



AGENDA

TOWN OF NAGS HEAD
NAGS HEAD MUNICIPAL COMPLEX – CONFERENCE ROOM – 2nd Floor
MONDAY, APRIL 29th 2024, 10 AM

Multi-Family Working Group – Meeting #3

A. CALL TO ORDER

B. REVIEW OF MINUTES

Attachments:

Draft Minutes 4/15/2024 Multi-Family Working Group

C. REVIEW OF DISCUSSION TOPICS

Attachments:

Discussion Points document w/ highlighted Planning Board Ordinance
Presentation of 15,000 sq. ft. lots in C-2 and C-4 Districts

D. NEXT STEPS/NEXT MEETING

E. ADJOURNMENT



***DRAFT* MINUTES**
TOWN OF NAGS HEAD
MULTI-FAMILY WORKING GROUP
MONDAY, APRIL 15, 2024
(Meeting #2)

Members Present:

Comr. Kevin Brinkley and Comr. Megan Lambert
Planning Board members Meade Gwinn and Molly Harrison
TW's Bait & Tackle business owner Chris Greening
Outer Banks Association of Realtors Government Affairs representative Donna Creef
Outer Banks Homebuilders Association representative Duke Geraghty
Town of Nags Head resident Basil Belsches

Members Absent:

None

Staff Present:

Town Manager Andy Garman
Planning Director Kelly Wyatt
Town Clerk Carolyn F Morris

A. CALL TO ORDER

The meeting was called to order at 10 am.

B. REVIEW OF MINUTES

MOTION: Comr. Lambert made a motion to approve the March 25th meeting minutes as presented. The motion was seconded by Molly Harrison/Basil Belsches which passed unanimously.

C. PRESENTATION FROM PLANNING BOARD RE: LOTS AVAILABLE FOR MULTI-FAMILY DEVELOPMENT/DENSITY

The Multi-Family Dwelling presentation from August 15, 2023 was updated and presented by Planning Director Kelly Wyatt. Ms. Wyatt presented her slides which were titled as follows:

Proposed dimensional standards

- Within the C-2 General Commercial Zoning District
- Only on lots adjacent to US Hwy 158
- Minimum lot width of 150 feet
- Minimum lot area 26,000 square feet of uplands

- Minimum setback of 35 feet from all property lines except in the case of CAMA setbacks, more stringent prevails
- 26,000 square feet uplands required for the first three units; 3,500 square feet required for every unit thereafter

Ms. Wyatt noted that this applies to lots that must front on US 158 per the ordinance; she detailed all lots, undeveloped and developed, that would fit.

Mr. Greening confirmed with staff that the total number of GIS properties that meet the criteria are 8 or 9. He is not sure how, with the current market, that the properties on 158 would be able to be utilized for this purpose. He felt it would be more economical for properties off of 158 to be utilized for this purpose. Town Manager Garman confirmed that currently only C-2 allows multi-family - Residential (R-3) does not allow multi-family.

D. DISCUSSION OF FINANCIAL CONSIDERATIONS RE: ORDINANCE STANDARDS

Notes from Town Manager Garman's conversation with realtor Bobby Harrell were discussed and compared to the proposed multi-family ordinance; Mr. Harrell had asked about basing density on floor area or number of bedrooms.

Manager Garman spoke of at least starting out where the Planning Board ended; he spoke of the Coastal Villas Subdivision which will most likely be a mix of long term, year round, and short term rentals. There was discussion of the possibility of removing the US 158 frontage requirement.

The next time the committee meets, staff hopes to have a draft ordinance to send to the Planning Board and then to the BOC. Manager Garman asked if the group was interested, due to the high costs fronting on US158, in allowing other areas of C-2 to be considered? It was committee consensus that staff look at other areas besides just the frontage on US 158 for availability for further discussion at the next meeting.

Ms. Creef said that if Nags Head gets a process in place, they could be the lead in workforce housing development.

There was committee discussion of usage of parking lots for additional housing units such as the 10.5 Shoppes; Ms. Wyatt said there needs to be discussion re: if the footage should be based on the entire site. Ms. Creef said that this would be driven by the corporate business.

Mr. Greening spoke of allowing housing units on existing business sites – to allow on site a commercial business along with a residential unit. If this is done for a small percentage of businesses in the town, he doesn't feel it would change the look of the Town.

In response to Ms. Creef, Comr. Brinkley spoke of incentivizing projects in order to push them through faster. Ms. Creef suggested not requiring a special use permit, processing applications at the staff level to make it easier and cheaper for developers.

Ms. Wyatt confirmed that it was committee consensus to go from 16,000 to 15,000 for minimum lot size for small multi-family housing. She noted that this would be included in the proposed ordinance and she would bring back an analysis of the properties that would benefit from this at the next meeting.

Mr. Greening questioned any undeveloped property that the Town owns that there are no long-term development plans; for a potential lease option. Manager Garman stated that this is already being looked into in the upcoming CIP process with the former Outer Banks Medical Center (OBMC) site – where the Community Care Clinic currently leases a portion of the building – for possible use as lifeguard housing.

Manager Garman is to speak to the Town Attorney re: upcoming GS 160D changes to the Residential Building Code – there is concern about the upcoming building code changes.

Staff is to look at C-2 areas outside of the bypass; need to discuss setbacks and density as well as look at 35 foot separation allowance.

Mr. Greening asked about basement housing units Ms. Wyatt mentioned that sometimes Base Flood Elevation (BFE) could be an issue. The possibility of having some control over duplexes by allowing them. Mr. Harrell's notes included some information on this.

Ms. Harrison suggested that a rendering from Dep Planning Director Joe Costello would be helpful for the next committee meeting.

Manager Garman suggested reconfiguring size for the amount of density; staff is to look at properties to show square foot per acre or number of bedrooms per acre for the next meeting.

Comr. Brinkley said he would be willing to look at some of the suggestions made by Mr. Harrell.

Staff is to look into a site plan that was approved by the Town of Kill Devil Hills last year for 45 small units as mentioned by Ms. Creef.

Manager Garman stated that staff will bring back density scenarios and setbacks as well; also mentioned was reducing the limit size from a minimum of 800 to 600 square feet? Mr. Belsches mentioned State building code, unit size, and number of bedrooms.

Mr. Greening suggested renting out motel/hotel rooms for housing purposes and Ms. Wyatt reported that the Board of Commissioners recently adopted an ordinance to allow this.

*** Town Manager Garman said that he anticipates the committee reporting to the Board in June 2024 in terms of its recommendation, then sending a proposal to the Planning Board with a draft ordinance for review.

Town Manager Garman is to verify committee members have the following document links:

- Architectural Design Manual
- Community Survey results
- Town Code of Ordinances

E. NEXT MEETING

The next meeting was scheduled for Monday, April 29, 2024 at 10 am in the second floor Conference Room.

F. ADJOURNMENT

The meeting adjourned at 12:02 p.m.

Discussion Points for 4/29 Multi-Family Working Group Meeting #3

Density

Rather than apply a density standard using units per acre, the group discussed a floor area ratio or # bedrooms per acre. When looking at what might be an acceptable density standard in Nags Head, the town's large residential dwelling ordinance could be used as a baseline. Right now, we allow a dwelling to be up to 5,000 square feet on a 16,000 square foot lot. This results in a floor area ratio of 0.32. This would be 32 square feet of gross building floor area for every 100 square feet of land area. This would result in the following building area for a five-acre parcel:

5 acres (217,800 sq. ft. x 0.32) = 69,696 sq. ft. building floor area.

This would allow for roughly 39, 1,750 sq. ft. units or 69, 1,000 sq. ft. units. This provides more flexibility for a developer to decide on an appropriate mix of unit sizes for workforce housing. This would likely result in more units per acre than the previous ordinance. However, it could result in less overall floor area. The group may still want to consider a maximum number of units for a project.

Conversely, the proposed Planning Board ordinance would yield the following maximum density on a five-acre parcel:

47 units @ 1,750 sq. ft. = 82,250 sq. ft. (worst case scenario)

Staff also analyzed a standard using bedrooms per acre. Currently, nine bedrooms are allowed on 16,000 square feet. For five acres this would allow for roughly 122 bedrooms.

Staff's preference would be to utilize floor area ratio since this provides more direct control of building size/volume.

For small Multi-family, staff would recommend allowing a maximum of 5,000 square feet for a small multi-family development. This is the standard that is currently applied for sketch plan review. Since we would recommend small MF be administratively reviewed, this would be consistent with that standard. We would also recommend having a standard for units per acre. If the minimum unit size is 500 square feet, this could result in 10 units on a 16,000 square foot lot if no units per acre standard is applied. Staff would recommend 1 unit per 4,000 sq. ft. of land area.

Unit Size

When looking at common workforce housing developments in other parts of the state, the following minimum unit sizes were noted:

Studio – 500-600 sq. feet.

One Bedroom – 600-700 sq. feet.

Two Bedroom – 800-1,100 sq. feet.

We may want to consider reducing the minimum unit size requirement to 500 square feet. The group will also want to discuss whether we require a certain mixture of unit sizes for a project or let it be purely market driven.

For example:

Minimum 500 square feet

or

Minimum Unit Sizes per Bedroom

Studio unit minimum is 500 sq. ft.

1-bedroom unit minimum is 600 sq. ft.

2-bedroom units minimum is 800 sq. ft.

3-bedroom units minimum is 1,100 sq. ft.

Would recommend still applying a maximum size of 1,750 square feet per unit

Mixture of units

Should a development be required to have a mixture of unit sizes i.e. there shall be no less than 10% of any unit size category.

We may need to clarify if multiple structures can be used for a small multi-family development.

Location

Currently the proposed Planning Board ordinance requires all multi-family developments to have frontage on US 158. Staff would continue to recommend that large MF developments be located on US 158. Included in this packet are maps to show lots in C-2 and C-4 that are at least 16,000 sq. ft. that could accommodate small FM if the US 158 requirement were removed for small MF.

Design

The group should discuss the requirement for large MF to be restricted to a townhouse design and provide a recommendation.

Setbacks

Staff collected the following information on setbacks for other commercial uses in the town's code:

Commercial Setbacks

C-2, General Commercial

Front = Refer to Article 10 Commercial Design Standards.

Side = 15 (total combined shall be minimum of 15 feet, no instance shall either side yard be less than 5 feet)
Rear = 25

Section 10.90 Building Footprint and Orientation

Along Beach Road (NC 12/SR 11243) and Other Two-Lane Roadways = Buildings shall be aligned with front of the property to within 5' and 15' of the front property line.

Along US 158 & US64/264= Less than 10,000 sf shall be setback a minimum of 15 ft. Buildings greater than 10,000 sf shall be setback a minimum of 75' from the property line.

Where these standards conflict with the supplemental standards for a specific use, the supplemental standards apply.

Pertinent Supplemental Standards for Uses

Cottage Courts = dwelling units separated from each other a minimum of 10 feet, dwelling units shall have a minimum 15-foot front yard setback, 8-foot side yard setback, and 25-foot rear yard setback.

Hotels in CR District

Front = 45 feet

Side = 10 feet plus 1 foot for every foot in height greater than 35 feet.

Rear = 25 feet

Hotels in C-2

Front = 30 feet, portions of buildings greater than 2 stories shall be setback an additional 10 feet.

Side = 10 feet; 15 for corner lot, portions of buildings greater than 2 stories shall be setback an additional 10 feet.

Rear = 25 feet

Fueling Station = No gas pumps nearer than 50 feet to any right of way or property line.

Schools = No structure closer than 25 feet to a common property line, nor closer than 30 feet to an abutting street or right of way. All structures should be separated by a minimum of 30 feet.

Religious Complex = 25 feet to property line; 30 feet to street or right of way. Building separation of 30 feet. Uses FAR.

Mini-Storage (Self Storage Complex) = Minimum 25-foot separation between detached buildings.

Building Separation

For large MF, staff would recommend reducing the building separation to 20 feet.

HOA Requirements

Is this necessary in all (or any) circumstances?

Other Points of Note:

- Will need to provide standards for MF to be included as part of a group development or commercial mixed use. The main provision to consider would be density.
- Consider modifying duplex provisions where deed and size restrictions are built into the ordinance (i.e. allow a duplex on a 20,000 sq. ft. lot if it is workforce and units are no larger than 1,750 sq. ft).
- Consider modifying standards for commercial with accessory residential

Sections of the following ordinance are highlighted for discussion purposes

DRAFT PLANNING BOARD ORDINANCE

ARTICLE III. Amendment of the Unified Development Ordinance.

PART I. Appendix A – Definitions

Dwelling, Multi-Family or Dwelling Unit, Multi-Family means a single-family dwelling unit located within a multi-family development.

Apartment or Apartment Style Design means a residential architectural and planning design characterized by single-family attached dwelling units constructed on multiple floors and separated by shared vertical walls and shared horizontal ceilings, floors, planes, or surfaces. For the purposes of this chapter, a series or group of **Apartment** units shall be considered a multi-family development.

Townhouse or Townhouse Style Design means a residential architectural and planning design characterized by single-family attached dwelling units constructed in a series or group of units and separated by shared vertical walls. For the purposes of this chapter, a series or group of **Townhouse** units shall be considered a multi-family development.

Multi-Family Development means a development containing no less than three multi-family dwelling units and shall be characterized as either a large multi-family development or a small multi-family development.

Large Multi-Family Development means a development containing **more than six multi-family dwelling units and less than sixty-one multi-family dwelling units.**

Small Multi-Family Development means a development containing **no less than three multi-family dwelling units and no more than six multi-family dwelling units.**

Long-term occupancy/tenancy means the occupancy of a single-family dwelling by an owner, tenant, or other lawful occupant for a period of ninety (90) consecutive calendar days or more.

Principal Place of Residence means the home or place in which one's habitation is fixed and to which one has present intention of returning after a departure or absence therefrom.

Qualified Person means a person working/employed in Dare County, NC. A qualified person includes but is not limited to any person who has an internship with an employer if the employer's place of business is physically located in Dare County, NC, or a person who works remotely for an employer if the person's principal place of residence and the employer's place of business are both physically located in Dare County, NC.

Workforce Housing or **workforce housing unit** means the following:

- a. A dwelling unit which is occupied by at least one qualified person under a long- term occupancy/tenancy, and
- b. A dwelling unit which is the principal place of residence for at least one qualified person, and
- c. A dwelling unit which has been encumbered by the owner of the dwelling unit with recorded restriction covenants to ensure compliance with this definition and Section 7.5 of the Town Code. The recorded restrictive covenant shall expressly identify the Town as the sole beneficiary of the recorded restrictive covenant, which shall include the express power and authority of the Town to enforce the recorded restrictive both in law and in equity, including the use of judicial injunctive relief. The Town staff shall provide the owner with the exact wording of the restrictive covenant to be recorded by the owner with the Dare County Register of Deeds in order to satisfy this requirement, and Town staff shall verify such recordation. The recorded restrictive covenant shall appear in the recorded chain of title of the dwelling unit and in the case of a multi-family development, the recorded restrictive covenant shall also be contained in the multi-family development’s recorded declaration of covenants establishing the multi-family development.

Nothing in this definition shall preclude employers from purchasing workforce housing units to provide accommodation for their employees, provided the employees are qualified persons who occupy such workforce housing units within Dare County and the workforce housing unit is the employee’s principal place of residence, even if owned by the employer.

PART III. Section 7.5 Dwellings, Multi-Family shall be replaced in its entirety by the following:

Multi-family dwelling units are permitted in accordance with Section 6.6, Table of Uses and Activities, provided that the following additional requirements and conditions are met:

TABLE 7-1: REQUIREMENTS FOR MULTI-FAMILY DWELLINGS			
	Large Multi-Family C-2	Small Multi-Family C-2	C-1
<u>Min. Lot Width for Multi-Family Site</u>	150 feet	No minimum	
<u>Min. Site Area in Uplands</u>	26,000 square feet	16,000 square feet	

TABLE 7-1: REQUIREMENTS FOR MULTI-FAMILY DWELLINGS

	Large Multi-Family C-2	Small Multi-Family C-2	C-1
Location of Multi-Family Site	Properties with frontage on US Hwy 158 only.	Properties with frontage on US Hwy 158 only.	
Setbacks	All buildings shall be setback a minimum 35 feet to all property lines. Note setbacks for other commercial development	All buildings shall meet the minimum setbacks: Front: 30 feet Side: 12 feet or 15 feet for corner lots Rear: 20% lot depth not to exceed 30 feet.	
Location of dwelling structure	No dwelling structure established as part of a multi-family development shall be situated on a site so as to face/front the rear of another dwelling structure within the development or on an adjoining property.	No dwelling structure established as part of a multi-family development shall be situated on a site so as to face/front the rear of another dwelling structure within the development or on an adjoining property.	
Density	Minimum 26,000 square feet for first three units; 4,500 square feet of additional lot size for each additional unit	Minimum 16,000 square feet for the first three units; 3,500 square feet of additional lot size for each additional unit.	
Maximum number of units	60 dwelling units	6 dwelling units.	
Number of dwelling units per townhome structure	6 dwelling units.	No maximum.	
Height	Maximum of 35 feet, may be increased to 42 feet with the use of an 8:12 roof pitch or greater. Additionally, no building shall exceed three (3) habitable floors.	Maximum of 35 feet, may be increased to 42 feet with the use of an 8:12 roof pitch or greater. Additionally, no building shall exceed three (3) habitable floors.	
Open Space	50% of side yards to remain as open space.	50% of side yards to remain as open space.	

TABLE 7-1: REQUIREMENTS FOR MULTI-FAMILY DWELLINGS

	Large Multi-Family C-2	Small Multi-Family C-2	C-1
<u>Lot Coverage</u>	55%	55%	
<u>Deed Restrictions</u>	All multi-family dwelling units within a multi-family development shall be deed restricted for long-term occupancy/tenancy. No less than 60% of all units shall be deed restricted for workforce housing.	All multi-family dwelling units in a multi-family development shall be deed restricted for long term occupancy/tenancy and workforce housing.	
<u>Unit Size</u>	Minimum 800 square feet. Maximum 1,750 square feet.	Minimum 800 square feet. Maximum 1,750 square feet.	
<u>Buffer</u>	In addition to the buffering requirements included in the Commercial Design Standards, a minimum 10-foot-wide commercial transitional protective yard shall be provided consistent with Section 10.93.3.2 and 10.93.3.3 of the UDO.	In addition to the buffering requirements included in the Commercial Design Standards, a 10-foot-wide commercial transitional protective yard shall be provided consistent with Section 10.93.3.2 of the UDO.	
<u>Architectural Design Requirements</u>	All multi-family dwelling buildings, regardless of size, shall go through the Sketch Plan process as outlined in Section 10.84 of the UDO. Multi-family dwelling buildings shall meet the requirements of Article 10, Part VI, Commercial Design Standards. In addition, all multi-family dwelling buildings shall incorporate building design variations such as varying stories and habitable area.	All multi-family dwelling buildings, regardless of size, shall go through the Sketch Plan process as outlined in Section 10.84 of the UDO. Multi-family dwelling buildings shall meet the requirements of Article 10, Part VI, Commercial Design Standards. In addition, all multi-family dwelling buildings shall incorporate building design variations such as varying stories and habitable area.	
<u>Building Separation</u>	420 feet; a sidewalk or boardwalk constructed to provide a grade separation from vehicular traffic of at least	Buildings shall be separated from one another by a minimum of ten feet, including projections. Separate buildings shall be	

TABLE 7-1: REQUIREMENTS FOR MULTI-FAMILY DWELLINGS

	Large Multi-Family C-2	Small Multi-Family C-2	C-1
	six inches shall connect all principal buildings on the site. Separate buildings shall be connected with pedestrian passageways that are striped when crossing traffic lanes.	connected with pedestrian passageways that are striped when crossing traffic lanes.	
Accessory Uses	<p>Management/sales office, not including a trailer, provided that the management office shall be included as a permanent structure in the project's design or may occupy one of the dwelling units.</p> <p>A management/sales office may include, within the particular project, spaces for maintaining supplies, service products and amenities to be used in connection with the units within the project. There shall be sanitary facilities available for customers and employees.</p> <p>Shed.</p> <p>Pool (only one pool per development).</p> <p>Walls and Fences.</p> <p>Private Park/Playgrounds.</p>	<p>Shed.</p> <p>Pool (only one pool per development).</p> <p>Walls and Fences. Private Park/Playgrounds</p>	Multi-family allowed as accessory mixed use only.
Outdoor Amenity Area/Comm on Area	An area designated on the site plan for multi-family development as "common area" or as an area to be held in separate ownership for the use and benefit of residents occupying the dwelling units shown on such plan provided that it is conveniently accessible to all residents of the development.		

7.5.1 The multi-family development shall have a mandatory homeowners' association, with one of its duties expressed in a recorded declaration of covenants being to ensure compliance with Section [7.5]. This includes a required annual certification to the town of the multi-family development's compliance with the restrictive covenant and workforce housing occupancy requirements, using a required certificate of compliance form provided to the association by town staff upon request.

7.5.2 Any site improvements, including construction of additions of any size, accessory structures of any size, and landscaping and buffering projects, that occur following the original Board of Commissioners Special Use Approval of a Multi-family dwelling development shall be submitted for consideration by the UDO Administrator to determine whether additional stormwater management measures are necessary.

PART IV. That Section 10.93.3.3, High Impact Uses, be amended as follows:

10.93.3.3. High Impact Uses. High impact uses are particular uses of land, which considered as a whole because of their peculiar or operational and physical characteristics are expected to have an adverse effect on adjoining or adjacent properties. High impact uses include, but are not limited to:

10.93.3.3.27. Large Multi-Family Dwelling Development.

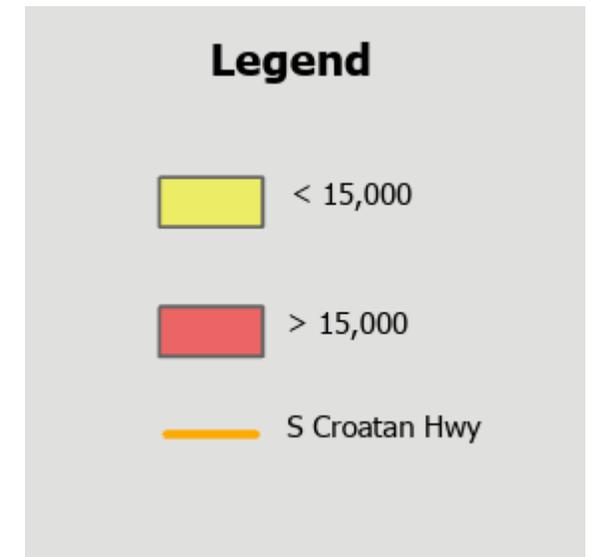
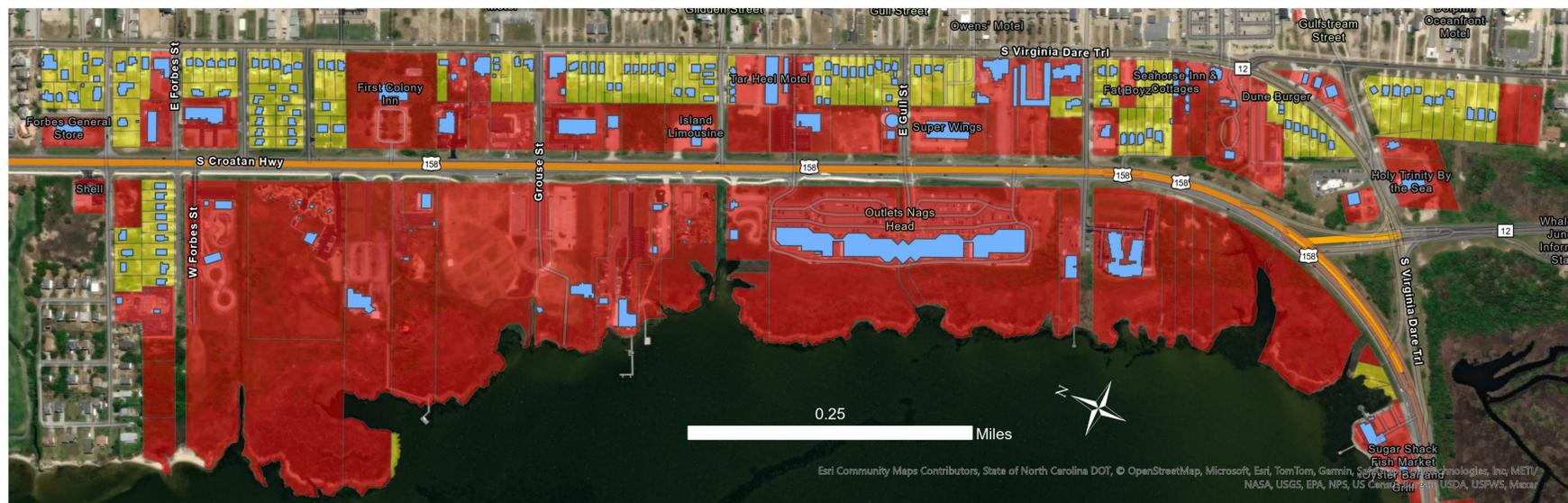
	Use Category/Class	Use Type	Residential Districts			Commercial Districts						Special Districts			Overlay Districts			
			R-1	R-2	R-3	CR	C-1*	C-2	C-3	C-4	C-5	SPD-20	SED-80	SPD-C*	O&S	CO	HO	SRO
1	Residential	Dwelling, Large Residential	PR	PR	PR	PR		PR			PR	PR	PR					PR
1	Residential	Dwelling, Multi-Family (Small) Townhouse & Apartment Style Design						SR										
1	Residential	Dwelling, Multi-Family (Large) Townhouse Style Design Only						SR										
1	Residential	Dwelling, Single-Family (detached)	P	P	P	P	P	P		P	P	P	P		P			P
1	Residential	Dwelling, Two-Family		P	P	P	P	P		P	P							
†	Residential	Townhouse						SR				SR						

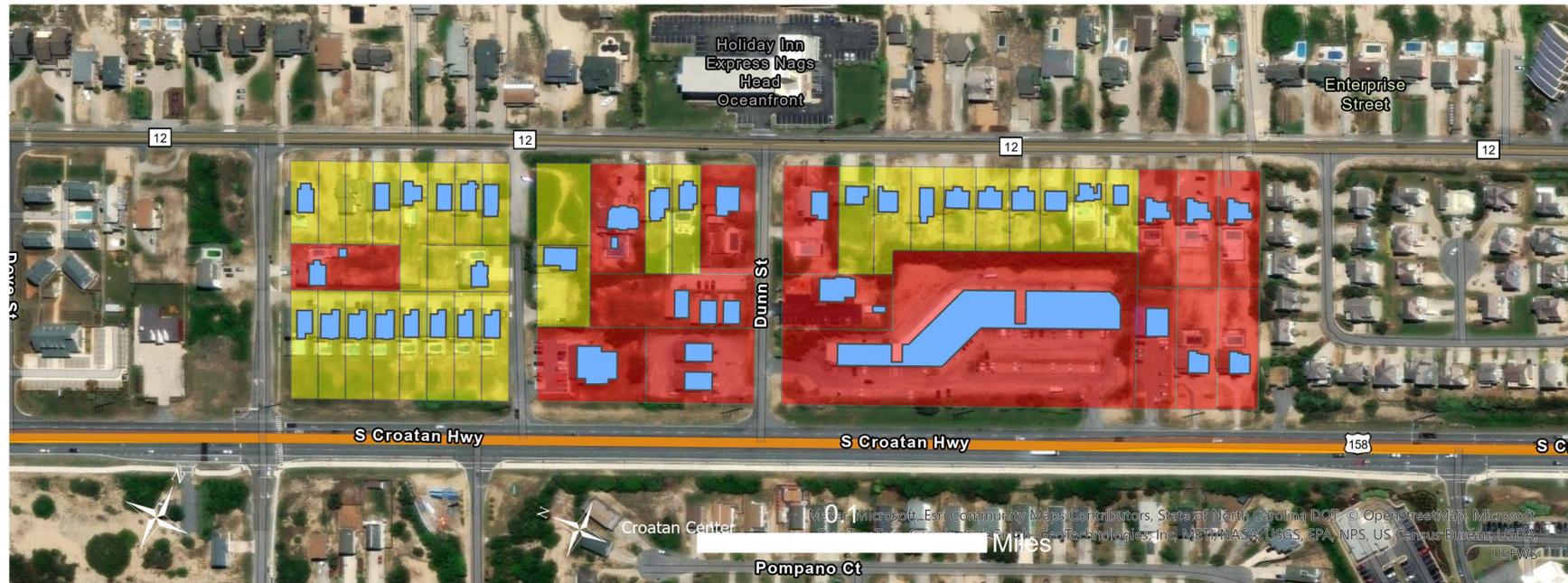
Nags Head Housing Task Force



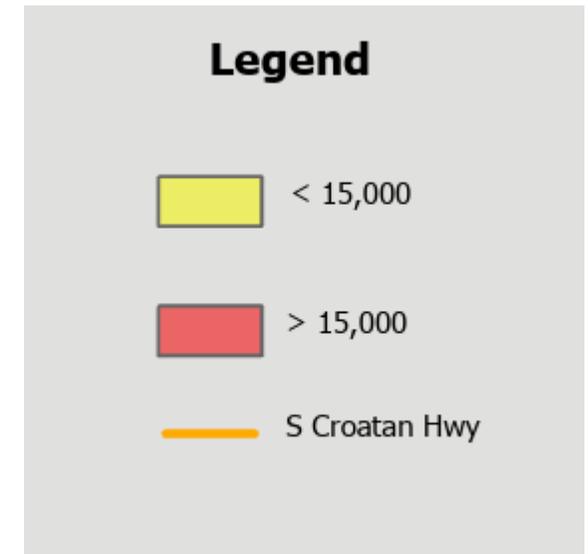
Parcel Size Small Multi-Family

- Parcels Zoned C2
- 840 Unique Parcels
- 207 Parcels greater than 15,000 sq. ft.

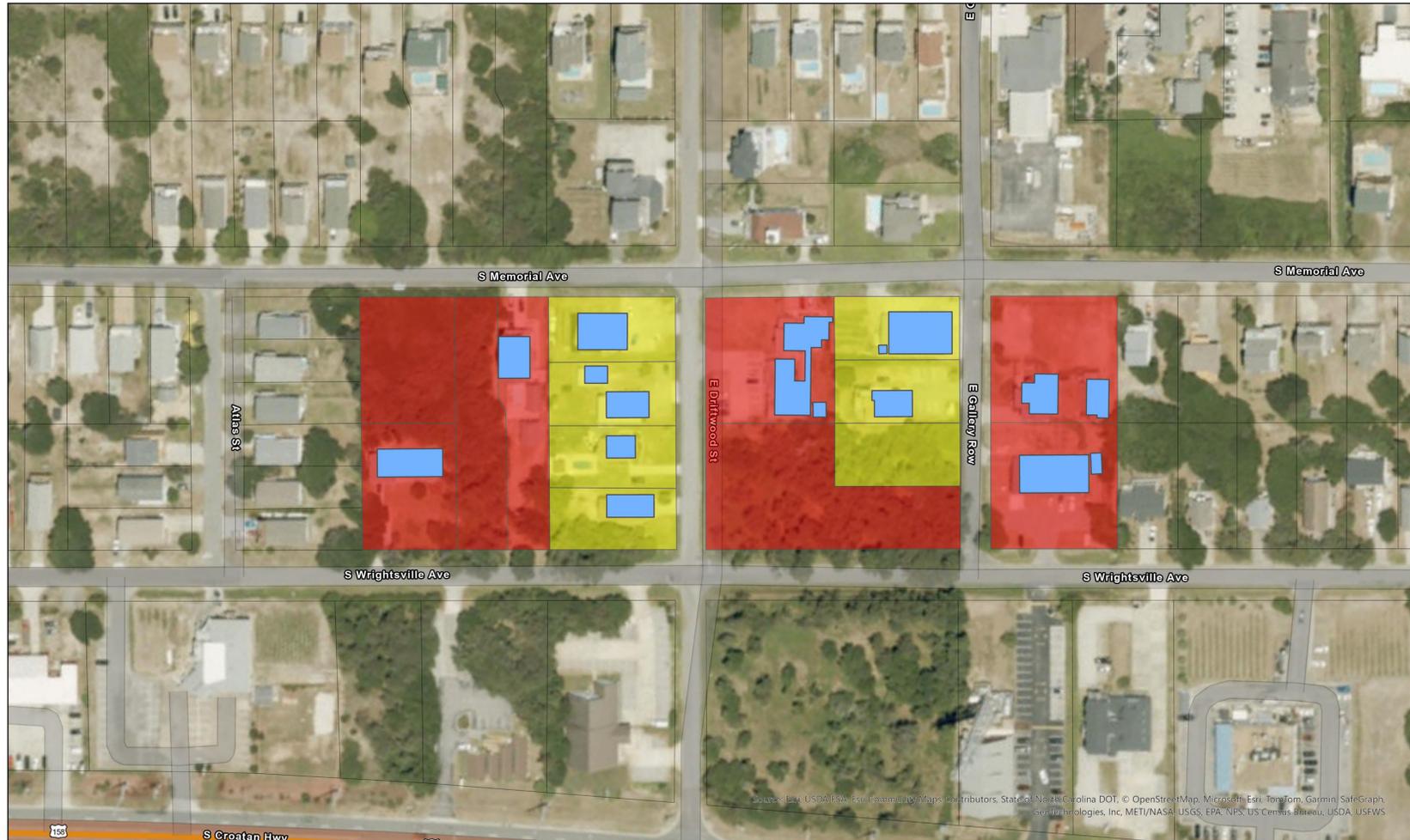




- Parcels Zoned C2
- 840 Unique Parcels
- 207 Parcels greater than 15,000 sq. ft.



Parcel Size Small Multi-Family



- Parcels Zoned C4
- 15 Unique Parcels
- 8 Parcels greater than 15,000 sq. ft.

Legend

 < 15,000

 > 15,000

 S Croatan Hwy

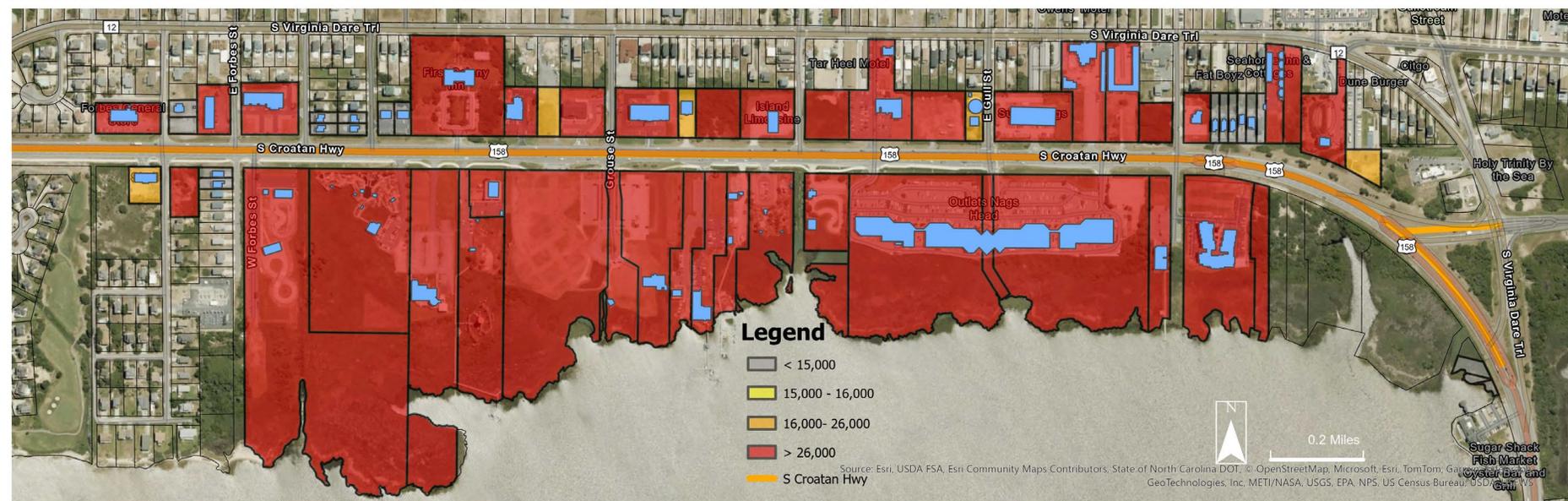


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Miles

Parcel Size Large Multi-Family

- Parcels Zoned C2
- Adjacent to the 158
- 145 Unique Parcels
- 91 parcels greater than 26,000 sq. ft.



Parcel Width Large Multi-Family

- Parcels Zoned C2
- Adjacent to the 158
- More Properties can meet the size than the width requirement
- 76 Parcels of 145 have 150 feet of width

