

# 1701 NORTH APARTMENTS

---

6725 Monument Drive    Wilmington, North Carolina, 28405    Cell: 910.800.9231    Fax: 910.763-0379

---

January 30, 2025

## **Project Narrative**

1701 North Apartments is a Class A multi-family development that opened in 2016, located on the west side of Martin Luther King Jr. Blvd, south of Weaver Dairy Road and north of Westminster Drive. The property consists of four buildings with a total of 154 residential units, 97% of which are currently leased. One of the buildings includes 5,171 square feet of commercial space, which has remained vacant since opening in 2016, despite multiple attempts to lease it. This Conditional Zoning application seeks approval for the conversion of the long-vacant commercial space into six additional multi-family residential units.

Importantly, the proposed rezoning will not necessitate any alterations to the existing site plan. Rather, it seeks to repurpose the underutilized commercial space in a manner that better serves both the property's needs and the broader community. In conclusion, the proposed addition of six residential units is consistent with the comprehensive plan and harmonizes with the property's current use as a multi-family development. Additionally, the proposal will result in a reduction of traffic compared to the allowed commercial use, while also addressing critical local affordable housing needs.

## **Statement of Justification**

Concept Plan review criteria are established in LUMO Sec. 4.3.3, and include: “appropriate descriptions and explanations of the relationship and balance among site elements, the relationship of the development to natural features, neighboring developments and undeveloped land, access and circulation systems, retention of natural vegetation, minimal alteration of natural topography, mitigation of erosion and sedimentation, mitigation of stormwater drainage and flooding, arrangement and orientation of buildings and amenities in relation to each other and to neighboring developments and streets, landscaping, preservation or enhancement of vistas, and mitigation of traffic impacts.

The justification for this conditional rezoning is set forth as follows.

- **Vacancy and Market Challenges:** The extended vacancy of the retail space can be attributed to several factors identified through feedback received over the years, including:
  - I. **Lack of Visibility:** The retail space suffers from insufficient visibility.
  - II. **Limited Pedestrian Appeal:** The location does not promote pedestrian activity.
  - III. **Parking Constraints:** The existing parking configuration limits the feasibility of restaurant or café establishments.
  - IV. **Absence of Drive-Through Access:** The lack of drive-through facilities further restricts the potential for certain types of businesses to operate successfully within the space.
- **Consistency with Comprehensive Plan:** The conversion aligns with sound planning principles and the objectives outlined in the comprehensive plan, as it introduces residential space in proximity to existing commercial and office developments. The proposed conditional zoning is consistent with several of the goals established in the Chapel Hill 2020 Comprehensive Plan. Specifically, it is consistent with, among other things, the following goals:
  - **PFE.3.** This goal seeks to facilitate the provision of “[a] range of housing options for current and future residents.” The proposed conditional rezoning is intended to provide additional multifamily housing options for current and future residents.
  - **PFE.4.** This goal seeks to facilitate the provision of “[a] welcoming and friendly community that provides all people with access to opportunities.” The location of the proposed multifamily units is convenient and accessible to commercial and community amenities.
  - **PFE.5.** This goal seeks to foster “[a] community of high civic engagement and participation.” This proposed multifamily units are located within walking distance of community amenities, which will promote community engagement and participation.
  - **CPE.2.** This goal seeks to “[f]oster success of local businesses.” The proposed conditional rezoning will allow for additional dwelling units to complement nearby commercial use, which will contribute to the success of local businesses.
  - **CPE.3.** This goal seeks to “[p]romote a safe, vibrant, and connected (physical and person) community.” For the same reasons discussed regarding PFE.4 and PFE.5, the proposed conditional zoning will contribute toward a vibrant and connected community.
  - **GA.6.** This goal seeks to create “[a] transportation system that accommodates transportation needs and demands while mitigating congestion and promoting air quality, sustainability, and energy conservation.” The proposed rezoning is intended to reduce traffic congestion associated with the currently-underutilized commercial designation for the site.
  - **GPNS.5.** This goal seeks to promote “[a] range of neighborhood types that addresses residential, commercial, social, and cultural needs and uses while building and evolving Chapel Hill’s character for residents, visitors, and students.” The proposed conditional rezoning is intended to help promote a range of neighborhood types by increasing the community’s access to multifamily housing in the vicinity of the intersection of MLK Jr. Blvd. and Weaver Dairy Road.

- **NOC.1.** This goal seeks to make Chapel Hill a “model for North Carolina and beyond in wisely and justly reducing waste in a way that minimizes local environmental impact without imposing upon the environmental and social rights of others.” The proposed conditional rezoning is intended to minimize wasted building space by repurposing underutilized commercial space for multifamily residential use.
- **NOC.8.** This goal seeks to “[p]rotect neighborhoods from the impact of development such as stormwater runoff, light and noise pollution, and traffic.” The proposed rezoning will accomplish this goal by providing additional multifamily housing within the community without creating additional development impacts on neighbors.
- **TGC.4.** This goal seeks to facilitate the provision of “[h]ousing for students that is safe, sound, affordable, and accessible and meets a demonstrated need conducive to educational and maturational needs of students, and housing for Town, University, and the Health Care System employees that encourages them to reside in the community.” The proposed conditional rezoning is intended to help provide safe, sound, affordable housing to the community, including students.

iii. **Consistency with Existing Use:** The proposed addition of 6 residential units aligns with the property's current use as a multifamily development, further integrating residential density within the established framework.

iv. **Reduction in Traffic Trips:** The conversion will significantly decrease traffic generation. The current commercial space permits up to 802 vehicle trips per day, whereas the proposed 6 multifamily units would generate approximately 5 vehicle trips per day.

v. **Meeting Housing Needs:** This conversion not only addresses the ongoing local housing demands but also enhances the overall functionality of the area.

In conclusion, the proposed Conditional Zoning application represents a strategic response to the challenges facing the existing retail space while aligning with broader community goals and planning initiatives.

**Affordable Housing Proposal**

The proposed rezoning will include a 10-year commitment to designate 100% of the six new one-bedroom units as affordable housing. These units will be available to households earning 60% of the Area Median Income (AMI), based on the current Durham/Chapel Hill AMI at the time of lease application. The units will be priced to ensure that total housing costs do not exceed 30% of household income, with household size determined at 1.5 persons per bedroom, in accordance with HUD guidelines for the Durham-Chapel Hill, NC Metro Fair Market Rent (FMR) Area.

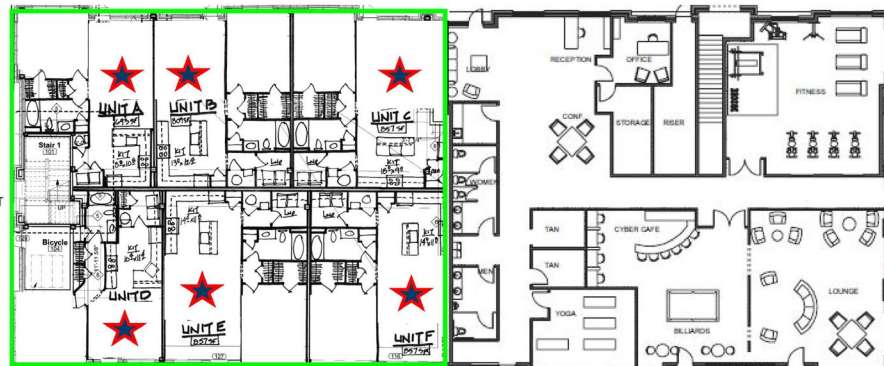
## 12/3 Conceptual Planning Commission Responses

The Planning Commission expressed general support for our proposal during the meeting on December 3<sup>rd</sup>, 2024. However, in response to the questions raised, we wish to provide clarification on the 3 items below to provide a clearer understanding of our proposal.

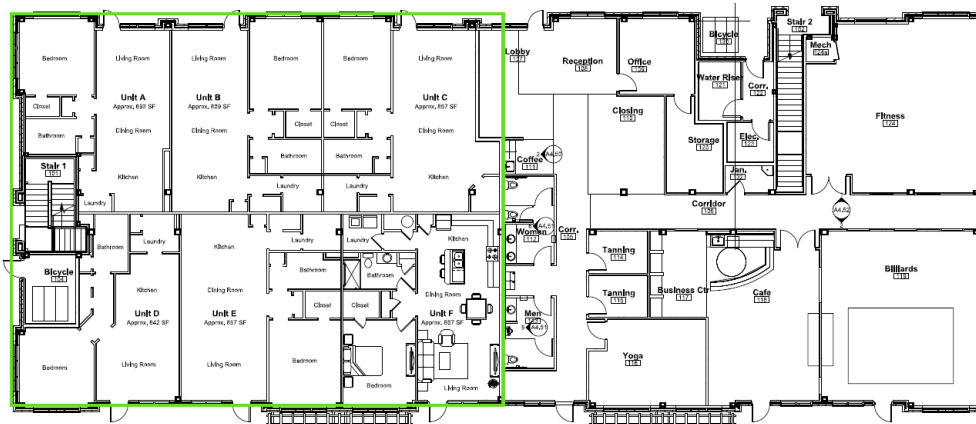
### I. Floor Plan and Unit Layout:

To provide additional clarity on the proposed floor plan and unit layout, we have worked with our design team to update the floor plan. The updated layout offers a more detailed and clearer depiction of the proposal, including the addition of furniture to help visualize the space.

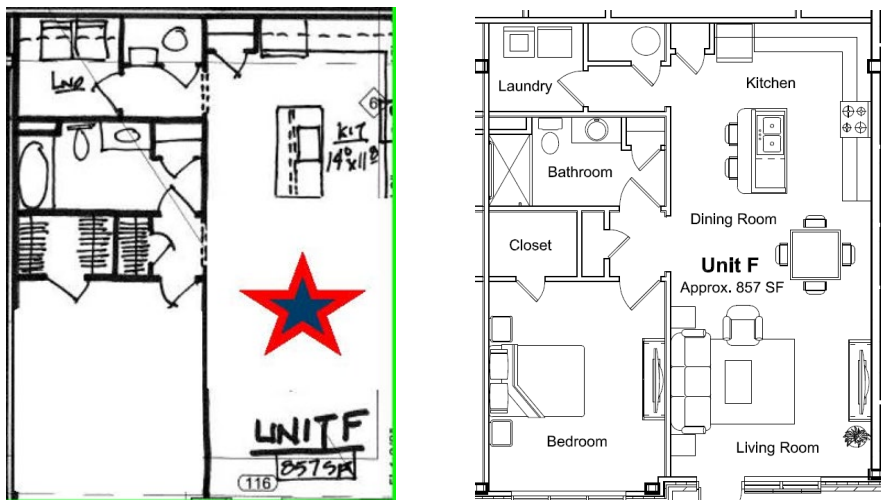
Below is the floor plan that was presented to the Board.



Below is the updated floor plan.



The image on the left is what was presented to the board, the image on the right is the updated unit layout

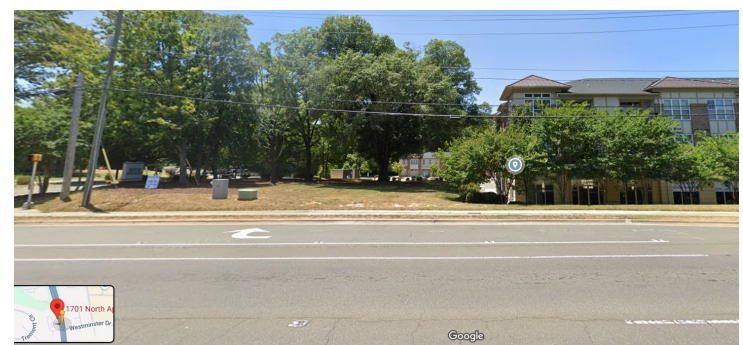
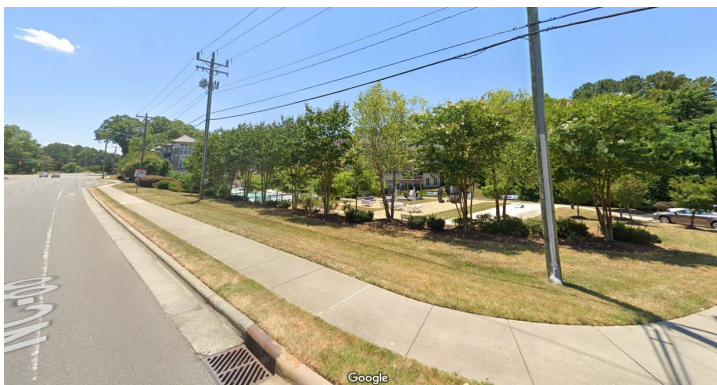


## II. Parking and Green Space:

To provide additional clarity regarding the question of removing parking spaces to add green space:

- i. Approximately 50% of the site is already designated as green or open space. Below you will find images of the site plan and an aerial photo for reference.
- ii. The on-site management team advised that removing parking spaces could lead to inadequate parking and create operational challenges.

While we recognize the importance of green space, we believe the site already offers an optimal amount of green space and maintaining the existing parking configuration is necessary to ensure the operational efficiency of the site.





### III. Affordable Housing Component:

To provide additional clarity regarding the affordable housing calculations, please reference the breakdown below.

#### AREA MEDIAN INCOMES FOR CHAPEL HILL

The table below captures the 2023 AMI income limits for the Durham-Chapel Hill metro region.

Percentage of Area Median Income (AMI)	Household Size					
	One	Two	Three	Four	Five	Six
30% AMI	\$21,240	\$24,270	\$27,300	\$30,330	\$32,760	\$35,190
50% AMI	\$35,400	\$40,450	\$45,500	\$50,550	\$54,600	\$58,650
60% AMI	\$42,480	\$48,540	\$54,600	\$60,660	\$65,520	\$70,380
80% AMI	\$56,640	\$64,720	\$72,800	\$80,880	\$87,360	\$93,840
100% AMI	\$70,800	\$80,900	\$91,000	\$101,100	\$109,200	\$117,300

Chapel Hill Affordable Housing Plan & Investment Strategy | HRA Advisors

#### Affordable Housing Rent Calculation

- 60% AMI for a 1-person household:  
\$42,480
- 60% AMI for a 2-person household:  
\$48,450
- Average income for a 1.5-person household:  
 $(\$42,480 + \$48,450) \div 2 = \$45,465$
- Calculate 30% of Household Income:  
 $\$45,465 \times 30\% = \$13,639.50$
- Affordable monthly rent:  
 $\$13,639.50 \div 12 \text{ months} = \$1,136 \text{ per month}$

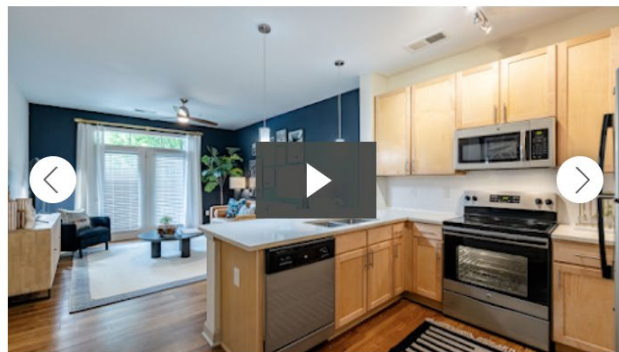
A market-rate 1-bedroom unit at 1701 North is currently renting for \$1,560 per month

● AVAILABLE

**Hansbrough**

1 BED	1 BATH	643-759 SQ FT
----------	-----------	------------------

PRICES STARTING AT  
**\$1,560**



See Details

Email Community