

BOARD OF ALDERMEN

ITEM NO. D(2)

AGENDA ITEM ABSTRACT

MEETING DATE: Tuesday, December 17, 2002

TITLE: REPORT: Report on Rezoning to Achieve Housing Diversity

DEPARTMENT: PLANNING	PUBLIC HEARING: YES __ NO <u>X</u> _
ATTACHMENTS: A. Resolution B. Maps 1 to 3 C. Excerpts of Breckenridge and Bucks County performance zoning ordinances D. Chapel Hill Town Council Agenda and Minutes Related to "Cottage Zoning" E. Guidelines for the R-SS-C Zoning District F. LUO Sections 15-139 and 15-155	FOR INFORMATION CONTACT: Patricia McGuire – 918-7327

PURPOSE

The Board of Aldermen has requested recommendations for properties located in the city limits that could be rezoned for apartments, condominiums and townhouses, and recommendations on cottage zoning and performance zoning. A report has been prepared. A resolution adopting the staff recommendations is recommended for the Board's approval.

INFORMATION

Background

Thirty years ago, the Town of Carrboro was facing a significant amount of change. These changes included rapid growth in the Town's population, changes in the regional and national economy, and awareness of the need to minimize impacts on citizens from changes in land use and vice versa. Despite increases in residential building activity and ultimately expansion of the city limits, the increasing population was straining the area's housing supply, with demand causing housing prices to rise. Concerned about the impacts of these changes, the Town took a number of steps to mitigate the changes, including adopting a land use plan and renovating its zoning and subdivision regulations. The Town also adopted five housing goals as part of the Comprehensive Plan (1977). The following goals were specified:

- 1) To obtain a sufficient supply of housing to provide a decent, safe, and sanitary dwelling unit for all the Town's residents.
- 2) To obtain a sufficient number of units by type, style, price, and location to afford all residents a suitable dwelling of the choice.

- 3) To obtain housing construction, which is sensitive to environmental consideration, including the need to conserve energy usage.
- 4) To obtain housing developments which conform to the goals of the Town's comprehensive planning process.
- 5) To obtain housing opportunities for all citizens, regardless of race, sex, age, or physical disabilities.

Many steps were taken towards achieving these goals including a comprehensive residential rezoning, the creation of the R-SIR zoning districts, obtaining funds for housing rehabilitation and infrastructure, establishing bonuses for affordable housing, waiving fees for demonstrably affordable projects. As shifts in the needs and desires of the community have occurred, the goals have been reframed, never departing, however, too greatly from those expressed in 1977. The current policy on this subject is found within *Carrboro Vision2020: Policies through the Year 2020* and states as follows:

6.1 Housing for a Diverse Population

- 6.11** Town policy should accommodate a variety of housing styles, sizes and pricing. It should also address issues of density, funding and rezoning to allow for more non-detached housing, mixed-use development, and communal living options.

Recommendations for rezoning: Overview of this report

The report presented in December 2001 included information on the policy/regulatory context for multi-family housing, existing multi-family uses, an evaluation of locations where rezoning for multi-family purposes might be suitable, and issues and conditions that might affect rezoning opportunities. In conjunction with receiving the report, the Board of Aldermen directed the Town staff

“to prepare a recommendation for properties located in the city limits that could be rezoned for apartments, condominiums and townhouses, taking into account properties that on transit corridors. In addition, that the staff provide a recommendation on cottage zoning and performance zoning.”

This report has been prepared in response to the Board of Aldermen's request for recommendations. The report has three components:

- 1) An analysis of properties noted in the December 2001 report as “multi-family development opportunities.”
- 2) An overview of performance zoning and cottage zoning, and their relationship to practices in Carrboro.
- 3) Recommended action options needed to facilitate rezoning to support the development of a diverse housing stock.

Opportunities for rezoning for multi-family housing units

The evaluation of undeveloped properties was initially conducted in the fall of 2001 in order to identify possible locations where multi-family housing types might be developed. Information on the parcels and their suitability in several areas - 1) access to an arterial street, 2) bus service availability, and 3) status of bicycle and pedestrian facilities – was evaluated at that time. A minimum parcel size of ten acres of vacant/sparsely-developed land (either in an existing tract or a combination of tracts) was used in the evaluation.

In preparing its evaluation, staff included properties within the ETJ (outside of the watershed) as well as in-town properties in order to provide a suitable number of possibilities. These tracts were selected based on their potential to support residential development, including apartments, townhomes and condominiums. Since the Town’s practice has been to allow a mix of residential types in most locations, all were considered candidates for a diversity of housing types, as noted above.

Based on the Board’s direction, special note has been made of a property’s proximity to transit corridors and/or location within the Town limits (shaded cells) in the current analysis. Properties located within the ETJ are also included. Maps showing the location of these properties are attached (*Attachments B-1 to B-3*). Note that the site referenced as area “A” is being reviewed by the Town for a Village Mixed Use development and site “G,” known as the Adam’s Tract, has been removed from consideration as it is being evaluated for its preservation and community enhancement potential.

Area	Size (acres)	Benefits	Limitations
Northern Area			
A	158	Arterial access Proximity to LHF, school sites Proximity to shared ride feeder zone	Bolin Creek runs through properties. Contains areas with 90 percent hardwoods. Historic site view shed on southwestern corner of tract.
B	34	Arterial access Bolin Creek – focal point opportunity Limited natural constraints.	Historic site view shed in NSA plan Not entirely located within the City Limits/ETJ.
C	678	Arterial access Transit corridor – opportunity for transit-oriented development UNC plan shows a variety of uses for the tract, of which multi-family housing is a large component.	Bolin Creek runs through property.
Central Area			
D	10	Arterial access Proximity to school.	Small area of steep slopes. Small size of site.

Area	Size (acres)	Benefits	Limitations
		Currently served by CHT – expected to continue.	
E	25	Arterial access. Proximity to shopping, park, school, post office. Limited constraints Entranceway opportunity.	
F	42	Arterial access. Proximity to rail corridor, future Bolin creek greenway. Current shared ride feeder service.	Bolin Creek runs along property boundary. Many constrained areas – slopes, hardwoods, and floodplains.
G	37	Arterial access. Transit service Bolin Creek frontage – future greenway access. Proximity to rail corridor and downtown.	Constrained areas include some steep slopes and hardwood areas. Historic value. Largest tract of undeveloped land within close proximity to center of Town – opportunity for development of nature trails, educational amenities.
Southern Area			
H	69	Arterial access. Area served by Chapel Hill Transit. Proposed connector to BPW Club Road	Constrained areas include steep slopes and hardwood areas. Concerns associated with density changes in close proximity to U Lake watershed.

An overview of performance zoning and cottage zoning

Performance zoning. Performance zoning is an alternative to traditional zoning that deals with the performance of a parcel rather than the use of a parcel. This approach has been in use for the past 30 years or so. It can provide greater flexibility as it allows for the regulation of the intensity of land use, rather than the regulation of uses. In its broadest form, performance zoning may allow all possible uses in all locations, subject to a uniform set of performance standards. In other instances, performance standards may be linked to a set of zoning districts, or be used to support other community objectives. Typically, performance zoning focuses on the establishment of standards that will limit the negative impacts of land uses on adjoining uses. Introductory statements from performance zoning-based ordinances used in Breckenridge, Colorado and Bucks County, Pennsylvania, are attached (*Attachment C*).

Performance zoning can have fairly high development costs, as it is necessary to establish a system of clear and measurable criteria against which a use's impacts are measured. The administrative costs can be fairly high as well and the associated ordinance will likely be complex to staff, professionals, and the general public. These factors have limited the

widespread use of performance zoning, although many communities (including Carrboro) have incorporated performance measures or standards into their land use regulations.

Cottage Zoning. “Cottage zoning” is a term that was used in Chapel Hill several years ago to describe small, affordable housing units. The term itself was never formally defined and has since been dropped from common use. In response to a request from the Chapel Hill Town Council that followed from an affordable housing development proposal on Scarlette Drive, an ordinance amendment was prepared in March 1999. The ordinance change created a new type of residential zoning, “Residential-Special Standards-Conditional” use zoning district and was developed because the proposed affordable housing project would not meet the standards of Chapel Hill’s existing zoning districts.

The ordinance established maximum density, street setbacks, recreation area requirements, and floor area and livability space ratios. Minimum lot size and land area requirements were not established. The ordinance does not include any requirements for affordable housing, although it was anticipated that a voluntary offer to provide affordable units might be made in the course of the rezoning/special use permit review. A copy of the agenda item and resolution from the date of adoption, April 12, 1999 is also attached, as are copies of the minutes from the Town Council’s discussion of this matter (*Attachment D*). Later that year, the Chapel Hill Town Council adopted guidelines for the R-SS-C zoning district (*Attachment E*) to encourage affordable housing in this district.

Discussion: Facilitating Opportunities for Housing Diversity

Carrboro’s land use regulations can be characterized as the middle ground among zoning ordinances. The ordinance is structured around the traditional question of “where?” and adds specific regulations associated with “how?” But the ordinance also utilizes a variation of performance zoning in several respects, including architectural and site design requirements in certain districts and acreage limitations in others, and provides for conditional uses and conditional use zoning. This structure has allowed the Town greater flexibility in evaluating the benefits and limitations of particular components of the regulations.

While performance zoning has some merits, the limited pool of development sites, and past practices related to this issue would argue for a different approach. Actions recommended for the Board of Aldermen’s consideration in support of expanded opportunities for housing diversity are noted below.

Recommended action options for facilitating housing diversity

1. Develop conditional use residential zoning districts based on existing zoning districts, such as an R-3-c, R-7.5-c, et cetera. Establish performance criteria for those zones that are designed to accommodate a mix of housing types, including apartments, townhomes, condominiums and single-family units. Such performance criteria should also include access to water and sewer, access to arterial roads, the use of net density calculations, and could include site design elements such as those found in the Town’s Village Mixed Use Conditional Use district (VMU CU) provisions.

2. Encourage the use of Planned Unit Development zoning that is permitted in Sections 15-139 and 15-155 of the Land Use Ordinance (*Attachment F*). This existing form of conditional use zoning requires a mix of at least two uses (residential and either manufacturing or commercial, or both). Planned Unit Developments provide an alternative to village development, require a mix of uses, have a smaller minimum lot size, and are subject to the general ordinance provisions. Some modifications may be needed to clarify the procedural requirements of this district.

Districts developed or modified in accordance with these approaches could be defined with specific objectives regarding thresholds for affordable housing or mixed housing types, or to address other community needs or interests. The Board could also choose to adopt separate guidelines regarding these districts.

Neither of these actions would carry the structured certainty that is often associated with a traditional approach to zoning since multi-family development would not be designated in particular locations. The flexibility associated with these approaches, however, can be seen as a good and appropriate next step in the Town's actions to achieve the goals established in 1977 and since then. The conditional use or planned unit development approaches allow the Town and the development community to work together in implementing projects and provide greater certainty that the rezoning will result in projects that have been designed in accordance with the community's needs and interests.

FISCAL IMPACT

Changes to Town regulations and processes can be accomplished with existing staff and resources.

ADMINISTRATION'S RECOMMENDATION

The Administration recommends that the Board of Aldermen adopt the attached resolution (*Attachment A*) that directs the staff to proceed with actions options to facilitate housing diversity.