



Town of Beaufort, NC

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Town of Beaufort Planning Board Regular Meeting 6:00 PM Monday, March 20, 2023 - Train Depot, 614 Broad Street, Beaufort, NC 28516 Minutes

Call to Order

Chair Ralph Merrill called the meeting to order at 6:03 p.m.

Roll Call

Elizabeth Lewis called the roll.

Members Present at the time of roll call: Becky Bowler, Ralph Merrill, John LoPiccolo and Jeff Vreugdenhil

Aaron Willis joined the meeting late.

Members Absent: Diane Meelheim and George Stanziale

Staff Present: Planning Director Kyle Garner, Town Attorney Arey Grady, Town Clerk Elizabeth Lewis and Town Manager Todd Clark

Agenda Approval

Chair Merrill asked if there were any changes to the agenda.

Becky Bowler made a motion to move the public comment section after staff and the applicant's presentations and before the board votes. This would be noted after "new business" on the agenda.

Jeff Vreugdenhil seconded the motion. The motion passed unanimously.

Minutes Approval

1. PB Draft Minutes 2.20.23

Jeff Vreugdenhil made a motion to approve the minutes.

Becky Bowler seconded the motion. The motion passed unanimously.

Public Comment

New Business

1. *To recommend approval or denial of a Staff proposed zoning text amendment creating an Affordable Housing District.*

Planning Director Kyle Garner explained that staff was asked at the February meeting to define ranges of affordability, provide information on the need for housing in Beaufort, and to verify the number of parking spaces that are in the area being considered. Updated information is included in the agenda packet and highlighted in yellow. The packet also includes a housing report from Carteret County and results from a staff parking assessment.

Garner stated that tonight we are only talking about the text amendment.

The applicant was asked to speak. Speakers representing Beaufort Housing Authority (BHA) included Dick DeButts (Chairman of BHA), Jamie Norment (lawyer), Rachel Carroll (Executive Director at BHA), and Reggie Barner (BHA consultants). Chris Fleming spoke on behalf of WinnDevelopment.

Norment addressed questions about what is the Housing Authority, what is affordable housing and how does this all fit into the future of Beaufort. He spoke about the creation of the Housing Authority. He stated the Housing Authority's only purpose is affordable housing.

Norment said that the Housing Authority is its own legal entity and does not function like a department of the town; the commissioners on the BHA board are appointed by the Mayor. The BHA is governed by HUD regulations. He explained that HUD will not spend Federal money to rebuild or build new public housing projects, but that they will use money to leverage private development and that is what the affordable housing district is about.

Winn Development was procured by BHA following all HUD regulations. Norment said it is a collaborative process and that there are not plans in place and that it is important to have appropriate options for redevelopment. He said currently duplexes are not permitted in the district, only multifamily which are 3 or more units. BHA is requesting the zoning text amendment change in order to have duplexes as an option.

Carroll explained HUD's annual income limits, discussed the high demand for rental housing in Carteret County to include workforce and senior housing and talked about the anticipated impacts on the area as a result of the addition of the I-42 highway project. Carroll reviewed the results of BHA's local market survey. She explained that they are limited on who they can help because of their current restrictions.

Barner explained the Rental Assistance Demonstration Program, RAD: HUD has identified it has a backlog of 50-70 years of deferred maintenance and no funding available from the Federal government. RAD is a volunteer program for housing authorities to enter a public-private partnership. HUD gave the money to buy the land and build the existing units but no longer has the money to keep them up. Under the RAD program, BHA will continue to own the land with a 99 year lease with the development partner. The private partner leverages the financial aspects. The 100 current tenants in public housing would be provided with tenant protection vouchers. This transfers how assistance is provided. The tenant uses the voucher to reside in the new development. The 100 would transfer to the new development and thus the project would not actually be creating more public housing but enabling the Housing Authority to offer more options to those who do not currently meet the income threshold and create workforce housing.

Merrill asked who would set the rent prices and if the Housing Authority is involved.

Norment explained rent would be set based on the type of program they have and HUD regulations. He said BHA would have to follow all town processes and procedures.

Bowler asked about section 8 vouchers and how many private landlords in Beaufort have accepted them. Her concern was where would the 100 current tenants go.

Barner stated that the tenants would not be dislocated and would remain in their current units until a new unit was ready for them.

Merrill asked the BHA how the existing zoning is inadequate to do what they are proposing.

Chris Fleming, Senior Project Manager, stated the language change is to target affordable housing and not only market rate housing development. The request would increase flexibility on various parcels.

Bowler asked of the 400 units would the 300 additional units all be rental units or if there would be an option for subsidized mortgage units.

Fleming discussed this was a concept that has been used effectively in other areas. The BHA would have control over that decision to create affordable home ownership.

LoPiccolo said we need to address the 40 ft height limit and need some type of agreement not to allow the applicant to go over 35 ft. in the downtown area.

Fleming said they are not going over 35 ft downtown, while 40 ft is important in the non-downtown areas because of the water table in order to get a third floor, it is not needed on the small parcels downtown.

Bowler asked how is this being funded and how it would effect citizens and asked specifically if BHA would look for a municipal bond.

The applicant said that is extremely unlikely and went over funding options available.

Vreugdenhil asked about open space requirements.

Merrill followed up with concerns about open space and asked where are the kids going to play. Zero open space is extreme when you are talking about adding 800 people.

Fleming responded and explained that going up to 3 stories doesn't affect the land that you are using. But we need to do a design and we will have development plans with open space, recreation areas and walking paths, it is whatever number of units fits well with the site. We are here to work with the community, this is a cooperative project.

Public Comment

Chair Merrill opened public comment and asked if anyone would like to speak.

Robert Harper, 1020 Broad Street, expressed concerns about the creation of a zone and the impacts it will have on the Town. Harper asked questions about who suggested the text amendment and expressed a concern for transparency. He shared concerns about the new zone and spot zoning along with NC laws. Urged the board to postpone making a decision until they have more information.

RJ Lytle, P.O. Box 124/240 Arrington Rd., a former teacher, principal and assistant superintendent, expressed concerns about the impact of this project with 400 units with 2-5 bedrooms per unit and an average of 2 children per unit. What is the impact on the school system going to be? Explained there will be a need for more teachers and funding for salaries and all staff involved in the operations of a school. He explained his concerns for the school include space needs in the school, extra buses, school supplies, computers etc. I believe this should not be approved.

Bobbie Rouse, 503 Goldeneye Court, said there are more than 300 families on a wait list in all of Carteret County. Are we taking all of them? Will other developers ask for the same thing? That many people in that small of space and crime will increase. Increased crime will decrease tourism. Expenses will fall on the taxpayers of Beaufort and I don't think that is right. Government is supposed to protect the citizens and their property and I don't think this is in any way protecting the citizens and property.

Peter Grills, 306 Pollock Street, general manager of Beaufort Hotel and on the board of the county TDA, discussed staffing needs. Running at 20% below what they should be at a staffing level because there are not workers to come to work. Most of my employees live in Newport, Havelock and even several from New Bern. There is a great need in this community for affordable housing and the need will only get greater.

Heather Walker, 1013 Cedar Street, said we are facing a housing affordability crisis. It seems that BHA has just given up and is transferring control of public interest property into the hands of a private company. Developers like this are in the poverty industry. She expressed concerns about the expiration of the 15-year obligation stating it could be a violation of fair housing laws by encouraging the practice of red lining. I ask that you deny this request and require the BHA to submit plans that conform with the existing zoning ordinances or to reconsider the entire project and solicit more community involvement in the planning, development and maintenance plans for this project.

Jennifer Styron, 350 Hwy 101, discussed the number of HUD units in Carteret County. Great need for affordability in housing. My own rent went from \$800 to \$1,200 and now \$2,400. If we build anything it needs to be for the workforce of Carteret County. We don't need people coming in from outside thinking they can come and live in our beautiful area when residents like myself that have been here for 42 years wouldn't be able to get because I make a little more to meet low income housing but not enough to buy a house because business owners, not just here, are selfish and don't want to pay their employees a decent wage. 300 units used as affordable housing or for lease at market value. I think we need more clarification on that. We need places for firefighters, police, teachers etc. Rent increase has been astronomical.

Lynn Carraway, 114 Pollock Street, said she grew up in Beaufort and left as soon as she could, but came back. Family history is here. Not against additional housing. Grandmother lived in the unit on the corner when it was new. My first home was a farm home loan. Concerned about the unclearness. The information tonight clarified some things but I heard a different number that we do need 400. It deserves a closer look. My question is if we need that housing now, why is advertising in NY and DC saying sign up for new housing in Beaufort.

Charlie Deaton, 711 Broad Street, thanked the Board for allowing public comment after the presentations. He said he has experienced living in Beaufort and being kicked out so the place could be turned into an Airbnb. He spoke on points from the last meeting including the units fitting into the neighborhood. As far as the units on Broad Street, I have been a neighbor for the last 7 years and it is a good fit. As far as flooding on Turner Street, that area is noted for high water levels and that is a valid concern. If this site is not used for affordable housing, we shouldn't use it for anything. If build on it, the board might want to consider requiring design standards/development standards to include increased resiliency features.

Logan Louis, 900 Cedar Street, said he is an advocate for affordable housing. What we are talking about tonight is one little thing and not what most everyone is talking about. We are talking about a text amendment to create a new zone. We don't need a new zone...listed examples of projects being built that meet current zoning....text amendment 16 units per acre, we don't have anything like that, we don't need that. Why put up a 40ft building...we don't need a 40 ft text amendment or 16 units per acre. The path to middle class is homeownership and you don't even have zoning for single family homes in this new zone. We don't need a zone like that for affordable housing. We have existing zoning.... Do a PUD and then everything is included...we don't need this.

Public Comment was closed.

Bowler made a motion to give the applicant an opportunity to speak again.

LoPiccolo seconded the motion. The motion passed unanimously.

Carroll wanted to correct some fair housing mistakes. We cannot discriminate for place of origin. We have to accept anybody and everybody as long as they qualify.

DeButts reiterated that the BHA is not going away but rather becoming a general partner with the developer. He said the developer is under contractual obligation; we share in the profits and we reinvest those dollars in the market. He said BHA is responsible for oversight of the project and we have to meet all of the Town's ordinances, environmental etc....We don't know exactly how many we can build as we are very early in this process.

Chair Merrill asked what is the necessity for the text amendment?

DeButts answered stating BHA would like to see somewhere around 400 units and this text amendment is a result of that.

Merrill asked how 400 was selected.

DeButts answered what we are trying to do is to build in units on the higher end; Two different categories on the higher end: workforce housing for incomes between 25-51,000 that will be 40% of the additional housing and 60% will fall into the higher workforce AMI range of up to \$102,000.

Becky Bowler asked why is this zone needed?

Norment explained it allows 40 ft height except in the historic district as well as it would make all housing authority property have the same zoning, same rules, same consistency which will be beneficial in making the development of the property easier to manage and assists in HUD financing.

Vreugdenhil asked how often will the BHA evaluate progress.

Norment said it would take 8-10 years to build out and will be a collaborative effort; BHA has authority throughout the whole process.

Chair Merrill directed the Board to have discussion.

Merrill said he felt the requirement for open space was missing, the 40ft vs. 35 ft. height was an issue and the requirement for 1.5 parking spaces per unit is inadequate.

John LoPiccolo said he is also concerned about open space and the impact to the area. He also expressed concern about the 40 ft height and not doing spot zoning.

Becky Bowler said she is a big proponent of affordable housing, but it must include things more than just shelter to include living wage jobs, healthcare, schools...she said she is not against it but that it is essential that more due diligence be done so there aren't any unintended consequences.

Jeff Vreugdenhil said the statues are to protect the property value of the general public and that he has pause over allowing 16-units per acre with a blanket permit over 7 different tracts and once this amendment is made it is out of our control.

Willis said he has hesitation on giving the text amendment when the rationale is that is what is necessary to get the funding.

Merrill said a few other things that haven't been brought up include the impact on sewer allocation and capacity in the future.

LoPiccolo expressed concern that there is no tax base to this so there is no tax base for that (sewer) or for the school systems.

Merrill explained that one approach is to make recommendations to what has been presented or to not make any changes and recommend approval just as it is. He said, another approach would be to make some changes like reducing density, parking spaces and height limitation. Those are the three big changes that we can recommend. There is a requirement in here that whatever is proposed must come in front of the Planning Board which elsewhere in our LDO it is only buildings above 5,000 sq. ft.

LoPiccolo expressed he didn't feel he had enough information and couldn't make a recommendation to approve it in its current stage.

Bowler agreed with LoPiccolo.

Merrill made a motion to recommend approval of the proposed zoning text amendment to create a new district, with the following changes:

- *Section 2- Change maximum density to 12 units per acre.*
- *Section 4- Add duplexes to the permitted uses.*
- *Section 6- Change the number of parking spaces required, making it two spaces per unit.*
- *Building height changed to 35 feet on tables 8.8 and 8.9.*
- *Add Section 8- Open Space Requirement consistent with a PUD, a minimum of 12%.*
- *Include BHA request on rezoning language- In section 1, "workforce and mixed income affordable housing projects" instead of "public housing projects."*

John LoPiccolo seconded the motion.

Ms. Lewis called the roll for a vote.

Voting Yea: Jeff Vreugdenhil, John LoPiccolo, Ralph Merrill

Voting Nay: Becky Bowler, Aaron Willis

The motion carried with a 3-2 vote.

Commission / Board Comments

Aaron Willis: Think it's a step in the right direction. We shall see what happens with the Board of Commissioners. Good conversation.

Ralph Merrill: I agree with Becky, it seems rushed. I have mixed feelings about it. The housing authority isn't probably totally happy with our vote. I think we need to look out for the Town and feel like we tried to do that.

John LoPiccolo: There is definitely a need for affordable housing in town. We have had other developers work on that and Beaufort has become in some ways the only place in the county for affordable housing as other communities haven't done anything...Concerned about consequences and rushing this through.

Becky Bowler: This board is just an advisory board and the decision rests with the Board of Commissioners (BOC) and I hope the BOC will take time to dig into this...and ensure that we get this right as this will have an impact on Beaufort for years to come....we elect the BOC to represent all of us and this is in their camp now.

Jeff Vreugdenhil: Thanks to the staff for an excellent job.

Staff Comments: Inaudible.

Adjourn

Jeff Vreugdenhil made a motion to adjourn the meeting at 8:30 p.m.

Becky Bowler seconded the motion. The motion carried unanimously.

Ralph Merrill, Chair

Laurel Anderson, Board Secretary

****Minutes prepared by Deputy Clerk Rachel Johnson*****