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MEMORANDUM

TO: Mayor Lydia Lavelle and the Board of Aldermen
David Andrews, Town Manager

FROM: Martin Roupe, Development Review Administrator 

DATE: March 7, 2014

SUBJECT: Work Session on Ways to Expedite and Incentivize Environmentally Friendly Development Projects

SUMMARY & CONTEXT

Members of the Board of Aldermen have expressed interest in exploring ways to foster or support more environmentally friendly development projects. Ideas stated have included but are not limited to expediting review and providing incentives for including green features in a development. This memo provides a staff perspective on some possible ways to go about promoting green features while maintaining compliance with all applicable state and local regulations. Staff requests that the Board consider the information, discuss the topic, and provide guidance on moving forward with one or more efforts.

Of note and for context, the Town of Carrboro for a long time has proactively adopted ordinances and regulations that may be considered ahead of the curve, going above and beyond what is commonly required by other NC municipalities and / or what is required to meet state-established minimums. Some examples include but are not limited to stream buffers exceeding state-mandated minimums, stormwater regulations establishing both nitrogen and phosphorus standards in advance of a state-mandate, along with establishing a volume standard; the provision of large amounts of environmentally-sensitive lands through a 40% open space requirement in residential subdivisions, and an ordinance precluding homeowner's associations from disallowing green features in newly-approved subdivisions. Also of note, the NC building code is substantially improved from several years past regarding energy conservation measures for new construction. The current code requires measures and choices that result in new buildings being close to LEED silver certifiable status at occupancy simply by meeting minimum code requirements.

The Board also may wish to consider both the existing LUO provisions related to increased residential density in B-1(g)—CZ districts in exchange for providing additional features (LUO Section 15-141.4) and a text amendment currently under consideration which would make additional uses permissible in the M-1 zoning district in exchange for additional features, many of which have

enhanced environmentally-friendly aspects. If the Board would like to move forward with one or more approaches outlined in this memo, then staff suggests it may be helpful to consider a comprehensive analysis of all the incentives approaches either in the ordinance already or under consideration. It may be possible to create a single ordinance / system that allows for a developer to choose specific increases or bonuses in exchange for providing additional features in a more streamlined way, rather than placing the mechanisms in multiple locations within the ordinance structure.

POSSIBLE INCREASES OR BONUSES

Following are some possible increases or bonuses that may be worth considering:

Density Bonus

The Town's existing residential density bonus provisions, found in LUO Section 15-182.4, are an example of an existing incentive type approach to fostering a desired outcome within a development project, i.e. affordable housing stock. A similar ordinance potentially could be drafted related to the developer gaining a bonus, i.e. additional full residential dwelling units or accessory units in exchange for projects including desirable features.

Open Space

The Town's 40 percent open space requirement within residential subdivisions could be relaxed in exchange for desirable features. The existing language in fact allows for providing less than 40%, with the precise amount relating to the amount of land consumed by the affordable units within the project. Utilizing a similar approach related to green features may be a good fit as it would potentially free up some amount of land for placement of the features themselves. A percentage reduction based on the features could be offered, or the existing language could simply be modified to allow land on which desirable features are placed to count toward the 40% calculation.

Reduced Fees

It is unclear how much incentive would be created by reducing or foregoing fees altogether in exchange for desirable features, as the costs of many such features likely would far exceed the savings related to the Town's fees. The approach may be worthy of consideration though if combined with other approaches, as it would underscore the Town's interest and commitment to the inclusion of the features within development projects.

Shortened Stormwater Review Checklist

Use of the Town's shortened stormwater review checklist, currently limited to commercial projects and mixed use projects containing at least twenty percent commercial, could be extended to residential projects that choose to provide desirable features. This approach essentially allows a developer to reach the public hearing more quickly than they otherwise would, which results in the applicant knowing whether they have a vested right to build their project before expending the remaining funds necessary to show full compliance with the stormwater-related provisions of the LUO.

Of note the Town has limited experience with projects using this approach to date, but at least one project did seemingly complete the review process leading to a public hearing more quickly than they otherwise would have. Other projects have deferred the submittal of portions of the information, per the shortened checklist.

Conditional / Mixed Use Developments with Enhanced Environmental Features

The conditional and conditional use zoning district approaches may be worthy of consideration. To that end it is worth noting that the Town does have examples of development projects that include enhanced environmental features, some of which involved conditional and conditional use zoning. These include but are not limited to the Arcadia and Pacifica subdivisions, and the Winmore Village Mixed Use subdivision, all of which are built or are currently under construction, along with the Veridia and Shelton Station projects, both of which are permitted but not yet built. Winmore VMU and Veridia are both conditional use zoning districts, and Shelton Station is a conditional zoning district. It may be beneficial to identify specific features the Board finds commendable about these or other projects. Staff could then report back and potentially draft modifications to the ordinance accordingly for the Board's consideration.

Expedited Review

Staff has considered and provided information to the Board in the past about possible ways to expedite the development review process. Past discussions have primarily focused on projects including affordable homes as well as new schools that need to open by a predetermined date associated with the scheduled start of school year. It is conceivable that a similar approach could be used for projects qualifying by providing a sufficient number of green features within a project.

Staff sees expediting the review of a project to mean that the plans are prioritized upon submission to where they are handled before other projects currently being reviewed. Further, staff would make themselves available to assist the applicant in whatever way possible during the review in an effort to minimize the amount of review time for such projects. This would include keeping in close contact with outside reviewing agencies in order to facilitate the review process. Such efforts potentially may impact and disrupt one or more staff members' work schedules, but impacts and disruptions likely could be managed unless a large number of projects are all submitted back-to-back in such a way that the review time effectively is normalized again. It is also plausible that the review of one or more non-qualifying projects may be delayed by staff focusing attention on a qualifying, expedited project.

Staff is not suggesting that expedited review would lessen the Town's development related requirements in any way. All projects would still be required to comply with all adopted ordinances and regulations.

Of note the applicant and outside reviewing agencies must play equally important roles in order for an expedited review process to succeed. Staff cannot directly control what happens outside of our own purview, and the applicant must understand their role and responsibility clearly. In communicating with outside reviewing agencies in the past regarding this matter, staff has received a generally willing response.

POSSIBLE DESIRABLE ENVIRONMENTALLY-FRIENDLY / GREEN FEATURES

Following is a non-comprehensive list of examples of possible features that may be desirable. The Board may recognize some or many of these as they have been pulled from existing and proposed ordinance language, as referenced in the last paragraph of the Summary & Context section at the beginning of the memo:

Exceeding Building Code Requirements

A developer might choose as an option to exceed the minimum requirements established by the NC building code requirements. Staff has identified an approach that would involve the applicant having to demonstrate that they exceed the minimum by a defined percentage above the minimum as a way of recognizing that the standards in the code change over time. Examples include but are not limited to: insulation and wall panel materials choices, glass ratings, ceiling and roof materials choices, provision of solar panels, etc. Some examples are included in the table provided below.

Site Planning to Facilitate Green Features

Appropriate site planning choices could be recognized as a feature in and of itself. In other words, a developer could voluntarily modify designs to accommodate placement of solar panels, geothermal wells, provision of facilities for onsite food production such as community gardens, and other similar physical structures. Actually including such features obviously may warrant further credit, but the site design itself must first accommodate such features for them to succeed. This feature may potentially tie in well with the potential allowance for a reduction in the amount of required open space mentioned in the previous section.

Additional Desirable Features

The Board could determine that a number of additional features are desirable, including but not limited to the use of native plant species, provision of chicken coops or constructing a community garden, achieving certifiable Gold level LEED status, etc. The table below is a working draft of items related to the proposed text amendment for the M-1 zoning district, which identifies options that may be worthy of consideration.

Working draft of M-1 text amendment table:

| Site and Building Element Categories | Examples of Performance Measures |
|---|--|
| Stormwater management and Water conservation | 1) Substantial stormwater retrofits 2) Reduction in nitrogen loading from the site by at least 8% from the existing condition, as determined by the Jordan Lake Accounting Tool |
| Substantial transportation improvement and Alternative transportation enhancement | 3) Provision of a safe, convenient, and connected internal street system or vehicle accommodation area designed to meet the needs of the expected number of motor vehicle, bicycle, pedestrian, and transit trips 4) Substantial improvement to public infrastructure, such as enhanced bicycle and pedestrian paths, or access to transit 5) Construction of substantially improved site entrance, intersection |
| On-site energy production and energy conservation | 6) Meets or exceeds standards for LEED Gold certification 7) Installation of active and passive solar features such as sufficient solar arrays to account for 50 percent or more of the electrical usage for the property 8) Use of harvested rainwater for toilet flushing 9) Use of devices that shade at least 30% of south-facing and west-facing building elevations 10) Use of low emissivity (low-E) windows along south-facing and west-facing building elevations 11) Installation of attic insulation that exceeds the current building code R-value rating by 35% or greater 12) Use of geothermal heat system to serve the entire complex 13) Use of LED fixtures for parking and street lights 14) Meets the Architecture 2030 goal of a 50 percent fossil fuel and greenhouse gas emission reduction standard, measured from the regional (or country) |

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|--|---|
| | average for that building type or the US Conference of Mayors fossil fuel reduction standard for all new buildings to carbon neutral by 2030 |
| Creation of new and innovative light manufacturing operations | 15) The development of clean, innovative light manufacturing operation(s) that creates employment for a more than ten workers 16) Incorporates technologies to reduce production waste by 50 percent or more |
| The provision of public art and/or provision of outdoor amenities for public use | 17) Outdoor amenities such as major public art 18) Amphitheatre or outdoor theater, outdoor congregating/gathering area 19) Outdoor eating facilities 20) Outdoor tables with game surfaces, etc. |

In closing regarding the list of choices identifying desirable features, the Board may wish to consider asking staff to look at a system that somehow weights or gives more credit for what the Board may identify as more desirable features. The existing B-1(g)—CZ district and the M-1 language currently under consideration both involve the developer choosing to include a number of features within their development, but does not formally recognize that some features are significantly more expensive and / or desirable than others. One approach staff has identified that may be plausible is a table similar to the existing recreation facilities table that establishes a points system. The features themselves would be granted a point factor based on their expected costs and the project would have to provide enough points to get the desired bonus. Another approach may be to give significant credit to highly-desirable features, whatever the Board may determine should qualify, and less credit to other features, with no direct reference to the expected costs of the features themselves.

RECOMMENDATION

Staff requests that the Board consider and discuss the information and identify potential next steps.