

Manager's Update

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INFORMATION:

Raleigh "Destination Installation" Project

Staff Resource: Kerry Painter, Convention and Performing Arts Ctrs., 996-8503, kerry.painter@raleighnc.gov

Staff would like to make Council aware of a project being procured and curated by the Raleigh Convention and Performing Arts Centers. Planned for strategic placement outside the main entrance of the Convention Center on busy South Salisbury Street, the "Letters" project will create a memorable photo opportunity for clients, attendees, visitors, and residents. Once uploaded to social media, these images will serve as organic (unpaid) destination advertising for Raleigh as a highly desirable place to visit. Similar pieces have found success in cities like Indianapolis, Philadelphia, San Francisco, and Cleveland. These pieces create not only a sense of intentionality in place but a sense of pride in being here.

Staff is currently in the process of reviewing creative concepts with the selected vendor, TACTILE WKSP. The "Letters" will indicate "Raleigh" in a format and perspective appropriate for a square photograph, ideal for sharing on social media. It is anticipated that either all or some of the "Letters" will have an interactive component, encouraging guests to sit, stand on, swing, play with, and/or lie on the piece - ultimately

becoming a part of “Raleigh” for their photo. As these photos are circulated and shared, the “Letters” will emerge as a landmark – a must-do when you’re in Downtown Raleigh – creating a new attraction for residents and visitors alike and drawing more foot traffic to the downtown core.

The creative review process includes members of the Raleigh Convention and Performing Arts Complex team, as well as representation from COR Arts Commission, visitRaleigh, and the Downtown Raleigh Alliance.

(No attachment)

Urban Heat Island Mapping Project Update

Staff Resource: Megan Anderson, Office of Sustainability, 996-4658, megan.anderson@raleighnc.gov

Council may recall from previous reports (*Update* Issues 2021-15, 2021-27, and 2021-45) that Raleigh joined with the National Oceanographic and Atmospheric Association, the County of Durham, the NC Climate Office, NC Museum of Life and Science, NC Museum of Natural Sciences, Activate Good, and others to map the hottest parts of the city as part of the Urban Heat Island Mapping project during summer 2021.

The City of Raleigh, County of Durham and community project partners will be participating in a [webinar](#) on February 3 to update the community on the Urban Heat Island Mapping project. The webinar will provide an overview of the project, a celebration and thank you to the over 150 community volunteers that participated in the data collection, an unveiling of the heat map data, and information on what is being done and what can be done in the future to identify ways to protect the community from heat. This webinar is open to anyone in the community to attend.

Background

The urban heat island project supports the Raleigh [Community Climate Action Plan](#) as well as two initiatives in the adopted Strategic Plan: Growth and Natural Resources 3.4, focused on mitigating urban heat islands; and Growth and Natural Resources 3.1, which focuses on environmental justice mapping.

Data from this project will help Raleigh identify areas where heat is experienced most strongly by community members. The data was collected by volunteers driving, cycling, and walking routes. Volunteers began and ended their routes at Chavis Park and Kiwanis Park. Volunteers used mounted heat sensors, pocket sensors and FLIR infrared cameras (see image below) that collected the data needed to create the future mapping of Raleigh’s heat islands. The routes were spread across the city and take into account different land uses, tree cover, community landmarks, and vulnerable community locations. Between Raleigh and Durham, over 150 community volunteers joined this citizen science project.

(No attachment)

Recap: Temporary Ice-Skating Rink

Staff Resource: Kerry Painter, Convention and Performing Arts Ctrs., 996-8503, kerry.painter@raleighnc.gov

More than 16,000 residents and visitors attended THE RINK presented by UNC Health at Red Hat Amphitheater throughout November and December. Attendees were able to experience ice skating in the heart of downtown Raleigh, while enjoying fire pits, food trucks and concessions, as well as beautiful photo opportunities featuring the Raleigh skyline.

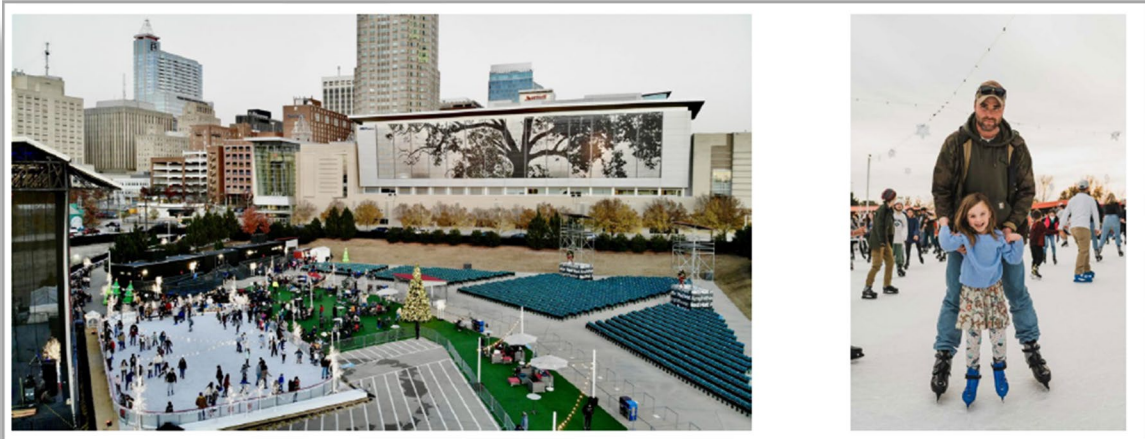


Photo credit: Jillian Knowles

THE RINK, presented by UNC Health, opened November 20 immediately following the Raleigh Christmas parade. Skater tickets were \$11, which included skate rental; the cost for non-skater tickets was \$6. Holiday cookie boxes, hot chocolate, snacks as well as beer and wine were available for purchase.

Raleigh Convention and Performing Arts Center staff worked with GBW Strategies to secure UNC Health as the title sponsor, with ABC11 as the media sponsor. Other sponsors included Google Fiber and Parker Poe Attorneys & Counselors at Law. Through the sponsors, 400 free tickets were provided to non-profit organizations which allowed for skating opportunities for many in the community who may not have otherwise participated.

(No attachment)

Weekly Digest of Special Events

Staff Resource: Sarah Heinsohn, Special Events Office, 996-2200, sarah.heinsohn@raleighnc.gov

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

(Attachment)

Council Member Follow Up Items

General Follow Up Items

Triangle Town Boulevard and I-540 Quality of Life Concerns (Council Member Cox)

Staff Resources: Deputy Chief Scott Oosterhoudt, Police, 996-3155, scott.oosterhoudt@raleighnc.gov

Included with the *Update* materials is a staff memorandum prepared in response to a request for information following constituent concerns regarding the Cadence at Town Center community, located near the Triangle Town Center Mall.

(Attachment)

Analysis of Legacy Apartments in District A (Council Member Buffkin)

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

In August 2021 staff was requested to provide information about the potential for multi-family properties in District A to be redeveloped at higher density rather than renovated. The concern expressed was that renovation increased rental rates without producing additional housing units. This effect can impact the amount of naturally occurring affordable housing (NOAH) in Raleigh. In particular, the request concerned older apartment properties along Millbrook Road in District A.

Included with the *Update* materials is a staff memorandum with provides an overview of the existing supply of apartment complexes of more than 50 units with market-rate affordable rents; provides an overview of the economics of renovation versus redevelopment; and provides a description of the potential upsides and downsides of policy actions with promote redevelopment versus preservation and renovation.

(Attachment)

Follow Up from the December 7 City Council Meeting

Impacts of TC-15-21: Towing Yards (Council Members Cox and Buffkin)

Staff Resource: Keegan McDonald, Planning and Development, 996-4630, keegan.mcdonald@raleighnc.gov

During the meeting staff was asked to evaluate the impacts of the proposed text change TC-15-21: Towing Yards on residential zoning districts and the future S-Line Corridor. Included with the *Update* materials is a staff memorandum and map summarizing the staff analysis.

(Attachment)

UDO Tree Species Requirements (Council Member Branch)

Staff Resource: Justin Rametta, Planning and Development, 996-2665, justin.rametta@raleighnc.gov

During the meeting staff was requested to review and report back on the landscaping requirements of the Unified Development Ordinance (UDO), specifically for requirements related to “native” tree planting. The request was made as part of the deliberations for Rezoning Case Z-40-21, a site located on Louisburg Road.

Included with the *Update* materials is a staff memorandum describing current UDO and City Tree Manual requirements for selecting tree species.

(Attachment)

Follow Up from the January 4 City Council Meeting

Celebratory Gunfire (Council Member Forte)

Staff Resources: Chief Estella Patterson, Police, 996-3155, estella.patterson@raleighnc.gov

During the meeting concerns were shared related to constituent reports of celebratory discharge of weapons over the holidays. Staff was requested to formulate a communications piece to be distributed in advance of

holidays warning residents of existing prohibitions on discharging weapons in the city limits and the dangers associated with celebratory gunfire.

Included with the *Update* materials is a staff memorandum in response to the request.

(Attachment)

Mask/Face Covering Mandate - Education Visits to Raleigh Malls (Council Member Branch)

Staff Resource: Whitney Schoenfeld, Emergency Mgt. Office, 996-2204, whitney.schoenfeld@raleighnc.gov

During the meeting staff provided an update related to the status of the COVID-19 pandemic. During discussion, Council requested that staff look into increasing efforts to educate Raleigh shopping malls regarding the mask mandate. In response to the request, staff from the Office of Emergency Management and Special Events visited Crabtree Valley Mall on January 10, and the Triangle Town Center mall on January 19. Staff held in-person meetings with mall management and shared copies of the Emergency Proclamation as well as signage that addresses the mask requirement.

Prior to the discussion, the Crabtree Valley Mall Operational Management team had only provided mask signage and education efforts in the mall common areas, while leaving stores to individually decide on mask compliance and enforcement. However, moving forward, they will provide City-branded mask signage to all stores, in addition to updating the mall's webpage to appropriately reflect the Emergency Proclamation. The mall team will also further educate security staff members, stressing that the Emergency Proclamation does not give any store the authority to waive compliance of the mask mandate. Security staff that patrols the mall will educate patrons not wearing face coverings and will provide masks as needed. Mall management plans to continue to offer face coverings at sanitation stations throughout the building, as well as at the security office.

At Triangle Town Center, staff met with the General Manager and the Director of Specialty Leasing and Marketing. Staff observed that mask signage and hand sanitizer stations were located at each entrance, and mall security staff is enforcing face covering requirements and assisting stores with removal of non-compliant patrons when requested. There is also verbiage already posted on the mall website stating that face coverings are required at all times within the mall. Mall staff provides bi-weekly informational newsletters to all tenant stores and, previously, have included mask requirements and Executive Order information. Moving forward, mall management will send out mask requirement information and City-branded mask signage to remind store managers that they do not have the authority to waive requirements of the Emergency Proclamation. Mall security staff will continue helping stores with unruly patrons and monitoring all common spaces for face covering compliance.

To date, Emergency Management and Special Events staff have conducted in excess of 50 mask education visits to various businesses in the Raleigh jurisdiction and continues to respond to requests to engage with businesses where non-compliance has been observed.

(No attachment)

Weekly Events Digest

Friday, January 21 – Thursday, January 27

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

NOTE: All schedules are subject to change due to potential impacts from winter weather. Please check individual event websites for the most current information.

Permitted Special Events

No permitted special events are scheduled at this time.

Other Upcoming Events

[Hurricanes vs. NY Rangers](#)

Friday, January 21
PNC Arena

[NC State vs. Virginia](#)

Saturday, January 22
PNC Arena

[An Evening with Bruce Dickinson](#)

Monday, January 24
Meymandi Concert Hall

[Teaching Artist Open House](#)

Tuesday, January 25
Pullen Arts Center

[NCHUB and NCDBE Certification Session](#)

Thursday, January 27
Virtual

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	Estella Patterson, Chief of Police
From	Scott Oosterhoudt, Deputy Chief of Police
Department	Police
Date	January 20 th , 2022
Subject	Council Response – Triangle Town Boulevard and I-540 Quality of Life Concerns

This memo responds to a request from Councilmember Cox for information concerning police department call for service data for the Cadence at Town Center Community near Triangle Town Center Mall.

The Cadence at Town Center community, located south of I-540, between Capital Boulevard and Triangle Town Boulevard, is comprised of single-family townhome residences. A wooded area, dissected by I-540, exists to the north of the community and is frequented by many homeless persons. A private LLC owns the parcels north of the Cadence at Town Center community, and the areas closest to I-540 are owned by the North Carolina Department of Transportation (NCDOT).

In February 2021, the police department was made aware of a large encampment of homeless persons on the NCDOT property south of I-540 and East of Capital Boulevard. The NCDOT property is not within the territorial jurisdiction of the police department. NCDOT and Wake County Sheriff's Office (WCSO) personnel were contacted to address the situation. Police department personnel assisted WCSO personnel during the Spring and early Summer of 2021 by arranging the delivery of dumpsters to the area and coordinating a clean-up effort. Because this area is outside of the territorial jurisdiction of the police department, the WCSO took the lead in the effort while police department personnel were present to assist. After the coordinated effort in mid-2021, the area has received little attention. Additional homeless persons have established residence in the area, and an increase in debris has been noted.

A review of call for service (CFS) data for July 2021 through January 2022 was conducted for the Cadence at Town Center Community. Approximately 49 911-generated calls for service exist for the inquiry period and concern 911 hang-ups, motor vehicle break-ins, burglaries, larcenies, etc. There are 22 officer-initiated calls for service concerning damage to property, security checks, suspicious persons, traffic stops, etc. One 911-generated call for service concerns an attempted assault on a Cadence at Town Center resident and responding police officer by a subject armed with a knife. This person was arrested and charged with numerous crimes.

Police department personnel have partnered with Cadence at Town Center residents, Triangle Town Center Mall management, the police department's ACORN'S unit, the WCSO, NCDOT personnel, and the property owner to formulate a plan using best practices to address the ongoing concerns in the area. A multi-phased approach has been developed and implemented to educate the persons frequenting the encampment, provide the services they request, and assist in relocating them to more suitable and humane accommodations.

Police personnel will hold ongoing conversations with WCSO staff and work towards a remedy to the varying concerns emanating from the encampment. Dialogue and collaboration with local, county, and state resources identified as essential partners able to address and resolve these concerns will continue.

To	Marchell Adams-David, City Manager
Thru	Patrick O. Young, AICP, Director
From	John Anagnost, Senior Planner
Department	Planning and Development
Date	January 18, 2022
Subject	Factors for Multi-family Renovation and Redevelopment in District A

This memo provides an overview of the existing supply of apartment complexes of more than 50 units with market-rate affordable rents; provides an overview of the economics of renovation versus redevelopment; and provides a description of the potential upsides and downsides of policy actions with promote redevelopment versus preservation and renovation.

Existing Apartments

Staff have gathered data about 19 market-rate affordable apartment developments in District A to identify those that may be subject to renovation or redevelopment in the near future. The developments selected for analysis have been evaluated as NOAH by the Triangle J Council of Governments (TJCOG), were constructed prior to the year 2000, and contain more than 50 units. For the source data, TJCOG defined NOAH as housing with rental rates that are affordable to households earning up to 80% of the area median income (AMI). The selected apartment developments are also generally located in the area extending from Millbrook Road on the south to Lynn Road and Spring Forest Road to the north and from Six Forks Road on the west to Atlantic Avenue on the east. For the remainder of this memo, this set of apartments will be referred to as “legacy apartments”.

Of the 20 reviewed legacy apartments, ten have not been renovated. Ten have been renovated since 2006, and nine of the ten renovations occurred in 2012 or later. As noted above, the rental rates for the apartments are still considered NOAH even after renovation. Eight of those renovated were constructed before 1990. Rental rates for the analyzed legacy apartments were collected by staff in October of 2021. Rents range from \$910 to \$1,270 for a one-bedroom unit with typical floor areas between 700 and 900 square feet. Two-bedroom units with floor area around 1,000 feet showed rental rates of \$1,132 to \$1,550.

For some legacy apartments, renovated and unrenovated units were available within the same development including some with identical floor plans. This allows for analysis of how renovation impacts rental rates. This analysis indicates that renovation of older apartments can lead to increases in rental rates of \$50 to \$255 per month for two-bedroom units. Newly constructed apartments generally command a premium over renovated apartments. Apartments built within the last 15 years show one-bedroom rents of \$1,260 to \$1,350 per month and two-bedroom rents of around \$1,500 to \$1,700 per month.

Summary of Legacy Apartment Data

Topic	Range of Values
Construction date	1968 to 1996
Density (units/acre)	8.1 to 20.7
Renovation date	Never; 2006 to 2019
One-bedroom rent	\$910 to \$1,344
Renovated one-bedroom rent	\$1,099 to \$1,320
Two-bedroom rent	\$925 to \$1,492
Renovated two-bedroom rent	\$1,200 to \$1,495
Sale price (per unit)	\$64,000 to \$161,000

Economics of Renovation and New Construction

When apartment properties change hands, the buyer typically values the property based on its income stream (rent payments net of operating expenses). In District A, legacy apartments have sold in recent years for \$100,000 to \$130,000 per unit. Recent sales of renovated legacy apartments also show prices in the range of \$100,000 to \$130,000 per unit. The similarity in these price points suggests that renovated apartments do not necessarily command a premium in comparison to unrenovated apartments. Renovations may in part be a strategy to maintain income in the face of rising expenses. In addition, these numbers may indicate that other factors are driving sales prices such as community amenities or location. Proximity to commercial areas, transit service, parks, or greenways may increase the value of a legacy apartment.

The cost to renovate apartments is highly dependent on the condition of the apartments. If renovations are largely aesthetic, the cost per unit can be as low as \$5,000. However, mechanical or structural issues can quickly increase this cost. It is unclear to what degree these considerations influence sales prices for legacy apartments, but it seems reasonable to assume a building facing big bills for deferred maintenance would be worth less than one that does not.

Another important question about the decision to renovate is the expected period for the investment to be returned as additional revenue. For new construction, loan amortization can be in the range of 20 to 30 years, although commercial loans typically require payback of outstanding principal within 7 to 10 years through either sale of the property or refinancing of the debt. Property owners may be seeking a significantly shorter payback period for renovation

costs, particularly since the benefits of renovation in terms of additional consumer demand may only last for a few years.

An alternative to renovation is redevelopment. An apartment community has value from its income stream. It also has value as a piece of land that can accommodate new development. For its value as land to exceed its value as an income-producing asset, the value of the income produced by the new development must exceed the value of the income produced by the existing units, plus the cost of their demolition, plus the cost of building new units on the site. The likelihood of redevelopment increases to the extent the following conditions exist: the existing units have low rents relative to new units, and many more new units can be built on the property compared with existing units.

The nationwide average cost to construct a new apartment with non-union labor is estimated at about \$141 per square foot by market analysis firm RSMeans. This figure seems reasonable when benchmarked against recent projects. For a 192-unit, three- and four-story affordable housing development initiated in 2021, the Housing and Neighborhoods department projected a development cost of \$189,431 per unit including land cost. If the tax assessed land value is used, this equates to a construction cost of roughly \$144 per square foot.

The City of Atlanta has an inclusionary zoning program that allows fee-in-lieu for required affordable units. As part of that program, they estimate the construction cost of an apartment unit. That value is \$120,698 and does not include the cost of land. The fee-in-lieu information does not specify the square footage of the typical apartment used as the basis of the estimate. While Atlanta is a different market, construction costs there are likely to be similar to Raleigh's.

New podium apartments typically have about 1,300 to 1,500 square feet of floor area per unit, inclusive of both the units and common areas. Hard costs of construction are therefore around \$180,000 to \$210,000 per unit. Soft costs can typically add 10 percent to this figure, for a range of \$198,000 – 231,000. The finished projects have sold for as little as \$210,000 and as much as \$350,000 per unit, according to recent sales data. New apartments cost far more to construct than it costs to acquire legacy apartments, and they also are valued more highly by investors. They must command higher rents to justify these costs and valuations.

The recent sale of the Signature apartments at 1505 Hillsborough Street is illustrative. The six-story, 150-unit building at 1505 Hillsborough Street sold for over \$350,000 per unit and \$172 per square foot, which includes the land value, two years after being constructed. If the cost of construction is assumed to be \$141 per square foot, the remaining value captured in the purchase price can be assumed to mostly reflect the value of the land, though some additional costs like marketing may be built into the sale price. Assuming a simplified breakdown of the sale price of solely construction cost and land value, the land value can be calculated at about \$35,000 per unit.

Another example are the St. Mary's Square apartments. Like the Signature, it sold for around \$178 per square foot in 2018, although the price per unit was much lower at about \$220,000 as the units are smaller, have lower occupancy, and generate less rent (many units in the Signature are 3- and 4-bedroom units that have 3 or 4 rent-paying students). Again assuming \$141 in construction costs and 10 percent for soft costs, the land residual was about \$28,000 per unit.

Based on the foregoing, it is possible to do a “back of the envelope” estimate of what is necessary for apartments in leasable condition to be redeveloped rather than renovated and maintained. Assume a value per unit of \$130,000 and demolition costs of \$6 per square foot (or \$7,200 per unit assuming 1,200 of building area per unit) brings the land cost for acquiring an existing development to \$137,000. The new building can shoulder land costs of \$25,000 – 30,000 per unit. To get to this land cost, the new development needs at least five times the number of existing units.

If, on the other hand, the existing apartments sell at the low end of the range, or \$100,000, then a four-fold density increase might suffice. In any scenario, for new construction to be economically viable, a legacy apartment development must be in poor condition, there must be potential for new development to be significantly denser, or both. Such increases in density will typically involve apartments wrapping a parking-deck or podium construction, as surface-parked apartments of any height struggle to reach 30 units/acre, while 5 – 6 story mid-rises with parking garages are routinely 70 – 90 units/acre.

Rezoning Potential

Many of the legacy apartments in District A are zoned R-6, R-10, or RX-3. In some cases, the entitlement of these districts is further limited by zoning conditions dating from their original development. The economic viability of redevelopment is likely to be dependent on the ability to successfully rezone these sites. Many apartment properties in District A are designated for Moderate Density Residential on the Future Land Use Map. That designation currently recommends a maximum density of 14 units per acre, though that may be modified by Comprehensive Plan amendment CP-6-21 “Future Land Use Category Revisions”.

Apartment properties in District A that are not designated for Moderate Density Residential are usually mapped with the Neighborhood Mixed Use, Office & Residential Mixed Use, or Medium Density Residential categories on the Future Land Use Map. These designations generally recommend a maximum height of four stories. Six Forks Road and Falls of Neuse Road are Transit Emphasis Corridors on the Urban Form Map with Mixed Use Centers at many major intersections. In these areas, heights of five to seven stories would be considered appropriate though proximity to low density neighborhoods may invoke other policies related to height transitions.

If a property owner assumes a site can be rezoned to the maximum height recommended by the Comprehensive Plan, that can inform their decision to renovate or redevelop. Staff were not able to develop a robust method of evaluating the costs and benefits of redevelopment versus renovation. Some qualitative factors can be identified based on the information provided above. A property owner would need to calculate the useful life of the existing development, including expected future costs of repair and renovation. Those costs must be compared to the expected rental rates over the same period, which are likely to decrease over time either in dollar value or in real terms (corrected for inflation).

A similar analysis applies to redevelopment. Some revenue will be lost during the demolition and construction period while property tax on the land will continue to be levied. This is added to the cost of permitting, construction, and any interest accrued for financing the construction project. These costs must be recouped along with a return on investment that exceeds other,

less-risky investment vehicles. Moreover, the new construction must provide a large enough number of units with high enough asking rents to create a greater return on investment than the existing apartment units, along with some amount of buffer to account for the additional risk of rezoning outcomes and variability in construction cost. It is also worth noting that the loan terms for new construction may be different from the terms of a loan for renovation.

Redevelopment Risk Analysis

Without the ability to analyze specific economic factors for redevelopment and renovation, another approach is to consider more general and qualitative factors. The following values could be used to construct a scale of likelihood that a legacy apartment is likely to be redeveloped instead of renovated or maintained.

- Original construction date (older increases redevelopment likelihood)
- Date of last renovation (older increases redevelopment likelihood)
- Current density (lower density increases redevelopment likelihood)
- Potential increase in density through rezoning (higher density differential increases redevelopment likelihood)
- Last sale price (lower increases redevelopment likelihood)

In addition, location factors could also influence the propensity of redevelopment by increasing the potential rental rates of newly built apartments. Location factors include proximity to parks, greenways, schools, shopping areas, thoroughfares, and transit service. Distance from other features like industrial uses, highways, and railroads could also influence projected rental rates.

City-Initiated Rezoning

If existing land use policies support substantially greater density on a legacy apartment site and there is a reasonable expectation that the site is likely to redevelop, the City could consider initiating a rezoning process to enable the envisioned density. This approach could directly reduce the cost of redevelopment in the form of fees for the rezoning application as well as fees for legal or engineering services engaged by the landowner or prospective developer. A City-initiated rezoning may also reduce uncertainty about the outcome of a privately initiated rezoning process. Uncertainty can make a site less attractive for development and cause delays in redevelopment even when market conditions support the outcome of development. In this context, the outcome of more housing supply is demonstrably supported by market demand in Raleigh. In sum, City-initiated rezoning could enable a greater number of housing units to become available in a shorter span of time compared to privately initiated rezoning requests.

The expediency and certainty of rezoning is not the only factor to consider. If the City pursues rezoning of legacy apartment sites, the rezoning request must be general use. That means there is no opportunity for zoning conditions to be offered by a developer to add public benefits to a new apartment development. Zoning conditions to require subsidized affordable housing units within a development would not be possible in a City-initiated rezoning. The City has a new legal framework for development agreements that could be used for this purpose. However, a developer interested in redeveloping apartments would have very little incentive to announce those intentions and become party to a development agreement if the City has already committed to rezoning the site.

Another consequence of City-initiated rezoning of a legacy apartment site is the potential for displacement of existing residents. While redevelopment resulting from privately initiated rezoning also causes displacement, the City is not the agent of that change. In a City-initiated rezoning, the City would likely be perceived as the cause of displacement. In addition, newly constructed apartments are likely to be marginally more expensive than existing apartments. Adding housing supply at a rate that meets or exceeds the growth in demand has the benefit of slowing the growth of housing prices over the long term and within the context of the larger Raleigh market. Nevertheless, the result of redevelopment is typically higher rental rates at the redevelopment site. The short-term perception, particularly among existing residents of legacy apartments, will be that housing costs are rising. Moreover, redevelopment would reduce the supply of NOAH in the Raleigh market. Because NOAH is the product of apartments aging, the supply of NOAH cannot be increased in the short term.

City-initiated rezoning of legacy apartments should be accompanied by programs to assist existing residents with relocation, methods of encouraging new development to include subsidized affordable units, and/or facilitate phasing of redevelopment to reduce displacement impacts. At this time, the City does not have very good mechanisms to achieve these development outcomes. Given that, City-initiated rezoning of legacy apartments may lead to greater negative impacts than positive impacts in the near term unless and until other tools are in place to manage negative impacts.

Next Steps

Staff can develop a basic analysis tool for predicting the likelihood of redevelopment. This tool will not be very robust but could give some indication of relative propensity for redevelopment. Additional staff research could provide a more comprehensive tool, but staff do not have the economic expertise to reliably analyze specific economic and financial factors for redevelopment. A consultant study could add useful insight on these topics that would also contribute to development of potential policy tools if desired by the City Council. Staff can follow up on City Council direction for the options described above or others.

To	Marchell Adams-David, City Manager
Thru	Patrick O. Young, AICP
From	Justin Bucher, Senior Planner Keegan McDonald, Planning Supervisor
Department	Planning and Development
Date	January 21, 2022
Subject	Council Follow-up Item: December 7, 2021 Meeting TC-15-21 Towing Yards – Impacts to Railroads and Residential Properties

On December 7th, 2021, City of Raleigh Council received the Planning Commission's Report and Recommendation regarding TC-15-21 (Towing Yards). Towing yards are currently only permitted in the Heavy Industrial (IH) district; however under the proposed text change, a towing yard would also be allowed in the Industrial Mixed Use (IX-) district. Per the draft ordinance, towing yards could not be proximate to a Major Street and no vehicle surface areas or vehicle enclosures could be within 150 feet of a residential property or use (unless owned or occupied by the towing yard operator). All other existing use standards would remain in place. The restriction on proximity to a Major Street was added following discussions in the Transportation and Transit committee to limit the use along designated BRT and high-frequency transit corridors.

Following staff presentation, Council requested the following information:

1. The number of residential properties within 150' of IX zoned properties
2. Potential impacts and parcel availability for the future the S-Line rail corridor

Methodology & Results

In total, there are 4,044 parcels within 150' of the IX-district (see fig. 1). 2,392 (59%) of these parcels are zoned residential.

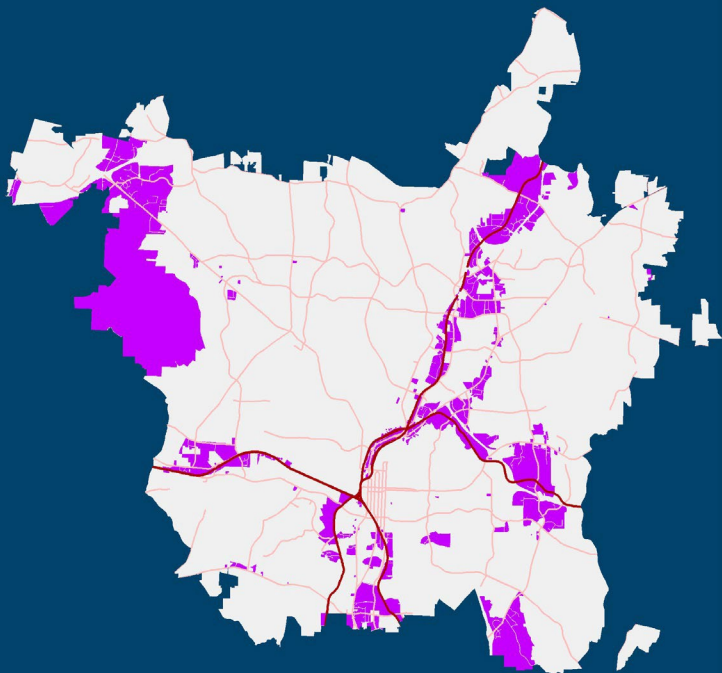
A geographic proximity analysis was used to determine the total number of available IX/IH zoned parcels that could support a tow yard in accordance with the draft ordinance

Zoning	Number of Properties within 150' of IX-district
CM	18
CMP	2
CX-	587
DX-	60
IH	120
IX-	0
MH	19
NX-	208
OP-	7
OX-	106
PD	103
R-1	31
R-10	1,228
R-2	7
R-4	361
R-6	796
RX-	391
TOTAL	4,044

requirements (i.e., cannot front or be located 100' from Major Street, 150' buffer from properties zoned residential or in use as a residence). To address concern #2, staff also eliminated any properties fronting or within 100' of a railroad corridor. The steps used to determine citywide IX/IH parcel availability for tow yards are as follows:

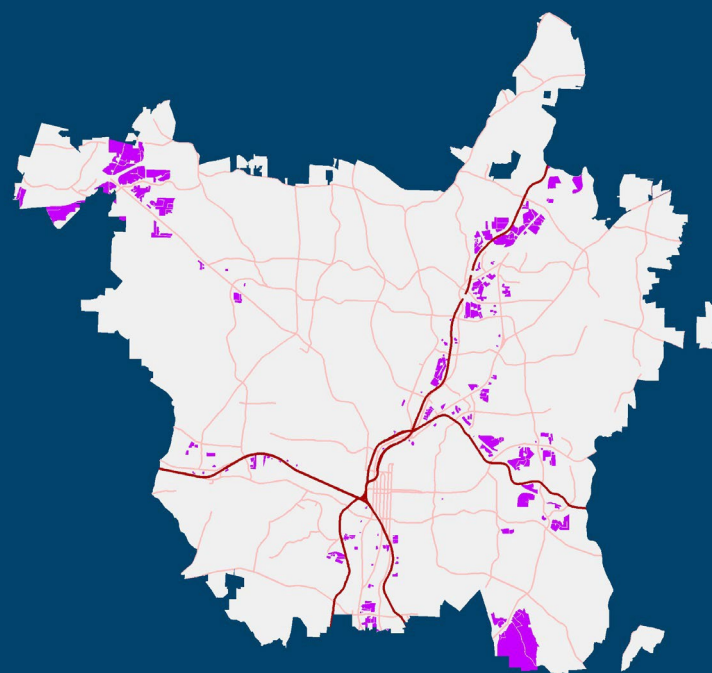
- 1) All IX- and IH- zoned parcels are selected within the City of Raleigh:
 - **2,235** IX & IH parcels
- 2) Next, parcels that front on or are within 100' of a major street are removed from the selection. It is important to note that street right-of-way varies in width. The ROW fluctuation could not be accurately be accounted for, so the largest major street ROW section (177') was applied as the standard for all major streets:
 - **1,349** IX & IH parcels are located outside of 100' from a major street
- 3) Parcels that front on or are within 100' of a rail corridor are removed from the selection:
 - **1,184** IX & IH parcels are located outside of 100' from a major street OR rail corridor
- 4) A 150' buffer is applied to all parcels that are residentially zoned (R-1, R-2, R-4, R-6, R-10) or residential in use. These areas are prohibited to contain vehicle surface areas or vehicle enclosures per the draft ordinance. Floodplain and stream buffer areas that are also un-developable are included within this 'exclusion area'.
- 5) The acreage of the exclusion area within a parcel (i.e., residential buffer, floodplain/stream buffer) is subtracted from the affected parcels' total acreage. If the remaining acreage outside of the exclusion area is less than 0.4 acres, the parcel is removed from the selection. 0.4 acres was chosen as the cut-off based on a sample existing tow yards located in Raleigh; 0.4 acres was the smallest parcel size that supported a tow yard.
 - **999** IX & IH parcels IH parcels are located outside of 100' from a major street OR rail corridor and have enough area to support a tow yard after considering residential buffer and floodplain/stream exclusion zones.

The same methodology shown above was also applied to determine the number of available IX & IH parcels when factoring in a 1/8-mile and a 1/4-mile railroad separation buffer (in addition to major street and residential buffer & floodplain/stream exclusion zones). When a 1/8-mile railroad separation is applied there are **861** available IX/IH parcels; a 1/4 -mile railroad separation results in **721** available IX/IH parcels.



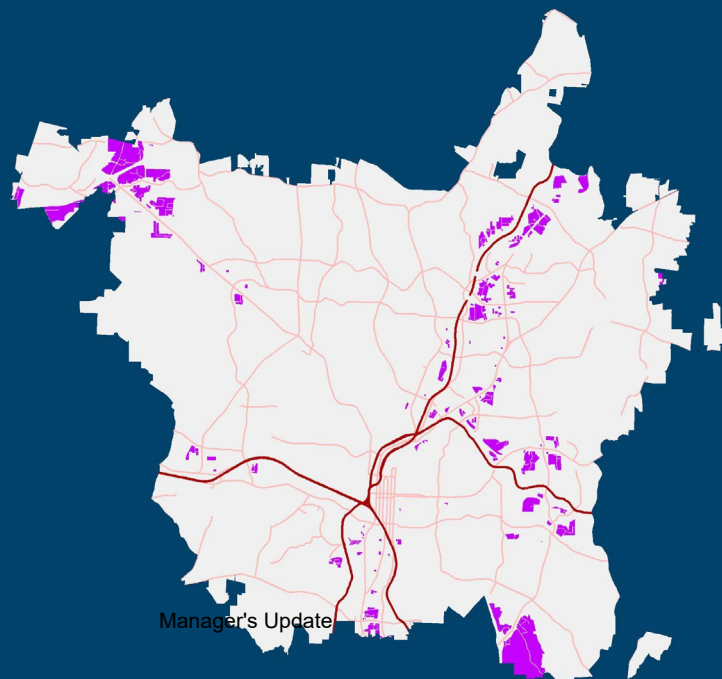
All IX/IH Parcels

2,235
parcels



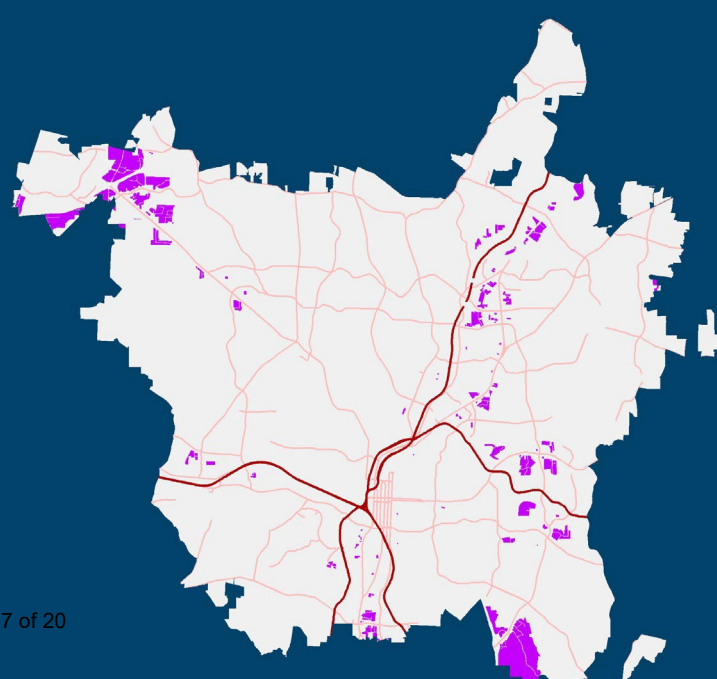
100 feet
from major streets
and railroads

999
parcels
(44.7% of total)



100 feet
from major streets
1/8 mile
from railroads

861
parcels
(38.5% of total)



100 feet
from major streets
1/4 mile
from railroads

721
parcels
(32.3% of total)

To	Marchell Adams-David, City Manager
Thru	Patrick O. Young, AICP, Director
From	Justin Rametta, AICP, Planning and Zoning Administrator
Department	Planning and Development
Date	January 10, 2022
Subject	Council Follow-up Item: December 7, 2021 Meeting UDO Tree Species Requirements

At their December 7, 2021 meeting, the City Council requested staff review and report back on the landscaping requirements of the Unified Development Ordinance (UDO), specifically, any requirements for “native” tree planting. The request was made as part of the deliberations for Rezoning Case Z-40-21, a site located on Louisburg Road.

Tree species and other planting requirements are regulated by both the UDO (for trees planted on private property) and the City Tree Manual (for trees planted on City property or within public rights-of-way).

[Section 7.2.7](#) of the UDO sets forth the requirements for planting material, including trees, required as part of a development plan or permit. This section contains the following requirements that dictate what species may be utilized as part of a landscaping plan, but does not explicitly require native species of trees, nor does it explicitly prohibit exotic invasive species:

- Trees must be hardy to zone 7 in accordance with the U.S. Department of Agriculture’s Plant Hardiness Zone Map. This ensures that the selected species can be reasonably expected to survive in our local climate;
- Trees must be a “locally adapted” species, which is not the same as native. For example, Crape Myrtles are commonly selected understory trees due to their ornamental value and relatively low maintenance requirements. While not native to North Carolina, they are a locally adapted species.
- Shade trees must be expected to reach a mature height of 35’ and an expected crown spread of 30’. Understory trees must be expected to reach a mature height between 15’-35’ and crown spread of 15’-25’.

As part of a development plan, trees may be required to be planted in the public right-of-way as street trees. The recently updated [City Tree Manual](#) regulates these plantings. While the use of exotic invasive species is prohibited, non-native species may be utilized in some circumstances. See, for example, the previous reference to Crape Myrtles. Japanese Maples are another example of a non-native species that is not identified as an invasive species in North Carolina but has been present in the landscape for generations. The City uses lists from North Carolina State University and the North Carolina Forest Service to establish and update prohibited invasive species lists.

If Council would like to establish requirements or incentives for native plantings on private property (i.e. - regulated by the UDO), not just non-invasive, a UDO text amendment could be initiated to do so. On related note, staff is tentatively scheduled to discuss with Council citywide regulations for forestation, tree conservation, and preservation at an upcoming Council Work Session. Given the relatedness of these topics and those described herein, the amendments, if ultimately authorized, could be simultaneously drafted and brought forward for public review.

To	Marchell Adams-David, City Manager
Thru	Estella D. Patterson, Chief of Police EDP
From	Scott Oosterhoudt, Deputy Chief of Police
Department	Police
Date	January 14 th , 2022
Subject	Council Response – Celebratory Gunfire

This memorandum is in response to a request from Councilmember Forte for COR staff to formulate a communications plan to be distributed in advance of various holidays. The plan will serve to educate residents of the applicable laws and ordinances related to discharging weapons in the city limits and the dangers associated with celebratory gunfire.

The period immediately after midnight, during New Year's Eve celebrations typically results in numerous calls for service regarding fireworks, loud parties, celebratory gunfire (shots fired), and loud noises. Between the hours of 12:01 AM and 5:00 AM on January 1st, 2022, RPD responded to 309 dispatched calls for service. Of these calls, 79 concerned fireworks, loud parties, shots fired, and loud noises. Frequently, 911 callers cannot distinguish between fireworks and celebratory gunfire, and therefore, these calls for service may involve fireworks or gunfire as the source of the complaint. Call for service numbers do not account for incidents involving multiple callers. A single dispatched incident may involve numerous callers.

Preceding the 2022 New Year celebration, the Raleigh Police Department's Public Information Office disseminated information via Twitter and Facebook concerning the threat celebratory gunfire poses to residents and visitors of Raleigh. The posts read, "Do not shoot guns in the air – what goes up can come down to hurt or kill someone." This message is similar to communications distributed before previous New Year's Eve celebrations.

As part of the requested communications plan, RPD's Public Information Office will continue creating and distributing social media posts concerning the dangers of celebratory gunfire. These messages will be posted well in advance of the holiday or occasion. In addition, the PIO's office will coordinate with local tv and radio media to broadcast similar messages 2 weeks prior to the holidays. Also, RPD will continue to disseminate similar information at community meetings and on calls for service as a reminder to the public; this will occur year-round. In the event of celebratory gunfire, RPD will make the appropriate arrests and work with the DA's office to request that the charges not be dismissed. Raleigh City Code Chapter 2, § 13-2010 prohibits discharging a firearm within the corporate city limits of Raleigh. Persons discharging firearms in a celebratory manner that result in projectiles entering occupied buildings or causing injury to someone can be held criminally responsible for the appropriate Felony Assaults under North Carolina Criminal Law.