

TO: City-County Planning Board Members
FROM: Tiffany White, Project Planner
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SUBJECT: Innovative and Land-Efficient Residential Development Regulations

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As part of its 2019-2020 work program, the Planning Board requested that staff prepare a report on trends and opportunities for innovative and land-efficient residential development. Residential neighborhoods make up the majority of developed land in Forsyth County. As our local population continues to grow, available land for new homes is becoming increasingly scarce even as the demand continues to expand. Forsyth County is the 4th most populous county in North Carolina yet is geographically one of the smallest - future development forecasts in *Legacy 2030* show that at current low-density patterns, full build-out of serviceable areas in Forsyth County could occur by 2037. While these forecasts were based on population increases provided by the State Demographer's Office that have been slower to happen than originally anticipated, we have still seen an influx of new residents to North Carolina and the Triad. The *Winston-Salem/Forsyth County Housing Study and Needs Assessment* (HSNA) prepared by Enterprise Community Partners for the City's Community Development Department reiterates these trends. Winston-Salem is struggling with a shortage in overall housing supply which, according to the *Housing Study and Needs Assessment*, has resulted in a projected need for almost 15,000 new housing units by 2027 (HSNA, pg. 15). In addition, the demand for these new housing units will be in the area of smaller attached and detached units, which are scarce in our local area.

This report will examine ways in which Winston-Salem and Forsyth County can provide opportunities for new development types which make efficient use of our county's limited land resources while exploring local housing choices.

Legacy 2030

The *Legacy 2030* comprehensive plan recognizes the need for accommodating innovative and land-efficient development. The plan makes numerous references to the goals of increasing diversity in housing choices. Below are just a few examples from the plan:

- **Varied Residential Choices** – Encourage a mixture of residential densities and housing types through land use recommendations (p. 57).
- **Housing Variety** – Use the area plan process to promote a variety of housing types, including those that cater to seniors within the same neighborhood (p. 125).
- **Mixed-Income Housing** – Promote the development of mixed-income housing that may include a mix of housing types (p. 173).

- **Diverse Housing Types** – Ensure diversity of housing types by identifying sites for higher density residential uses in area plans (p. 181).
- **Variety of Housing Types** – Provide a variety of housing types and assure affordable housing opportunities (p. 191).

These and other references related to expanding housing choices show the importance of residential development options for the continued growth of our community. Taking the necessary steps to allow or incentivize expanded residential choices fulfills one of the main objectives of the *Legacy 2030* plan.

Legacy 2030 also references land scarcity and demand, and how community build-out projections are impacted by the scale and intensity of development. “Build-out” is defined in the plan as the development of all land within the serviceable land area, the area in Forsyth County that can be easily and efficiently served by sewer (Legacy, p. 18-19). According to the plan, if land use patterns continue to prioritize low-density development, Forsyth County could reach full build-out relatively quickly, reducing the opportunity for additional economic development. Considering our increasing population and current shortage of available housing, more efficient land use scenarios will need to be employed to help slow the pace of full build-out and ensure that the County can accommodate new residents. *Legacy 2030* addresses land-efficiency through the following Policy and Action Agenda items:

- **Growth Needs** – Consider growth needs based on expected populations and the limited amount of land available for growth (p. 31).
- **Vertical Development** – Encourage more vertical development in appropriate locations as a means of land conservation (p. 102).
- **Existing Infrastructure** – Encourage development in areas with existing infrastructure before extending infrastructure farther (p. 180).
- **Development Regulations** – Investigate changes to development regulations to more easily enable the creation of more land-efficient subdivisions and development accommodating a variety of housing types and land uses (p. 181).
- **Rural Preservation** – Protect rural areas by encouraging cluster development patterns and rural preservation (p. 192).
- **Undeveloped Land Conversion** – Minimize the conversion of undeveloped land into residential development in Forsyth County (p. 201).

Residential Land Use in Winston-Salem and Forsyth County

Currently, residential developments in Winston-Salem and Forsyth County primarily exist in one of 13 zoning districts (seven for single family housing and six for multifamily units). Minimum residential lot size requirements range from 5,000sf to 40,000sf currently, depending on district, and lot widths start at a minimum of 50 feet. While these standards put Winston-Salem/Forsyth County mostly in line with our peer cities across the state, they prohibit some types of more land-efficient development. Many of our local regulations have been in place for decades, and do not reflect current and future trends towards

providing housing variety. The County's large suburban single-family housing supply reflects the larger household size of the past, and multifamily choices are represented mostly by mid-size apartment buildings rather than an array of building types at various scales. Some current local provisions do allow for more land-efficient residential development, however. These include the Planned Residential Development use which allows for a decrease in residential lot size in return for increased open space requirements. In fact, PRDs have no minimum lot size requirement as long as the density of the units meets the maximum density of the underlying zoning district.



Figure 1: Houses along Chapel Street

Trends in North Carolina

In recent years, some of our peer communities in North Carolina have gone even further in their attempts to accommodate innovative and land efficient residential development. The City of Durham recently voted for a broad range of new housing standards as part of its "Expanding Housing Choices" ordinance amendment. Among other changes, Durham now allows duplexes by right in all residential areas in their Urban Tier (roughly the two-mile area surrounding the downtown core, similar to our Growth Management Area [GMA] 2) and in limited areas in the Suburban Tier (an area similar to our GMA 3). While Durham had previously allowed ADUs by right on residential lots, the new ordinance expanded these provisions to also allow ADUs on duplex lots, on nonconforming lots by right, and for certain civic uses, allowing up to three ADUs per lot. Durham also added a small lot option which reduces lot size to 2,000 sf, while also allowing for ADUs on such property. Additional provisions as part of the UDO amendment dealt with infill development and cluster subdivisions.

Asheville utilizes special zoning districts to accommodate land-efficient design. The Urban Village District incorporates both residential and non-residential uses through a master plan process with no maximum density or minimum lot width. Their Urban Residential District is for residential development only, but allows for density standards to be increased when affordable units are included. Additionally, Asheville also allows ADUs by right on lots with single family units.

In Charlotte, a Transit Oriented Development (TOD) district allows for higher densities within district boundaries. ADUs are allowed by right as an accessory to any detached single family dwelling, provided that all applicable requirements are met. Charlotte also has a cluster development provision that

reduces minimum lot width and area as long as maximum density requirements within the district are not exceeded, similar to our local PRD provision.

Raleigh has recently established a provision to allow Cottage Courts. A Cottage Court is a group of small, usually single-story houses that face an internal, common open courtyard. They are typically built on one lot with common parking at the rear of the parcel. However, the provision does not currently allow for additional density, reduction in parking, or setback variances. As such, there has been limited adoption of the new provision. ADUs are allowed in Raleigh, but only in overlay districts that must be established through the zoning processes. Raleigh also established a Planned Development (PD) district that allows for modification of residential district standards as long as established density maximums are not exceeded, similar to our local PRD.

National Trends

Nationally, some cities are making even greater strides toward more innovative and land efficient residential design. In Portland, Oregon, some areas of the city allow minimum residential lot widths of only 25 feet. Minneapolis, Minnesota just passed an ordinance allowing duplexes, triplexes and quadraplexes by right in all single family residential neighborhoods. Many of the largest cities in the country have robust ADU provisions, which more easily facilitate the development of these types of dwellings than our provisions do. All of these advances are in response to the national housing shortage, which is driving up cost and demand for all housing types.

The National Association of Home Builders, in their 2019 report *Diversifying Housing Options with Smaller Lots and Smaller Homes*, evaluated 118 ordinances and codes from around the country to put together case studies on ways in which municipalities are implementing strategies for incorporating a wider variety of land efficient housing choices. Some of the report's key findings include:

- Previous long-held resistance to smaller lot sizes is being reconsidered.
- Being within walking distance of amenities (retail, services, food uses, transit) is more important than unit size.
- Increasingly, codes are being revised to encourage smaller home building as one solution for addressing a national housing crisis.

--NAHB, p. 7

Winston-Salem and Forsyth County are not immune to the increasing pressures of housing demand. As mentioned earlier, the *Winston-Salem/Forsyth County Housing Study and Needs Assessment* (HSNA) identified the need for additional residential units in the area. The report identified not just the overall housing need, but the specific needs for the future of our community. The report found that "many of Winston-Salem's units are occupied by one-person or two-person households, creating a mismatch between actual household size to actual unit size" (HSNA, p. 9). The report also found that "Winston-Salem lacks *missing middle housing structures; small size units.*" (HSNA, p. 9) Because of these findings, one of the objectives identified by the report was to "Create a better balance between housing units

produce and size of households – particularly for the growing elderly, young adult populations and disabled.” (HSNA, p. 21). The recommended strategies for accomplishing this goal are:

Recommended Strategy #1: Fill housing stock with “*missing middle housing structures*” and smaller-size units to meet current and future housing needs.

Actions:

- Allow more by-right housing that could accommodate the housing demands of older adults and address the limitations to accessory dwelling unit utilization.
- Expand housing choices in high-opportunity areas targeting young adult populations for the 25—44 age group.

--excerpt from HSNA, p. 21

Missing Middle Housing

The HNSA makes multiple references to the need to increase the supply of “missing middle” housing units in the local area. Missing middle housing is defined as those types that:

...provide diverse housing options, such as duplexes, fourplexes, and bungalow courts, that fit seamlessly into low-rise walkable neighborhoods and support walkability, locally-serving retail, and public transportation options. They provide solutions along a spectrum of affordability to address the mismatch between the available U.S. housing stock and shifting demographics combined with the growing demand for walkability.

Excerpt from missingmiddlehousing.com by Opticos Design



Figure 2: Missing Middle Housing choices. Credit: Opticos Design, Inc

Missing Middle Housing has recently entered the public conversation in Winston-Salem, and a presentation on Missing Middle Housing was given here in May 2019 by Opticos Design, Inc. The presentation stressed the importance of developing these housing options in our local community –

statistics about shrinking household size and a shift in location demand of housing illustrated the gap that exists in many communities between the type of housing people want, and what is currently available to them.

Missing middle housing is an effective way to increase the efficiency of residential land. This type of housing can be utilized as an effective infill option, increase the housing supply, and can add to the stock of affordable housing. Missing middle housing can also increase the density in new and existing neighborhoods while still conforming to the overall character of single family residences. Larger missing middle style units, typically townhomes, multiplexes and live/work units, are appropriate in more urban settings, or areas where density is increased for growth corridors, activity centers, or transit nodes.

Recommendations

As the preceding research indicates, Forsyth County can take additional steps in promoting and accommodating innovative, land-efficient development types. This report proposes considering the following recommendations for inclusion in future Planning Board work programs:

- 1. Consider allowing attached dwelling units and other missing middle housing choices in certain Single Family Residential neighborhoods** – Older duplexes, triplexes and twinhomes can be found in certain single-family neighborhoods in Winston-Salem and Forsyth County. Historically, these types of attached dwelling units blended seamlessly into a neighborhood by taking on similar residential design attributes. *Legacy 2030* recognizes the potential for this type of housing in its Action Agenda item 3.2.7-Attached Dwelling Unit Feasibility. Allowing small footprint multifamily uses was also recommended in the *Barriers to Infill* report from 2018. Allowing missing middle housing choices in certain neighborhoods could be accomplished through an overlay process, by right in select GMAs (as in the example from Durham above), or by petition of local neighborhoods.
- 2. Consider allowing Cottage Courts in GMAs 1 & 2** – Cottage Courts provide small, community oriented dwellings in a land efficient manner (see Figure 3). In other parts of the country, the continued popularity of bungalow courts of the early 20th Century prove that this housing type has a long and enduring history of providing efficient design. These types of dwellings also cater to individuals who may want to age in place in a neighborhood setting, while maintaining a more manageable single family dwelling. Lessons from Raleigh’s existing provision show that review of density, parking and setbacks should be examined to make this option more viable.

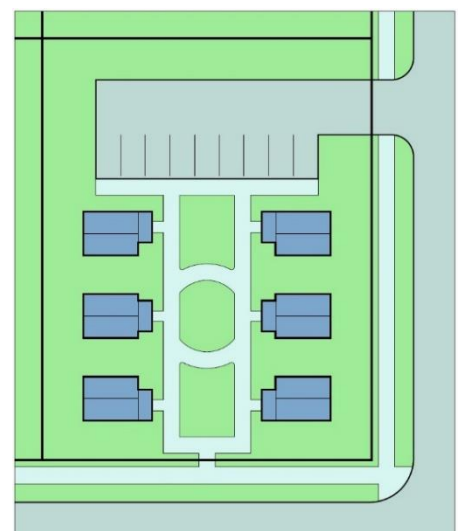


Figure 3: Example of Cottage Court site layout

- 3. Review current UDO ClearCode policies to clarify use and remove barriers to smaller housing types** – Review the residential land use types within the UDO ClearCode to clarify choices and uses, and remove any identified barriers to smaller housing types. Initial review could include:
 - Investigating how to make RM districts more attractive to developers, potentially with parking requirement reductions.
 - Reviewing the development standards for RSQ to make them more user-friendly and less confusing.
 - Evaluating other potential changes to the ordinance needed to accommodate new housing trends.
 - Consider a return to allowing multifamily development by right within the boundaries of Planned Residential Developments (PRDs), a provision of the original 1994 Unified Development Ordinances (UDO).

- 4. Consider the addition of a Planned Unit Development (PUD) ordinance** – Between 1973 and 1994, Winston-Salem had a Planned Unit Development (PUD) ordinance, which was eventually replaced by the current Planned Residential Development (PRD) ordinance. A PUD provides greater flexibility than a PRD by allowing modification of existing UDO standards in exchange for innovative and efficient design, and often allows a range of uses (beyond residential development) or building types as part of an overall master plan. Typically, PUDs have smaller lots, higher density, and more uses than standard subdivisions. Historically, additional requirements have been added to PUDs to restrict allowed locations for more intense uses, establish minimum or maximum acreage for the PUD, or incorporate design standards, among others. The addition of a PUD provision was also recommended in the recent UDO code assessment completed by CodeWright Planners.

- 5. Consider zoning overlay districts in certain locations** – *Legacy 2030* recommends studying the feasibility of zoning overlay districts at certain locations (*Legacy 2030* Action Agenda items 3.2.1 and 11.8.7). Zoning overlay districts could establish unique standards for certain areas which could allow more compact, higher density residential development. Some locations that could benefit from this increased land-efficiency are Growth Corridors, Activity Centers, and sites around transit stops.