

Council Committee on Economic Sustainability Meeting Notes
April 7, 2017
Town Hall, 1st Floor Conference Room

Attendees: Mayor Pam Hemminger, Council Member George Cianciolo (Chair), Council Member Sally Greene, Council Member Ed Harrison, Council Member Nancy Oates, Council Member Maria Palmer, Council Member Michael Parker, Roger Stancil, Aaron Nelson, Steve Brantley, Florentine Miller, Dwight Bassett, Ben Hitchings, Mary Jane Nirdlinger, Laura Selmer, Rae Buckley, Loryn Clark, Ed Barberio, Sarah Vinas, and Beth Vazquez.

Council Member George Cianciolo opened the meeting at 8:05 a.m.

Agenda approved.

Updates

Economic Development

Economic Development Officer Dwight Bassett reviewed the Commercial Development Strategy and five high level goals that provide a focus for economic development.

Current projects include another Maker Convening, which is beginning to form a leadership group. There was also an Entrepreneur Council meeting this week. Mayor Hemminger said it was exciting to see this group beginning to take on specific tasks. Two themes that emerged were lack of both office space and opportunities for shorter-term leases, she said.

Mr. Bassett reinforced the process for receiving business inquiries—where they come from, how we treat them, and when we count them as a legitimate inquiry. He reviewed inquiries that have come in during the last 90 days.

Mr. Bassett reviewed office, retail, and residential development upcoming over the next 12 – 36 months, including Chapel Hill 40, Carraway Village, Hamilton Station, and Glen-Lennox.

Council Member Michael Parker asked when a developer must come back to Council for a Special Use Permit when expanding from, say, 60,000 square feet to 100,000 square feet. Planning and Development Services Director Ben Hitchings said staff can handle up to a 5 percent increase administratively without having to return to Council. After continued conversation by the committee, Town Manager Stancil offered to bring options to Council on handling issues associated with approved Special Use Permits.

Mayor Hemminger shared several updates. She raised the issue of complaints from businesses over the reevaluation of property in Orange County, in some cases raised as much as 70 percent. The Chamber is working with businesses to understand the appeal process. Lots of merchants were thrilled with the National Championship game, which helped to balance losses incurred during the water crisis and ice storm. Mayor Hemminger has called a Hotel Summit scheduled for later this month to talk about how we communicate with visitors about things to do and places to go in order to help increase business and awareness.

Planning and Zoning

Planning and Development Services Director Ben Hitchings provided an update on Planning and Sustainability, whose work flows from the Chapel Hill 2020 Comprehensive Plan and the community goals articulated in that document.

Mr. Hitchings focused his discussion on trends on the continuing demand for housing. Several slides depicted approved square footage by land use, which showed that the steadiest demand over time has been for multi-family residential use.

Mr. Hitchings reviewed the Development Activity Report and provided a recap of concept plans. Amity Station will come back to the Council again in May. There are currently two different proposals: one is a concept plan similar to what's been seen in the recent past, and the second is a proposal for subdividing the property into five different site plans. Mr. Hitchings reviewed Special Use Permit projects. One project almost ready is the 111-bedroom Southern Village Hotel.

Council Member Maria Palmer asked if Council can put something in the Special Use Permit that would hold businesses to their promise to pay a living wage. Mr. Hitchings said this would have to be explored further.

Mr. Hitchings advised that consultants for the Station Area Planning project will come before advisory boards in May. The LUMO rewrite project is also accelerating.

Housing and Community

Office of Housing and Community Executive Director Loryn Clark provided an update on affordable housing initiatives. She described the key areas of the Office of Housing and Community as affordable housing, community development, public housing, and human services, and emphasized that a lot of the work they do is in partnership with others. Ms. Clark reviewed Town contributions to affordable housing and discussed the uncertain future of federal funds that currently support a number of community initiatives.

Ms. Clark described on-going projects funded by Town resources, including development, home repair, and homeownership and rental assistance. Ms. Clark reviewed several key projects, including exploration into strategies to incentivize development of affordable housing and a Public Housing Master Plan.

Council Member Palmer encouraged exploration of a model to incorporate public housing into multi-use development. Ms. Clark said this more modern model of public housing is an option under consideration.

Council Member Sally Greene asked if the rental assistance demonstration (RAD) model could come before the Council sooner rather than later, as it marks a significant shift in policy towards a private-public partnership. Ms. Clark said they are in the very early stages of exploring the feasibility of this option, and that this would be brought to the Council before anything close to being definitive happens.

Council Member Nancy Oates inquired about the status of a staff survey to explore housing preferences. Ms. Clark said this is something staff is putting together to get out to Town employees in the near future.

Council Member Oates also asked if the nickel for affordable housing would make up for the shortfall that could occur should the Town lose federal funds. Ms. Clark said this would more than make up for the shortfall.

West Rosemary Development Guide

Assistant to the Town Manager, Rae Buckley, presented on the West Rosemary Street Development Guide, emphasizing that this project has been a collaborative planning effort that has included Planning and Sustainability, Housing and Community, and Economic Development.

Ms. Buckley explained that the West Rosemary corridor falls into two districts: the Municipal Services District and the Northside Neighborhood Conservation District. The project goal is to create guidelines and regulations with visual representation of design concepts for West Rosemary Street regarding commercial and economic development that are consistent with the vision statements of the Northside Neighborhood Conservation District.

Ms. Buckley described community priorities that have emerged, including preservation of the area's historic African American identity, affordable housing and business space, restriction of additional student housing, creation of green space, pedestrian access and parking. Guide components include development framework, public realm, building design, implementation plan, and community benefits.

Ms. Buckley showed a table which illustrates a mismatch between the community vision for development and the market demand, as identified in the market analysis. Ms. Buckley described the relationship between land prices and density of residential development, and talked about the potential for retail and office space.

Ms. Buckley walked the Committee through a case study that was created to test the market viability of what's in the guide and then summarized salient takeaways from the market analysis.

Affordable Housing Project

Office of Housing and Community Executive Director Loryn Clark introduced Affordable Housing Development Officer Ed Barberio to present a concept for a potential affordable housing project on Town-owned land at 2200 Homestead Road. Mr. Barberio outlined key considerations, including whether the Town should develop, own, and/or manage affordable housing on this site, sensitivity to community concerns, resources needed, and potential leveraging options.

Mr. Barberio oriented the Committee to the 15-acre site and described potential development, including micro homes at 30% area median income (AMI) and below, apartments at 60% AMI and below, and townhomes at 100% market rate. Mr. Barberio discussed the target population for potential housing development, potential partners, and potential resources, including a matching grant from UNC Healthcare. Potential next steps include creation of an internal staff team, analysis by the consultants (David Paul Rosen & Associates), architectural and engineering services, and engagement with the Orange County Affordable Housing Coalition.

Committee members reacted to the potential project. Council Member Greene shared that the Housing Advisory Board reacted positively to the version of this presentation they received.

Motion to adjourn at 10:00 a.m.