



Date: September 4, 2018

To: Wendell M. Davis, County Manager
Through: Jay Gibson, General Manager
From: Patrick O. Young, AICP, Planning Director
Subject: Expanding Housing Choices Presentation

Executive Summary

This memo and presentation are intended to provide the background, anticipated workflow, and scope of proposed concepts in support of a Planning Department initiative called Expanding Housing Choices. This project is designed to explore a suite of potential changes to the Unified Development Ordinance (UDO) that can influence the supply and affordability of housing in a context-sensitive manner.

Recommendation

Staff recommends that the Board of County Commissioners receive the presentation and provide comment. No additional action is required.

Background

Fast-paced population growth, limited availability of developable tracts, and a renewed preference for in-town living has led to a housing availability and affordability challenge in Durham. Over time, zoning rules have restricted development in many neighborhoods almost exclusively to single-family dwellings, eliminating many of the small-scale and often more affordable multi-family options that once existed. Often referred to as “Missing Middle” housing, this project explores ways to eliminate regulatory barriers and expand the choices that people have when it comes to housing types. See Attachment 1 for additional background.

Beginning in spring 2018 the Planning Department convened a group of affordable and market-rate housing practitioners to advise staff of the particular challenges they face in building a diversity of housing options at a range of price-points. Common themes that emerged from these meetings included:

- Restrictive zoning districts: Many zoning districts simply do not allow housing types other than single-family, require large tracts of land that is increasingly expensive and rare, and require too much parking;
- Cost of land, labor, construction materials; and
- Cost of compliance with City regulation, including stormwater control measures, connection fees, commercial building codes, and roadway build-out.

To measure public opinion and concerns regarding expanding housing choices in general, and certain housing types more specifically, a survey was released and made available from June 15 through August 15. The survey was advertised through the City and the County Public Affairs' Offices. In an effort to collect broader participation, Planning staff attended several events throughout the summer, including the Rock the Park concert series, the Durham Farmers' Market, and the Latino Festival. Flyers were also distributed through the Police Department during National Night Out events. By mid-July, over 1,000 people had participated in the survey. An updated figure and results of the survey will be provided at the meeting.

Based on input from the practitioners' group, initial results of the survey, and best practices from across the country, staff has compiled information regarding six proposed concepts for how to amend the Unified Development Ordinance in order to allow for a greater variety of housing choices in a context-sensitive manner. For more detailed background information on each, please refer to the attachments. At this time, Planning staff is seeking initial input from elected officials on the proposed concepts before proceeding with any draft text amendment language.

- **Accessory Dwelling Units (ADUs):** Modify UDO regulations to increase viability for more properties (Attachment 2).
- **Duplexes:** Allow duplexes as a housing type in more locations, especially within the Urban Tier (Attachment 3).
- **Lot Dimensions:** Adjust lot dimensional standards to allow more opportunities for small-scale infill (Attachment 4).
- **Small House/Small Lot:** Create a new housing type/lot dimensional standard to accommodate small houses less than 800 square feet (Attachment 5).
- **Cottage Court:** Create a new housing type/lot dimensional standard to allow for clusters of small homes built around a common green space (Attachment 6).
- **Infill Standards:** Modify residential infill standards to promote more context-sensitive development (Attachment 7).

Issues and Analysis

The Expanding Housing Choices project has been highlighted as a component of a broader strategy for housing affordability in Durham. A long-term outcome of this project is to address the housing shortage that is driving escalating costs in Durham as a whole, and particularly in Urban Tier neighborhoods. This project aims to contribute to market-rate affordability by removing certain regulatory barriers that restrict the supply and type of housing, often referred to as "Missing Middle" or "affordable by design" solutions. Additional flexibility could be built in to the regulations for affordable housing that meeting the UDO's definition of an affordable housing dwelling unit.¹

Planning staff regards the proposed concepts included in this memo as "Phase 1", or initial steps, towards expanding housing choice in Durham. Additional changes may be identified during the drafting process. Many other issues will need substantive partnerships with other departments to

¹ The UDO defines an Affordable Housing Dwelling Unit as one that is affordable to a household earning 60 percent or less of the Area Median Income.

address, and will require more time. Other issues include, but are not limited to, stormwater regulations, design standards for projects with three or more units, utility connection fees and other impact fees. Other issues may require broader policy guidance through an update to the Comprehensive Plan, such as density limitations.

Phase 1 is anticipated to be completed by spring 2019. With direction to proceed from elected officials, draft text amendments would be anticipated for review during fall/winter of 2018-2019.

Staff Contacts

Michael Stock, AICP, Senior Planner, 919-560-4137 ext.
28227; Michael.Stock@DurhamNC.gov

Hannah Jacobson, AICP, Senior Planner, 919-560-4137 ext.
28247; Hannah.Jacobson@DurhamNC.gov

Attachments

- Attachment 1:** Expanding Housing Choices Presentation
- Attachment 2:** Accessory Dwelling Units
- Attachment 3:** Duplexes
- Attachment 4:** Lot Dimensions
- Attachment 5:** Small House/Small Lot
- Attachment 6:** Cottage Court
- Attachment 7:** Infill Standards



Expanding Housing Choices

September 4, 2018
Board of County Commissioners' Work Session

Presentation Overview

- Trends in Household/Job Growth and Competition for Housing
- Growth Strategies
- Challenge: Finding a Middle Ground
- Expanding Housing Choices Project Scope and Timeline



919.560.4137

DurhamNC.gov

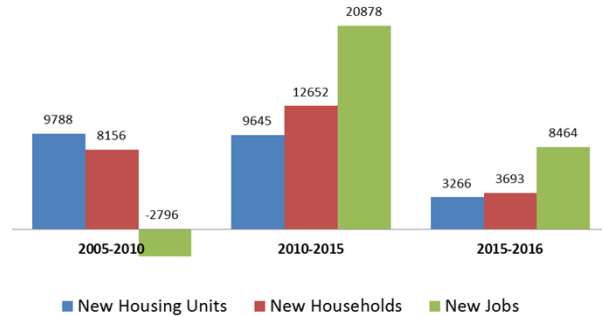
Follow Us @CityofDurhamNC



Housing development is not keeping pace with household or job growth

- Between 2010-2015, the number of households grew more than the number of new housing units*
- Since 2010, job growth has out-paced the number of new housing units*

* Inclusive of for-sale and rental units



Source: US Census, American Community Survey



919.560.4137

DurhamNC.gov

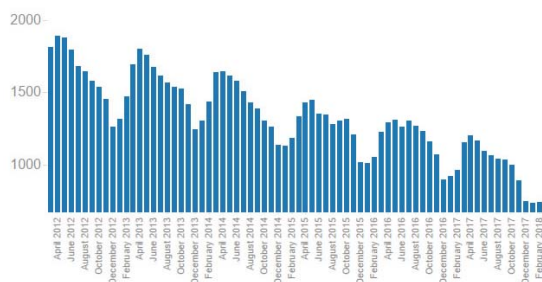
Follow Us @CityofDurhamNC



Growth has led to increased competition in the for-sale market

- Fewer homes are on the market
- 814 homes listed for sale at the end of March 2018

All Homes for Sale



REDFIN



919.560.4137

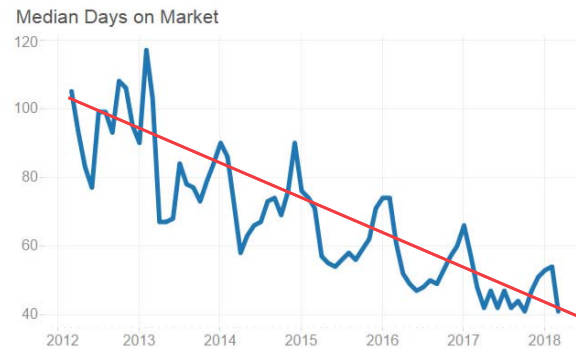
DurhamNC.gov

Follow Us @CityofDurhamNC



Growth has led to increased competition in the for-sale market

- Homes are selling more quickly
- Median of 41 days on the market at the end of March 2018



REDFIN



919.560.4137

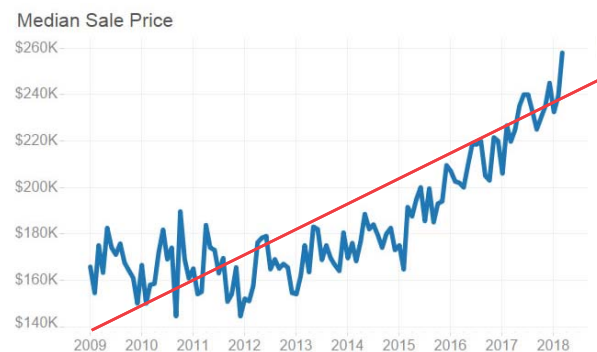
DurhamNC.gov

Follow Us @CityofDurhamNC



Increased competition has had an impact on price in the for-sale market

- Homes are getting more expensive
- \$258,000 - median sale price in March 2018
- Up from \$168,000 five years ago (March 2013)



REDFIN



919.560.4137

DurhamNC.gov

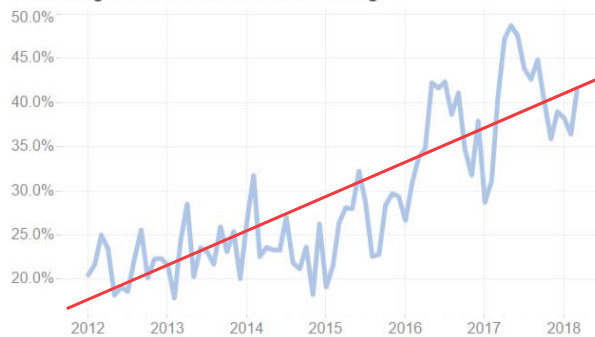
Follow Us @CityofDurhamNC



Increased competition has had an impact on price in the for-sale market

- Homes are sold above the asking price

Percentage of Homes Sold Above Asking



REDFIN

DurhamNC.gov

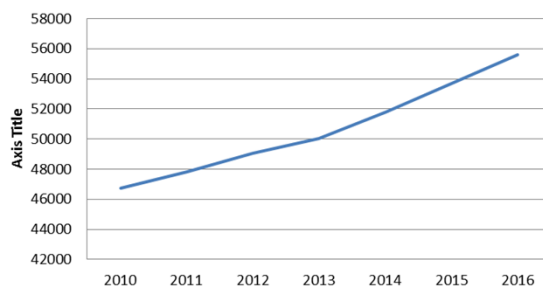
Follow Us @CityofDurhamNC



919.560.4137

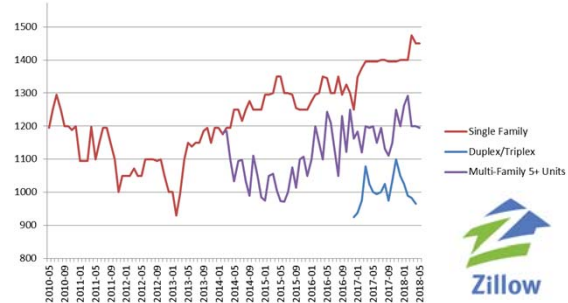
Increase in rental inventory, prices

Inventory of All Rental Units (2010-2016)



Source: US Census Bureau, American Community Survey

Median Rent List Price (2010-present)



919.560.4137

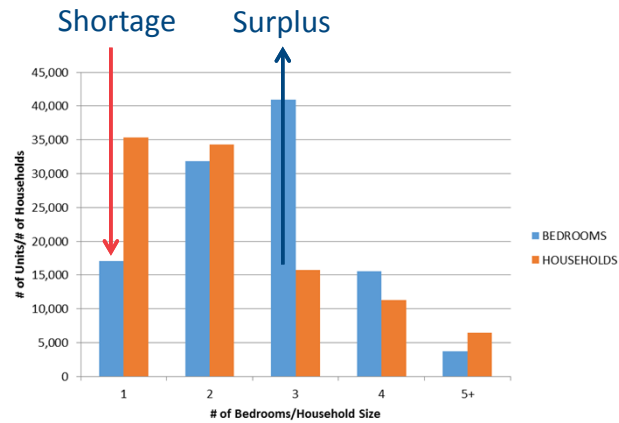
DurhamNC.gov

Follow Us @CityofDurhamNC



Mismatch in housing supply and demand

- Aging population
- Millennials' preferences
- Households are shrinking
- More are living with less



Data provided by TJ COG



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Musical Chairs Analogy

"It's like a huge game of musical chairs. If there aren't enough chairs when the music stops, someone is left out. When there aren't enough homes for people who live and work in a city, everyone has to compete for what's available, and rents go up until people get priced out. ***In the housing market, instead of being fast, you just need to be rich to stay in the game.***"

Dan Bertolet, Sightline Institute



<https://youtu.be/EQGQU0T6NBc>



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



“Capital A”

Subsidized, meets HUD definitions;
legally binding; monitored and
tracked by City

“lower-case a”

Naturally occurring through market
forces. Affordable for a variety of
reasons (age, condition, location,
size of unit, size of lot, etc.)

5.9% of all housing units are legally-binding affordable units



Source:
Triangle J
Council of
Governments



919.560.4137

DurhamNC.gov

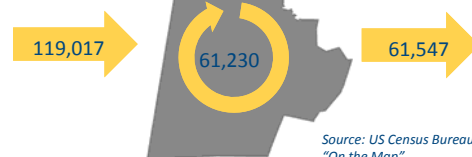
Follow Us @CityofDurhamNC



Difficult choices in a constrained housing market

- Pay a greater percentage of household budget on housing in “high opportunity” neighborhoods
- Pay for housing that does not match need
- “Drive till you qualify”
- Alternative living situations
- Sub-standard living conditions

Commuter
Inflow/Outflow
Analysis (2015)



Source: US Census Bureau.
“On the Map”

Change in Commuter Inflow (2005-2015)			
Home County	2005	2015	% Change
Durham	58,220	61,230	5%
Wake	39,115	55,787	30%
Orange	12,253	14,171	14%
Granville	3,507	4,484	22%
Alamance	2,444	4,016	39%
Person	3,302	3,858	14%
Johnston	2,367	3,326	29%
Chatham	1,843	3,165	42%



919.560.4137

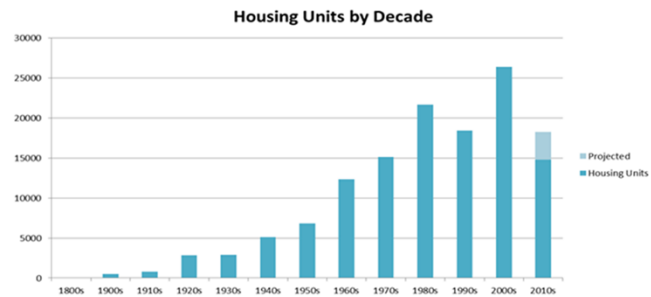
DurhamNC.gov

Follow Us @CityofDurhamNC



What's driving competition?

1. Housing development is not keeping pace with population and job growth



919.560.4137

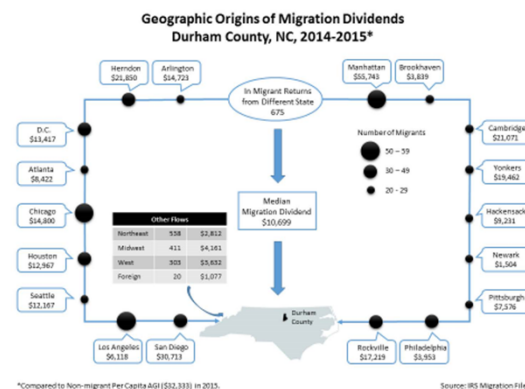
DurhamNC.gov

Follow Us @CityofDurhamNC



What's driving competition?

1. Housing development is not keeping pace with population and job growth
2. Attracting populations from wealthy zip codes



Data and graphic Dr. Jim Johnson, UNC



919.560.4137

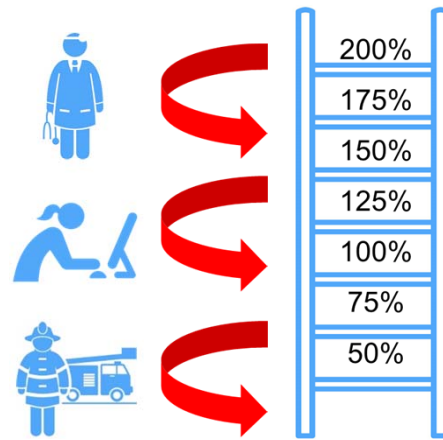
DurhamNC.gov

Follow Us @CityofDurhamNC



People at the bottom of the income ladder have the fewest options

If housing doesn't exist at higher price points, people will buy "down the ladder," leaving fewer options for those with the lowest incomes.



919.560.4137

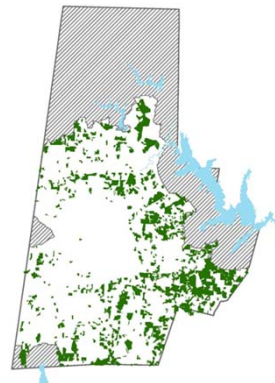
DurhamNC.gov

Follow Us @CityofDurhamNC



What's driving competition?

1. Housing development is not keeping pace with population growth
2. Attracting populations from wealthy zip codes
3. **Running out of easily developable land**



919.560.4137

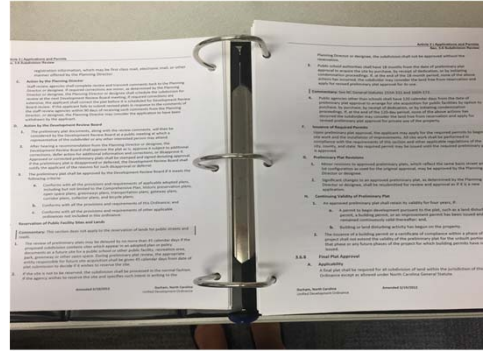
DurhamNC.gov

Follow Us @CityofDurhamNC



What's driving competition?

1. Housing development is not keeping pace with population and job growth
2. Attracting populations from wealthy zip codes
3. Running out of easily developable land
4. **Zoning regulations**



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



More growth is on the way

- NC Office of State Budget and Management projects 160,000 new people by 2045
- Equivalent to 62,200 new households during that same time period
- Approximately 2,000 units a year to keep up with population growth



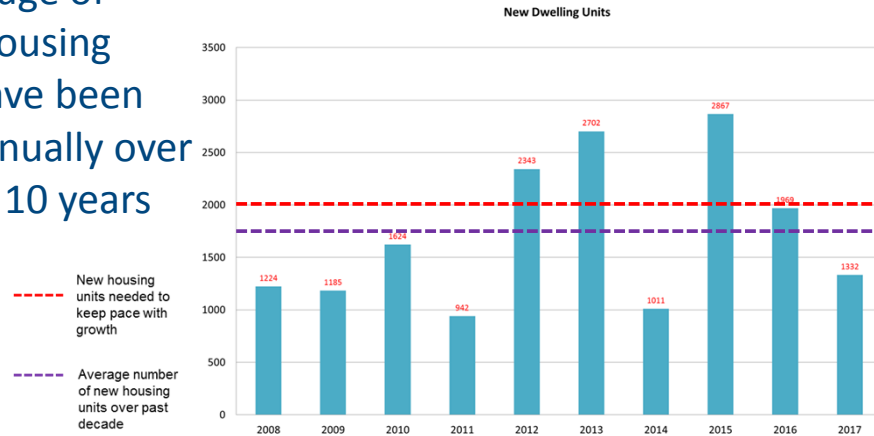
919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



An average of
1,720 housing
units have been
built annually over
the last 10 years



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



How will we accommodate new growth?

- A. Grow Out?
- B. Grow Up?
- C. Grow In?



919.560.4137

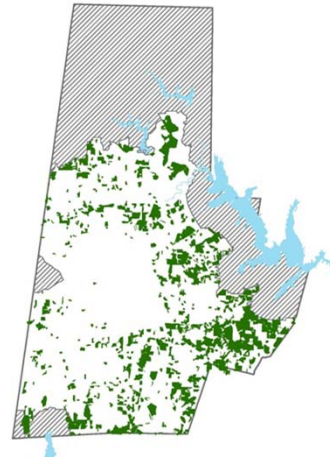
DurhamNC.gov

Follow Us @CityofDurhamNC



Grow Out?

Limited amount of large tract vacant land remaining in the City's utility service area that is not encumbered by environmental features.



919.560.4137

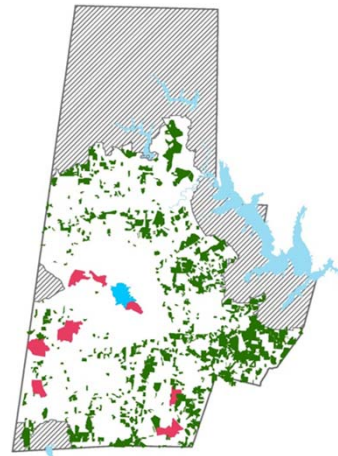
DurhamNC.gov

Follow Us @CityofDurhamNC



Grow Up?

Compact Neighborhoods and Downtown are expected to attract significant new development around planned transit investments



919.560.4137

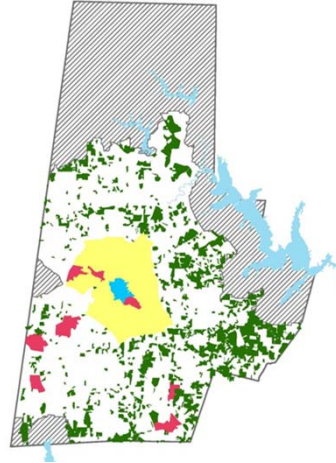
DurhamNC.gov

Follow Us @CityofDurhamNC



Grow In?

Context sensitive, small scale development within the core of the City



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



How will we accommodate new growth?

- A. Grow Out?
- B. Grow Up?
- C. Grow In?
- D. All of the above



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



The Challenge

What do we do when “development” feels like a part of the ***solution*** at the regional scale (housing shortage) but a part of the ***problem*** at the neighborhood scale (gentrification)?



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



At the neighborhood scale ...

- Recent experience is that “development” has led to fewer affordable options
 - Felt more acutely in some neighborhoods and by some populations
 - Rising rents
 - Escalating property values
 - Accelerating evictions



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



At the neighborhood scale ...

- Infill and redevelopment feels out of scale and character, causing neighbors to:
 - Oppose developments
 - Seek Neighborhood Protection Overlays
 - Seek Local Historic District designations



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Finding a middle ground

- Build **more** to address housing shortages ... but build **differently** to promote housing choices in character with neighborhoods
- Can “Missing Middle” housing offer alternatives and choices currently unavailable?
 - Missing Middle housing offers a range of multi-unit housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living” *Opticos Planning*



Planning and Design Services powered by Opticos Design
 November 2013 © Opticos Design Inc.

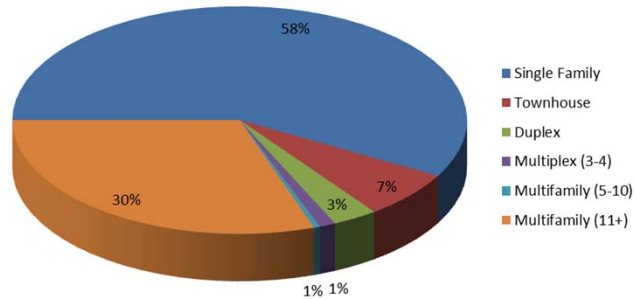


nNC



Inventory of existing housing units

Countywide, less than 12 percent of existing housing units are “Missing Middle” types



Source: City County Planning



919.560.4137

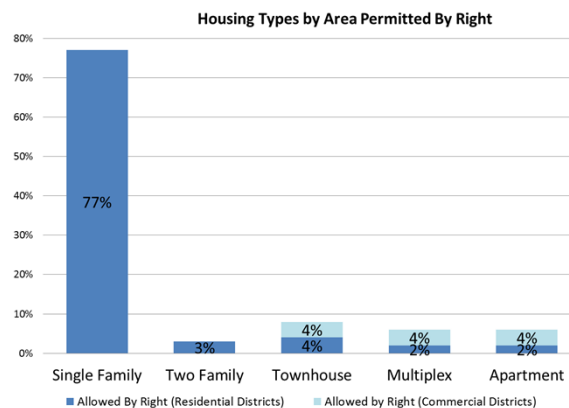
DurhamNC.gov

Follow Us @CityofDurhamNC



Current zoning rules perpetuate status quo

- Single family housing is permitted “by right” in 77 percent of the County
- “Missing Middle” Housing types are permitted “by right” in only 8 percent (or less) of the County



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Expanding Housing Choices Project

- First Phase: project timeline of 12 months (April 2019 - Goal)
 - Weigh densification with context sensitivity
- Second Phase: 3 year timeline
 - Policy framework/direction through Comprehensive Plan
 - Continue conversations with partner departments on Ordinances and Codes



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Issues and Cautions

1. **Acting alone, “Capital A” affordable housing is not a guaranteed outcome of this strategy**
 - However, if nothing is done to accommodate additional growth, the current problems created by a constrained housing market are likely to worsen.
 - Needs to be paired with aggressive preservation strategies and the development of subsidized housing to protect specific vulnerable neighborhoods and households.



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Issues and Cautions

2. Increasing supply is a long-game strategy for “lower-case a” affordability

- Filtering: Today’s market rate housing becomes next generation’s affordable housing
- More true at the regional-scale than in-demand neighborhoods where the high price of land will slow filtering (prices will remain high)



Source: Econsult Solutions Inc. “Naturally Occurring Affordable Housing”



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Issues and Cautions

3. Allowing greater density creates tradeoffs for neighborhoods that are not insignificant issues

- Tree canopy/open space
- Impervious surface/stormwater
- Car Clutter (traffic/parking)
- Accelerate teardowns?
- Neighborhood/historic character



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Proposed Concepts

1. Accessory Dwelling Units
2. Duplexes
3. Lot Dimensions
4. Small House, Small Lot
5. Cottage Courts/Pocket Neighborhoods
6. Infill Standards



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Accessory Dwelling Units

Issue

- Allowed since 2006; however, only 72 have been permitted during that time;
- Existing regulations limit viability of ADUs for small primary structures;
- The bulk of some ADU structures can be imposing on neighboring properties; and
- Difficult and expensive process to navigate for "Citizen Builders"

Opportunity

- ADUs can offer a grass-roots approach to increasing supply of housing
- Offer a rental income stream for property owners
- Public interest in building ADUs

Detached: 2713 Elgin Street



Attached: 1212 Vickers Avenue



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Accessory Dwelling Units

	Existing	Proposed Concept
Size	Capped at 30% of primary dwelling	Allow a higher percentage of the primary dwelling, capped at a certain size
Placement	<ul style="list-style-type: none"> Attached: setback standards Detached: accessory structure standards 	Restrict height if placed within a certain distance of the property line
Height	<ul style="list-style-type: none"> RU: 25 ft. tall within 5 ft. of property line, 35 ft. in other locations RS: 15 ft. tall within 10 ft. of property line, 35 ft. 	<ul style="list-style-type: none"> Reduce overall maximum height Measure height to the apex (not the mid-point of the gable)



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Duplexes

Issue

- Construction of new duplexes is limited to only 3% of land area in County
- Dimensional standards for duplexes often mean they “stand out” from neighbors
- Even in areas where duplexes are allowed, only 22 have been permitted since 2007

Opportunity

- Can offer form of discreet, low impact density
- Price often less than equivalent single-family house
- Questionnaire demonstrated general comfort with duplexes

Side by Side: 904 N Gregson



Stacked: 2508 Englewood



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Duplexes

	Existing	Proposed Concept
Permitted Use	Limited to the RU-5(2), RU-M, RS-M and RC zoning districts	Allow in more areas of the Urban Tier and areas of the Suburban Tier with RU zoning
Non Conforming Lots	Single family is allowed on non-conforming lots of record established prior to 2006	If permitted in zoning district, allow duplexes on similar lots
Dimensional Standards	<ul style="list-style-type: none"> RU zoning: 7,000 SF Lot RS zoning: 7,500 SF Lot 	Mimic single family lot dimensions to encourage more consistency
Type/ Format	<ul style="list-style-type: none"> Side by side duplexes Stacked duplexes 	<ul style="list-style-type: none"> Detached duplexes Double frontage duplexes



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Lot Area

Issue

- The cost of land is a significant driver of development costs/affordability
- Relatively large-lot, low-density neighborhoods in Urban Core (median lot size 8,711 SF)
- Large lots can provide space for mature trees, wildlife, permeable surfaces and contribute to the character of many neighborhoods

Opportunity

- Reducing minimum lot area requirements could drive down prices
- General large-lot pattern in Urban Core offers possibilities for creative infill

Concern

- Would allowing smaller lots make it more attractive to tear-down an existing house before subdividing into two?



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Small House/Small Lot and Cottage Courts

Issue

- The cost of land is a significant driver of development costs/affordability
- Small homes are still required same size lot as larger homes
- Tiny homes (less than 400 SF) ≠ Small homes

Opportunity

- Allowing for small homes on small lots could drive down cost/price
- Could provide alternative to an ADU, with a different ownership pattern.



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Cottage Court

Issue

- Cottage Courts are clusters of small homes designed around a common outdoor space
- Could be disruptive to the lot pattern of neighborhoods (neighborhoods within neighborhoods), but may be appropriate at the edges
- Precedents in other NC cities: Raleigh and Pittsboro

Opportunity

- Envisioned as similar to the small house/small lot concept, but for developments of four units or more.

Emerald Village, Eugene OR



Third Street Cottages, Langley WA



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Infill Standards

Issue

- Intended to preserve basic “feel” of a street through context sensitive development standards
- Applies to sites less than four acres in residential districts in the Urban Tier
- Still can result in development that feels out of character. Common complaints are height/bulk, impervious area, loss of tree canopy

Opportunity

- Change how height is measured to reflect the apex of the roof
- Require a canopy tree in backyard, similar to Old West Durham NPO
- Limit parking/driveway paving area similar to Old West Durham NCP
- Explore exceptions to lot width standards to accommodate other proposed concepts (small house/small lot)



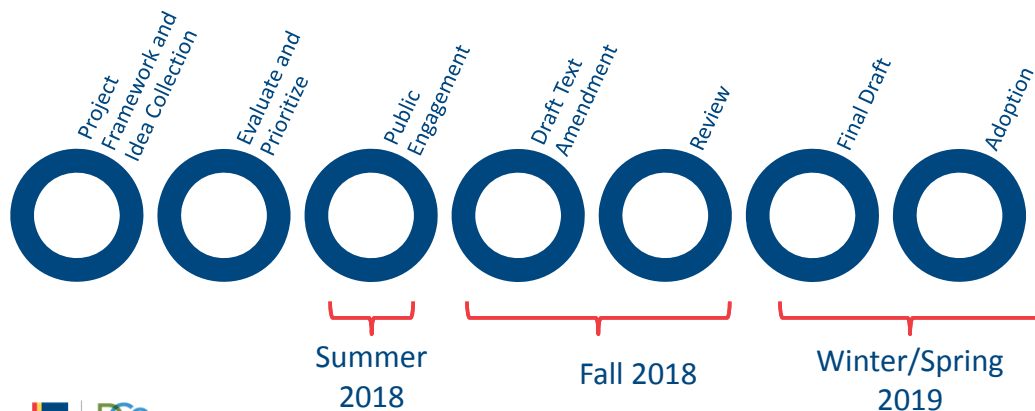
919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Anticipated Workflow



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC



Public Engagement

Round 1

- Questionnaire (1,300+ participants)
- Pop-Up Events
- Social Media
- Website

Round 2

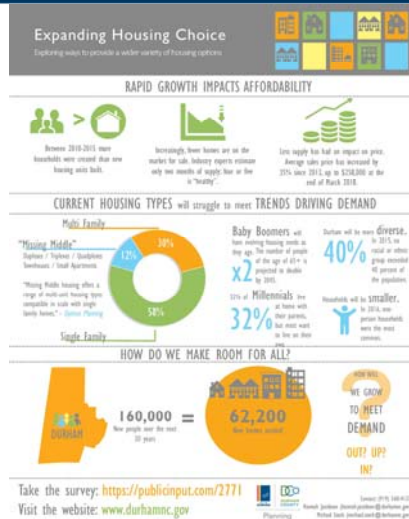
- Pop-Up Events
- Public Meetings
- Individual stakeholder meetings
- Social Media
- Website



919.560.4137

DurhamNC.gov

Follow Us @CityofDurhamNC





ATTACHMENT 2:

ACCESSORY DWELLING UNIT: PROPOSED CONCEPT AND BACKGROUND INFORMATION

What are Accessory Dwelling Units (ADUs)?

In Durham's Unified Development Ordinance (UDO), an ADU is a dwelling that exists as part of ("attached"), or separate from ("detached"), a principal dwelling on the same lot and is subordinate in size to the principal dwelling. Other names include carriage houses, mother-in-law suites, granny flats, or backyards cottages.

Durham Examples

Detached: 2713 Elgin Street



Attached: 1212 Vickers Avenue



Existing Inventory of Accessory Dwelling Units

Creating an accurate inventory of accessory dwellings is difficult. Many were built and grandfathered prior to the current system of tracking building permits; many may exist that never received permits, and the current system for tracking ADU permits is not consistently deployed.

Using data from the County Tax Assessors Office, there are approximately 253 detached ADUs. These figures do not include attached accessory dwellings.

Recent Trends

- According to available building permit records, only 72 ADUs have been permitted since 2007.
- Prior to 2017, the Inspections Department averaged seven (7) accessory dwelling building permits annually. That number jumped to 16 in 2017.
- New ADUs are dispersed geographically throughout the City and County; however, there is a concentrated cluster in neighborhoods to the north and west of Downtown Durham (Trinity Park, Old West Durham).

Zoning Background

- Prior to the 2006 adoption of the UDO, Accessory Dwellings required a Special Use Permit;
- The 2006 UDO made Accessory Dwellings available by-right, so long as the owner of the property lived in either the primary structure or the accessory dwelling;
- In 2012, the Durham City Attorney advised the Planning Department that the requirement for owner-occupancy was in conflict with state law based on a North Carolina Court of Appeals case (City of Wilmington v. Broadus E. Hill, III), and a text amendment was approved that eliminated that provision.
- In 2017, a text amendment was approved removing required parking for an ADU.

Summary of Existing Zoning Regulations

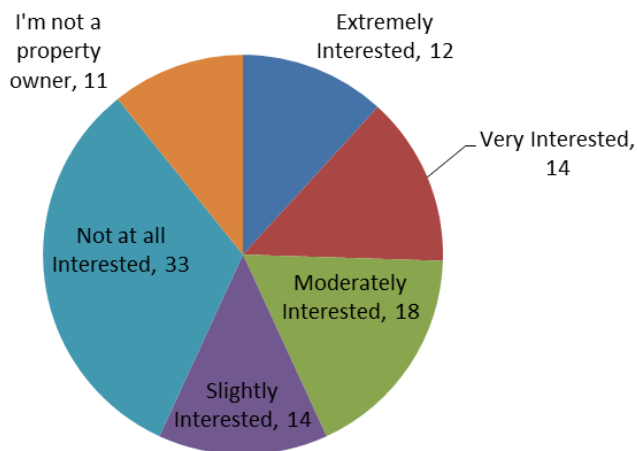
- Accessory dwellings are limited to lots with one-dwelling unit;
- To be eligible, the lot must meet minimum lot area requirements of the zoning district. In other words, it cannot be a non-conforming lot;
- The ADU cannot be built in a Special Flood Hazard Area or Future Conditions Flood Hazard Area;
- Heated floor area of the ADU cannot exceed 30 percent of the heated floor area of the primary dwelling;
- Only one ADU is allowed per lot;
- The ADU must be clearly subordinate to the primary dwelling in size;
- The property must retain a single-family appearance from the street;
- If the ADU is attached to the primary dwelling, the accessory dwelling must meet all yard requirements of the primary structure;
- If the ADU is detached from the primary dwelling, the accessory dwelling follows dimensional requirements for other types of accessory structures:
 - The structure must be located to the rear of the rear building line of the primary structure;
 - In the RU and RC zoning districts, the structure can be no closer than 3 feet to the side or rear property line;
 - In all other zoning districts, the structure can be no closer than 5 feet to the side or rear property line;
 - In RS zoning districts, the structure cannot be taller than 15 feet when within 10 feet of property line;
 - In RU and RC zoning districts, the structure cannot be taller than 25 feet when within 5 feet of property line;
- There is no on-site parking required for ADUs;
- If the property is in a Local Historic District, the Historic Properties Local Review Criteria require additional consideration of form, bulk, massing and architectural detail;
- If the property is in a Neighborhood Protection Overlay, additional standards may apply or supersede base zoning.

Case Study Comparisons

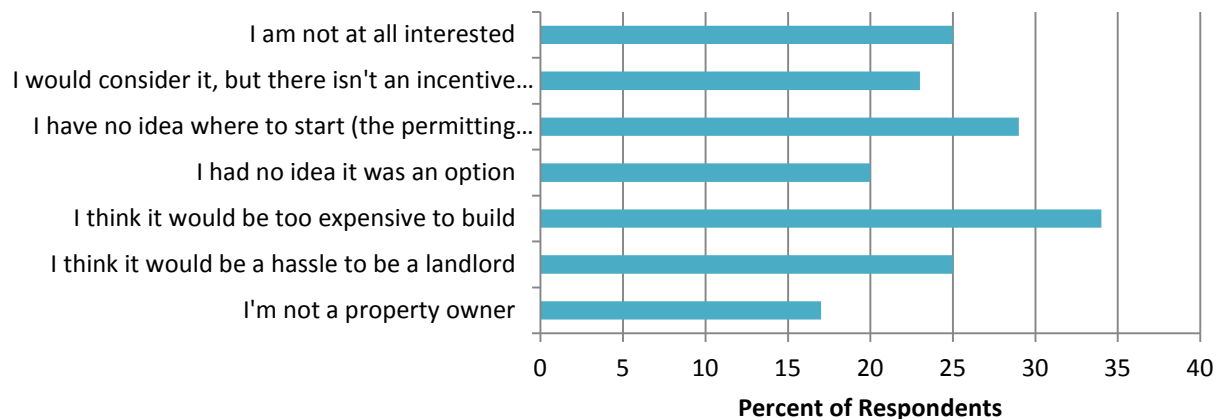
- Asheville, NC. Allows ADUs to be up to 70 percent of the size of the primary dwelling, but not larger than 800 square feet (if detached) or 1000 square feet if attached. Height limit of 25 feet.
- Olympia, WA. Allows ADUs to be between 200-800 square feet. Height limit of 16 feet, measured to the mid-point of gable.
- Portland, OR. Allows ADUs to be up to 75 percent of the size of the primary dwelling but not larger than 800 square feet. Detached ADUs can be no more than 20 feet tall when located outside of the required setbacks for the zone. If located within setbacks for the zone, the maximum height is 15 ft. The total number of residents in both units is limited to 5 unrelated persons.

Summary of Public Comment to Date (July 6, 2018)

Question 1: How interested would you be in building an ADU? (838 responses)



Question 2: What are the top three things keeping you from building an ADU? (643 responses)



Additional Considerations

- ADUs have the potential to be a grass-roots answer to the affordable housing challenge. At their best, they can provide more affordable rental options AND provide a rental revenue stream for middle-income homeowners to help pay their mortgage or pay back their construction loan;
- ADUs can offer a form of discreet density, utilizing underutilized land in the neighborhood context;
- Flexibility is an important consideration for the citizen builder who may want to use the ADU for a range of purposes over time: maybe as a rental unit, maybe to house a family member, maybe to be a home office.
- While they are allowed under zoning rules in many places, many neighborhoods have HOA rules, covenants, or restrictions of deeds that would not permit them. An inventory of these is not complete and applicability would need to be reviewed on a neighborhood by neighborhood basis.
- Planning staff has received several comments that Accessory Dwellings should be allowed on lots with two-units (duplexes). Staff has not included this in initial proposed concepts, but would like additional feedback. Cross reference: Attachment 3.
- To be most effective, “citizen builders” need to be educated and empowered to navigate through the process – from financing, to designing, to permitting, to construction, to becoming a landlord. Planning is partnering with departments and outside groups to streamline processes and create a manual intended to provide information and advice.
- A specific deterrent that has been voiced is the overall cost of building a detached accessory dwelling. One significant cost (estimated to be at least \$8,000) is the cost of extending a water and sewer connection from the street to the ADU. These expenses are the same for ADUs or for primary dwellings, and it is not dependent on the size of the house. What drives the cost is the actual labor and materials associated with excavation and installation.

Summary of Proposed Concept: Modify Existing Regulations

- Consider allowing larger units but with a cap on the size;
- Review existing parameters that have little to no impact on whether an ADU should or shouldn't be allowed;
- Consider a little more flexibility with the location of ADUs while maintaining awareness of context issues;
- Review height allowances.



ATTACHMENT 3:

DUPLEXES: PROPOSED CONCEPT AND BACKGROUND INFORMATION

What are duplexes?

In Durham's Unified Development Ordinance (UDO), a duplex is a two-family dwelling in a single structure on a single lot. Individual units can be located on separate floors or side-by-side.

Durham Examples

Side-by-Side Duplex: 904 N Gregson



Stacked Duplex: 2508 Englewood



Double Frontage Duplex: 620 W Markham



Detached Duplex: 442-444 W Markham



Existing Inventory of Duplexes

- There are 1,890 duplex buildings throughout the City and County, amounting to roughly three percent of Durham's total housing
- Duplexes already exist in neighborhoods where current zoning would not permit new duplexes to be built. Older duplexes are now considered non-conforming uses.
 - 191 duplexes exist in the RU-5 district
 - 25 duplexes already exist in the RS-8 and RS-10 districts in the Urban Tier

Recent Trends

- According to available building permit records, only 22 new duplex buildings have been built since 2007
- Median Assessed Property Value: \$294,629
- Median Building Size: 2,774 SF (or 1,387 per unit)
- Before 2010, construction of duplexes was more common in East Durham; since then, it has been more common in West Durham
- Local market-rate builders have been responsible for almost all duplex creation since 2010

Summary of Existing Zoning Regulations

- Duplexes are limited to the RU-5(2), RU-M, RC, and RS-M zoning districts with by-right approvals, amounting to 6,179 acres, or three percent of the City and County;
- Each residential unit is required to have two parking spaces, although if there is sufficient linear street frontage, one parking spot may be accommodated on-street;
- Lots developed as duplexes are not allowed an accessory dwelling unit;
- Within the Urban Tier it is likely that standards for Infill Development will supersede the base zoning dimensional standards.
 - If the project is located on a site of less than four acres in a residential district, then infill standards apply. *For rows highlighted in green, infill standards may apply.*
 - Per Dwelling Unit standards shown below result in requiring a larger lot than a single-family house, even if the structure size would be the same.

URBAN TIER				
	RS-M	RU-5(2)	RU-M	RC
Site Area (min. square feet)				
Per Dwelling Unit	3,750	3,500	3,500	3,500
Lot Dimensions (min.)				
Lot Width (feet)	60	50	50	50
Yards (min. feet)				
Street Yard	25 ^{1,2}	15 ¹	15 ¹	15 ¹
Street Yard with Front Vehicular Access (from ROW)	25 ^{1,3}	20 ¹	20 ¹	20 ¹
Street Yard with Rear Vehicular Access (from alley)	5	5	5	5
Side Yard	8	8	8	8

Rear Yard	25	25	25	25
-----------	----	----	----	----

1 Yard modifications can be required pursuant to a neighborhood protection overlay, or through application of infill regulations (Sec. 6.8, Infill Development in Residential Districts).

2 Yards can be reduced to as little as 15 feet if the structures are located interior to a project and do not front on a street classified as a collector or greater.

3 Front vehicular access can be reduced to as little as 20 feet if the structures are located interior to a project and do not front on a street classified as a collector or greater.

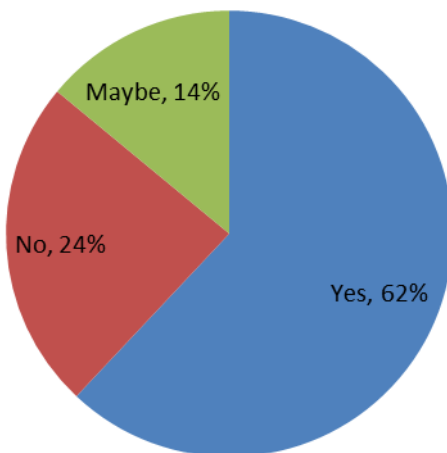
- If the property is in a Local Historic District, the Historic Properties Local Review Criteria require additional consideration of form, bulk, massing and architectural detail;
- If the property is in a Neighborhood Protection Overlay, additional standards may apply or supersede base zoning.

Case Study Comparisons

- Olympia, WA. In the most equivalent zoning district to RU-5(2), minimum lot width = 40 ft. and minimum lot area for a duplex = 6,000 SF (total, not per unit)
- Richmond, VA. In the most equivalent zoning district to RU-5(2), minimum lot width = 50 ft. and minimum lot area = 6,000 SF
- Asheville, NC. In the most equivalent zoning district to RU-5(2) (*RM-8*), minimum lot width = 40 ft. and minimum lot area = 4,000 SF

Summary of Survey Results Comment to Date (July 6, 2018)

Question 1: Would you be comfortable with duplexes in your neighborhood? (830 responses)



Additional Considerations

- Duplexes can add discreet, low impact density to neighborhoods and can mimic the form and rhythm of single family houses.

- Allowing duplexes by-right in more areas, especially in the Urban Tier and parts of the Suburban Tier, takes advantage of areas generally well-served by existing city and county services, including transit service. This reverses a historic trend of reducing zoning allowances for duplexes.
- There are justifiable concerns about encouraging teardowns, particularly in neighborhoods with relatively small homes. However, market forces are already incentivizing this trend. In many neighborhoods where smaller homes are replaced with larger ones, there is no alternative but to rebuild a large house that accommodates just one family. This modification would allow a similar size structure, but accommodate two families instead of one.
- Duplexes, unless in a historic district, cannot have design and aesthetic regulations, but can be regulated through mass, scale, and other typical zoning parameters.
- Rental price points for duplexes are often less than an equivalent single-family house.
- If duplexes are allowed, will they be built? An unknown is the financial feasibility/profitability of building a duplex over an equivalent size single-family house.
- Planning staff has received several comments that Accessory Dwellings should be allowed on lots with two-units (duplexes). Staff has not included this in initial proposed concepts, but would like additional feedback. Cross reference: Attachment 2.

Summary of Proposed Concept: Modify Existing Regulations

- Consider amending the UDO to allow duplexes in other zoning districts.
- Consider other types of duplexes, such as detached duplexes or double-frontage duplexes to allow for more creativity and choice.
- Review other ancillary standards that may have the effect of restricting the allowance of a duplex.
- Consider modifying lot dimensional and height standards to encourage more consistency in the fabric of the neighborhood.



ATTACHMENT 4:

LOT AREA: PROPOSED CONCEPT AND BACKGROUND INFORMATION

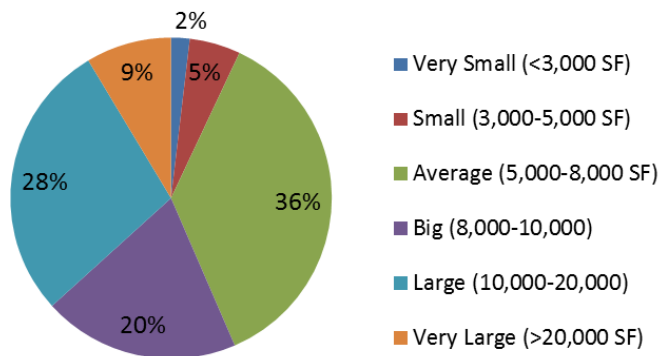
What is lot area?

The Unified Development Ordinance (UDO) establishes the minimum size of a platted lot in order to ensure sufficient space on site for the intended land use, and to create or maintain a consistent character of development. In Durham's UDO, lot area is dependent on both the Zoning District and the Housing Type.

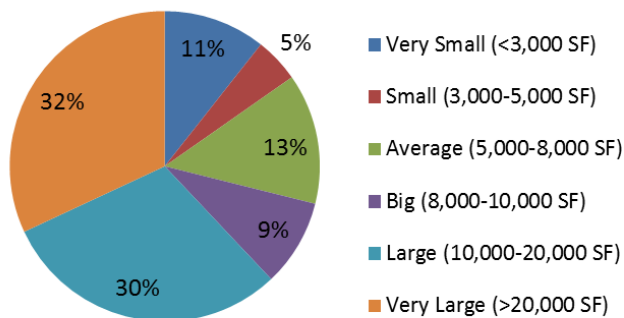
Existing conditions

An analysis of the Urban Tier demonstrates that just over half (57%) of the lots in residential zoning districts are over 8,000 SF. In the Suburban Tier, there are a higher percentage of small lots less than 5,000 SF, but a greater percentage (71%) of lots in residential districts are over 8,000 SF.

Urban Tier Lot Area for Residential Zoning Districts



Suburban Tier Lot Area for Residential Zoning Districts



Summary of Existing Zoning Regulations

- Minimum lot area is a function of both zoning district and housing type, and applies to both infill development and subdivision of land.
- Several options exist to reduce lot area or allow flexibility:
 - **Affordable Housing Bonus.** When using the Affordable Housing Bonus, the lot area, width and yard requirements can be reduced up to 20 percent for single-family and duplex developments.
 - **Lot Averaging.** In subdivisions reductions to minimum lot area are possible where the average size of all of the residential lots meets minimum standards, but individual lots can only be reduced up to 15%.
 - **Cluster Subdivisions.** Where allowed (project area must be greater than 4 acres), cluster subdivisions offer flexibility for lot layout and size in exchange for the preservation of open space.
- The table below is an example of existing minimum lot area standards using the various single-family detached housing types currently available in the UDO. For simplicity, conventional subdivision requirements are shown (lot averaging and cluster subdivisions are not shown).¹
- The zoning regulations also regulate by density limits. Thus, if a lot could be subdivided with lots that meet base zoning dimensional standards, it may not be allowed based upon density limits.

Minimum Lot Area for Housing Types by Zoning District							
	RS-10	RS-8	RS-M	RU-5/(2)		RU-M	RC
Single-Family Detached	10,000	8,000	5,000	5,000		3,500	5,000
Zero Lot Line	10,000	8,000	5,000	5,000		3,500	5,000
Traditional	--	--	--	5,000		2,975	4,250
Patio	3,000	3,000	3,000	3,000		3,000	3,000
Semi-Attached	7,000	7,000	7,000	7,000		7,000	7,000
Duplex	--	--	7,500	--	7,000	7,000	7,000
Townhouse	--	--	*	--	**	*	*
Multiplex	--	--	*	--		*	*
Apartment	--	--	*	--		*	*

* Lot Area not specified. Determined by building size, lot width, setbacks and other site development standards like parking.

**Pending Omnibus 12. Townhouses were inadvertently removed from the RU-5(2) zoning district sometime around 2010.

Case Study Comparisons

¹ The 5,000 square foot minimum lot sizes are historically consistent zoning regulations. The 1940 zoning ordinance required a minimum lot size of 5,000 square feet for single-family ("Residence zone 'A'") and two-family ("Residence zone 'B'") zones.

- Olympia, WA. In most equivalent zoning district to RU-5, minimum lot area for a single family house = 3,000 SF
- Richmond, VA. In most equivalent zoning district to RU-5, minimum lot area for a single family house = 3,600 SF
- Asheville, NC. In most equivalent zoning district to RU-5, minimum lot area for a single family house = 4,000 SF

Considerations

- In existing neighborhoods, reducing the minimum lot area could allow property owners to more easily subdivide their lot into two lots and add to the stock of housing. There are justifiable concerns about encouraging teardowns, particularly in neighborhoods with relatively small homes. However, market forces are already incentivizing this trend.
- Additionally, the relatively large lot development pattern has allowed for big backyards with mature trees important for wildlife, reducing the urban heat island, sequestering carbon, and improving the aesthetic of the community. Adjusting lot sizes to allow for more rooftops will impact impervious surface and the tree canopy.
- For new subdivisions, reducing the minimum lot areas could allow for a greater number of units to be built; however, the development would still be required to meet density standards.
- Approximately 1,050 properties within the Suburban Tier are zoned with urban zoning. See Attachment 3, Duplexes, for additional information regarding duplexes

Summary of Proposed Concept: Modify Existing Regulations

- Consider reducing minimum lot area for the single-family housing types, considering zoning, infill standards, and tiers (primarily Urban and Suburban)
- Consider removing or adjusting the regulatory relationship between density caps and minimum lot dimensional standards.



ATTACHMENT 5:

SMALL HOUSE/SMALL LOT TYPE: PROPOSED CONCEPT AND BACKGROUND INFORMATION

What is meant by small house versus tiny house?

While not currently defined in the Unified Development Ordinance (UDO), the Planning Department is proposing introducing a new housing type and lot type that would define a small house as one with a maximum of 800 SF and is less than 25 feet in height. This is contrast to the “tiny house” movement, which recently has a definition added to the International Residential Code, which defines a tiny house as “A dwelling that is 400 square feet or less in floor area excluding lofts.”

What is the smallest house that can legally be built?

The UDO currently does not have a definition for a tiny house or address minimum dwelling unit size. Rather, the NC Residential Building Code/Durham City Code of Ordinances (Article VI) requires minimum habitable space dimensions.

City/County Building Inspections estimated the smallest efficient studio-like design that could legally be built is between 200-300 SF. The smallest house to date permitted in Durham is approximately 480 SF.

Local examples

Chapel Hill – Pee Wee Homes Duplex



Durham – Habitat for Humanity Tiny House –
102 N Guthrie Street



Summary of Existing Zoning Regulations

- Currently there no special exceptions or accommodations for lot dimensions of small houses.
- A (one) small house could be built today:
 - On an already platted lot (or subdivided lot) that meets the dimensional standards of the zoning district and/or infill standards; or

- On a non-conforming lot that was platted prior to 2006 and is at least 35 ft. in width and on a publicly maintained street (14.3.2).
- A neighborhood (cluster) of small houses could be built today through:
 - **PDR Zoning.** PDR districts do not require a minimum lot size, only that building separation standards (10 ft.) are met and that setback standards are met. Recent changes to the UDO have eliminated the minimum overall project area in the Urban Tier, meaning that this option can be used more broadly; however, a rezoning with a development plan is still required. Stormwater requirements would likely come into play.
 - **Apartment/Condo.** Multifamily would need to be a permitted use within the zoning district, but the UDO does not specify the “Apartment” housing type as being attached or detached; just that there are three or more units on a single parcel. These could be either for-sale condominiums or rental apartments. The commercial building code and stormwater requirements would likely come into play.

Considerations

- This offers people options who don't want to go through the process of building an ADU or of being a landlord to subdivide and sell a portion of their property. This option could help existing homeowners who are on the verge of being priced out, but who want to stay in their houses/neighborhoods a chance to realize some of the equity their property.
- This proposal may also offer less expensive home ownership opportunities, understanding the term “less expensive” may be relative.
- For deep lots, the Small house/Small lot option to be similar to an accessory dwelling unit, but with a different ownership pattern.
- For wide lots, the focus is maintaining street frontage context, while recognizing that a large lot is not necessary for homes under a certain size.
- As with other options, provisions allowing for more rooftops will have impacts upon other development aspects, such as stormwater and tree canopy.

Summary of Proposed Concept

- Consider housing type/lot dimensions specific to a “small house”. Considerations could be different for deep lots vs. wide lots. Considerations may also need to account for existing small houses.
- Consider flag lot standards.
- Consider allowing ‘by-right’ versus a process that could include rezoning or a special use permit.



ATTACHMENT 6:

COTTAGE COURT: PROPOSED CONCEPT AND BACKGROUND INFORMATION

What are Cottage Courts?

Cottage courts are not currently defined in Durham's Unified Development Ordinance (UDO). A Cottage Court is a group of small, detached homes clustered around a central outdoor common space. Typically, some of the homes face the common space, while others might face the street. The cottages in the court are small—typically less than 1000 square feet. Each cottage frequently has its own small yard and covered porch, and they share a central outdoor common space. Other names include Pocket Neighborhood or Bungalow Court.

Non Local Examples

Emerald Village, Eugene OR



Third Street Cottages, Langley WA



Summary of Existing Zoning Regulations

- Although not specifically defined in the UDO as a housing type, a cottage court *could* be built through the following methods, although there are no specifications for design/placement of common open space, orientation of the homes or location of parking. Current models also require frontage along a maintained right-of-way for individual lots.
 - **PDR Zoning.** PDR districts do not require a minimum lot size, only that building separation standards (10 ft.) are met and that setback standards are met. Recent changes to the UDO have eliminated the minimum overall project area in the Urban Tier, meaning that this option can be used more broadly; however, a re-zoning with a development plan is still required. Stormwater requirements would likely come into play.
 - **Apartment/Condo.** Multifamily would need to be a permitted use within the zoning district, but the UDO does not specify the "Apartment" housing type as being attached or detached; it only says that there are three or more units on a single parcel. These could be either for-sale condominiums or rental apartments.

The commercial building code and stormwater requirements would likely come into play.

Case Study Comparisons

Numerous cities in North Carolina (Raleigh, Pittsboro) and nationally permit versions of Cottage Courts. While there is a lot of variation in the specific standards, there are similarities in terms of what is regulated. For example, minimum open space per unit, maximum building footprint, and the minimum number of dwellings are often regulated.

Considerations

- This proposed new housing type appears similar to the small house/small lot concept. Consideration of needing one or both methods will be required.
- As previously noted, this type of development would impact other development aspects such as impervious surface and tree canopy.

Summary of Proposed Concept

- Develop Cottage Court as a new housing type with the following principles including, but not limited to:
 - The number of lots and/or units.
 - Specific open space parameters.
 - Size and orientation of units.
 - Parking.
 - Frontage requirements.
- Explore by-right vs. special approval, and thresholds for each, if necessary.



ATTACHMENT 7:

MODIFICATIONS TO INFILL STANDARDS: PROPOSED CONCEPT AND BACKGROUND INFORMATION

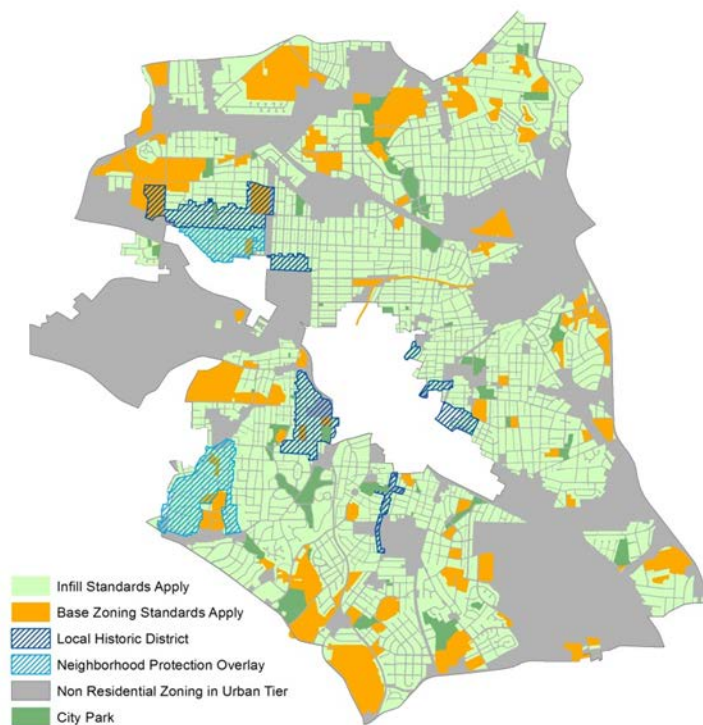
What are the purposes of Infill Standards?

Infill development standards are intended to preserve the basic feel of a street by allowing new development that complements existing construction by respecting existing design elements that help define the public space (rhythm, setbacks, bulk, height).

Where do Infill Standards Apply?

In the Urban Tier:

- Applies to new construction or to modifications of existing residential buildings located on sites less than 4 acres in a residential district.
 - Infill development standards apply to a majority of the Urban Tier. See map.



In the Suburban Tier:

- Applies to multifamily development located on sites less than 4 acres that are surrounded on all sides by single-family residential development.
- Much less prevalent.

Existing Urban Infill Standards in Summary

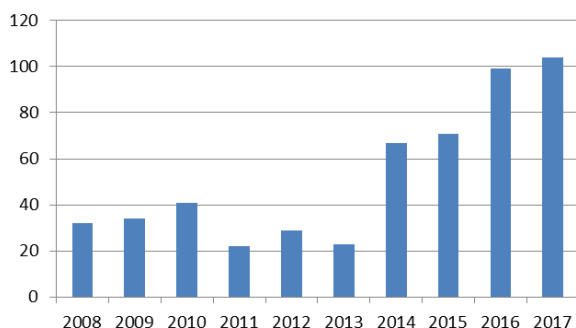
If a standard is not explicitly called out in Section 6.8 Infill Development, the base zoning regulation applies.

- **Lot Width.** Minimum lot width is the average width of adjacent lots fronting the same linear block
- **Street Yard.** The building may be placed anywhere between the smallest and the largest street yards on the block face (but not less than 5 feet from the edge of the ROW)
- **Building Width.** New construction is limited to a width no more than 25% greater than the average building width for the block face.
- **Height.** The building can be no more than 14 feet taller than an adjacent structure, except those that are more than 25 feet from the adjacent structure.
- **Main Entrance.** Structures other than single family and two family structures, must have a main entrance that faces the street (or one of the streets in the instances of a corner lot).
- **Garages.** If there's an alley, all vehicles should access the property via the alley; if a garage faces the street, a single garage entrance cannot be more than 22 ft. wide.
- **Parking/Driveways.** On-site parking should be placed to the rear of the structure or should conform to the predominant location of parking along the block.

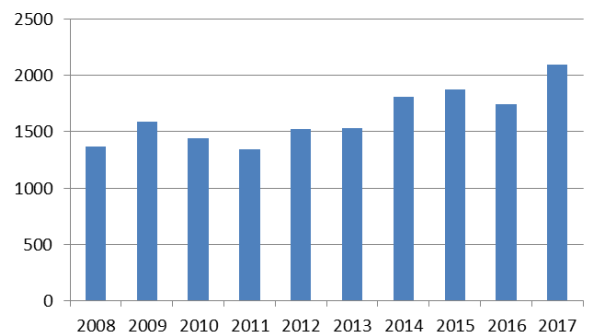
Recent Development Trends

- Over the last decade, the general trend has been an increase in both the number of new homes built and the average size of those homes in the Urban Tier.
- These numbers do not account for large renovations to existing homes.

New Houses in Urban Tier by Year



Average Size of New Houses in Urban Tier



Considerations

- Some concerns have been raised that the scale of new development is out of proportion with the existing character of the neighborhood, despite following the infill standards. Issues that Planning has heard most commonly (anecdotally, not based on survey data) are:

- Bulk and height of new structures;
- Driveways and parking pads lead to large areas of impervious surface (a majority of the Urban Tier does not have impervious surface limitations because it does not fall within a Watershed Protection Overlay); and
- Tree preservation.
- Design/Aesthetic Standards are generally not allowed.
 - The NC General Assembly has passed legislation that prohibits the regulation of building design elements for single-family and two-family homes, including exterior building color, style/cladding materials, style/material of roofs and porches, exterior nonstructural architectural ornamentation, location or styling of windows and doors (including garage doors), location of room and the interior layout of rooms.
 - There are some exceptions, like if the property is in a local or National Register historic district, is a manufactured housing unit, or is adopted for the purposes of safety codes or the flood insurance protection.
- Several comments have advocated for the elimination of residential parking requirements in the Urban Tier. The issues of over-parking have addressed incrementally (see below), and that the complete elimination of parking is an issue that needs more thorough analysis to be coupled with the upcoming Comprehensive Plan effort.
 - Current standards require that each housing unit accommodate two parking spaces. Exceptions include affordable housing dwellings, which do not require any parking in the Urban or Compact Neighborhood Tiers.
 - Current standards allow one of the required spaces to be accommodated on the street, so long as there is enough unimpeded space.
 - The next round of Omnibus text amendments will attempt to address situations in which Infill Standards make it difficult to accommodate parking on on-site.

Summary of Proposed Concept: Modifications to Infill Standards

- Review height allowances and how height is measured.
- Review tree requirements to determine reasonable requirements for additional plantings.
 - Review parking and parking area requirements to consider additional parking reductions and reduced parking area requirements.
- Explore exceptions to lot width standards to accommodate other proposed concepts (such as small houses/small lots).