



Date: August 23, 2018

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City 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 City Council receive the presentation and provide comment on Expanding Housing Choices. 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 questionnaire was released and made available from June 15 through August 15. The questionnaire 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 questionnaire will be provided at the meeting.

Based on input from the practitioners' group, initial results of the questionnaire, 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 (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

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.

drafting process. Many other issues will need substantive partnerships with other departments to 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.

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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