

Manager's Update

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INFORMATION:

City Offices Closed in Observance of Independence Day

Please note City administrative offices will be **closed** on **Monday, July 5** in observance of the **Independence Day** holiday.

Regular Council Meeting Tuesday, July 6 - Afternoon and Evening Sessions

Reminder that Council will meet next **Tuesday** in regularly scheduled sessions at **1:00 P.M.** and **7:00 P.M.** The agenda for the meeting was published on Thursday:

<https://go.boarddocs.com/nc/raleigh/Board.nsf>

Please note there will be a **Closed Session** immediately following the afternoon session of the Council meeting.

Reminder: If there is an item you would like to have pulled from the consent agenda for discussion, please send an e-mail mayorstaff@raleighnc.gov by 11 A.M. on the day of the meeting.

Fiscal Year 2021-22 Adopted Budget and Capital Improvement Program

Staff Resource: Mary Vigue, Budget and Management Services, 996-4270, mary.vigue@raleighnc.gov

The Fiscal Year 2021-22 Adopted Budget and Capital Improvement Program documents are now available on the City website <https://raleighnc.gov/services/grants-and-funding/current-city-budget>. Staff greatly appreciate the careful deliberation of these policy and resource allocation decisions by the City Council during this year's budget process.

(No attachment)

Wakefield Small Area Study – Virtual Open House Update and Recap

Staff Resource: Hannah Reckhow, Planning and Development, 996-2622, hannah.reckhow@raleighnc.gov

The first phase of public engagement for the Wakefield Small Area Study concluded in late May. The issues and opportunities survey was open between April 30 and May 23, 2021 and received responses from over 250 community members. The full survey results can be viewed [here](#). Staff held a virtual live “Ask-a-Planner” event to discuss the project and answer questions from the community on May 3, 2021. Over 50 participants attended the event live, and a recording of the discussion is available [here](#).

The second phase of public engagement for the Wakefield Small Area Study concluded this week. The virtual open house was open between June 17 and June 30, 2021 and received responses from over 90 community members. The full response to open house questions can be viewed [here](#). In addition, a virtual “Ask-a-Planner” event was held on Wednesday June 23, 2021 at 7 PM to answer questions about the project and open house materials. The event was viewed by 25 community members, and a recording of the event can be accessed [here](#).

(No attachments)

Code Enforcement for the Cross Connection and Fats, Oils, and Grease (FOG) Programs to Resume

In response to the COVID-19 pandemic, the FOG and Cross Connection Programs have been operating under modified standard operating procedures to minimize face to face exposure for the safety of citizens and staff. Modifications include utilizing remote records inspections and relaxed enforcement protocols. These changes served to maximize the safety of affected parties while minimizing the economic impact to customers already reeling from the effects of a national pandemic response. As the City transitions to normal operations, Raleigh Water intends to resume code enforcement actions that are necessary to protect our drinking water and our sewer collection systems. More detail on each program is provided below.

Backflow Testing - Code Enforcement

Staff Resource: Whit Wheeler, Raleigh Water, 632-7205, william.wheeler@raleighnc.gov

The Raleigh Water Cross Connection Program has an integral role ensuring the safety of the water supply by protecting the water distribution system from contamination by an end user or customer. This protection is achieved through the installation of a backflow device on the customer side of the meter or fire service line that stops water from flowing from a building back into the public water supply system. For most residential customers the backflow protection is a check valve in the meter yoke that is maintained by Raleigh Water.

For commercial, fire and irrigation services, backflow assemblies are installed and maintained by the customer. Raleigh City Code requires the customer owned backflow assemblies to be tested annually (triennially for residential irrigation) by a certified tester. Test reports are submitted online for record keeping in accordance with NC Public Water Supply regulations.

When the mandatory Stay at Home order was enacted in March of 2020, Raleigh Water discontinued the mailing of testing reminders and ceased issuing violations for failure to test. While the mailing of reminder letters started again in March 2021, no code enforcement actions have been taken for non-compliance. The Cross-Connection Program expects to begin sending Notices of Violation for non-compliance with backflow testing later this month and will begin with the irrigation accounts. We have contacted several large utilities in the state and find that all others are proceeding with cross connection programs as normal.

(No attachments)

Fats, Oils, and Grease Program - Code Enforcement

Staff Resource: TJ Lynch, Raleigh Water, 500-9740, tj.lynch@raleighnc.gov

The Fats, Oils, and Grease (FOG) program works to reduce the introduction of substances into the sewer collection system that are known to create system blockages, back-ups, and overflows. This program is mandated by the State of North Carolina per the City of Raleigh Collection System Permit which requires that Raleigh Water has an enforceable fats, oils, and grease program for non-residential users.

Prior to the pandemic, the FOG Program made routine visits of food service establishments to inspect the operation and maintenance of the facility's grease trap. This is the primary device for prohibiting FOG from entering the sanitary sewer collection system where it will accumulate on pipe walls and contribute to sanitary sewer overflows.

Modifications to standard operating procedures during the pandemic have greatly impacted the effectiveness of the FOG Program by limiting actual inspections. Records inspections have proven to be time consuming and ineffective at properly confirming grease interceptor functionality. Informal enforcement protocols have also proven time consuming limiting the ability of staff to adequately cover their assigned area in a timely fashion. Administrative fees have been suspended to limit economic impact to restaurant owners and no civil penalties have been issued during the pandemic.

To address the lack of effectiveness of this Program during the pandemic and its intent to protect the collection system and ultimately the environment, the Fats, Oils, and Grease Program is planning a return to standard operating procedures later this month. The return to pre-COVID-19 processes will bring the Program back into compliance with State issued permit and better protect the collection system from blockages, backups, and overflows.

(No attachments)

Weekly Digest of Special Events

Staff Resource: Derrick Remer, Special Events Office, 996-2200, derrick.remer@raleighnc.gov

Included with the *Update* materials is the special events digest for the upcoming week.

(Attachment)

Council Member Follow Up Items

Follow Up from the April 20 Work Session

Southeast Special Area Study – Update (Council Member Branch)

Staff Resource: Matthew Klem, Planning and Development, 996-4637, matthew.klem@raleighnc.gov

During the work session staff provided an overview of the Southeast Special Area Study, including an analysis of growth trends related to the completion of I-540 proximate to the town of Apex. Council requested staff provide a similar analysis for the town of Knightdale; included with the Update materials is a memorandum which provides the requested analysis.

(Attachment)

Follow Up from the June 1 City Council Meeting

Accessory Dwelling Unit Update (Mayor Baldwin)

Staff Resources: Charles Dillard, Planning and Development, 996-4631, charles.dillard@raleighnc.gov

During the meeting Council requested that staff provide an update on Accessory Dwelling Units (ADUs), include a review of permits issued to date and proposed incentives. Staff has drafted a memo that provides data on ADU Building Permits in 2021 and 2020, as well as an explanation of current barriers to permit data reporting and proposed solutions. Finally, the memo details work completed and next steps related to the incentives proposed in the report *Accessory Dwelling Unit Programs and Regulatory Tools*, which was presented to City Council in November 2020.

(Attachment)

Follow Up from the June 15 City Council Meeting

Economic Development Priority Map Follow Up (Council Members Buffkin, Cox)

Staff Resource: John Anagnost, Planning and Development, 996-2638, john.anagnost@raleighnc.gov

Following a public hearing Council approved Comprehensive Plan amendment CP-3-21 to update Map ED-1 “Priority Areas for Economic Development”. During the meeting Council requested an interactive version of the map to allow viewing at various scales. The map has been added as a layer in the Wake County iMAPS system, which can be accessed at this web address: <https://maps.raleighnc.gov/imaps/>.

Council also requested that the map reflect the most up-to-date Census data. The areas designated in the map approved by CP-3-21 are based on 2019 American Community Survey (ACS) data with a five-year interval of 2015-2019. Five-year ACS data statistically combines survey data collected over multiple years to reduce deviation of the estimates from the true values. Data from the 2020 Decennial Census, which will be full count data rather than survey data, is not yet publicly available. Strategic Plan initiative EDI 4.5 calls for the criteria used in Map ED-1 to be fully reevaluated. That process is underway and will include a public engagement

effort to begin later this calendar year. When the more thorough overhaul of the map is nearing completion, the most current Census data at that point in time will form the basis of any applicable criteria.

(No attachments)

Weekly Events Digest

Friday, July 2 – Thursday, July 8

City of Raleigh Office of Emergency Management and Special Events
specialevents@raleighnc.gov | (919) 996-2200 | raleighnc.gov/special-events-office

Permitted Special Events

Morning Times First Friday Market Series

Hargett Street

Friday, July 2

Event Time: 7:00pm - 11:00pm

Associated Road Closures: E. Hargett Street between Fayetteville Street and S. Wilmington Street will be closed from 6:00pm until 11:59pm.

Raleigh Fourth of July Fireworks Celebration

PNC Arena & Carter-Finley Stadium Area

Sunday, July 4

Event Time: 6:00pm - 10:00pm

Associated Road Closures: A portion of Trinity Road between Blue Ridge Road and Edwards Mill Road, including the pedestrian tunnel, will be closed to facilitate the launch of fireworks beginning at 9:30pm.

See below for additional event details:

- Parking lot gates will open at 6:00pm
- Fireworks are scheduled to launch at 9:30pm
- Duration is 20-22 minutes
- Free parking at the PNC Arena lots, North Carolina State Fairgrounds Bunn Field lots along Trinity Road, and Carter-Finley Stadium lots
- There will be no food or beverage sales, so bring your own picnic
- In the event of inclement weather on July 4, the event will be moved to July 5

Raleigh Union Station Community Yoga Programs

Raleigh Union Station Plaza

Sunday, July 4 through Thursday, July 8

Event Times: 5:00pm - 8:00pm on Mondays, Wednesdays, and Thursdays; 6:00pm - 8:00pm on Tuesdays; and 9:30am - 11:00am on Sundays

Associated Road Closures: No roads will be closed for the events. Raleigh Union Station Plaza will be used during the above dates and times through 11-24-21. Details regarding class registration can be found through [Yoga Soul·lect·tive](#) for Mondays, [Oak City Yoga](#) for Tuesdays and Wednesdays, and [Current Wellness](#) for Thursdays and Sundays.

Noon Tunes @ City Plaza: Kamara Thomas

City Plaza

Wednesday, July 7

Event Time: 12:00pm - 1:00pm

Associated Road Closures: No roads will be closed for the event. The off-street portion of City Plaza will be used from 10:30am until 2:00pm.

Other Upcoming Events

First Friday Raleigh

Friday, July 2

Various Locations in Downtown Raleigh

Kickzfest

Saturday, July 3
Red Hat Amphitheater

Moore Square Market

Sunday, July 4
Moore Square

Star Spangled Block Party

Sunday, July 4
Brier Creek Commons

Public Resources

Pilot Text Alert Program: Sometimes spontaneous events happen downtown and in other areas that could affect local businesses. If you'd like to receive notifications when those events happen, including unpermitted ones, sign up for text alerts.

Event Feedback Form: Tell us what you think about Raleigh events! We welcome citizen and participant feedback and encourage you to provide comments or concerns about any events regulated by the Office of Emergency Management and Special Events. We will use this helpful information in future planning.

Road Closure and Road Race Map: A resource providing current information on street closures in Raleigh.

Online Events Calendar: View all currently scheduled events that impact City streets, public plazas, and Dorothea Dix Park.

Council Member Follow Up

To	Marchell Adams-David, City Manager
Thru	Patrick O. Young, AICP, Director
From	Matthew Klem, Senior Planner
Department	Planning and Development
Date	June 15, 2021
Subject	South East Special Area – Knightdale Growth Analysis

Request Background

At the May 22, 2021 City Council Session on the South East Special Area Study, staff presented an analysis of growth trends related to the completion of I-540 proximate to the Town of Apex. Following the presentation, council requested staff provide a similar analysis for the Town of Knightdale.

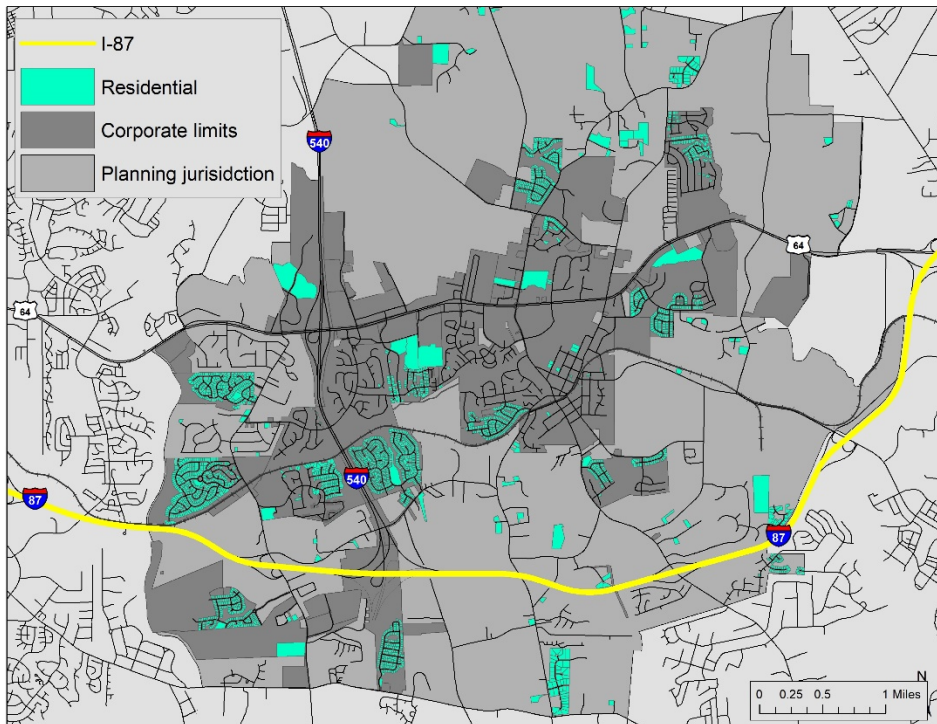
Knightdale Growth Trends

Interstate-540 was completed in Knightdale in 2005. Over the last 16 years, there have been 5,044 residential units built across 964 acres, an average residential density of 5.2 unit per acre **(Map 1)**.

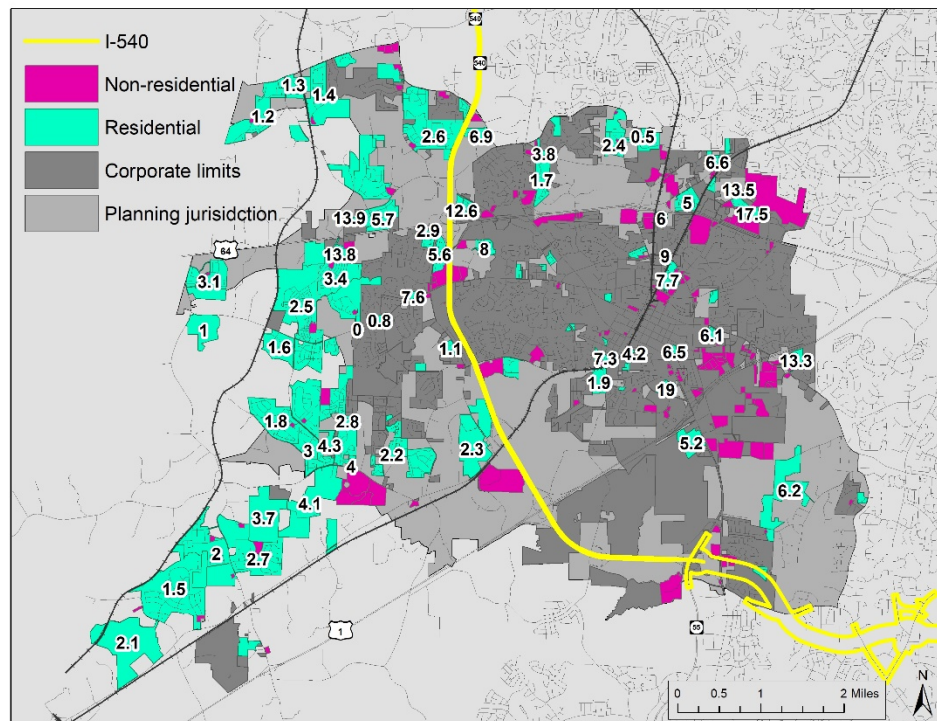
Compared to the growth rate of Apex, that experienced a boom of 11,000 residential units since 2013 (8 years) across 4,700 acres, an average density of 2.3 units per acre **(Map 2)**.

Comparing the location of their growth, development in Apex has a more profound trend of spreading in one direction farther from the town's core. Knightdale has experienced a less linear growth pattern, with new subdivisions built in all directions around the center of town. Also, Knightdale's growth is nearly twice as dense as Apex's growth. Development in Apex has consumed nearly five times the amount of land, but created only twice many residential units, in half of the time.

Map 1



Map 2



To	Marchell Adams-David, City Manager
Thru	Patrick O. Young, AICP, Director
From	Charles Dillard, AICP, Planning & Development
Department	Planning and Development
Date	June 18, 2021
Subject	Council Follow-up Item: June 1, 2021 Meeting Accessory Dwelling Unit Update

Overview

At the June 1, 2021 City Council meeting, Mayor Baldwin requested that staff provide an update on ongoing initiatives to incentivize Accessory Dwelling Units (ADUs), as well as a reporting on ADU permit statistics. This memo provides a status review of the incentives that were presented in the *Accessory Dwelling Unit Programs and Regulatory Tools* report that was presented to City Council on November 4, 2020.

ADU Permit Statistics

With the adoption of TC-16-19 – Accessory Dwelling Units, Raleigh removed barriers to building ADUs, establishing a regulatory framework that allows shallow setbacks and permits taller ADUs relative to peer cities. The ordinance permits ADUs in residential zoning districts citywide and removed a previous requirement for an ADU Overlay District.

Consistent with the amendment's objective, the city has received in the first half of 2021 more than twice the number of ADU permit requests (32) than in all of 2020 (13). Of the 32 permits requested in 2021, nine have been issued, eight are ready to be issued, and 15 are under review, as of June 14. If current trends continued, the City would see a total of approximately 70 ADU permit requests by the end of 2021.

The 2020 report to council recommended an annual monitoring program that would attempt to ascertain the number of ADUs existing today and create a process to document ADUs as they are submitted for permitting. The City to date has not treated ADUs as a separate permit type. Therefore, staff suggests an initial critical step toward better understanding ADUs is the creation of such a separate permit type, which can be accomplished within a nine-month timeframe, if not sooner.

ADU Incentives as proposed in 2020 Report *Accessory Dwelling Unit Programs and Regulatory Tools*

The report profiles national best practice programs and regulatory tools that governments have implemented in the interest of incentivizing ADUs. An update on the status of those recommendations is provided below:

Near Term: 6 Months

1. Explore building permit and facility fee reductions for ADUs

The City's development fee schedule includes Building and Trade permit fees and stormwater, thoroughfare, open space, and water facility fees. Since City Council's November 2020 direction to reduce or eliminate these fees, Planning & Development staff have not been assessing building permit fees for ADUs. Further, because most ADUs are proposed to connect to existing utility service and do not require new meters, utility fees are not often assessed. Regarding Trade permit fees and those facility fees that continue to be assessed, staff suggests additional study and legal guidance before a final determination on recommended fee eliminations can be made. Additionally, staff supports the creation of a separate ADU permit type for use only in its internal review software in order to better determine whether fees should be assessed.

Next Steps:

- Staff proposes to present a final recommendation on fee eliminations following City Council's summer recess.
- Staff will create an EnerGov permit type for ADUs to support the Monitoring program and further efforts to incentivize ADUs.

2. Create an ADU Monitoring Program

This is a program that, while not an incentive in itself, will allow the City to better understand ADUs role in the housing market and their impact on the environment and communities. The proposed program includes an initial year census and annual reporting to City Council. To date, staff has initiated two key elements of this program. First, staff has initiated a GIS analysis of potential existing ADUs, which will be used to survey property owners in the initial year census. Second, Planning & Development staff has begun the process to create a separate EnerGov permit type for ADUs.

Next Steps:

- Staff will implement the new EnerGov permit type immediately.
- Staff will create and distribute the initial year ADU census by September 2021.
- Staff proposes to report back to City Council in December 2021 on the year's ADU development statistics and in the same month each following year.

3. Create an ADU Resource Guide to educate homeowners and the development community

The ADU Resource Guide is envisioned as a one-stop-shop for the community and potential ADU developers that will include information on development standards, permitting, and incentives. Staff has continued to conduct best practice research on this effort.

Next Step:

Planning & Development staff, including its Communications team, will complete a draft online Resource Guide by end-of-year 2021.

Medium Term: 1 – 2 Years

4. Create a Pre-Approved ADU Program

Many municipalities, particularly those on the West coast where ADUs have been incentivized for a decade or more, have pre-approved ADU plans to reduce barriers, including costs, to ADU developers – often homeowners with little to no development experience. Staff has begun to conduct outreach with peer cities and continues to collect best practice examples.

Next Step:

- Staff proposes to present a Draft Pre-Approved ADU Program Framework to City Council by end-of-year 2021, with planned implementation by mid-year 2022.

5. Study feasibility of Pilot Program to test ADU design typologies

Demonstration pilot projects can be valuable experience for communities interested in ADUs but unsure of how to regulate, incentivize, or finance them. Staff has not advanced this item per se, but the model has been incorporated into a competitive grant application that the city intends to use for affordable ADUs/Tiny Homes.

Next Step:

- Staff proposes to monitor ADU uptake following the implementation of fee reductions and other incentives. Should an ADU Pilot be deemed necessary, staff proposes to present a framework by end-of-year 2022.

Long Term: 2 or More Years

6. Study the feasibility of an Affordable ADU Bonus Program

Cities experiencing high rates of growth and commensurate sharp rises in housing prices have implemented bonus programs that permit larger or additional ADUs in exchange for affordability guarantees. Staff has not contemplated this item any further to date.

Next Step:

- Staff proposes to monitor ADU uptake following the implementation of fee reductions and other incentives. Should City Council prioritize such an Affordability Bonus, staff from various departments would need ample time to coordinate an implementation method, including income and affordability verification.

7. Explore the Creation of an Anti-Displacement Program

Neighborhoods experiencing rapid price appreciation are often home to households on fixed or low incomes that may struggle to afford rising property taxes and thus become at risk of displacement. To combat this form of displacement, some jurisdictions, including Denver, Seattle, and Santa Cruz County have facilitated low interest financing programs to construct ADUs on the properties of homeowners at risk of displacement. In such programs, the homeowner is able to remain on their property, while receiving rental income from the ADU or the primary home in the event they move into the new ADU. Similarly, Community Land Trusts have begun to adopt the ADU model to increase the supply of housing on CLT-owned land, providing rental or ownership opportunities at perpetually affordable rates.

Next Step:

- Staff proposes to monitor ADU uptake following the implementation of fee reductions and other incentives. Should City Council prioritize such an Anti-Displacement program, staff would need ample time to work with area CLTs and develop and implement the program.

8. Explore partnership with non-profit sector to create Tiny Home Village Program

Tiny Homes can be a short- to medium-term housing solution for the unhoused and are also a desirable housing type for a small subset of the population. Staff has conducted research into the building code and legal framework for Tiny Homes and is prepared to present draft Tiny Home ordinance language in late summer or Fall 2021.

Next Step:

- Present draft Tiny Home ordinance language in late summer or Fall 2021.

9. Explore UDO revisions to permit multiple ADUs in TOD-R and other high-demand areas

Some cities experiencing high growth have begun to permit more than one ADU per lot. Staff has researched best practices but has not contemplated permitting multiple ADUs any further.

Next Steps:

- Staff proposes to provide additional research and concepts for a multiple ADU development standard in the forthcoming Missing Middle 2.0 report, to be presented to council in late summer or fall 2021.
- Currently, the North Carolina building code considers three or more units on a lot, even in separate buildings, to fall under the commercial code. All buildings would need to be brought up to code, including sprinklers, increases costs. Changes to the building code may be necessary to achieve the objectives of this change.

10. Explore revising the UDO setback standards to permitted limited exemptions in high-demand areas.

Raleigh's ADU setback standards are among the most permissive in the southeast. However, many high-growth cities in other regions have begun to allow for setback exemptions or encroachments when ADUs are proposed, in the interest of further reducing barriers to housing supply.

Next Step:

- Staff proposes to provide additional research and concepts for setback relief in the forthcoming Missing Middle 2.0 report, to be presented to council in late summer or fall 2021.

11. Explore revising the UDO to permit Flag Lots

Lending institutions typically do not extend financing for the construction of ADUs, since the ADU cannot be sold separately from the primary dwelling, hence cannot be used to secure the loan. Thus, many cities have begun to reduce barriers to Flag Lots, the creation of which facilitates construction loans for additional infill housing. With the ADU on a flag lot, it is no longer an accessory dwelling, but is a principle dwelling on a separate lot. Staff has continued to research Flag Lots and is in communication with colleagues in Durham, where Flag Lot barriers were recently removed.

Next Step:

- Staff will present additional research and proposed Flag Lot ordinance language as part of the Missing Middle 2.0 report, to be presented in late summer or fall 2021.