

Mayor and Council Workshop

6 p.m. October 11, 2022

Holly Springs Law Enforcement Center and livestream



MINUTES

The Holly Springs Town Council held a workshop meeting on Tuesday, October 11, 2022 at the Law Enforcement Center and via livestream. Mayor Mayefskie presided, calling the meeting to order at 6:00 p.m. A quorum was established as the Mayor and four Council members were present as the meeting opened.

Council Members Present in the room: Mayor Sean Mayefskie, Mayor Pro Tem Dan Berry, and Council members Aaron Wolff, Tim Forrest, and Kristi Bennett.

Council Members present via electronic means: Shaun McGrath.

Council Members absent: none.

Staff Members Present in the room: Randy Harrington, Town Manager; Linda McKinney, Town Clerk (recording the minutes); Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; Antwan Morrison, Finance Director; Corey Petersohn, Budget, Innovation and Sustainability; Mathew Mutter, IT; John Schifano, Town Attorney; Cassie Hack, Director of Communications and Marketing; Chris Hills, Director, Development Services; Sean Ryan, Development Services; Elizabeth Goodson, Development Services; Beth Trautz, Development Services; Irena Krstanovic, Director, Economic Development

1. Overview: Randy Harrington, Town Manager, gave an overview of the meeting agenda. He suggested an amendment to the agenda to place the Town Attorney's update after Town Clerk because it requires going into closed session.

2. Housing Study Update

Sean Ryan, Development Services, said that the purpose of this was to share preliminary results of the Housing Affordability study and obtain feedback from Council on the direction they want to focus on moving forward. He outlined the process to date and said we have reached the point of offering a draft report. He outlined the housing trends that the entire region is facing, and then three unique challenges Holly Springs faces, including a high percentage of detached dwelling units; economic development successes that attracted major employers to the Town; and very little by-right development, which limits new housing production. The three major categories of housing needs are limited supply, access to homeownership, and displacement pressure for households making less than \$60,000. He outlined three goals to address those challenges.

Mr. Ryan explained a variety of tools available to municipalities to impact housing affordability, the pros and cons of each, and which goals each would address. He said that a standardized development agreement strategy could balance development incentives with town requirements for affordable housing. He said another option is creating an Accessory Dwelling Unit Demonstration Program to facilitate the construction of secondary units as part of primary structures on detached dwelling lots. He said part of the streamlined development process would be a commitment to offering affordable housing in exchange for waiving certain fees or streamlining development. He talked about the relative affordability of attached vs. detached

housing and suggested some areas that might be well served by more attached and multifamily housing.

Mr. Ryan outlined an option of offering economic incentives to new employers to invest in employee-assisted housing programs. This could take the form of employers providing funding to support home ownership for employees, or connecting employees to housing partners. He gave more details on a possible ADU program.

Mr. Ryan said that by dedicating resources, both funding and staff, could increase options to increase affordable housing. This could be down-payment assistance, owner-occupied rehab program, acquire land for affordable housing, or legal help for those facing foreclosure.

Mr. Ryan said that metrics to track regarding the supply and type of housing available in Holly Springs would be: to shorten the time to approve by-right development from the current 18+ months to less than 12 months; to lower the percentage of renter households spending more than 30% of their income on housing costs from the current 86% to 60%; to reduce the percentage of housing stock that is detached single family homes from 86% to 80%; and reduce the rental supply gap for households making less than \$60,000. To preserve homeownership access, the Town could stabilize the decline in homeownership rate for households with seniors present (currently down 29% from 2010); and stabilize the homeownership rate for households making less than \$75,000, which is currently 23% lower than in 2010. To mitigate growing displacement pressures, the Town should stabilize the decline in households making about 60% of the Adjusted Median Income, which is currently down 4%; and dedicate land or funding to new affordable units to create and preserve long-term affordable housing units.

Mr. Ryan asked for feedback on the identified tools, the target metrics, and other things Council wanted to be focused on.

Mayor Mayefskie thanked staff and the committee for their commitment to this task.

Council member McGrath said this was good data, but he didn't see anything about leveraging partnerships. He wants more partnerships rather than subsidies. Particularly partnerships with national organizations that are being innovative.

Council member Bennett said the study was good with a lot of information to take in. But it was all things that, if you live here you can already understand. Moving forward, she has the same initial thought as Council member McGrath as far as finding partnerships with nonprofits or national groups that we can work with and bring to the community. There are some that are specific to veterans, or Habitat for Humanity. She asked if the idea of employer assisted housing, was something that only large businesses could take on. Those companies that have already come here have high salaries anyway. But if we made that an incentive, only a large company could afford it. Mr. Ryan said it is something for larger organizations. The average salary that we are seeing is an average. This assistance would benefit the lower salaried employees of the organization. And there are two ways to do this. One would have the employer directly assist their employees, but another way is for the employer to pay into a fund. The recommendation the consultant is giving is for the direct connection. He said staff is looking into the partnerships, and that was discussed in the draft but not the slides. Much is being done by Wake County and we need to connect people to those resources. And part of the tool box is identifying ways we can connect our residents to those programs.

Council member Bennett asked how the targets were arrived at. Mr. Ryan said the metrics were identified by the consultant based on best practices and their expertise in the housing market. They were presented to the Housing Committee last week and they gave input. Elizabeth Goodson said that is an area that we are asking for feedback on from Council. Council member Bennett said asked how narrowing the rental supply gap would be achieved. Mr. Ryan said that streamlining development could work toward that, or some of the subsidy plans, such as the Town owning land. Council member Bennett said but we're not talking about subsidies at this point, so this goal is not something we can do by streamlining our process. Mr.

Ryan said we can make progress with land use options. Taken alone the individual tools may have low impact, but if we combine them we can have higher impact.

Council member Wolff said that having been involved in this process over the past year, he is pleased to see that everything we have discussed at our meetings is in there. He thinks it needs to be said that all of this is a subsidy model when it comes down to it. If we waive fees, that is a subsidy, it's just a different way. He said he had conversations with Habitat for Humanity on why they weren't building in Holly Springs, and they said it was too expensive. They need land and they need money. There are ways we can make it easier to build, but to get units built, we have to fund it in some way or another. When we are thinking about nonprofit partners, those partners have cost. They need more than expedited approval process. They talked about a lot of tools, but land purchasing is the big one. That is an investment. He said without knowing the cost, there may not be a way to have a full comprehensive discussion. But this is an economic investment. The money we put in is not going to be lost, it's going to come back to us in attracting employees, and employers. The housing market in this area is getting in our way of that.

Mayor Pro Tem Berry said that back at the budget workshop Council member McGrath asked what the top 10 items in the budget we weren't funding were. He listed them and said any of those things would have been a better use of the funds that were used for this study. He said nothing was surprising or unexpected and we knew about everything in there. As it relates to the solutions, none of them don't involve money. Tonight we are focusing, not on subsidy tools or tenants' rights, but the development piece. He struggles with that as a policy matter. He doesn't want to take Council out of the process because he signed up for making difficult decisions, and he thinks Council should make those, not staff. Having a blanket approach to development agreements causes Council to lose flexibility and power. Each project is different and we can get better outcomes if we don't have a blanket approach. He said Wake County has a budget for affordable housing equal to 45% of our total budget. So he struggles with the solution. He doesn't think we will be able to do anything to make housing more affordable. He said we haven't even talked about traffic. Adding more housing units will make it worse. He said he doesn't want to spend a dime on housing before we get the infrastructure funded.

Council member Forrest said Holly Springs needs to invest in the right mix of housing. The analysis shows that the current housing options fall short of meeting the needs of much of the workforce. The housing options need to match the jobs. If we don't have affordable housing, employers will lose employees because people will look for jobs where they live. Having workforce housing is integral to the future economic growth of Holly Springs. There needs to be a variety of types of housing. The study focused on the Town and not the Southern Wake area. We missed vital partnerships and resources that are out there by limiting the discussion to what the Town can do by itself. Our town revenue does not compete with Apex or Durham or Raleigh's. So how do we actually do something? No one solution will solve this. We all need to work together to solve this problem. He said he would encourage the Legislative Committee to actively engage at the state and federal level concerning affordable housing. As Holly Springs continues to fight through new development we need to focus on workforce housing committee for a year, to work throughout the area and with the Legislative Committee for actual actionable items that we can use. It would also be useful to discuss how is that full time support going to be used. This requires staff and should be a discussion for the next budget cycle. Finally he echoed MPT Berry in saying that we have infrastructure needs that are not currently funded. We need to open our aperture and take in other partnerships to make it more affordable for the town.

Council member Wolff said he wanted to talk about what partnerships are available and what the Town's responsibility would be. Mr. Ryan said staff might need to come back and dedicate time to dive into that part of the report. Council member Wolff said we have to agree that there's a problem first. Secondly, we need to agree on whether this is a problem that we are

responsible for fixing. Council has been discussing this for years and has not come to an agreement that this is a problem this Council needs to fix. The argument is that this is a market problem. But market is supply and demand. There is high demand, but the supply constriction is us. We set market with our zoning, our review process, our design standards. To say that there is no responsibility on us, or that we cannot give an inch in any direction to fix it, is either abdicating our responsibility for our contribution to the problem, or we are saying that we don't think this is a problem that we think needs fixing. We need to leverage partnerships, but we have to put skin in the game to leverage them. There are no free partnerships – that is a hand out, not a partnership. We need to have the conversations with other government entities, but nothing is free. We need to identify partnerships and leverage them, but that requires us giving something in order to get.

Council member Forrest said Council just approved an affordable housing project at the last business meeting. So he thinks we agree that affordable housing is a problem. But this study didn't take us from the strategic level to the operational and implementation levels. We do need those partnerships, but he said we don't know how much "skin in the game" we need to have. Council member Wolff said he didn't expect that granular level out of this study. The study comes with recommendations and then it's up to staff to come up with specific asks. It is up to them to have the conversations with Wake County, how much do we need, what land is available, etc.

Mayor Mayefskie asked if there were any areas identified by the study that have not been built that were targeted areas for meeting these needs. Chris Hills, Director of Development said the large employer centers were identified. Putting people close to where they work is one way to avoid the infrastructure problems MPT Berry pointed out. People being able to live where they work reduces stress on the infrastructure. Council member Wolff asked if there were percentages given of people who work in Holly Springs but don't live here and vice versa. We're talking about infrastructure and traffic, it's because nobody works where they live. Council member Bennett said that's a choice. Council member Wolff said it's not always a choice. People don't choose a 30-minute commute because they like it. It's because of what they can afford. Council member Bennett said she doesn't necessarily think it's a bad idea to put townhomes near employment centers, but we can't control who moves into them so traffic is still a concern. It's already the number one concern. She said there are other things that have to be weighed. She is not a fan of waiving any sewer/water fees. She said she doesn't think anyone is saying they don't want skin in the game, she wants more details about what a partnership would look like.

Mr. Hills said this was the first, first, draft. Usually before you see a report, it would have been polished more and that could address some of those concerns. But we wanted to get it before you for this kind of feedback. There are a few elements of that that might address some of these concerns. The goal was to have a plan that Council could implement. This feedback to us is invaluable to move in that direction. The idea was for Council to use the plan as a set of tools that Council could use at any given budget time or when reviewing development, to further their goals. This leads to the next step which would get us more to an operational area. Mayor Mayefskie said this is the 10,000-foot view. He said no one said they were surprised by this. Where do we go next? Randy Harrington, Town Manager said Council has given staff a lot of feedback and we will go back and flesh this out, particularly around the partnerships piece. We are anticipating another 2 or 3 engagements before the retreat with the goal that at the retreat you could give us some policy direction. It may even merit a special meeting dedicated to this topic.

Council member McGrath said the mortgage standard for affordability is 40% of income toward housing not 30%, and the size of house that we are trying to make affordable has increased. He would like to look at an acceptable square footage for a family of four. He thinks people choose to live outside of Holly Springs because of what they want for their comfort, not

what is livable for their situation. He wants to know what the problem we are trying to solve actually is.

3. Downtown Village District Area Plan Kickoff

Sean Ryan, Development Services, said the purpose of this item was to introduce the Downtown Village District Area Plan, and identify Council's goals. He introduced Emily McCoy and Chris Geddes from Design Workshop to give an update on the Downtown Village District Area Plan kickoff.

Mr. Ryan said the Plan will help guide development and redevelopment activities in the Downtown Village District and adapt to a rapidly changing and dynamic environment. It aims to incentivize new opportunities and to develop a sense of place in the community.

Mr. Geddes introduced Design Workshop team and gave an overview of their methods and the scope of work involved. Ms. McCoy outlined the goals from the 2006 plan and asked a series of questions to poll Council on their desired direction, using a polling app that displayed the results on screen.

1. What goals from the 2006 Plan are still most important to Council?

Creating a family-oriented downtown that is a common gathering place; providing a mixture of uses that bring people downtown; defining the core of the "Village District."

2. What word best describes the Village District today?

Transitioning; developing; unique; entertainment; confusing; exciting; vibrant; becoming; choppy; growing; potential.

3. What will make the Village District Plan successful?

Uniformity; a plan that supports downtown businesses such as farmers market, and a social district. Creating a sustaining downtown; support our families in town and plan to implement; defining what the Village District is. Meaningful balance between commercial and residential; open space and park development, specifically Mims; Infrastructure

4. When I think of the future district I think of (top 3)

Entertainment
Shopping
Eating and Drinking

5. The biggest opportunity for the future is (top 3)

The top choice was:

More parks and gathering spaces

The following all received the same amount of emphasis

More shopping options

More residential options

More entertainment – concerts & festivals

Better placemaking elements that make the Village Downtown unique

6. The key planning framework to address is (in order)

Land Use & Density

Pedestrian access, Walkability

Character, Identity & Placemaking
Vehicle Transportation & Parking
Economic Development

7. The key aesthetic considerations are:
 - Design character of buildings
 - Building heights and transitions to surrounding neighborhoods
 - Active street frontage on buildings
 - Landscape design of community spaces and parks
8. It would be great if we could have: (in order)
 - Permanent structure for markets
 - Street that can be blocked off for festivals and markets
 - Stage or amphitheater
 - Tree lined streets with sidewalks and bike lanes
 - Places to sit and relax
 - Other
9. My vision for Mims Park is
 - A place for nature, passive recreation and stormwater management – 50%
 - A place for entertainment and gathering – 33%
 - A place to celebrate art – 17%
10. What opportunities do you see with this project?
 - Restoration of historical homes. Interactive fountain. Walkable district.
 - Reduce the size of the Village District.
 - Infill development and solutioning existing eyesores for the future.
 - Development commercial, residential, mix while creating a vibrant loving downtown.
 - Design a town center from scratch that uniquely identifies and signifies our town.

Council member McGrath said he wanted to reduce the size of the Village District, since we are no longer pursuing a historic district. Mr. Harrington asked him if his feedback was about the length or width or both? Council member McGrath said it was both. He didn't want to go into "the fringes" and we should consider what historic areas can be renovated and which cannot. Chris Hills said there has been a lot of discussion about the Village District as opposed to a Downtown Village District. Does Council see it as continuing to be the Village District, or transitioning to a Downtown District? Council member McGrath said a historic district is not going to materialize, so he thinks more of a Downtown district. Council member Bennett said she was also thinking more of a Downtown. We have many plans that don't get implemented.

Mr. Geddes said when Council talks about "unique" what does that mean for Holly Springs? Council member Wolff said for him it is an aesthetic placemaking that is immediately identifiable as Holly Springs. Mr. Geddes asked if there was anything about the area now that when you look at it says "Holly Springs? Council member Wolff said empty space. Council member Bennett said she thinks the wider sidewalks that we have. A lot of older downtowns are narrow. We have wide sidewalks so we don't have to close the streets to have ice cream, etc. That is what says "Holly Springs" to her. MPT Berry said no one else has the car wash we have.

Council member Forrest said he think we should keep it as the Village District. He understands the Downtown. But going back to Apex, we already have the quaint cute homes near downtown. The district is very unique; we have neighborhoods and businesses. And it is unique to Holly Springs. He wants to keep it as the Village District. We need to improve the downtown itself, but let's leave the Village District. He thinks it improves the walkability of the town. Council member Wolff said he agreed. It's not just the downtown, it's everything that is walkable from downtown.

Mr. Geddes said our first task is to see what has been done and build on the successes we have. Council member Bennett said she would like a water feature young kids could play in.

Mr. Ryan said next steps are data collection, we are actively planning our first public engagement for November before the holiday season.

4. Nuisance / Minimum Housing

Chris Hills, Director, Development Services, said the purpose of this item was to update Council on the Town's nuisance and minimum housing code programs and discuss future enforcement efforts. He explained the importance of code enforcement and the strategic initiatives it supports. He said that the Community Survey of 2021 indicated that there is some resident concern about enforcing the nuisance and minimum housing codes. He explained that Nuisance Ordinances and minimum housing codes can be enforced only within the Town Limits, but zoning issues can be enforced in the ETJ and Urban Service Areas as well.

Mr. Hills said that the top three case types that they deal with are tall grass and weeds; zoning compliance; and junk/trash removal. Most cases are reported to staff by the public and there are two staff members to cover 32 square miles. He showed three examples of code enforcement successes, and identified areas of town that are the "hot spots," mostly because they are along town thoroughfares and so are seen and reported to staff. Town partners in code enforcement are the Police Department, Public Works and Utilities and Infrastructure, and the Fire Department because they are out and about and see things to report them.

Mr. Hills said that benefits of evolving into a proactive enforcement model, instead of the current reactive model, include a more aesthetically pleasing community; addressing violations before they become major community safety issues, or majorly expensive to abate; and reducing possible conflicts between neighbors. In order to made this shift the Town would need to invest in adequate resources. A more proactive model would result in quicker resolutions. It would probably also increase the complaints from violators, but decrease the complaints from their neighbors.

Mr. Hills explained that neighboring municipalities currently have reactive models, although Fuquay Varina has a mixed model where they are proactive along major corridors and reactive in the residential areas. Apex has a team of 5, and are proactive for zoning; Fuquay Varina has a team of two.

Mr. Hills said that sections of the Municipal Code would need to be updated to correct a current lack of consistency in the abatement period and penalties; there is a signage section in the UDO and also the Town code, which needs to be addressed, and the Minimum Housing Code needs to be updated. He said that if Council concurs in moving to a more proactive approach to code enforcement, they would need to update the Nuisance section of the Town Code, and evaluate resources needed for future budget considerations.

Randy Harrington, Town Manager, said in full disclosure, this has been on his mind since he got here. It is his professional opinion that moving to a more proactive posture is sorely needed and will benefit the community overall. This a component that supports the Vision of where the Community can go. MPT Berry said this is refreshing. He said I shouldn't be the first

one saying something about things. There is room for improvement and growth. There is a lot of work to do across town to uphold the ordinances we have.

Mr. Harrington said that when the Office of Customer Care (OCC) comes online, one of the pieces of this will be an intentional effort for staff, to say something when they see something, to encourage and incentivize our employees to call the OCC in a way we can track and do something.

Mayor Mayefskie asked how many of the 415 calls came from staff. Beth Trautz, Development Services, said she didn't have that data with her but could get it to them. But she said when staff sees something that has the potential to be a big complaint, they do act on it. Her team tries to be as proactive as possible. Tall grass and weeds were out of control this summer, but it is a process where our ordinance doesn't have deadlines for things like "tall grass and weeds." We need to work on those consistencies, and we need the staff. Mr. Hills said it is often administration. It's identifying that there is a case, then sending letters, giving the owner time to abate it, which is required by law; abating the issue ourselves and then billing the owner. There is additional time and administration involved in each case, and additional resources in the future will help us to be proactive.

Mayor Mayefskie said the problem isn't just homeowners, but 3rd party contractors too. Council member Forrest said we do need to move to a more proactive stance, and we need to write the codes to apply out decades, not today. Look at stormwater violations, erosion etc. He said he agrees with MPT Berry because he is getting notices from neighbors, too. We need a proactive approach and to make sure the codes don't interfere with each other.

Council member McGrath said he always wants to be proactive and he appreciates the approach.

Council member Wolff said he takes staff's recommendations very seriously. But he wants a healthy dose of discretion in enforcement and to tilt the focus towards health and safety. He doesn't want the town to become the HOA of everybody. Being that proactive on minor aesthetic issues is not going to improve the lives of our residents. Mr. Hills said he trains his staff to be aware of the spirit and intent of the ordinance, and to use discretion towards health and safety.

Council member Bennett said that nobody likes the HOA, so let's not be those people. Budget wise, she asked how many staff positions would be needed. Chris we probably need 2-3 to operate this effectively, but we would start with one. As the town continues to grow, and lose 'green field' development, to redevelopment of existing sites, Zoning Compliance and Code Enforcement will become a larger department, but some of the development team might not need to be so big, because we would be going through a different stage of the growth process.

Council member Forrest asked if code enforcement would be a revenue generator. Mr. Hills said that most of the funds go to the state or to pay for the abatement, so it is not a revenue generator. We want the violations not to affect other people's quality of life. John Schifano, Town Attorney, said that fees that violate things that are against state law go to the school system. There is no state law about the height of grass. The rub is that enforcement of minor infractions, if the property owner doesn't pay them, requires a law suit with a \$200 filing fee for a \$50 fine. He envisions something like a "naughty list" – they can't go to the Christmas Parade, or some other action instead of charging these small fines. Mr. Hills said the state allows us to have a chronic violators list, where after 3 violations in 12 months it goes straight to fines or abatement, rather than sending letters. Ms. Trautz said the citations are used as a tool. Usually, just before we send out the citation we give them a phone call, which often gets them to fix the issue. Tall grass and weeds violation take a lot of time We have to send out citation

letters, send out someone to mow it. It takes a lot of administration time. Council member Forrest said he was asking because he wants to know how we are going to pay for new staff positions, as we develop this conversation.

Mr. Harrington said that the goal is compliance; not to issue citations or act like the HOA. It does need discretion and common sense and compassion at times. We want to incorporate all of that into the approach to the program.

5. Quarterly Town Attorney and Town Clerk Updates

B. Town Clerk

Linda McKinney, Town Clerk, presented four options for the Mayor and Council Annual Retreat in 2023. Council discussed the options and the consensus was they would like to hold the retreat at the Embassy Suites in Wilmington.

Ms. McKinney showed the Mayor and Council eight possible floats for them in the Happy Holly Days Parade. Consensus was that they wanted the Christmas Wreath float.

Ms. McKinney then gave Council an update on the activities in her office since the April update, including work at the cemetery, the need for more space in the vault, a possible historic marker, and other activities.

CLOSED SESSION: The Council entered into closed session, pursuant to N.C.G.S. 143-318.11(a)(4) to discuss an Economic Development matter and to confer with the Town Attorney pursuant to N.C.G.S. 143-318.11(a)(3) on *Meritage Homes of the Carolinas v. Town of Holly Springs*; *Town of Holly Springs vs. DLWW, Inc and Baker Buildings*; *Town of Holly Springs vs. Woodcreek Neighborhood Assoc.*; *Town of Holly Springs vs. Mata Family LLC*; *John Doe #2, a Minor Child v. Town of Holly Springs*.

Motion by: Berry

Second by: Forrest

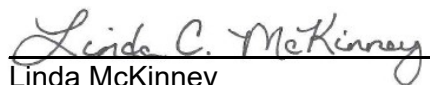
Vote: Unanimous

No action was taken in closed session.

Motion to leave closed session was made by MPT Berry, seconded by Council member Wolff and passed with a unanimous vote.

6. Adjournment: There being no further business for the evening, motion to adjourn was made by MPT Berry second by Council member Wolff and passed with a unanimous vote. The October 11, 2022 meeting of the Holly Springs Town Council was adjourned at 8:57 pm.

Respectfully Submitted on Tuesday, November 1, 2022.



Linda McKinney
Town Clerk