



MEMORANDUM

Town of Nags Head

Planning & Development Department

To: Board of Commissioners

From: Kelly Wyatt, Planning Director
Joe Costello, Deputy Planning Director
Andy Garman, Town Manager

Date: August 28, 2024

Subject: Consideration of various amendments to the Unified Development Ordinance (UDO) as it pertains to the use of multi-family dwelling developments.

At the Board's March regular meeting, the Board requested that the Town establish a working group to review and make recommendations on a draft Multi-Family Housing Ordinance. This ordinance was originally drafted by the Planning Board and a public hearing was held in February.

The charge for the working group was as follows:

- 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.

Over the course of four meetings, the working group developed a recommendation for review by the Board of Commissioners. This included changes to the original ordinance drafted by the Planning Board as well as several other suggestions. Information about the working group including agendas and minutes from its meetings can be found here:

<https://www.nagsheadnc.gov/1108/Multi-Family-Working-Group>. The Working Group's Final Recommended Ordinance is included as Attachment 1.

The Planning Board has reviewed the Working Group's Ordinance over the course of three meetings. The primary focus of the Planning Board's discussion centered around the density and design of multi-family development, mostly pertaining to larger projects. The Planning Board also discussed parking standards. The Planning Board's discussions resulted in three recommended changes to the Working Group's ordinance:

- 1) The Planning Board is recommending that large multi-family developments (greater than six units on one site) consist of townhouses only. The Working Group's version of the ordinance allowed townhouses and apartments in both the small and large categories.
- 2) The Planning Board is recommending increasing the parking requirement to 2.5 spaces per unit plus one additional space for every four units.
- 3) The Planning Board is recommending an additional density limitation of 25 bedrooms per acre applicable to both large and small multi-family sites. The Working Group's

version of the ordinance controlled density through the use of a floor area ratio only. The recommended floor area ratio is 0.32 square feet of building area to one square foot of lot area.

The Planning Board's recommended ordinance is included as Attachment 2. Staff's presentation from the June 5th Board of Commissioners meeting is included as Attachment 3. It may be useful for the Board of Commissioners to review the Planning Board staff reports and minutes from its June, July, and August meetings (see below).

June 18th Planning Board -

<https://www.nagsheadnc.gov/AgendaCenter/ViewFile/Agenda/06182024-461?html=true>

Minutes:

<https://www.nagsheadnc.gov/AgendaCenter/ViewFile/Minutes/06182024-461>

July 16th Planning Board -

<https://www.nagsheadnc.gov/AgendaCenter/ViewFile/Agenda/07162024-464?html=true>

Minutes:

<https://www.nagsheadnc.gov/AgendaCenter/ViewFile/Minutes/07162024-464>

August 20th Planning Board -

<https://www.nagsheadnc.gov/AgendaCenter/ViewFile/Agenda/08202024-468?html=true>

Note: Minutes from the August 20th Planning Board Meeting are included in the agenda packet.

The Planning Board was more comfortable with the small multi-family approach. This was viewed as better maintaining the town's desired vision for development. The Planning Board expressed an interest in capping the overall number of large multi-family developments that can be approved townwide. Staff and the town attorney are researching the feasibility of this approach but did not complete this prior to the August Planning Board meeting. The Planning Board would recommend that the Board of Commissioners consider a cap on multi-family development sites should it be deemed feasible.

Staff Comments:

Staff would recommend the addition of a density limitation based on bedrooms per acre. The floor area ratio of 0.32 was developed based on the Town's current large residential dwelling ordinance which allows for a 5,000 square foot dwelling on a 16,000 square foot lot. In keeping with that approach, the large residential dwelling ordinance caps on-site wastewater systems at 9 bedrooms. Therefore, 9 bedrooms for every 16,000 square feet of lot area equates to roughly 25 bedrooms per acre.

Staff and the Planning Board reviewed parking standards from other communities. Most ordinances do include additional parking for guests. However, 2.5 spaces per unit plus additional parking for guests was more parking than we saw in any other community. Staff would suggest 2 parking spaces per unit plus one additional space for every four units. This balances the need for sufficient parking with the Town's desire to limit paved surfaces and disturb less of the development site.

Regarding townhouse vs. apartment style design: this is viewed as primarily an aesthetic preference. Part of the Working Group's approach was to reduce the cost of construction to improve the affordability of units. The Working Group lowered minimum square footage to 500

square feet for a one-bedroom unit. Staff believes it would create practical difficulties to construct townhouses of this size, given most townhouses are two stories. If the Board is interested in allowing smaller units, apartments would be more conducive to this.

The Board of Commissioners has scheduled a public hearing on the multi-family ordinance for the upcoming meeting (September 4th). The Board may consider the two attached versions of the ordinance, as presented, or the Board can modify the standards contained within either ordinance.

If the Board of Commissioners is inclined to adopt any version of the proposed text amendments, please reference Appendix A for the Statement of Consistency with the Town's adopted Comprehensive Land Use Plan requirements (attached).