



CITY MANAGER'S WEEKLY REPORT

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CITY OF
Raleigh
MANAGER'S
OFFICE

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INFORMATION:

Virtual Council Meeting Tuesday, May 5 - Afternoon and Evening Sessions

As Council is aware, a third virtual City Council meeting will be conducted next **Tuesday** in regularly scheduled sessions at **1:00 P.M.** and **7:00 P.M.** The agenda for the meeting was published yesterday:

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

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.

You will be receiving information on joining the WebEx Events session on Monday; staff will be available to assist with log ins and joining the virtual City Council meeting.

Raleigh Small Business Support Fund

Staff Resource: Veronica Creech, Office of Econ. Dev. & Innovation, 996-2707 veronica.creech@raleighnc.gov

Following the April 21 Council action to appropriate \$1M to the Raleigh Small Business Support Fund, staff in the Office of Economic Development & Innovation moved quickly in collaboration with the City Attorney's Office to implement the strategy to build, market and rollout this unique and urgent support. This strategy requires thorough attention to details which are captured in the contracts being negotiated with the two partner agencies, Wake Tech Community College and Carolina Small Business Development Fund (CSBDF).

In an effort to market the program while attending to program creation, Carolina Small Business Development Fund launched a [Raleigh Small Business COVID-19 Relief Fund landing page](#) on April 24. The landing page outlines the program criteria and will list materials needed to apply and include program updates as they are made. This page also allows supporters to [DONATE](#) to the effort.

The remaining program timeline includes having the contracts executed early next week and Wake Tech Community College closing out the Raleigh-based applications and continuing with fund distribution. ED&I staff will partner to coordinate two technical assistance calls (Spanish and English) with instructions for completing the CSBDF application. The application goal date is May 11. The application will be opened for ten days, closing May 21, one month from Council approval. CSBDF staff will process the application pool via random selection of and begin distributing funds to qualified and approved applications the following week.

Both partner organizations will submit program reports including six-month follow-ups.

Small Business Technical Assistance Webinars

Following a March 16 listening session moderated by ED&I staff with more than 100 Raleigh small businesses, staff moved to hosting weekly free technical assistance webinars for the Raleigh small business community and their employees. The webinars have been well attended, often with more than 150 unique callers, and been featured in local media outlets. Participant feedback has been very positive with attendees expressing appreciation for the City providing these free resources to small businesses. Additionally, attendees report the information provided is timely, high quality and extremely beneficial. Staff has promoted these weekly webinars through email, diverse social media channels and through economic development partners. Following each engagement, recordings of webinars are sent to all attendees. The topics that have been covered include:

(4/1/20) [Insights from Raleigh Businesses and the Loan Process](#) Featuring EDPNC Vice President John Loyack and several local small business owners

(4/8/20) [Solutions for Business Tenants and Landlords](#) Featuring local Small Business and Property Management Leaders

(4/15/20) [Financial Solutions for Wake County Child Care Providers](#) Featuring Wake County Smart Start

(4/22/20) [COVID-19 SBA Support for the Small Business Owner](#) Featuring Thomas Stith, North Carolina Director for the Small Business Administration

(4/30/20) [NC Unemployment Benefits for Business Owners](#) Featuring North Carolina Department of Commerce Assistant Secretary Lockhart Taylor

Staff continues to schedule and program future webinars to support the small business community and are doing so working closely with local economic development alliances to identify topics of interest for small businesses.

Business Eligibility to Operate Under Stay at Home Order Determination Process

As Council is aware, the Wake County Stay at Home Order has expired and businesses in Raleigh are now subject to the Governor's Stay at Home Order. Prior to the expiration of the Wake County order, Wake County had provided a free hotline and email address that businesses could contact to determine if they were eligible to operate under the Stay at Home Order. With the expiration of the County order, Wake County will no longer provide determinations to businesses on if they can reopen. Businesses need to contact the NC Department of Revenue to request a determination if they can reopen. The link to submit an online request is <https://www.ncdor.gov/home/ncdor-actions-covid-19/covid-19-essential-businesses>.

Inquires can also be emailed to the Department of Revenue at Essential.Exemption@ncdor.gov. Businesses need to provide the following information in their email:

- Legal Name
- Doing Business As (d/b/a, if applicable)
- Sales and Use Tax Registration Number (if applicable)
- Address
- Name of Contact Person
- Email Address
- Phone Number
- Website
- Description of Business
- Justification: Please provide a brief explanation of why your business should be designated as essential.

The Office of Economic Development & Innovation is working with partners and alliances to share this information with the business community.

(No attachment)

Weekly Digest of Special Events

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

All Special Events cancelled.

(No attachment)

Council Member Follow Up Items

General Follow Up Item

CARES Act Funding (Council Member Stewart)

Staff Resource: Megan Hinkle, City Manager's Office, 996-4668, megan.hinkle@raleighnc.gov

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into Law on March 27, 2020 to help prevent, prepare for, and respond to COVID-19. The \$2 trillion relief package assists citizens, small businesses, and local and state governments.

Council Member Stewart requested more details on the funding the City anticipates receiving through the CARES Act. Enclosed with the *Weekly Report* materials is a staff memorandum containing information recently

provided to all City departments on available grant funds. The memo highlights funding opportunities across a variety of departments and service areas.

(Attachment)

Follow Up from the February 4 Council Work Session

Zoning for Affordability: Reforming and Applying the Detached Frontage (Council Member Stewart)

Staff Resource: Jason Hardin, Planning and Development, 996-2657, jason.hardin@raleighnc.gov

During the work session, Council received a staff presentation for options and “low-hanging fruit” to improve housing choice and affordability by reforming exclusionary zoning provisions. Several of the items discussed are currently in the text change pipeline.

At that work session, Council requested additional information on the potential for a little-used zoning “frontage” – the Detached Frontage – to achieve similar ends. The frontage, with adjustments, can serve as an ideal transitional zoning category along or near major streets and centers. It can allow denser housing and some low-intensity commercial uses while respecting lower-density residential scale and form.

Included with the *Weekly Report* materials is a staff memorandum containing text and graphical analysis of the frontage. It also includes recommendations for specific actions for reforming and applying the frontage to improve housing choice and affordability. Staff will be prepared to bring the item forward for discussion as a special item at an upcoming City Council meeting, perhaps once the immediate public health issues become less acute.

(Attachment)

Council Member Follow Up



Raleigh

MEMO

TO: Ruffin Hall, City Manager
FROM: Derrick Smith, Management Fellow
DEPARTMENT: City Manager's Office
DATE: May 1, 2020
SUBJECT: CARES Act – Grants

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020 to help prevent, prepare for, and respond to COVID-19. The \$2 trillion relief package assists citizens, small businesses, and local and state governments. The City of Raleigh is eligible for grant funding totaling **\$27,212,374**. The departments qualifying to receive these grants are Housing and Neighborhoods, Police, and Transportation. Other departments may also be eligible for grant funding. The information below was provided to city departments as staff continues to track and respond to these opportunities.

Housing and Neighborhoods

The Department of Housing and Urban Development (HUD) provided \$9 billion in relief in the form of Community Development Block Grants and Emergency Solution Grants for local and state governments. As a HUD entitlement community, the City of Raleigh has been awarded an additional **\$1,878,051** in Community Development Block Grant (CDBG-CV) funds and **\$950,338** in Emergency Solutions Grant (ESG) funds to help address the many and varied impacts of the COVID-19 pandemic.

HUD is moving quickly to develop guidance on the preparation of plans for the use of funds in addressing local needs and priorities. Local plans must be submitted to and approved by HUD.

Police

The Department of Justice (DOJ) has allocated \$850 million for state and local law enforcement assistance to be pursuant to the formula allocation that was used in fiscal year 2019 for the Edward Byrne Memorial Justice Assistance Grant (JAG) program. The City of Raleigh is eligible for **\$399,140** in funding and does not require matching funds.

The funds can be used for projects and purchases that include, but are not limited to, overtime, equipment (including law enforcement and medical personal protective equipment), hiring, supplies (such as gloves, masks, sanitizer), training, travel expenses (particularly related to the distribution of resources to the most impacted areas). There are no specific prohibitions under the program other than the unallowable costs that are identified in the DOJ Grants Financial Guide. The award period began on January 20, 2020 and will last for two years, so expenditures already incurred for response/preparation could be eligible for reimbursement. Applications are due by March 29, 2021.

Municipal Building
222 West Hargett Street
Raleigh, North Carolina 27601

One Exchange Plaza
1 Exchange Plaza,
Raleigh, North Carolina 27601

City of Raleigh
Post Office Box 590 • Raleigh
North Carolina 27602-0590
(Mailing Address)

Transportation

The U.S. Department of Transportation's Federal Transit Administration (FTA) released \$25 billion in emergency grant funding through Section 5307 Urbanized Area apportionments to help city and regional transit providers cope with higher costs and falling ridership. The Raleigh metro area is expected to receive \$36,424,633 of that funding. The funds will be allocated to our region through existing formula funding programs. It is anticipated that the CAMPO Executive Board will take action at their April 15th meeting to sub-allocate that funding to the region's transit system. GoRaleigh is expected to receive **\$23,984,845**.

Economic Development and Innovation

Although Economic Development and Innovation (EDI) was not eligible for any grant opportunities, they have been working with small businesses to ensure they are receiving information on loan and grant opportunities offered by the CARES Act. Currently, the main grant options available to small local businesses are the Emergency Economic Injury Disaster Grant (EID) and the Paycheck Protection Program (PPP). EID provides \$10 billion worth of grants up to \$10,000 per business and PPP allocated \$350 billion for loans up to \$10 million per business. As of last week, EDI reported that none of the local businesses working with them had yet received funding. Updates will be provided as businesses start to receive funding.

Raleigh Fire Department

Raleigh Fire Department may be entitled to grant funding through the \$100 million Assistance for Firefighters funding within the CARES Act. The grant covers protective gear, supplies, and other reimbursements related to COVID-19.

Additional Opportunities

The federal government has announced the possibility of another stimulus opportunity for small businesses and local and state governments. The City has created a CARES Act Grant Committee comprised of multiple departments across the organization to monitor additional funding opportunities and to provide assistance to departments on the grant management process. The committee is comprised of staff from the departments of Budget & Management Services, the City Manager's Office, Finance, Police, Transportation, and Housing & Neighborhoods, as well as the Office of Economic Development & Innovation.



Raleigh

MEMO

TO: Ruffin Hall, City Manager
THRU: Ken Bowers, AICP, Director
FROM: Jason Hardin, AICP; Charles Dillard
DEPARTMENT: Planning and Development
DATE: April 21, 2020
SUBJECT: Zoning for Affordability: Reforming and Applying the Detached Frontage

Summary

Currently, the Detached zoning frontage (-DE) is not widely used and has not been requested only once in a rezoning request. It does not fully address the issues needed to achieve its intent. Additionally, with modification it offers a potentially powerful means of addressing two issues of growing concern in the city—transitions from larger-scale centers and busy corridors to lower-scale residential areas, and the growing lack of affordability within the city.

Council's Healthy Neighborhoods Committee explored this topic in 2017-2019, ultimately making a recommendation for further study. The committee also made a recommendation for the Raleigh Historic Development Commission to consider the merits of declaring a historic overlay district along Hillsborough Street between the Capitol and the Bell Tower in order to protect the existing homes. The RHDC in February determined there is not a potential viable district there.

At its February 4, 2020 work session, Council requested staff summarize previous discussion on the -DE topic and present potential approaches for moving forward.

This memo addresses two aspects of the -DE frontage.

1) **Achieving Detached Form:** The -DE frontage does not fully achieve its intent. While the name itself suggests separation between buildings, the code itself does not require detachment, allowing for parcels to be combined and a larger structure constructed.

2) **Addressing Transitions and Affordability:** The -DE frontage offers significant potential to allow more housing and employment opportunities in a manner that respects existing lower-scale residential areas. With revisions, the frontage could be used to establish a transitional area between major centers and corridors—such as North Hills or Hillsborough

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Street—and adjacent residential areas. Currently, such transitions can be abrupt, with multi-story commercial zoning across the street from, or backing up to, one-story houses. Applying -DE to streets parallel to commercial corridors or a block away from major centers could improve the transition, while expanding housing opportunities. Further, current UDO transition requirements create a 50-foot no-build zone for properties with mixed-use zoning that adjoin single family zones. By substituting building size and massing controls for this transition requirement, -DE frontage could provide better development opportunities for shallow parcels with mixed-use zoning.

Introduction

The city's UDO includes several types of zoning frontages that regulate how buildings relate to the street. The Detached (-DE) frontage is one of the least-used zoning frontages in the UDO; fewer than 400 properties are currently regulated with this frontage on the City's zoning map.

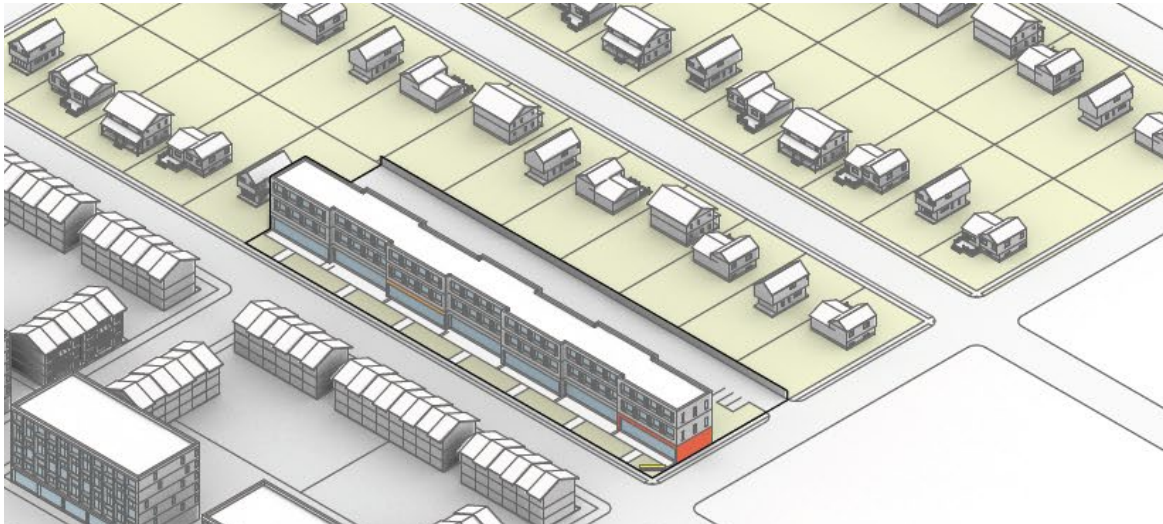
Detached frontage is intended for areas adjacent to roadways transitioning from residential to commercial, and accommodates neighborhood-scaled, low intensity commercial uses while maintaining the residential character of the street right-of-way. It is intended to allow existing residential buildings to be used for office and other commercial uses, and for new buildings to follow a similar pattern.



Example of existing Detached Frontage (-DE) zoning on Glenwood Avenue.

Current -DE regulations rely heavily on specification of allowed building types to achieve a detached character. For instance, General Buildings and Mixed-Use Buildings are prohibited, while residential types such as Apartment, Townhouse, Attached House, and Detached House building types are permitted.

However, these restrictions alone do not fully establish the separation between buildings or the residential scale that reflect the intent of the frontage. They do not prohibit assemblage of parcels or an entire block face for a large apartment building or long row of townhouses.



Example of potential building if DE parcels are combined.

Currently, -DE has few requirements beyond limitations on building type. It does require an offset in a building façade every 40 feet. The result is that portions of the building are setback farther from the street than the primary façade of the building. However, it does not include a maximum building width or other building size (or footprint) restrictions, nor does it require a side yard minimum, maximum lot width, or use restrictions.

Detached frontage also establishes a maximum height limit of 50 feet. Compared to residential zoning, this represents an increase in allowed height of 5 to 10 feet.

Achieving Detached Form

There are several methods for ensuring that -DE requires a detached form. There are also building envelope and other standards that can contribute to a residential appearance. Staff suggests considering the following, which can be broken into two categories: ensuring detachment and otherwise ensuring a residential appearance.

Ensuring Detached Form

- Add a maximum building size of 10,000 square feet in -DE. This would ensure that individual buildings would be of a generally residential scale.
- Limit the number of continuously attached townhouse units to four in -DE, in order to more closely mimic detached residential scale.
- Add a 6-foot side yard requirement for the Apartment, Townhouse, and Civic building types in -DE. For townhouses, this standard would apply to a bank of townhouses. This, along with the above two recommendations, ensures "detachment" in the -DE frontage.

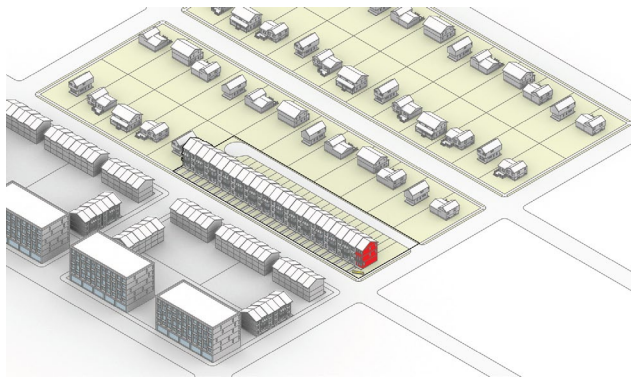
Creating Residential Appearance

- Reduce the allowed height to 40 or 45 feet. Currently, -DE allows height up to 50 feet, which is as much as ten feet taller than what is allowed in residential districts.
- Limit the maximum area of a ground sign or wall sign to 25 square feet.
- Prohibit retail in RX and OX when the -DE frontage is also applied. This better positions the frontage for use in transitional areas near a commercial corridor or center.
- Additional option: Previous exploration in the Healthy Neighborhoods committee in 2017-2019 included discussion of additional architectural requirements, such as requiring a pitched roof, single entrance, and dormers or other typically residential features.

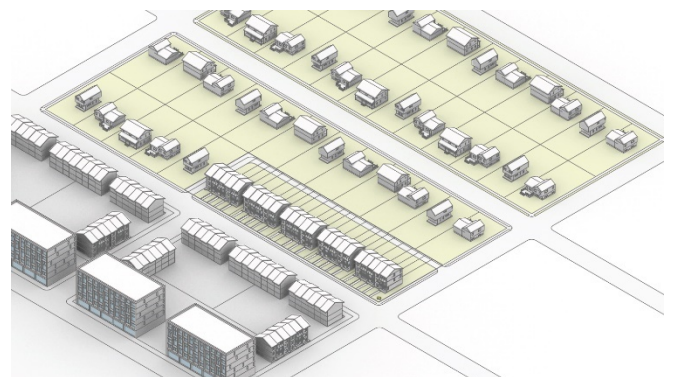
If the -DE frontage provided only for greater restrictions, there would be no reason for a rezoning applicant to ever request it. These standards need to be offset with other advantages so that the frontage will be requested where it makes sense. In “exchange” for the above restrictions, and in order to make the frontage more attractive, some other adjustments are reasonable, including:

- Eliminating Zones B and C from the required neighborhood transition standards, or exempting -DE from transitions altogether.
- Reducing required parking to one space per residential unit and one space per 1,000 feet of commercial space, a reduction which is less than that available in urban frontage, but which is still meaningful.
- Simplifying and expediting the approval process for converting existing houses into office or multifamily structures.
- Applying the frontage more broadly (see additional analysis below).

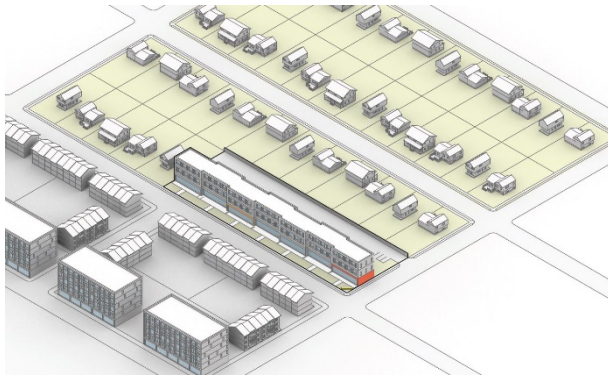
Graphic Examples: Townhouses; Apartments; Building Height and Setbacks



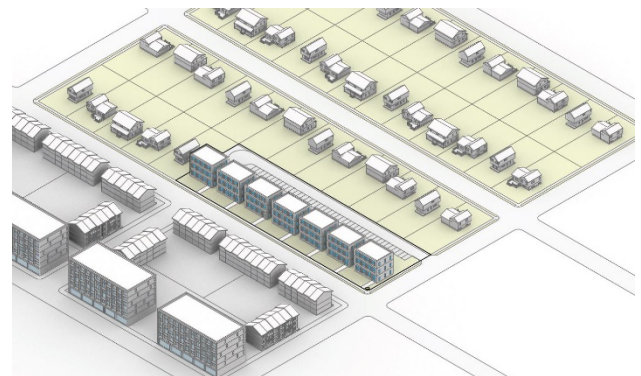
Townhouses under current -DE



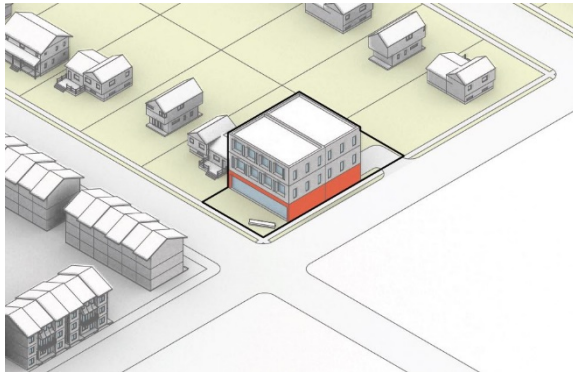
Townhouses under proposed -DE



Apartment constructed to current -DE regulations



Apartment constructed to proposed -DE regulations



Example of Apartment building height, footprint, setbacks required by current -DE regulations



Example of Apartment building height, footprint, setbacks required by proposed -DE regulations

Addressing Transitions and Affordability

A revised and more robust -DE frontage can address two significant planning issues in Raleigh:

- Improving transitions between taller commercial areas and lower-scale residential areas.
- Providing more housing and employment opportunities, particularly in high-opportunity areas.

Currently, it is not uncommon to see very low-density residential zoning, such as R-4, adjacent to areas zoned for and occupied by multi-story, mixed use development (see the image on the following page). The UDO includes requirements for height and setback transitions, but they are limited in what they can accomplish in the above scenario.



Example of abrupt transition from mixed-use area to lower-density residential area.

This situation is not ideal for several reasons. The low-density zoning on the edge of centers or on streets parallel to major corridors limits housing and employment opportunities. It also fails to capture the value of land created by access to high-opportunity areas, leaving property owners with limited value. Rezoning these transitional areas to a larger scale mixed use district often meets significant resistance from property owners nearby, who fear an intrusion of commercial uses and related impacts.

Deploying the -DE frontage can cut this knot. Because it allows more housing and employment opportunities while ensuring a detached, residential feel, it can be generally acceptable, even seen as fair by other property owners.



Example of -DE-style apartments in Five Points

This approach is similar to the "Missing Middle" reforms Council recently reviewed in that it would allow additional housing types and moderate density in areas characterized by detached houses. Those changes are currently in development, with delivery to the Planning Commission the next step. However, they generally would allow smaller buildings and more limited uses than what the -DE frontage could deliver. A -DE building could permit a three-story building with six or 12 housing units, office space, or a mix of the two, while the set of reforms recently reviewed by council generally would permit smaller buildings, such as duplexes or triplexes

No regulatory changes to -DE other than those previously listed would be needed to accomplish the goals of residential-scaled office and missing middle housing.

However, to realize these benefits, one or both of the following things should take place:

- Comprehensive Plan policy should be revised to support the application of mixed-use zoning, with the addition of the -DE frontage, in areas designated for Low Density Residential that are also adjacent to commercial centers or corridors. Currently, Low Density Residential is defined not only by residential scale, but also a strict density limit of six units per acre. Because the intent of the Plan surely is to ensure residential scale, not to create exclusionary barriers to housing based on how much land a person can afford, a means of revising the wording would be to talk about scale, not density. This would provide policy support for an application of RX-3-DE or OX-3-DE in areas currently designated for Low Density Residential.
- City Council should consider applying RX-3-DE or OX-3-DE zoning to appropriate areas on its own initiative. Ideal locations would include:
 - Along sections of major corridors, such as Glenwood Avenue or Six Forks Road, in areas still zoned R-4 or R-6.
 - Along streets adjacent to walkable streets or centers, such as Hillsborough Street or North Hills.

If Council desires, City Planning could perform a study to recommend appropriate locations for a city-initiated application of the zoning. In many instances, detached houses are no longer a desirable option in transitional areas near or along major corridors and centers, but zoning allows no alternative. In this situation, disinvestment typically results – a lose-lose outcome for property owners, nearby residents, and overall affordability. A staff-led process could identify locations and a path for additional outreach if desired. Areas appropriate for the application of mixed-use zoning with -DE frontage could also be identified in area planning processes.

Areas Already Mapped with Detached Frontage

Currently, -DE is mapped on 374 parcels (see map at end of memo). The revisions mentioned above would have an impact on the potential for those areas, particularly if parcels were to be combined. However, as noted above, the intent and the effect of these changes is merely to

realize the original concept of the -DE frontage, which is to ensure detachment and neighborhood scale.

It may be that in some areas, such as North Boylan, changing conditions mean that detachment and a lower scale are no longer needed or appropriate. If the revised -DE is deemed too restrictive in an area already mapped with the -DE frontage, then a rezoning to a different frontage or base district would be the appropriate remedy.

Conclusions and Next Steps

Revisions to -DE regulations have potential to better achieve the stated intent of the frontage while also more clearly regulating the transition between commercial and residential structures and advancing City Council goals to improve housing affordability by allowing more missing middle housing.

Modifications to -DE would be useful going forward to provide additional tools for managing infill growth. Detached frontage could be applied to existing RX-3 areas located in neighborhoods to ensure greater residential compatibility. More significantly, it could be applied to additional areas in order to allowing a greater range of housing types and residential density, as well as residentially-scaled office uses, in residential areas located near more intensive uses.

Staff proposes three actions:

- Authorize a text change to refine the existing -DE frontage requirements relating to building mass, height, side setbacks, and signage.
- Direct staff to prepare a Comprehensive Plan amendment that would align policy with regulation that permits more density and a mix of uses when -DE is applied.
- Direct staff to begin a study of specific locations where a city-initiated application of -DE would be appropriate.

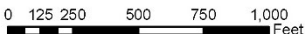
An alternative to the above options would be to direct staff to conduct additional study. Topics include:

- Considering transitions more broadly, with a focus on examples from other cities.
- Considering incentives that provide policy benefits, such as allowing longer banks of townhouses if alleys are provided, reducing curb cuts on major streets.

Properties with -DE frontage applied



1 inch = 500 feet



Properties with -DE Frontage
 Downtown Plan Area

