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**Chapel Hill Carrboro
Chamber**

PO Box 2897, Chapel Hill, NC 27515

January 21, 2004

Mayor Kevin Foy and Chapel Hill Town Council
Town Hall
306 N. Columbia St.
Chapel Hill, NC 27514

Dear Mayor Foy and Council members,

Thank you for taking public comment on the proposed changes to the Land Use Management Ordinance. The Chamber applauds the Town Council and the town staff for diligently re-examining the ordinance as promised after a year in operation, and we hope you will continue to look for ways to improve our town's regulations.

The Chamber is primarily interested in the overhaul of townwide duplex regulations before you tonight. The changes before you that set a maximum size and maximum number of bedrooms for duplexes will not achieve the goals you set out to reach and will spark a series of unintended consequences.

Bear in mind, the builders, engineers and architects represented by the Chamber will still have plenty of work to do should you adopt these new rules. We are not raising these concerns out of economic self-interest. We have a philosophical difference of opinion as to how these regulations achieve the goals the Chamber and the Council agree on: a diversity of housing types in our community and well-designed, well-built duplexes that enhance their neighborhoods.

Our primary differences with the town staff's recommendations are with the maximum square footage of 2,500 and the maximum of six bedrooms. We have an alternate proposal that we ask you to consider.

In the Chamber's Duplex Design Charrette, held in conjunction with neighborhood residents, builders, designers and town planners, participants focused on the need to keep duplexes as an important housing type in our community. It is one that attracts smaller families, retirees and people looking for something besides a large, single-family detached house.

Our local builders have found that duplex units need certain features and room sizes to function as a family dwelling. Such a dwelling, with minimum useable room sizes and three functional bedrooms, can be built for a family with a minimum of 1,400 square feet – no less but sometimes certainly more. That's a minimum of 2,800 square feet per structure. In the attached chart, you can see the dimensions that builders consider as they design these family-focused duplexes.

A maximum square footage of 2,500 – or 1,250 per unit – would shrink these three bedrooms into spaces more fit for dorm rooms than families. By setting a cap on size and bedrooms as is proposed, the Council would virtually ensure that all duplexes built would be marketed to students and investors.

The Chamber proposes that, as the Council has done with all other types of buildings, the town use a Floor Area Ratio to design a duplex more in sync with the neighborhoods, rather than a cap on square footage.

PROPOSAL: The maximum square footage cap should be eliminated along with the 0.40 FAR. Instead of a 0.40 FAR, we propose a 0.25 FAR in R-2 zones and a 0.32 FAR in R-3, R-4, R-5 and R-6 zones.

As you can see from the attached chart, the allowed square footage would give architects, designers and builders the flexibility to achieve the new design guidelines recommended in the LUMO, which we also support.

The Chamber also proposes that, if the Council wants to set a cap on bedrooms, that it allows 4 bedrooms per unit (8 total) in R-2 zones and 3 bedrooms per unit (6 total) in all other zones.

The regulations as they are proposed will encourage small, crowded duplexes that will be marketed principally to investors and students. We urge you to consider the Chamber's proposed changes as ways to allow builders and designers the flexibility to create well-designed duplexes that meet the housing needs of our community while fitting in with existing communities.

Thank you for considering the Chamber's comments.

Sincerely,

Aaron Nelson
Executive Director

Exhibit of Residential Square Footage Usage; 3 Bedroom/2 ½ Bath

<u>Room :</u>	<u>Dimensions**(minimal):</u>	<u>Footage:</u>
Living Room	13 x 15	195
Kitchen	8 x 12	96
"Breakfast Table" Area	8 x 10	80
Dining Room	12 x 12	144
Front Vestibule Area	5 x 6	30
Coat or Storage Closet	2-6 x 4	10
½ Bath	3-6 x 7	25
Full Bath	5-6 x 10	55
Master Bath	5-6 x 12	66
Linen Closet	2-6 x 4 (x 2)	20
Bedroom	12 x 11 (x 2)	264
Bedroom Closet	2-6 x 6 (x 2)	30
Master Bedroom	15 x 12	180
Master Bedroom Closet	2-6 x 10	25
Laundry Closet	3 x 6	18
Hallways &/or Stairs		100
Exterior Walls	5" x 140'	60
TOTAL:		1398

** Dimensions are inclusive of wall thicknesses; for typical residential construction, subtract 5" to get "real" interior dimensions.

**Exhibit of Applications
Of Floor Area Ratios
To Existing Chapel Hill
Zoning Districts**

<u>District:</u>	<u>Minimum Duplex Lot Size:</u>	<u>FAR:</u>	<u>Footage:</u>
R-2	20,000 Sq. Ft. (approx. ½ Acre)	.4 .25	8,000 5,000
R-3, 4, 5, 6	11,000 Sq. Ft. (approx. ¼ acre)	.4 .32	4,400 3,520

CHAMBER SUGGESTIONS:

1/21/2004

6.19 Dwelling Units -- Duplex

The following standards shall apply to development of duplexes: (for each structure):

~~(a) The maximum floor area of the structure may not exceed 2,500 square feet. — DELETE~~

(a) ~~let~~ The maximum floor area ratio applicable shall be ~~0.25~~ 0.25 in R-2; 0.32 in R-3, R-4, R-5 & R-6 zones.

(b) ~~let~~ The maximum number of bedrooms per structure shall be ~~3~~ 8.

(c) ~~let~~ The Community Design Commission shall approve duplex building elevations and site plans to determine if the elevations are in accordance with the following design guidelines: ~~AND SITE DESIGN~~

IT IS DESIRABLE THAT A

- (1) A ~~single front door shall face the street;~~
- (2) The appearance of the structure shall resemble a single-family dwelling;
- (3) The height of the structure is comparable to nearby buildings;
- (4) Garage doors do not face the street, if practicable; and
- (5) front yard parking is limited as much as possible.

(25)

(46)

HISTORIC DISTRICT COMMISSION ACTION

SUBSTITUTE LANGUAGE -

- 3) THAT FOR APPROVED DEMOLITION OCCURRING IN THE HISTORIC DISTRICTS, LANDSCAPE PLANS ALSO BE APPROVED FOR THE RAW LAND PROPOSED TO BE EXPOSED AFTER DEMOLITION.

A LANDSCAPE PLAN, TO INCLUDE SOIL STABILIZATION TECHNIQUES, SHOULD BE APPROVED BY THE HISTORIC DISTRICT COMMISSION IN CONJUNCTION WITH THE CERTIFICATE OF APPROPRIATENESS FOR DEMOLITION.

AN IDEA FOR ENCOURAGING THE DEVELOPMENT OF AFFORDABLE HOUSING IN CHAPEL HILL

The high cost of housing in Chapel Hill results primarily from the high cost of approved developable land. An approved housing site consists of several components, including the raw land cost and the developed land costs incurred during and as a result of the project approval process.

The current suggestion that a developer include 15% affordable units in a project tends to contribute to the high cost of housing. In order to achieve a normal financial return, the developer must add to the cost of the non-affordable units in order to subsidize the affordable units. There is also a tendency to build smaller and less desirable units in order to minimize the financial impact on the non-affordable units. Thus, the non-affordable units keep getting more expensive, and the affordable units are not as desirable as they could be.

In order to encourage the development of affordable housing units the cost of the developed site could largely be removed as a component of affordable housing units. This absence of developed site costs for the affordable units would impose a requirement that the developer to discount those units without adding to the cost of the remaining units. For projects requiring a special use permits, the developer could be allowed to include an additional percentage of housing units (say, 15%) beyond that allowed in the FAR calculations for the site, **if the sales or rental costs for those units is only based upon the construction costs for the units, and does not include the land or approval costs.** The site costs could be based upon the appraised value of a typical site based upon the number of units allowed by the standard FAR calculations. This removal of the land value could remain a permanent feature of the subsequent resales, with the property first offered to qualified lower income buyers, if available.

The potential slight increase in density for these projects could be allowed only for sites where the context would not be adversely affected. Since these projects could only occur within the Special Use process, the Town would have adequate opportunity to consider the suitability of each site for this benefit.

An example of 1250 SF townhouse units illustrates the effects:

<u>sample townhouse project-bonus units</u>	<u>non affordable units</u>	<u>affordable units</u>
land per unit	\$35,000	
development cost	\$ 5,000	
added site costs	\$10,000	
construction cost	<u>\$125,000</u>	<u>\$125,000</u>
total cost	\$175,000	\$125,000
margin @ 15%	\$26,250	\$18,750
realtor @ 6%	<u>\$13,000</u>	<u>\$ 9,900</u>
sales price	\$214,250	\$153,650
	85% of units	developer subsidized
<u>current townhouse project</u>	<u>non affordable units</u>	<u>affordable units-15%</u>
land per unit	\$40,250	
development cost	\$5,750	
added site costs	\$11,500	
construction cost	<u>\$143,750</u>	<u>\$125,000</u>
total cost	\$201,250	\$125,000
margin @ 15%	\$30,187	\$18,750
realtor @ 6%	<u>\$13,000</u>	<u>\$ 9,900</u>
sales price	\$244,437	\$153,650

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MEMORANDUM

To: Mayor and Town Council
From: W. Calvin Horton, Town Manager
Subject: Supplemental Information: January 21, 2004 Town Council Meeting.
Date: January 20, 2004

Attached are three items for the January 21 Public Hearing:

- Summary of Planning Board Action for the Land Use Management Ordinance text amendments
- Summary of Historic District Commission Action for the Land Use Management Ordinance text amendments
- Revised Resolution C, Manager's Preliminary Recommendation, for further consideration of remaining items, to reflect discussion from the Council Retreat on January 16. Please insert this item into Agenda Item 2 – Adjustments to Land Use Management Ordinance.

SUMMARY OF PLANNING BOARD ACTION

Subject: Land Use Management Ordinance Text Amendments

Meeting Date: December 2, 2003 and January 6, 2004

Recommendation: That the Town Council amend the Land Use Management Ordinance, in accordance with the Planning Department recommendations from January 6, with the adjustments noted below.

Vote: 8 - 0 **Ayes:** Timothy Dempsey (Chair), Coleman Day (Vice-Chair), Rebecca Boyles, Thatcher Freund, Nancy Gabriel, Suzanne Haff, Nancy Milio, Ruby Sinreich

Adjustments:

1. The Board agreed with the staff recommendation and voted to recommend that language be adjusted for Neighborhood Conservation Districts to clarify that the Council may choose to appoint a neighborhood committee to develop a neighborhood plan with the condition that Planning Board liaisons are part of the committee.
2. The Board agreed with the staff recommendation and voted to recommend that a specific percentage requirement be established for a residential component in Mixed-Use Planned Developments. The Board suggested that the minimum percentage for a residential component be set at 25 percent.
3. The Board recommended that the Town Council include money in the Town budget, when the neighborhood conservation district process is next initiated, to hire a facilitator to assist with the process.
4. The Board recommended that the Town Council reduce or eliminate the fee for small additions to existing single-family dwelling (from \$125 to \$50 or 0).
5. For the remaining items, the Planning Board recommended that the priority for consideration be as follows, with a specific timeline established for each item:
 - a) Parking Regulations (study underway, due to Council in February or March).
 - b) Reconsider time frames for OI-4 zoning district applications.
 - c) Clarify formula for payment-in-lieu of affordable housing.
 - d) Evaluate and fine-tune stormwater management regulations.
 - e) Discuss alternative buffer provisions.

Prepared by: Timothy Dempsey, Chair, Chapel Hill Planning Board *JB for TD*
JB Culpepper, Development Coordinator

SUMMARY OF HISTORIC DISTRICT COMMISSION ACTION

Subject: Land Use Management Ordinance Text Amendment

Meeting Date: January 8, 2004

Recommendations: The Historic District Commission recommends that the Council add provisions to the Land Use Management Ordinance to address the following topics:

1. **Minor Subdivisions:** That all Minor Subdivisions proposed in historic districts come before the Historic District Commission for comment and approval.
2. **Exceptions to Setbacks for Residential properties in the Historic Districts:** That variances to setbacks for lots in historic districts be reviewed and granted by the Historic District Commission. Currently expansion, rehabilitation, reconstruction, or new construction of outbuildings and houses encroach into setbacks because of typical nonconforming lots found in historic districts. Expansion is severely limited in some cases and exceptions should be allowed.
3. **Review of Soil Stabilization Plans for Demolition in the Historic Districts:** That for approved demolition occurring in historic districts that landscape plans be approved for the raw land proposed to be exposed post demolition. Soil stabilization techniques in the form of a landscape plan to be approved by the Historic District Commission in conjunction with the Certificate of Appropriateness for Demolition.

Prepared by: Chris Belcher, Chair, Historic District Commission
Kay Pearlstein, Senior Planner



KP for CB

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REVISED RESOLUTION C
(Manager's REVISED Preliminary Recommendation)

A RESOLUTION REGARDING PRIORITIZATION OF EVALUATION OF REMAINING LAND USE MANAGEMENT ORDINANCE TEXT AMENDMENT ITEMS IDENTIFIED AT THE JANUARY 21, 2004 PUBLIC HEARING

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby adopts the following schedule of consideration of the remaining Land Use Management Ordinance text amendments:

Clarify the relationship between building code and Land Use Management Ordinance definitions of floor area.	Defer discussions, pending further study, with recommendations to the Council in fall 2004.
Clarify land disturbance triggers for soil and erosion control requirements; coordinate with similar requirements in other documents.	Defer discussions, pending further study, with recommendations to the Council in fall 2004.
Adjust parking requirements (<i>Section 5.9</i>).	Defer discussions, pending completion of study that is currently underway (report expected to Council in March).
Re-consider the time frames specified for action in the OI-4 zoning district (<i>Sec 3.5.2</i>).	Defer discussions, pending further study. We suggest that the Council schedule this topic for early consideration, to decide whether or not to initiate discussion and possible change.
Clarify formula for payment in lieu of affordable housing (<i>Sec. 3.8.5</i>).	Defer discussions, pending further study, with recommendations to the Council by June 2004.
Reconsider using the "2-year frequency, 24-hour storm event" as the basis upon which calculations are made regarding how much stormwater (volume) needs to be retained on-site. (<i>Section 5.4.6</i>)	Defer discussions, pending further study, with recommendations to the Council in fall 2004.
Consider how to handle porous pavement as impervious surface (<i>Table 3.8-1, footnote (k)</i>).	Defer discussions, pending further study, with recommendations to the Council in fall 2004.
Clarify distinctions between water treatment requirements for runoff from public streets vs. private lots.	Defer discussions, pending further study, with recommendations to the Council in fall 2004.
Re-consider requiring stormwater management facilities on individual single-family lots (<i>Section 5.9.2(a)</i>).	We do not recommend re-consideration of this issue at this time. We continue to believe that the regulations in place are desirable; there may be value in reconsideration in the future, after there has been enough time to evaluate systems that have been installed; there is not yet enough experience with these regulations to perform such evaluation now. We recommend further consideration in fall 2004.
Increase flexibility in "alternate buffer" provisions (<i>Section 5.6.8</i>).	Defer discussions, pending further study, with recommendations to the Council in fall 2004.
	

This the ___ day of _____, 2004.