



Date: May 14, 2019

To: Members of the Durham Planning Commission
Through: Patrick O. Young, AICP, Planning Director
From: Michael Stock, AICP, Senior Planner and Kayla Seibel, AICP, Senior Planner
Subject: Community Feedback on *Unified Development Ordinance* Text Amendment, Expanding Housing Choices (TC1800007)

Summary

This item was continued from the March 12, 2019 Planning Commission meeting. No changes are proposed to the text in TC1800007. However, staff has provided text amendment options to reflect community feedback received since the March Planning Commission meeting shown in Attachments 1 and 2. **Attachment 1** summarizes and compares the top issues and key decision points between staff recommendation, Option A, the proposals from the November Discussion Draft, Option B, and current UDO requirements. **Attachment 2** is a complete comparison table showing the current, November, and March versions as well as public comments we received.

Overview of Community Feedback

Since the March 12, 2019 Planning Commission meeting, Planning Staff conducted additional outreach on the draft proposals (see Attachment 3). Additionally, Staff conducted a community conversation workshop on Saturday, April 27, 2019. The workshop focused on the details of the Expanding Housing Choices proposal with materials that compared current standards with the November and March PC draft proposals. Planning staff recorded feedback ranging from broad policy issues and implementation considerations to detailed technical suggestions.

In general, we heard supportive feedback for the Expanding Housing Choices initiative. Community members tend to agree that there are issues with housing supply and variety, and that amending zoning regulations can help reduce barriers. Community members in general seem comfortable with the types of housing options in the proposals specifically accessory dwelling units, duplexes, flag lots, and smaller lot dimensions. These sentiments are consistent with what we heard in the initial surveys and public outreach. The areas in which there are disagreements appear to be with specific regulations and their degree of impact or effectiveness. We have recorded those as options for consideration in Attachment 1.

We also heard that this initiative is not all that we need in Durham. Community members noted the need for additional solutions to address housing affordability, new growth, mobility, and environmental sustainability. In the next section, we summarized broad policy and implementation issues we heard and how Expanding Housing Choices does or does not address them, including references to proposed text changes.

Policy and Implementation Considerations

Expanding Housing Choices has generated a lot of conversation in Durham. This proposal has people thinking thoughtfully and critically about how Durham grows and serves the needs of existing and future residents. Naturally, the conversation includes broad issues that go above and beyond what we can include in the Unified Development Ordinance (UDO). The issues people have raised involve considerations for how local government departments and partner agencies work together on comprehensive solutions. Below are categories of topics we've heard, how the Expanding Housing Choices proposal addresses them or not, and what else would be required.

What we heard:

Housing affordability is important to us.

We agree that stand-alone zoning strategies will not be the definitive solution for the production of housing that is truly affordable for low-income households earning less than 60 percent Area Median Income. The Planning Department works closely with the City's Department of Community Development and affordable housing providers to understand what role zoning plays in creating barriers to provide affordable housing.

While the net cast by EHC is intentionally large in order to begin to stabilize prices of all housing, it does help developers of Affordable Housing on a site by site basis. Those utilizing the Affordable Housing Bonus Program will be able to yield more units on the limited land they have through increased site design flexibility, reduced parking requirements, and increased density. The illustrative development scenarios in Appendix K in the March Planning Commission agenda item demonstrate how projects built under the proposed rules and the Affordable Housing Density Bonus might increase the production of affordable units.

An aspirational goal of EHC is to make it possible (legal under the zoning ordinance) to build market rate housing for middle income households, which in turn, may reduce economic displacement of low income households. Along with the increasing cost of labor and construction materials, zoning rules that require large lots (land is increasingly expensive) and limit housing types make it very challenging to build a housing unit that is market-rate affordable for middle income home buyers. While developers will still build luxury housing (if the market demands it), EHC aims to make it possible to build for middle income households by allowing smaller lots, more housing types, and more flexibility with accessory units.

We don't want to accelerate displacement and gentrification.

We agree and acknowledge that displacement is currently happening. This phenomenon of economic displacement leaves the fewest choices for those at the bottom of the income spectrum. One policy goal behind the proposals for Accessory Dwelling Units (ADUs) and the option to subdivide to a small flag lot is to help existing homeowners. Subdividing the backyard into a separate flag lot for a small house is an alternative to building an ADU and could offer the existing homeowner an opportunity to access equity they have tied up in the land, allowing them to stay in place.

Additional programs should also be developed to better inform current residents of their rights as homeowners, and help understand the value of their property. Speculators currently send out letters offering cash for a home and this can appear as an attractive offer (especially to low and moderate income households). The Community Development Department is currently investigating programs to provide aid and advice to homeowners in order to make informed decisions about their property. This is a needed service whether or not the proposed revisions are adopted.

We want to easily connect to jobs and activity centers.

We agree. The need for a regional and connected transportation system has long been supported by Durham residents. We have an opportunity with Durham's new Comprehensive Plan and a new Durham County Transit Plan to evaluate the needs and possibilities for connecting residents to job, educational, and entertainment opportunities.

EHC proposals address how the Urban Tier can help accommodate residents' desire to live close to Downtown and neighborhood amenities. There is still strong need for mobility inside and outside of the Urban Tier.

Parking is a challenge.

We agree that additional housing units could add more cars to neighborhood streets. We have heard that what makes the urban tier neighborhoods attractive is the option of using modes of transportation other than a car. Residents in the urban tier often have good proximity to bus routes, sidewalks, greenways, and bike lanes. As cities grow and space becomes limited, investments in active transportation options prove to be cost effective and sustainable policy decisions. While the City is implementing several transportation plans to encourage more walking, biking, and transit use, the predominant method of transportation is still the car. The UDO currently requires each dwelling unit must accommodate a minimum of two parking spaces on-site. Current UDO parking requirements do not require parking for:

- ADUs;
- Affordable Housing Dwelling Units; and
- Narrow (less than 40 feet) lots where the required street yard would create a conflict with minimum parking requirements.

Additionally, current requirements allow one parking space to be accommodated with on-street parking if the lot has at least 23 feet of frontage to accommodate the parking space. At least one required parking space must be placed on-site. No changes to minimum parking requirements are proposed. As mentioned above, limitations to driveway widths and design are proposed, including requiring ribbon driveways and locating driveways to the side of primary structures if choosing to utilize a lot reduction/density bonus option.

Durham's growth means including more areas for increased housing, not just in the Urban Tier.

We agree. The Urban Tier is not expected to absorb all or even most of the projected new growth in Durham. The Urban tier is only anticipated to absorb 15% of new growth by 2045. Because of limited availability of land, combined with the need to provide more housing units, we have proposed text amendments that allow for the possibility for new units to be created within the existing urban fabric. This means, allowing for smaller lots, flag lots, and increased density allowances in zoning districts. Planning staff anticipates other housing options will still be sought and provided for in Durham's Suburban, Downtown/Compact, and Rural Tiers.

We want to maintain what we love about our neighborhoods.

An important component of Expanding Housing Choices is to address concerns voiced by some that new homes are "out of character" with the existing neighborhood. Mostly, staff heard that new houses are too big or too bulky, and lead to excessive parking congestion. When Planning staff talk about "character" we often mean elements of the built environment that contribute to the basic feel of a street: the rhythm of buildings and lots, setbacks, bulk, height, trees, parking, etc.

To address concerns, the proposed EHC Text Amendments proposes limits to building coverage and bases height on the context area. Attachment I addresses revised Infill standards in greater depth.

We don't want to see beautiful houses bought by developers, torn down, and replaced with smaller houses.

Planning staff has heard a lot of concern about this issue, and so we have attempted to calibrate the recommendations to allow for only an incremental increase of density, but not to the degree that it would make it economically advantageous to tear down an existing house. Monitoring metrics are being put in place to track the impact these regulations have on teardowns (both numerically and geographically). Planning will continue to monitor trends to ensure these proposed regulations are not having unintended or negative consequences.

The intent behind EHC is to allow an additional increment of density and development over what is currently allowed under existing zoning rules. An incremental approach both minimizes the risk of teardowns and can be less disruptive to the neighborhood character. Illustrative Development Scenarios (Attachment K in the March Planning

Commission agenda item) were created in order to help conceptualize and visualize the maximum extent of change the proposed recommendations could have after applying limits to permitted uses, density, lot area and lot width. Proposed maximum height and building coverage are not taken into consideration in this analysis, but are additional limitations to development.

Planning Staff acknowledges that teardowns are happening today. One fundamental of EHC is to provide new housing options if a teardown happens instead of the limited or lack of options under current rules. We are also aware of the potential to exacerbate the situation.

We want new housing to fit in with the rest of the houses in the neighborhood.

As we have seen, the high demand for housing in Durham, especially in our in town neighborhoods, has led to teardowns and conversions of previously affordable housing to new, less-affordable housing. People often say that teardowns change the “character” of the neighborhood, sometimes referring to the diversity of people, and sometimes referring to the physical characteristics of the neighborhood (building height, bulk, rhythm, aesthetic etc.). Market forces outside of our control are creating the pressure for teardowns, and they will likely continue to happen with or without the zoning changes introduced by EHC.

Today, if a home is torn down, in many zoning districts the only building that can be rebuilt is a single family house, which will likely be much larger and more expensive than what it replaced. By allowing duplexes and providing options for small houses, EHC would make it possible to replace that one unit with more units, which would be smaller and less expensive on a per unit basis.

An important component of EHC is to address some neighborhood concerns that homes rebuilt after a teardown are “out of character” with the existing neighborhood. Mostly, that new houses are too big, too bulky, and do not preserve canopy trees. When Planning staff talks about “character” we often mean elements of the built environment that contribute to the basic feel of a street: the rhythm of buildings and lots, setbacks, bulk, height, trees, parking, etc. To address these concerns, EHC proposes:

- Limits to building coverage,
- Limitations on impervious area used for driveways, and
- Additional trees

We value solutions that address climate change, environmental sustainability, and resiliency.

We agree. Research suggests that promoting a denser pattern of development in areas closer and more connected to jobs and services and more easily served by existing infrastructure, can reduce our carbon footprint and be a more fiscally sound pattern of growth. Diminishing availability of developable and serviceable land on the fringes of the City means that some amount of new growth will need to be accommodated

through dense redevelopment (“growing up”), or through incremental infill of existing neighborhoods (“growing in”). EHC addresses strategies for how to “grow in”, particularly in the Urban Tier.

Multiple stakeholders have raised concerns about the environmental impact of adding additional density in the Urban Tier. Major issues raised include the impact to the tree canopy and the addition of impervious surfaces leading to stormwater runoff and flooding.

The proposed EHC Text Amendments address trees in a couple ways:

- a) As part of these proposals, revision to the current landscaping section for Infill Standards would more clearly prescribe maintaining or planting a tree, in addition to any street tree requirements. This standard would implement what was developed for the Old West Durham NPO.
- b) The proposed lot reduction options would require additional tree protection or planting, requiring a minimum of one canopy and one understory tree, in addition to any required street tree.

Additionally, a separate tree and landscaping revision text amendment (TC1800005) recently received a recommendation of approval from the Planning Commission. Some of the proposed changes include:

- a. Residential development sites that are large than four acres (not infill development) would have a required minimum tree preservation of 7% and up to 10% with a combination of preservation and planting. The current standard is 3%.
- b. Nonresidential development sites would have a required minimum tree coverage requirement (preservation and/or planting) of 3%. The current standard is zero.
- c. Street trees will be required to be placed no further than 10 feet from right-of-way, instead of the current 30 feet.
- d. If understory street trees are planted, they shall be in the amount of 1 per 30 feet of frontage, instead of the current 1 per 40 feet.

Per state law, single and two-family developments are currently exempt from stormwater regulations that might otherwise require on-site capture and treatment; however, several measures have been included in the EHC text amendments that seek to encourage more permeable surfaces for residential infill in the Urban Tier, including:

- a. A proposed maximum building coverage of 40%.
- b. Revisions to the current vehicular use area (parking) section for Infill Standards to limit driveway width to 12 feet, to minimize the amount of driveway paving allowed, utilizing standards adopted with the Tuscaloosa-Lakewood and Old West Durham NPOs.
- c. If opting for the lot reduction/density bonus (see Attachment I for additional details), ribbon driveways shall be required, which further limits the amount of impervious surface.

- d. As mentioned in regards to tree canopy, in order to receive a lot reduction/density bonus, there is a new requirement to maintain or plant two trees.
- e. If opting for the lot reduction/density bonus, no downspout connection to underground piping shall be allow, requiring storm water roof run-off to be directed over pervious areas.

Financing Accessory Dwelling Units and Duplexes is difficult. Building housing in general, is expensive.

Building an ADU can provide rental income to help with mortgage payments or tax bills, but can also be a complex and expensive process. Simplifying the approval process and providing access to financing mechanisms for middle and low income households is a logical next step.

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Attachments

Attachment 1: Text Amendment Alternatives

Attachment 2: Text Amendment Comparison Table with public comments

Attachment 3: Updated Summary of Public Outreach