 6, 2013, 6 P.M.
PUBLIC WORKS FACILITY**

Council Present: Mayor Mark Kleinschmidt, Mayor pro tem Ed Harrison, Council Members Donna Bell, Matt Czajkowski, Laurin Easthom, Gene Pease, Lee Storrow, and Jim Ward. Council Member Sally Greene absent.

Staff Present: Town Manager Roger Stancil, Deputy Town Manager Florentine Miller, Policies and Strategic Initiatives Director Mary Jane Nirdlinger, Economic Development Officer Dwight Bassett, and Communications and Public Affairs Director/Town Clerk Sabrina M. Oliver.

Mayor Kleinschmidt convened the meeting at 6:04 p.m. He said Council Member Greene had wanted to attend the session, which was of special interest to her. However, she was away attending to her mother who is gravely ill.

Mayor Kleinschmidt said the agenda had items regarding an update of Chapel Hill 2020 that included options for development agreements (DA), and an affordable housing strategy, and also a closed session to discuss personnel matters

Development Agreement

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Mr. Stancil said the development agreement process is a guide that fits multiple scenarios. The process focuses on deliberations, in two phases, and focuses on the project itself, with review and decision. He said the next step was to arrive at a mutual agreement with the Town and the developer that would then move to the next phase of negotiations.

Ms. Nirdlinger said the assumptions were:

- Project meets legal requirements
- Rezoning may accompany the agreement
- Applicant fees cover technical support
- Negotiations focus on key topics
- Agreement publicly vetted before Hearing
- Learning opportunity

Mr. Bassett said the process had two phases – project evaluation, does it fit the criteria, and then agreement negotiations.

Ms. Nirdlinger said the process would result in a joint decision between the Town and the developer, assisted by a project review team.

Mr. Bassett said the review team would offer technical support, legal guidance, key topics and facilitation. He said the project evaluation consisted of a review of the existing information, development of new information if needed, public input session, and a facilitated Town staff review.

Mr. Bassett said that the basic key topics would be as follows:

- Site analysis
- Traffic and Transportation
- Ecological Analysis
- Economic Analysis
- Infrastructure Provisions
- Form and Use
- Performance Measures

Mr. Stancil said that the key points were that the team that the Town engaged to conduct the process would be hired by the Town and paid for by the developer.

Council Member Pease asked what legal criteria was for the DA. He asked that if the developer qualifies, can they take either route to a Special Use Permit. Ms. Nirdlinger said that the maximum fee for a Development Agreement is \$80,000, adding that there was additional expense for the DA as opposed to the SUP.

Council Member Storrow asked what happens if a developer gets to the end of phase one and wants to do a DA, but the Council says it will be a SUP. Ms. Nirdlinger said that the Council would have the SUP in hand at that time.

Mayor Kleinschmidt said that the default is that if everyone doesn't agree – then it isn't a DA. A DA can go out as far as 20 years, he said, noting that the concern is the lifespan of studies that are effected by the next phase of build out, will it cost more or take longer, he added.

Council Member Czajkowski referring to Glen Lennox and Obey Creek said he looks back at the DA with UNC, where the entity owned the land and it was clearly going to be used for a single purpose, with no alternatives for use. In the case of Glen Lennox, he said, there were two years of discussions with the owners of the land and neighborhood which led to a consensus which will be reflected in the DA, he said. Council Member Czajkowski said that with Obey Creek there is no clear consensus.

Ms. Nirdlinger explained the phase one process and the tools. Council Member Czajkowski said the Carolina North process had been very successful, but added that it was not clear to him that Obey Creek fits in with the DA.

Mayor Kleinschmidt explained that during phase one, the Town and developer determine whether or not to proceed with a development agreement. If that's the case, the Mayor continued, then phase two is the development process.

Council Member Czajkowski described the Glen Lennox DA as a dialog and said that was great.

Mayor pro tem Harrison said he wished they could find a similar process for Obey Creek as had been used for Glen Lennox. He said the SUP process was flawed and asked how, structurally, do they get there with Obey Creek.

Council Member Ward said they needed to explicitly outline the expectations and make sure that if Obey Creek and the Town is going to enter into a process, that it will cost this much and take this long. He said they need to be clear about this with no guarantee for a DA.

Mr. Bassett said once you define the issues, the team does the assessment and says whether it's sufficient or not. He added that there might be multiple public workshops for feedback.

Council Member Bell said the Town needed to work better in engaging the entire Town in the discussion. She said those closest are most involved, when we need to be thinking about a multitude of issues and represent all the people.

Council Member Easthom asked why a developer would choose, after all of the effort of phase one, to revert to the SUP process. Ms. Nirdlinger said in order to do a development that is not multi-year and not that big.

Mayor Kleinschmidt said that a developer will figure out early on in phase one that the development is a "no go".

Council Member Pease said they needed a process that is repeatable, and that's the Glen Lennox process. He said they were going to have to find a way to have a conversation instead of mad neighbors coming at them.

Mr. Bassett said the process would have non-biased representatives to give perspective – the best professionals in their field – for the best path for the best possible outcome.

Council Member Czajkowski said he had never seen angrier folks than those at the Glen Lennox meetings. However, staff and Council took that feedback and converted it into an agreement that meets most of the ideas of CH 2020. He added that when we turn it over to the citizens, we get excellent outcomes.

Council Member Storrow said that you see more elements of that in Phase One and that he was excited about more public workshops and input. He said they may want to consider changing the language of the process from Phase 1 and 2. He asked if the level of protection was different. Ms. Nirdlinger noted that it is a legally binding contract.

Council Member Pease asked about next steps. Mr. Stancil said they would modify the process based upon feedback and concerns and come back with a proposal for adoption, and then move forward with anyone who wants to enter into a Development Agreement.

Council Member Czajkowski said he wanted to see an outline of the Glen Lennox process, and if it's not being followed, bring it in. Mr. Stancil said staff would bring that back at the March 18 meeting. Mayor Kleinschmidt asked for an historical review of Glen Lennox, as well.

Affordable Housing Strategy

Loryn Clark, Ms. Nirdlinger and Mr. Bassett made the presentation.

Ms. Nirdlinger reiterated the 2020 vision of - *Connections. Choices. Community.* She outlined 2020 implementation as Big Ideas, Focus Areas, Regulations and the Council's Role.

Big ideas are the Bike Plan, Rosemary – Downtown Future Focus, Town Housing Strategy, Engagement, and Multiple Hubs, Ms. Nirdlinger explained.

Ms. Nirdlinger explained a system of housing that will consist of many forms and types of housing. She said they would take a look at the full spectrum of housing. She said the needs were single-family (owner, rental). Multi-family needs were owner, rental, townhouse, duplex apartment, condo, she added. Student housing needs were on-campus, University-owned, single-family and multi-family, she added. There is also a need for subsidized housing as well as special needs housing, Ms. Nirdlinger said.

Ms. Nirdlinger said the Town needed to connect its resources and use them to get us to move towards an agreed-upon future. Those resources include the Affordable Housing Strategy, the 2011 Residential Market Study, relationships with housing providers, help from Code Studio consultant and self-help with work in the Northside Community.

Ms. Nirdlinger said the goals are:

- To create affordable rental housing for a wide range of income levels
- To increase capacity of housing providers
- To establish new partnerships to create affordable housing
- To sustain long-term affordability model

Next steps in the process were then outlined by Ms. Nirdlinger:

- Understand our system
- Collaborate to focus on strengths; know what the Town can impact and know what others can impact
- Understand our tools
- Agree how to apply our tools
- Establish metrics

- Evaluate the impact that adopted policies and regulations have on the cost of housing (i.e. zoning regulations, neighborhood regulations)
- Conservation districts, urban services boundary
- Identify alternative funding sources
- Consider solutions that include partnering with the County, other municipalities and major employers
- Agreement on priorities, focus and tools

Ms. Nirdlinger then opened the floor for questions.

Council Member Storrow asked how this fits in with the 2011 affordable housing strategy.

Ms. Clark said it helps pull together all of the Town's housing needs, and helps us to make decisions on where we go in the future. This will help us expand the strategy, she added.

Council Member Ward said he feels strongly that UNC hospitals need to be at the table during this conversation – as a need and a solution. He added that the school system could also be a part of the solution in an affordable housing bond.

Council Member Pease said the process was in the exploration phase – looking at best practices elsewhere for financing it.

Mayor Kleinschmidt said Durham increased their taxes last year by a penny for expansion of the affordable housing issue. He said he wondered whether or not there's interest in the community to do this. Not necessarily raising taxes, but dedicating a penny a year to this issue, he added.

Council Member Bell said during the same year Raleigh passed a bond to fund affordable housing.

Mayor Kleinschmidt said he was attracted to Durham's method because it extends it out over a period of time and it worked out well.

Council Member Storrow noted that those were creative solutions.

Council Member Easthom said she'd like to see exactly what the tools are that the Council can use to get from point A to point B. What can we do legally, and what is the list of tools we can use, she asked.

Council Member Pease said having a work session with the Home Trust this spring was a critical part of this.

Council Member Ward said there was more to affordable housing than just housing. He said it includes good public transit, police, fire, etc.

Mayor Kleinschmidt said we need to look at how people who live in affordable housing get to work and school by limiting the need to use a car. As far as rentals, Mayor Kleinschmidt said there was a quick start on this. He proposed a Mayor's committee to take a look at the rental issue - a committee of community members and providers that come out with actionable policies.

Council Member Storrow said affordable housing for students also needed to be considered. He said that students compete with permanent residents for housing. He said getting some direction from UNC would be helpful to moving forward.

Council Member Czajkowski said there is data readily available on student housing, if you just look for it.

Council Member Storrow myths about student housing needed to be debunked.

Ms. Nirdlinger said a good base level of information for the open house process had been set, from information that exists.

Council Member Czajkowski said the SUP needed to be negotiated. He said there is no information in the materials about undergraduate growth. He asked how you have context if it is unavailable.

Mayor Kleinschmidt said the property inventory fits in here. He said there could be properties that the Town does not need that would make suitable locations for housing.

Council Member Storrow moved to adjourn the work session, and enter closed session for the discussion of a personnel matter. The Council unanimously moved to adjourn and enter closed session.

The work session adjourned at 7:30 p.m.

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