



AGENDA

TOWN OF NAGS HEAD
NAGS HEAD MUNICIPAL COMPLEX – CONFERENCE ROOM – 2nd Floor
Friday, May 24th 2024, 10 AM

Multi-Family Working Group – Meeting #4

A. CALL TO ORDER

B. REVIEW OF MINUTES

Attachments:

Draft Minutes 4/29/2024 Multi-Family Working Group

C. REVIEW OF DISCUSSION TOPICS

Attachments:

- Draft Ordinance for Large and Small Multi-Family Development Categories
- Options for Multi-Family as an Accessory Use to Commercial Development

D. NEXT STEPS/NEXT MEETING

E. ADJOURNMENT



DRAFT MINUTES
TOWN OF NAGS HEAD
MULTI-FAMILY WORKING GROUP
MONDAY, APRIL 29, 2024
(Meeting #3)

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

Members Absent:

Town resident Basil Belsches

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: Meade Gwinn made a motion to approve the April 15th meeting minutes as presented. The motion was seconded by Comr. Kevin Brinkley which passed unanimously.

C. REVIEW OF DISCUSSION TOPICS

Provided in the package were Discussion Points highlighted on the Planning Board Ordinance and a presentation / map of 15,000 square foot lots in the C-2 and C-4 Districts.

Density discussion

Town Manager Garman summarized: The Planning Board recommended ordinance proposed two types of multi-family dwelling development, a large and small category– based on units per acre. Manager Garman asked if committee members were interested in a focus on square footage or Floor Area Ratio (FAR).

Analysis – we already have a density standard for Large Residential Dwellings – for a 16,000 sq foot lot you can build a maximum 5,000 square foot home– this is often seen on the oceanfront.

Does the committee want to go to consider Floor Area Ratio - in terms of building volume / building area? The Planning Board recommended units per acre.

It was committee consensus to utilize Floor Area Ratio to control density. Explaining to the committee that the FAR associated with the standard for a Large Residential Dwelling is 0.32, it was the consensus of the committee to move forward with a 0.32 FAR for discussion purposes with the Large Multi-family option, recognizing that FAR may not be suitable to for Small Multi-family development.

Manager Garman took the committee through an exercise of evaluating FAR on a 5-acre lot = 5 acres to equal 69,696 sq ft building floor area – committee members noted that this was a common standard for developers and allowed greater flexibility.

There was discussion pertaining to limiting the number of units or using septic capacity as well.

It was committee consensus to not be in favor of allowing an entire building to be either studio or one-bedroom apartments – for a large site. Members felt it was better to require a mix of studio/one-bedroom units, two and three-bedroom units, this would give the developer the ability to work within a range. It was noted that based upon previous discussions a developer would be inclined to build more 2-bedroom units.

Action - Staff is to find out the composition of the Kill Devil Hills teacher housing subdivision; find out the Floor Area Ratio and the mixture of unit standards for minimum and maximum unit size; draft up an ordinance based on these standards; include minimum size per unit – also combine studio and one-bedroom units into one.

After various calculations, Town Manager Garman confirmed that the following was committee consensus for large category structures:

- 100 at 25% - 13 two-bedroom, 9 three-bedroom, and 50 one-bedroom units – for a total of 72 units
- .32 Floor/Area Ratio – mixture of units – max of 100 bedrooms and mixture of 20% to 25% for each category
- minimum unit size for bedroom (with studio and one-bedroom as one category) – keep three-bedroom minimum at 1000 square feet.

Manager Garman confirmed committee consensus to keep smaller multi-family development at 5,000 square feet maximum and to recommend administrative approval. In addition, in C-2, no longer restrict to the bypass (for US 158 frontage requirement for small scale multi-family housing). Explore allowing the small multi-family option throughout the C-2 District which would now include areas between the highway and on the west side of NC 12. The committee also discussed the possibility of including the small multi-family development as an option in the C-4 District.

Next meeting discussion - Manager Garman asked about requirements for housing within a business – Needs to be discussion on how to control density.

Next meeting discussion - Townhouse style vs apartment style preference needs to be discussed at the next meeting. Ms. Creef said that she would look at recent Kill Devil Hills subdivisions to see the size of the buildings and see if they are all townhouse style. Also for discussion is some type of architectural design that is favorable for apartment style development.

Building separation – It was committee consensus to agree to reducing building separation from 40 feet to 20 feet.

Setbacks – It was committee consensus to keep the setback of 35' around the structure.

Homeowners Association (HOA) – Staff is to ask the attorney who can enforce deed restrictions prior to additional discussion concerning if the requirement in the ordinance for an HOA should remain.

Next meeting discussion –

- Will need to provide standards for multi-family to be included as part of a group development or commercial mixed use. The main provision to consider would be density.

Future and on-going discussions –

- 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.

D. NEXT STEPS / NEXT MEETING

The next meeting was scheduled for **Friday, May 24th at 10 am** in the Town Hall Conference Room.

E. ADJOURNMENT

MOTION: Donna Creef made a motion to adjourn. The motion was seconded by Meade Gwinn which passed unanimously. The time was 12:02 p.m.

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.

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

**Town of Nags Head
Multi-Family Housing Working Group – Draft Multi-Family Ordinance – 5/24/2024**

- 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.

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-4
Min. Lot Width for Multi-Family Site	150 feet	No minimum
Min. Site Area in Uplands	26,000 square feet	15,000 square feet
Location of Multi-Family Site	Properties with frontage on US Hwy 158 only.	On any lot meeting the minimum site area requirements.
Setbacks	All buildings shall be setback a minimum 35 feet to all property lines.	All buildings shall meet the minimum setbacks: Front: 30 feet Side: 12 feet or 15 feet for corner lots

*Town of Nags Head
Multi-Family Housing Working Group – Draft Multi-Family Ordinance – 5/24/2024*

TABLE 7-1: REQUIREMENTS FOR MULTI-FAMILY DWELLINGS		
	Large Multi-Family C-2	Small Multi-Family C-2, C-4
		Rear: 20% lot depth not to exceed 30 feet.
Townhome orientation	No townhome structure established as part of a multi-family development shall be situated on a site so as to face/front the rear of another townhome structure within the development or on an adjoining property.	
Density/ Building Size	Floor Area Ratio: 0.32 square feet of gross floor area for each 1 square foot of lot area. Maximum gross floor area for a single building is 10,000 square feet. More than one building may be permitted on a site.	One (1) unit per every 4,000 square feet of lot area. Maximum building gross floor area is 5,000 square feet.
Maximum number of units	75 dwelling units	6 dwelling units.
Number of dwelling units per townhome structure	Maximum 6 dwelling units per structure.	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.
Lot Coverage	55%	55%
Deed Restrictions	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.

TABLE 7-1: REQUIREMENTS FOR MULTI-FAMILY DWELLINGS		
	Large Multi-Family C-2	Small Multi-Family C-2, C-4
Unit Sizes/ Categories	<p>Minimum Unit Sizes/Size Categories:</p> <ul style="list-style-type: none"> • Studio/One Bedroom 500 sq. ft. • Two Bedroom 700 sq. ft. • Three Bedroom 1,000 sq. ft. <p>Maximum unit size 1,750 sq. ft.</p>	
Mixture of Units	<p>No less than 20% of the units shall be from any unit size category</p> <p>Optional: No more than 50% of the units shall be from any unit size category</p>	No requirement
Buffer	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.
Architectural Design Requirements	<p>All multi-family dwelling buildings, regardless of size, shall go through the Sketch Plan process as outlined in Section 10.84 of the UDO.</p> <p>Multi-family dwelling buildings shall meet the requirements of Article 10, Part VI, Commercial Design Standards.</p> <p>In addition, all multi-family dwelling buildings shall incorporate building design variations such as varying stories and habitable area.</p>	<p>Buildings shall meet the design requirements for a large residential dwelling.</p> <p>Small multi-family structures shall be approved administratively.</p>
Building Separation	20 feet; a sidewalk or boardwalk constructed to provide a grade separation from vehicular traffic of at least six inches shall connect all principal buildings on the site. Separate buildings shall be connected with pedestrian passageways that are striped	Buildings shall be separated from one another by a minimum of ten feet, including projections. Separate buildings shall be connected with pedestrian passageways that are striped when crossing traffic lanes.

TABLE 7-1: REQUIREMENTS FOR MULTI-FAMILY DWELLINGS		
	Large Multi-Family C-2	Small Multi-Family C-2, C-4
	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>
Outdoor Amenity Area/Common Area	<p>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.</p>	

Options to Allow Multi-Family as Accessory to Commercial Development

Option 1:

Multi-family development may be permitted as an accessory use on any commercially developed property with the following conditions:

- Any new multi-family dwelling development shall meet the setback requirements of the principal use.
- Lot coverage shall not exceed the maximum allowable coverage within the district in which it is permitted.
- Density shall be determined by applying the standard currently set for small multi-family. One (1) unit per every 4,000 square feet of lot area with a cap of 6 units.
- 2 non-deed restricted residential units are still allowed by right under current ordinance (and can use them for workforce housing).

Option 2:

Multi-family development may be permitted as an accessory use on any commercially developed property with the following conditions:

- Any new multi-family dwelling development shall meet the setback requirements of the principal use.
- Lot coverage shall not exceed the maximum allowable coverage within the district in which it is permitted.
- Density shall be determined by applying a floor area ratio of .32 to the site in its entirety, including the gross floor area of all existing buildings.
- All requirements of Section 7.5 of the UDO, Dwellings, Multi=Family must be met, including supplemental requirements noted in Table 7-1.
- Optional: No more than 20 multi-family units can be constructed as an accessory use to commercial development.

Scenario for Option 2:

Shoppes @ 10.5

Parcel A Only (North Lot)

Lot Area: 283,635 square feet.

Building Area (Food Lion, Shops, Bank) = 48,895 square feet

FAR of 0.32 would allow 90,763 square feet of building area.

41,868 square feet of building area could be devoted to multi-family development.

20% of 41,868 = 8,373

1 bedroom = 16 units

2 bedroom (seems to be most desirable/ 25,122sf) = 35 units

3 bedroom = 8 units

***Town of Nags Head
Multi-Family Housing Working Group – Draft Multi-Family Ordinance – 5/24/2024***

This is worst case scenario but with a FAR of .32 Shoppes at 10.5 could have 59 units. The optional provision with a maximum of 20 units would likely dictate density in this circumstance.

Based upon the As-Built Survey they are at 40.4% coverage so, ample lot coverage if needed. Parking and Septic would be the prohibiting factors on this one.

*Town of Nags Head
Multi-Family Housing Working Group – Draft Multi-Family Ordinance – 5/24/2024*

Section 6.6, Table of Permitted Uses and Activities:

	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			PR
<u>1</u>	<u>Residential</u>	<u>Dwelling, Multi-Family (Small)</u>						<u>PR</u>		<u>PR</u>								
<u>1</u>	<u>Residential</u>	<u>Dwelling, Multi-Family (Large)</u>						<u>SR</u>										
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							
<u>1</u>	<u>Residential</u>	<u>Townhouse</u>						<u>SR</u>				<u>SR</u>						