



Town of Nags Head
Multi-Family Working Group
Nags Head Board of Commissioners
Wednesday, June 5th, 2024

Working Group Members

- Kevin Brinkley, Nags Head Board of Commissioners
- Megan Lambert, Nags Head Board of Commissioners
- Meade Gwinn, Nags Head Planning Board
- Molly Harrison, Nags Head Planning Board
- Chris Greening, Nags Head Business Owner, TW's Bait & Tackle
- Basil Belsches, Nags Head Resident
- Donna Creef, Outer Banks Association of Realtors
- Duke Geraghty, Outer Banks Homebuilders Association

Staff Members

- Andy Garman, Town Manager
- Kelly Wyatt, Director of Planning and Development

Background

- Late 2022 – the Town adopted a moratorium and subsequently eliminated Multi-Family (MF).
- Goal was to review if and where MF should be allowed and under what standards.
- MF no longer allowed in the new C-5 district near Jockey's Ridge and Cottage Row.
- BOC and PB held a joint workshop to provide guidance on a new ordinance.
- Consensus was to consider MF in C-2 (possibly limited to high activity areas) and not for more short-term rentals. Focus on workforce housing. Possible use of deed restrictions.
- The Planning Board worked on the ordinance in 2023; a public hearing was held in February 2024.
- BOC wanted further review over concerns that it is too cumbersome; established a working group.

Working Group Charge

- To consider the draft multi-family ordinance written by the Planning Board.
- To preserve the intent of the ordinance, to protect the character of Nags Head, and to provide new alternatives for workforce/long-term housing without increasing the stock of short-term rentals.
- To evaluate conditions/standards which would render such projects unfeasible due to financing, construction, configuration, or management.
- To suggest additional measures that would achieve the aforementioned goals.

Draft Planning Board Ordinance

- Re-introduces multi-family dwelling development as a permissible use in the C-2, General Commercial Zoning District adjacent to US 158 only.
- Created two types of multi-family dwelling categories: Large Multi-Family and Small Multi-Family.
 - Min. lot width for Large category – 150 feet.
 - Min. lot area for Large category – 26,000 square feet.
 - Min. lot width from Small category – no minimum.
 - Min. lot area for Small category – 16,000 square feet.
- Both categories permitted via the Special Use Permit Process.
- Both categories allowed 55% lot coverage, maximum height of 35 feet/42 feet with desirable roof pitch and must meet architectural design requirements.
- Minimum Unit Size 800 square feet; Maximum Unit Size 1,750 square feet.
- Both are allowed to have accessory structures.

Draft Planning Board Ordinance – Deed Restrictions

- Given the consensus from the joint workshop, the Planning Board recommended that ALL units within a multi-family development be for long term occupancy/tenancy.
- In addition, the Planning Board recommended that a minimum of 60% of the units be for members of the workforce.
- Income would not be a criteria.
- Method for enforcing would be through deed restrictions.
- Long-term occupancy 90 days or more.
- Ordinance defines “Principal Place of Residence”, “Qualified Person”, “Workforce Housing”, and “Workforce Housing Unit”.

Draft Planning Board Ordinance - Density

Density from Old MF Ordinance

- Three (3) units for the first 26,000 square feet of lot area and 3,500 square feet for each additional unit with no maximum on the total number of units.

Proposed Density

- Three (3) units for the first 26,000 square feet of lot area and 4,500 square feet for each additional unit.
- Three (3) units for the first 16,000 square feet of lot area and 3,500 square feet for each additional unit.

Maximum Units

- 60 units within any large multi-family dwelling development
- 6 units within any small multi-family dwelling development.

Draft Planning Board Ordinance – Design

- From Joint Workshop consensus that townhouse style development was preferred.
 - Townhouses generally have fewer shared walls and offer more privacy than apartments, more home-like environment.
 - Townhouse developments can offer more diverse architectural designs, maintaining the character of the surrounding areas.
 - Townhouse development is generally not as dense as apartment style development.
 - Townhouse development fosters a sense of community, residents have their own entrances, outdoor spaces, etc.
- Ordinance precludes apartment style development for the Large Multi-Family.
- Either is acceptable for Small Multi-Family category as both a principal and accessory use.

Working Group Summary

Competing Values:

- Design and Density vs. Cost Considerations/Development Challenges
- Challenges: High Interest Rates/Construction Costs/Land Costs

Working Group Summary

- Working Group Focused on Removing Barriers to Housing Development
 - Reduce the Land Cost per Unit = More Units Per Acre
 - Reduce the Construction Cost = Consider Reducing Unit Sizes and Create Economies of Scale
 - Number of Properties Available = Open up C-2 to Small MF to Create More Opportunities
 - Regulate Density in Other Ways to Create More, Smaller Units (i.e. FAR vs. Units Per Acre)
- Maintain Deed Restrictions and Occupancy Requirements from Planning Board Draft
- Goal is to Create Housing Opportunities for Workforce and/or Residents

Working Group Summary

Large MF

- Use Floor Area Ratio for large projects instead of units per acre
- *Floor Area Ratio (FAR) means the quotient resulting from division of the gross floor area of all buildings on a lot by the area of the lot*
- FAR of 0.32 is proposed. This is the effective FAR we currently use for large residential dwellings.
- Reduce Unit Size:
 - ✓ Was minimum 800 sq. ft.
 - ✓ Minimum Unit Sizes/Size Categories: Studio/One Bedroom 500 sq. ft.; Two Bedroom 700 sq. ft.; Three Bedroom 1,000 sq. ft.
 - ✓ Maximum unit size 1,750 sq. ft.
 - ✓ No more than 60% of the units shall be from any unit size category.
- Individual building size would be limited to 10,000 sq. ft.
- Apartments and Townhouses
- Only fronting US 158; Special Use Permit required

Working Group Summary

What's left:

- Enforcement of deed restrictions (still discussing with Town Attorney); depends on how project is proposed (rental vs. ownership)
- Still working on provisions to allow MF with commercial development; may track separately; issue is how to account for density and consider existing uses (this may be where we have the most opportunity)
- Duplex development (committee discussed current provisions)
- Must go back to Planning Board for review
- Schedule Public Hearing after Planning Board review

Working Group Summary

Small MF

- Continue to use units per acre (1 per 4,000 sq. ft. of land area)
- Max six units to be considered small
- Max building size is 5,000 sq. ft. (similar to large residential dwelling)
- Allowed in C-2 (not just on US 158)
- Must have 15,000 sq. ft. lot
- Approved administratively by staff
- Same architectural requirements as large residential

Discussion

Next Steps

Adjournment