

BOARD OF ALDERMEN

ITEM NO.: E(1)

AGENDA ITEM ABSTRACT

MEETING DATE: **AUGUST 20, 2002**

TITLE: **A MINOR MODIFICATION TO THE OAKWOOD APARTMENTS CONDITIONAL USE PERMIT**

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| DEPARTMENT: PLANNING DEPARTMENT | PUBLIC HEARING: Yes __ No <u>X</u> |
| ATTACHMENTS: A. MODIFICATION PLAN B. RESOLUTION C. Original CUP Submittal Letter D. 5/29/01 LETTER FROM MAYOR REQUESTING PROPERTY FROM THE TOWN OF CHAPEL HILL E. Chapel Hill Resolution authorizing their Town Manager to Proceed with Conveyance F. Original CUP 6-3-83 G. Performance Agreement | FOR INFORMATION CONTACT: ROY WILLIFORD – 918-7325 MARTY ROUPE – 918-7333 |

PURPOSE STATEMENT

Chapel Hill Town Manager, Cal Horton, has applied for a minor modification of the Oakwood Apartments Conditional Use Permit located at 614 North Greensboro Street. The Oakwood Apartments CUP was issued on June 3, 1983 and allowed the construction of 30 public housing apartment units on 6.427 acres of land. The proposed minor modification, if approved, will subdivide the parent tract into two lots. The parent tract containing 30 apartment units will be reduced from approximately 249,885 square feet to 229,885 square feet to create an affordable housing lot of approximately 20,000 square feet for conveyance to Carrboro. Per Section 15-63 of the Land Use Ordinance (LUO), minor design modifications or changes in permits (including approved plans) are permissible with the approval of the permit issuing authority and no public hearing is required for a minor modification. The Administration requests that the Board of Aldermen waive the \$500 CUP Modification fee and the \$250 final plat fee, review the request, and make a decision regarding the minor modification.

INFORMATION

Background: The Board of Aldermen approved a Conditional Use Permit on June 3, 1983 that allowed the construction of 30 public housing apartment units on 6.427 acres of land located at 614 North Greensboro Street. When the Chapel Hill Housing Authority originally submitted its application on March 5, 1982 it included a submittal letter (Attachment C) that explained its intention to subdivide the parent tract at a later date. A CUP modification that will create an additional lot off of Crest Street by subdividing the parent tract is consistent with the original intent conveyed to the Town of Carrboro by the Chapel Hill Housing Authority.

On May 28, 1985, the Board of Aldermen approved the exchange of a parcel of land with Harold Williams for the purpose of establishing a right-of-way to accommodate the future extension of Crest Street.

On May 1, 2001, Susan Levy, executive Director of Habitat for Humanity, requested that the Town of Carrboro grant a sanitary sewer easement to OWASA for the purpose of serving a lot owned by the Community Land Trust at 101 Crest Street. The proposed 30 foot wide sewer easement will cross a parcel owned by the Town of Carrboro at the end of Crest Street.

On May 22, 2001 The Board of Aldermen authorized the Mayor to forward letter (Attachment D) to the Town of Chapel Hill requesting that they agree to combine a lot owned by the Town of Chapel Hill and a lot owned by the Town of Carrboro located on Crest Street. The combined lot could possibly be used to construct affordable housing.

On June 25, 2001, the Chapel Hill Town Council adopted a resolution (Attachment E) that authorizes their Town Manager to initiate procedures for conveying a portion of the Oakwood Apartments property to the Town of Carrboro contingent on a performance agreement with the Town of Carrboro and the following specific items;

1. The creation of two new lots would not adversely impact the terms of the Town's Conditional Use Permit for the Oakwood public housing;
2. The Town of Carrboro would prepare a modification to the Town's Conditional Use Permit to subdivide the property;
3. The lots would be donated for affordable housing purposes;
4. The Town of Carrboro would strongly consider placing the properties in the Land Trust;
5. The U.S. Department of Housing and Urban Development would approve the changes in the land area of the property owned by the Town; and
6. The Town of Carrboro would assume all closing costs for the conveyance of the properties.

From July 2001 thru October 2001 a research of the property lines and deeds for the Oakwood property and Carrboro's property produced a deed gap of 5,508 square feet that will require a quitclaim deed to make the two properties contiguous.

On January 10, 2002, a letter was delivered to the Chapel Hill Town Manager, outlining a proposal for subdividing the Oakwood tract. The proposal described a subdivision that would not adversely impact the terms of Chapel Hill's Conditional Use Permit for the Oakwood public housing and would provide for the sewer easement needed by Habitat for Humanity. The manager concurred with the proposal and both towns have proceeded to fulfill federal and local requirements.

Fee Waiver:

Carrboro's fee waiver policy adopted on 2/11/97 and amended on 9/26/00 allows the Board of Aldermen to consider granting a fee waiver for projects that:

1. Directly benefit persons of low or moderate income over a sustained period of time,
2. The project is directly funded or subsidized by a federal, state, or local unit of government or non-governmental organization that guarantees affordability for 99 years or more; and
3. The need and benefit will be realized by the community as a whole if the fee waiver is granted; and;
4. The project is necessary to implement a component specified in the Orange County Housing and CD Plan.

Fees for this Cup Modification and Final Plat should be waived since the provisions for affordable housing as supported by the town's policy will be met.

Proposed Modification:

The modification of the Oakwood Apartments CUP is necessary in order for the Town of Chapel Hill to create an additional lot, which may be conveyed to the Town of Carrboro and later combined by the Town of Carrboro with adjacent town property to form an affordable housing lot exceeding one acre in size. In seeking this modification, the Town of Chapel Hill, as expressed in their June 25, 2001 resolution, is concerned with the creation of two new lots in such a way as to not adversely impact the terms of the their Conditional Use Permit for the Oakwood public housing. In other words, these changes or modifications should not create any non-conformity particularly with respect to allowable densities.

The Carrboro Board of Aldermen issued a Conditional Use Permit (CUP) on June 3, 1983 (Attachment F) to the Chapel Hill Housing Authority authorizing the construction of 30 apartment units on 6.427 acres of land located at 614 North Greensboro Street. This property, known as Oakwood Apartments, was and still is located in a R-75 zoning district. The R-75 zoning district requires 7,500 square feet of land for each dwelling unit. The Carrboro Land Use Ordinance, prior to 4/24/84 and at the time this CUP was issued, provided a 25% density bonus for multifamily projects or 5,625 square feet of land per unit. Since this provision is no longer available, the number of units allowed on the Oakwood property (less approximately 30,075 square feet of dedicated street right of way) has been reduced from 44 units to 33 units. The Oakwood property can therefore be reduced through subdivision by the amount of land needed to support 3 additional units or 22,500 square feet and still conform to Carrboro's Land Use Ordinance with respect to density. The proposed subdivision (Attachment A) will produce a parent lot (Oakwood Apartments or lot#1) with 229,885 square feet and a second lot in the vicinity of Crest Street (transfer parcel or lot#2) with about 20,000 square feet. This subdivision will not adversely impact the terms of the Oakwood Apartments' Conditional Use Permit issued on June 3, 1983. The following table summarizes the attributes associated with the subdivision of the Oakwood property and illustrates that the Oakwood Apartments CUP will continue to be in compliance with basic density and open space requirements:

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The Board of Aldermen amended the Carrboro Land Use Ordinance on May 14, 2002, which among other things extended the applicability of the 150% affordable housing density bonus provisions (Section 15-182.4) to include the R-75 zoning district. Theoretically, the number of units allowed on the Oakwood

property (after transferring the newly created lot to the town of Carrboro) could be increased from 30 units to 45 units or 150% of the allowable density.

New Crest Street Sewer Easement

The new sewer easement as originally requested by Habitat for Humanity has been modified to run directly down Crest Street to the existing sewer line. The proposed 30 foot wide sewer easement (as shown on Attachment A-2) is proposed to cross a parcel owned by the Town of Carrboro Parcel #4, the new Oakwood Parcel #2 and the Deed Gap Parcel #3 at the end of Crest Street. The CUP Modification provides a preliminary lay out of the proposed sewer easement, which will be more precisely located on the plat that combines all three parcels under Carrboro's ownership.

Performance Agreement:

The resolution adopted by the Chapel Hill Town Council on 6/25/01 (Resolution # 2001-06-25/R-6), requires that the conveyance of the land is contingent on a performance agreement with the Town of Carrboro. A performance agreement is attached (Attachment G) for consideration by the Board of Aldermen which if adopted will satisfy this requirement. The performance agreement requires Carrboro to: use and donate the property for affordable housing purposes, consider placing the properties in a land trust, to assume all closing cost associated with the initial transfer, and consider conveying the property to Habitat for Humanity. The agreement requires approval of the disposition by HUD prior to the Conveyance. HUD procedures for the disposition of a lot by the Town of Chapel Hill will require the following documentation:

1. Completion of HUD form 52860;
2. Description of the consultation process with the local government (Town of Carrboro) and a letter of support from the Mayor of Carrboro;
3. Environmental review record ("Categorical Exclusion" already completed by the Carrboro Planning Dept.);
4. Description of the consultation process with the resident advisory board and the PHA-wide resident organization;
5. Amended PHA Plan (Public Housing Authority Plan) to include this disposition activity. The Chapel Hill Housing and Community Development Board may begin to consider this amendment and seek public comment beginning with its September 24 meeting. A public notice period of 45 days prior to the hearing will be required. Given the public notice requirements the amendment could not be considered prior to the PHA's November 26th meeting.
6. Approval of the disposition application via resolution from the Town of Chapel Hill;
7. Certification from the Town Manager of the Town of Chapel Hill stating that the application is true and correct and consistent with the PHA Plan;
8. The Town of Chapel Hill needs to submit the application to HUD's Special Application Center (SAC) in Chicago, Illinois for approval by the Assistant Secretary for Public and Indian Housing (probably a 45-day approval period).

ADMINISTRATION'S RECOMMENDATION

The Administration recommends that the Board of Aldermen adopt the attached resolution approving the minor modification to The Oakwood Apartments Conditional Use Permit, and authorizing the Town Manager to sign the attached performance agreement and to execute documents for the granting of a sewer easement to OWASA to serve 101 Crest Street.