

A RESOLUTION DIRECTING STAFF IN DRAFTING
AN AMENDMENT TO THE TEXT OF THE CARRBORO LAND USE ORDINANCE
Resolution No. 12/2007-08

WHEREAS, the Board of Aldermen finds that current policies listed in Vision 2020, such as encouraging economic diversity (3.6); encouraging small, low-impact home businesses (3.5); supporting human service needs above and beyond those met by the County (1.32); and supporting the needs of special populations, including senior citizens (1.33) could be fulfilled by incorporating day cares in new developments (residential, mixed use, and nonresidential); and

WHEREAS, the Board of Aldermen envisions a mix of uses in the town to promote the economic, environmental, and social health of the community; and

WHEREAS, the Board of Aldermen seeks to promote the inclusion of senior and child day cares in the town, and believes that providing incentives for developers may further this objective;

OPTION A: NOW, THEREFORE, the Board of Aldermen hereby accepts the report; OR

OPTION B: NOW, THEREFORE, the Board of Aldermen hereby recommends that the following incentive concepts for day care space provision (indicated by a check mark in the blank) be investigated by staff, and that staff provide recommendations on each, relative to drafting a text amendment to the town's Land Use Ordinance:

In residential and mixed use developments having a residential component:

☐ Provision of day care space as partial or whole substitution for affordable housing requirement

☐ Increase density (dwelling units per acre)

☐ Provision of day care space within the 40% open space required; plus an additional incentive

In all types of development:

☐ Increase intensity (building height, floor area, additional lots)

☐ Where day care space is provided, decrease on-site parking requirements and allow on-street parking, at least during the drop-off/pick-up hours; plus an additional incentive.

☐ Reduce parking requirements; plus an additional incentive.

☐ Waive or reduce the impact fees for the day care portion of the development; plus an additional incentive.



TOWN OF CARRBORO

NORTH CAROLINA

TRANSMITTAL PLANNING DEPARTMENT

DELIVERED VIA: ☐ HAND ☐ MAIL ☐ FAX ☒

EMAIL

To: Steve Stewart, Town Manager
Mayor and Board of Aldermen

From: Kendal Brown, Planner/Zoning and Development Specialist

Date: August 31, 2007

Subject: Incentives for Developers to Provide Day Care Space

Background Information

During the day care discussion at the June 26, 2007 Board of Aldermen meeting, the Board asked the staff to further explore options on two issues:

- Incorporation of day care space in new developments; and
- Development of incentives for providing day care space.

Key Issues

1. Desire to see day cares established in high-density residential zoning districts, particularly in the Northern Study Area: It was observed that day cares have historically been established in higher-density neighborhoods. Aldermen wondered how the establishment of day cares could be encouraged in both low and high density residential zoning districts, particularly in the Northern Study Area (currently zoned R-15, R-20, and RR). Aldermen asked that this item be referred to the Northern Study Area Plan Implementation Review Committee (NSAPIRC), with particular attention to how day cares could be incorporated into new developments and how such action could be incentivized.

Staff response: Our records show that currently, licensed child day care homes and facilities are primarily in the R-10 and R-7.5 zoning districts (higher density residential districts). Under the current LUO provisions, child day care homes are allowed in the R-15, R-20, and RR zoning districts with a zoning permit; and child day care facilities are allowed in these zoning districts with a special use permit. Senior day cares Class A and Class B are allowed in these zoning districts with a special use permit. These permit levels are identical to those in the higher density residential districts.

The questions of how to incorporate day cares into new developments and how to incentivize the provision of day care space issue were referred to NSAPIRC at its June 11, 2007 and August 16, 2007 meetings. However, no discussion of these questions occurred at the meetings.

2. Desire to see developers of residential projects include day care space within the development, such as in the clubhouse or community center: The Aldermen asked that the expectation be created among developers that day cares would be considered as part of any new residential development, but also for some commercial developments.

Staff response: From a policy standpoint, Vision 2020 policies speak to encouraging economic diversity (3.6); protecting both physical environment and the integrity of existing neighborhoods (3.1); and mitigating adverse infill impacts, especially pertaining to roads, sidewalks and aesthetic compatibility (2.11). Vision 2020 policy 3.5 calls for encouraging small, low-impact home businesses.

As a first step, staff can include such an expectation in our discussions with developers at the pre-application stage, as well as in the review of plans prior to permit issuance.

3. Explore incentives, including density bonuses: The aldermen asked the staff to explore a possible step beyond verbalizing a desire for day cares, namely creating incentives for the inclusion of day cares in new developments (such as offering density bonuses). The Board of Aldermen asked to consider incentive options this fall.

Staff response: Other communities offer density bonuses (additional dwelling units), intensity bonuses (floor area, height, and/or setback reductions), parking reductions, fee waivers, or expedited review to developers who agree to provide day care space within new developments. It would be possible for Carrboro to offer any of these incentives as well. The most common type of incentive used is intensity or density-based. For example, Newnan, Georgia grants a commercial developer eight (8) additional square feet of floor area for every square foot of day care space provided. Palo Alto simply exempts the day care floor area from the overall floor area calculations.

The incentive approach can be a useful tool if the community feels that space provision for a needed service is an acceptable trade-off for increased intensity/density or reduced parking, for example. However, for this tool to be effective, the economic aspect must work as well. Specifically, if increased intensity/density or reduced parking is not what sells on the market, developers will not be attracted, and the desired result – creation of day care space – may not be achieved.

Though opportunities now exist for developing at increased density in the Northern Study Area, only two developers have done so (Winmore and Claremont). We questioned whether intensity and density-related incentives would be effective in Carrboro. Staff polled area developers to find out what incentives might be more attractive. Area developers and commercial realtors suggested the following incentive ideas:

In residential and mixed use developments:

- Provision of day care space as partial or whole substitution for affordable housing requirement
- Provision of day care space within the 40% open space required, plus an additional incentive (e.g., partial substitution for affordable housing, decrease the open space requirement to 30%, increased number of lots allowed)

In all types of developments:

- Increase density (dwelling units per acre) or increase intensity (building height, floor area, additional lots), plus an additional incentive
- Where day care space provided, decrease on-site parking requirements and allow on-street parking during the drop-off/pick-up hours, plus an additional incentive
- Reduce parking requirements (mixed reaction to this option)
- Waive or reduce the impact fees for the day care portion of the development, plus an additional incentive

Additional developer feedback:

In conversations between staff and developers/realtors, additional information and suggestions were offered by developers:

- Allowing a day care in open space, without additional incentive, is not enough.
- In commercial areas, rental rates are too high for most day care centers.
- Because of high rents in this area, traditionally what's been affordable for day care operators is to convert an existing house in an existing neighborhood, or use church facilities during the week
- State regulations regarding day care space make shared use of a given building (for example, using a clubhouse for a day care part of the time) problematic.
- Suggest the Economic Development officer keep a list of current and prospective day care operators, try to connect them or match them with area developers.
- Expedited review would be attractive but probably unrealistic

Challenges Presented by Incentive Programs for Day Care Spaces

No matter which incentive is selected, a concern is that day care space may be provided initially, with all the necessary upfits in the construction process, but that other conditions (e.g., rental rates, lack of qualified operators, lackluster marketing) may not be favorable for initiating or continuing a day care operation in that space. Newnan, Georgia's zoning provisions call for the designated day care space to be used as a day care or remain vacant. Generally speaking this would place the burden of continued day care use on the building owner, building manager, or

rental agent, with the threat of lost rent as incentive to ensure continual day care operation in the designated space. In Seattle, the child care incentive program specifies the day care space be dedicated for that specific use for at least 20 years. In Greensboro, some commercial space is reserved for non-profit use only. The effectiveness and fairness of these restrictions relies on market conditions enabling or favoring the operation of day cares.

The Aldermen will also need to inform staff of acceptable limits on incentives. Some incentives offered elsewhere may not be appealing to developers here. Conversely, incentives known to appeal to local developers may be perceived by others as too much to trade for day care space. The specific trade-offs would ideally be perceived by all parties as mutually beneficial.

Two Ways to Apply the Incentives Approach

An incentive approach could be achieved under two different schema. The first would be to simply offer increased intensity/density (or other incentive) in exchange for providing day care space, as Carrboro already does for providing affordable housing.

A more comprehensive approach used by other cities involves offering intensity/density bonuses, or other incentives, for a single or combination of highly valued public benefits, such as affordable housing, homeless shelters, open space, public art, performing arts venues, public plazas, greenbuilding, underground parking, streetscape improvements, as well as day care space. Some of these jurisdictions use a point system to rate the type and size of benefit and to calculate a commensurate density bonus. Density bonuses (such as allowing additional dwelling units) or intensity bonuses (e.g., increased floor area) appear to be the most commonly used incentives, but other incentives (fee reductions/waivers, expedited review, parking reductions) could also be applied under this scheme.

The second approach is more comprehensive, and may help to address a number of desirable public benefits simultaneously. While clearly this approach would help provide a number of benefits to the community, a recommended draft ordinance of expanded scope would require more staff time to develop.

The staff requests Board of Aldermen direction on whether staff should explore incentivizing day care space only, or incentivizing a number of public benefits. The attached resolution addresses incentivization of day care space only, but could be modified to include incentivizing other public benefits as well.

**PUBLIC HEARING ON A LAND USE ORDINANCE TEXT AMENDMENT TO REVISE
PROVISIONS RELATED TO DAY CARE HOMES AND FACILITIES**

The purpose of this item was to receive citizens' comments regarding a request to amend the text of the Land Use Ordinance to revise several current restrictions on day care homes and facilities, and to consider the adoption of an ordinance which responds to the subcommittee requests and to the suggestions made at the January 23, 2007 public hearing and March 13, 2007 work session.

Kendal Brown, one of the town's Planner/Development Specialists, pointed out minor corrections to the ordinance.

James Carnahan, Chair of the Planning Board, reviewed the Planning Board's recommendation regarding this amendment.

MOTION WAS MADE BY ALEX ZAFFRON AND SECONDED BY JOAL HALL BROWN TO CLOSE THE PUBLIC HEARING. VOTE: AFFIRMATIVE ALL

The following resolution was introduced by Alderman Alex Zaffron and duly seconded by Alderman Joal Hall Broun.

A RESOLUTION ADOPTING A STATEMENT EXPLAINING THE
BOARD OF ALDERMEN'S REASONS FOR ADOPTING
AN AMENDMENT TO THE TEXT OF THE CARRBORO LAND USE ORDINANCE
Resolution No. 235/2006-07

WHEREAS, an amendment to the text of the Carrboro Land Use Ordinance has been proposed, which amendment is described or identified as follows: "an Ordinance Amending the Carrboro Land Use Ordinance to Change the Definitions and Restrictions Regarding Child Day Care Uses.

NOW THEREFORE, the Board of Aldermen of the Town of Carrboro Resolves:

Section 1. The Board concludes that the above described amendment is consistent with Carrboro Vision 2020: Policies through the Year 2020 (Policies 2.11, 3.1, and 3.6), the Carrboro Land Use Ordinance, and the Facilitated Small Area Plan for Carrboro's Northern Study Area.

Section 2. The Board concludes that its adoption of the above-described amendment is reasonable and in the public interest because the Town of Carrboro seeks to expand opportunities for small business establishment within the town while protecting existing neighborhoods from negative impacts such as excessive traffic, parking, and noise.

Section 3. This resolution becomes effective upon adoption.

The foregoing resolution having been submitted to a vote received the following vote and was duly adopted this 26th day of June 2007:

Ayes: Joal Hall Broun, Mark Chilton, Dan Coleman, Jacquelyn Gist, John Herrera, Randee Haven-O'Donnell, Alex Zaffron

Noes: None

Absent or Excused: None

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MOTION WAS MADE BY ALEX ZAFFRON AND SECONDED BY DAN COLEMAN TO ADOPT THE ORDINANCE ENTITLED, "AN ORDINANCE AMENDING THE CARRBORO LAND USE ORDINANCE AS IT PERTAINS TO CHILD CARE HOMES, CHILD CARE FACILITIES AND SENIOR CITIZEN DAY CARE FACILITIES", AMENDED TO INCLUDE THE PLANNING BOARD'S RECOMMENDATION TO MODIFY SECTION 15-179, SUBSECTION (c) (AS SPECIFIED IN SECTION 8 OF THE DRAFT ORDINANCE) TO REQUIRE A NEIGHBORHOOD MEETING. VOTE: AFFIRMATIVE ALL

The following resolution was introduced by Alderman Dan Coleman and duly seconded by Alderman Joal Hall Broun.

A RESOLUTION THANKING THE CHILDCARE STUDY COMMITTEE
Resolution No. 243/2006-07

WHEREAS, a goal of the Board of Aldermen's 2004-2005 Work Plan was to improve options for childcare businesses, and on May 4, 2004, the Board of Aldermen created the Childcare Study Committee; and

WHEREAS, the Childcare Study Committee was charged with gathering information and making a report on the following issues:

- A. Planning and zoning treatment of childcare facilities,
- B. Revenue neutral steps that the Town can take to increase childcare options in Carrboro; and
- C. Opportunities for improving working conditions for childcare workers.

WHEREAS, the Committee fulfilled its last duty in presenting its final report to the Board of Aldermen on March 14, 2006.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO:

Section 1. The Board of Aldermen hereby thanks the Childcare Study Committee members for their diligent participation and thoughtful recommendations.

Section 2. The Board of Aldermen hereby dissolves the committee.

The foregoing resolution having been submitted to a vote received the following vote and was duly adopted this 26th day of June 2007:

Ayes: Joal Hall Broun, Mark Chilton, Dan Coleman, Jacquelyn Gist, John Herrera, Randee Haven-O'Donnell, Alex Zaffron

Noes: None

Absent or Excused: None

Mike Brough pointed out that Section 6 of the ordinance adopted by the Board needed to be amended to read as follows: "Notwithstanding the foregoing, Uses 22.200 Child Day Care Facilities serving 9 – 15 children and 22.300 Senior Citizen Day Care, Class A serving 4 – 16 seniors that are located on collector or arterial streets are permissible with a Zoning Permit issued by the Administrator. For purposes of this section....."

MOTION WAS MADE BY ALEX ZAFFRON AND SECONDED BY JOAL HALL BROUN TO RECONSIDER THIS MATTER. VOTE: AFFIRMATIVE ALL

6-5
MOTION WAS MADE BY ALEX ZAFFRON AND SECONDED BY JOAL HALL BROWN TO ADOPT THE REVISED ORDINANCE AS RECOMMENDED BY THE TOWN ATTORNEY ENTITLED, "AN ORDINANCE AMENDING THE CARRBORO LAND USE ORDINANCE AS IT PERTAINS TO CHILD CARE HOMES, CHILD CARE FACILITIES AND SENIOR CITIZEN DAY CARE FACILITIES." VOTE: AFFIRMATIVE ALL
