DEVELOPMENT
DEPARTMENT
Planning Division

Jaime W. Groce, AICP
Town Planner

Town of Collierville

MEMORANDUM

TO: Board of Mayor & Aldermen
Planning Commission

FROM: Jaime W. Groce, AICP, Town Planner

CC: James Lewellen, Town Administrator
Jay Cravens, Development Director

DATE: July 31, 2020

SUBJECT: Existing & Future Stand-Alone Apartment Development

The purpose of this memorandum is to provide an overview of existing and future stand-alone apartment complexes in light of the pending Preliminary Site Plan application for The Water Tower District (Schilling Farms, Phase 66). There have been no new apartment complexes constructed in the last five years. A similar memorandum was released February 10, 2015, when the Meridian Apartments were nearing construction. As with previous memorandums, a comparison of the number of stand-alone apartment units in comparison to single-family homes is provided (Figure 3). This memorandum also summarizes Land Use Plan policy recommendations and the Zoning Ordinance's provisions regarding multi-family development. The memo is intended to provide staff commentary and analysis regarding many complex layers of land use polices and laws and it should not be construed as adopted Town policy. This memo does not convey any rights to property owners.

Building Form vs. Ownership: In the 2015 version of the memo, staff attempted to address confusion with the use of the term "multi-family" and what it means. Technically speaking, the term "multi-family," referred to in some of the Town's land use regulations as "attached dwellings," is a general term that can apply to any building in which there are two or more dwelling units. Attached units are simply more than one dwelling that are physically attached, and that general definition includes apartment buildings, condos, fee simple townhouses, and residential above office/retail (see Appendix A for more information).

This memorandum uses the term "Stand-Alone Apartment," which refers both to the form of the attached units and their ownership. Stand-alone apartments can be attached side-by-side, or on top of each other. Often there are multiple apartment structures on one lot, but in Downtown Collierville apartments may be in a single building tucked into a block. An entity owns and maintains the single lot and units are rented. These are commercial ventures and they pay commercial property tax rates. Local examples are Carrington I and II and Westbrook Crossing.

While they have their place in providing a diverse land use mix, the Town has grown increasingly concerned about large stand-alone apartment complexes and clusters of separate complexes, as the intensity and scale of these forms is often not consistent with the single family neighborhoods in the community. The Town adopted specific design guidelines in 2016 (Resolution 2016-30) that apply to stand-alone apartments to address architecture and buffering concerns.

Role of the Land Use Plan: With the approval of the *Collierville 2040 Land Use Plan* in 2012, the Town adopted a policy of "no net gain" in multi-family units. This policy limits new stand-alone apartment complexes to properties entitled to such development prior to 2011 outside of the Downtown Small Area Plan area (see map in Appendix B). "Entitled" properties are located in conventional R-4 zoning districts or planned developments previously approved for multi-family development. The BMA can amend the land use plan at will through the adoption of a resolution. The land use plan does not convey property rights. The land use plan serves as a general guide for BMA and PC in decision making related to land use.

In April 2015, the BMA amended the Collierville 2040 Plan to state that, "the Town-wide number of stand-alone apartment units shall not exceed 3,532," and that "this limitation excludes stand-alone apartment complexes that could potentially be built in the Downtown area after 2011, which would likely be smaller in size based on limited availability of vacant land and redevelopment opportunities." The maximum number included in this policy was determined based upon planned developments and zoning entitlements as of 2011.

The Collierville 2040 Plan also states that the Town-wide residential mix at build-out should be around 83% single family detached, 14% stand-alone departments, and about 3% of other forms of attached residential," such as townhouses. This projected mix does not take into account "group quarters," such as assisted living, nursing homes, independent living, and congregate care.

Below is commentary on three elements of the Land Use Plan that relate to stand-alone apartment complexes:

- ***Downtown Collierville Small Area Plan*:** Adopted in 2010, the Downtown Plan serves as the vision of the future physical development of the Downtown area, which encompasses the Historic Square as well as many of the Town's historic residential neighborhoods and gateways. A variety of residential uses are encouraged in the Downtown area, including multi-family, which is recommended for specific portions of Downtown (Special Areas 1, 2, 3, 5, 9, 10, 11,12,13,16, and 18). This could take the form of stand-alone apartments, but due to limits in acreage, the total size of such complexes would likely not be similar to the large clusters of units seen in Schilling Farms. Downtown units have been calculated in the residential build-out projections for infrastructure planning purposes but do not count towards the "no net gain" policy because of the "New Rooftop Initiative" in the Downtown Plan intended to boost the number of households within a 5 to 10 minute walk of the Square. That is why they are calculated separately in Figure 4. Keep in mind that the number in Figure 4 for Downtown is the "most aggressive" scenario for stand-alone apartments, as other forms of attached dwellings, such as condominiums, live above, duplexes, and townhouses are expected in this area and will likely bring down the total number of stand-alone apartments observed at build-out. See the attached map for where such units could be developed per the policies of the Downtown Plan.

- ***I-269 Small Area Plan*:** As an addendum to the Land Use Plan, the Planning Commission adopted a plan to guide future growth in the I-269 Area in 2009 (the I-269

Area is generally located south of Bill Morris Parkway and to the west of Quinn Road with the Mississippi state line as the southern border and the Fayette County line as the eastern border), which includes several land use recommendations. The I-269 Small Area Plan allows for "horizontal residential" uses, which includes condos, live-work units, live-above units, and similar types of residential land uses other than single-family detached (e.g. houses) and townhouses in some portions of the study area. IN October of 2014, the BMA adopted an amendment that prohibits stand-alone apartment complexes in the I-269 Area. The maximum of 1,571 dwellings that could have conceivably been built as stand-alone apartments in the I-269 Area (more specifically in Special Areas 1, 2, and 4) must now take the form of "live/work" or "loft" forms of mixed-use development, which have non-residential uses provided on the ground floor. These types of units are not reflected in Figure 4 because stand-alone apartments are no longer appropriate in the I-269 area.

- ***Transfer of Development Rights*:** Collierville 2040 includes locational criteria for new stand-alone apartment dwellings in the event an applicant has secured stand-alone apartment development rights from an existing entitlement owner. This transfer is allowed provided the location criteria are met and the Town realizes no net gain in stand-alone apartment dwellings (note: the existing entitlement holder loses the right to build the stand-alone apartment dwellings transferred to the applicant). The applicant(s) must provide proof via a transfer of development rights or other documentation appropriate to the Town that they have secured from properties entitled (prior to 2011) to their rights to build stand-alone apartment dwelling units so that, if the new project is approved, the Town realizes no net gain in stand-alone apartment dwelling units at build-out. Provided that the Town follows the "no net gain" policy, this concept creates a "marketplace" for stand-alone apartment unit entitlements based on the number of units shown in Figure 2 or vacant acreage currently zoned R-4: Multi-Family Density Residential (see also map in Appendix B).

  The Town has <u>not</u> adopted a formal Transfer of Development Rights program since these policy recommendations were adopted in 2011. The Town is unware of any such private transactions being successfully completed. As an alternative to developing a formal program, the BMA could simply approve entitlement changes through two simultaneous planned developments (new or amendments) and/or rezonings. One could reduce a specific quantity of dwelling units for a site that currently allows for stand-alone apartments while increasing them for a separate site.

Role of the Zoning Ordinance: The Zoning Ordinance is the Town's primary implementation tool for its Land Use Plan. The Zoning Ordinance limits multi-family land uses to R-4: Multi-Family Density Residential zoning districts. The R-4 zoning classification also allows other forms of residential uses (e.g. single-family, duplexes, and townhouses) and institutional uses (e.g. churches, fire stations). The R-4 zoning classification limits the density of apartment developments to a maximum of eight (8) dwelling units per acre (du/ac). With only 23.34 acres of undeveloped R-4 land within the Town's boundaries, there is only one remaining opportunity for future stand-alone apartment development projects under conventional zoning (see map in Appendix B). This property could yield up to 187 dwellings if it is not within a planned development. If within a planned development, no more than 140 dwellings would be allowed.

A possible alternative to stand-alone apartments under conventional zoning is "accessory residential" development, where residential units are allowed on the upper floors of commercial buildings (i.e. "live-above units") or as a "mother-in-law flat" in conjunction with an existing single-family residential dwelling in specific portions of Downtown. Although several dwellings

exist in the Downtown area, only two have been approved by the BMA since 2011. These units would not be considered stand-alone apartments.

The BMA, with a recommendation from the PC, can amend the zoning map at will through the adoption of an ordinance. The zoning ordinance does convey private property rights, and if the BMA changed the zoning of a property, they should be mindful to rezone to a district consistent with the land use plan and seek property owner consent to the rezoning (although not required in Tennessee). Property owners that feel adversely affected by a rezoning could seek damages through litigation, but the outcome may depend on many factors (i.e. land use plan recommendations, etc).

Role of Planned Developments: One of the more significant sources of existing and potential future stand-alone apartment complexes are planned developments. Approximately 93% of all existing stand-alone apartment units are located within planned developments (see Figure 1 below). Figure 2 shows existing planned developments with vacant/undeveloped land approved for multi-family uses. As you can see, this is a significant source for potential stand-alone apartment complexes as the community continues to grow.

Existing Stand-Alone Apartment Units: As of July 2020, there are 2,592 stand-alone apartment dwelling units. This is roughly 13.9% of all residential units, excluding group quarters, in the Town limits (see Figure 1). See Appendix B for a map showing the location of these developments.

Figure 1: Existing Stand-Alone Apartment Complexes (July 2020)

Subdivision Name	Development Name	No. Of Units	% Of Existing
Almadale Farms PD, Ph. 3	Dogwood Creek Apartments	280	10.80%
Bailey Station PD, Ph. 6	Meridian Apartments	207	7.99%
Center Court Apartments*	Center Court*	40	1.54%
Collier Village Apartments*	Collier Village*	96	3.70%
Ironwood PD, Ph. 1	Bailey Creek Apartments	232	8.95%
Laurel Wood Apartments*	Laurel Wood*	35	1.35%
Poplar View Meadows PD, Sec. H	Orchards Of Collierville	226	8.72%
Schilling Farms PD, Ph. 47	The Signature At Schilling Farms	251	9.68%
Schilling Farms PD, Ph. 50	Carrington I	112	4.32%
Schilling Farms PD, Ph. 56	Carrington II	125	4.82%
Schilling Farms PD, Ph. 20	Legacy Farm Apartments	368	14.20%
Schilling Farms PD, Ph. 18	The Madison At Schilling Farms	324	12.50%
Villages Of Porter Farms PD, Ph. 7	Westbrook Crossing (All Phases)	227	8.76%
Village Square Apartments*	Village Square Apartments*	30	1.16%
Walton Lake Apartments*	Walton Lake*	23	0.89%
Williams*	Ingleside Apartments*	8	0.31%
Wingo Subdivision*	Aldersgate Apartments*	8	0.31%
	Sub-Total (Existing)	2,592	100%

* Development is not in a Planned Development

Undeveloped/Vacant Sites within approved Planned Developments: It is estimated that up to a maximum of 537 stand-alone apartment units could be built within existing planned developments with vacant/undeveloped land approved for multi-family uses (Figure 2). See Appendix B for a map showing the location of these properties.

The maximum build-out is not likely to be achieved within most existing planned developments. In all of the cases cited in Figure 2, “multi-family” is one of several uses allowed in a particular area within a planned development. In the table, staff has noted the other approved uses for each planned development. The estimated probability a particular planned development will reach maximum build-out for “multi-family” uses or will have additional “multi-family” units built is provided. The probability scale of "Low", "Moderate", and "High" included in Figure 2 considers

the other types of land uses allowed on the property, property location, property characteristics, and surrounding uses.

The BMA, with a recommendation from the PC, can amend a planned development through the adoption of a resolution. The planned development does convey private property rights and is in some ways like a contractual agreement between the property owner and Town. If the BMA changed a planned development without all parties agreeing, they are reversing previous "entitlements" granted by a previous Board, often after substantial investment from a private property owner. Property owners that feel adversely affected by such an amendment could seek damages through litigation. Amendments to planned developments not initiated by the property owner are not advisable and the decision may be reversed if litigated.

Figure 2: Undeveloped/Vacant Multi-Family Sites within Planned Developments (July 2020)

Planned Development (PD)	Area of PD	No. Of Units Maximum Build-Out	Probability Of Maximum Build-Out	Probability Of Additional Multi-Family Units Built	Other Uses Allowed by PD
Ironwood PD	Areas 4 & 4a	102	Low	Low	Commercial (SCC Uses)
Price Farms	Area 1	100	Moderate	High	Retail, Office, Townhouses, Live-Work
Price Farms	Area 3	48	Low	Low	Single Family, Duplexes, Townhouses
Schilling Farms PD	Areas 3,4,5,9,12,&13	289	High	High	Retail, Office, Office-Showroom, Light Industrial, Live-Work, Other Residential
	Sub-Total (PDs)	539			

Undeveloped/Vacant Sites with Conventional R-4 Zoning: There is only one undeveloped site with R-4 zoning remaining, approximately 23.34 acres located on the east side of Maynard Way north of Poplar Avenue (see Appendix B for a map showing the location). The Maynard Way property could have 187 units built on it assuming maximum build-out of multi-family units is achieved. This presumes a density of 8 du/ac. The owner of that property owns an adjoining 8-unit complex (Aldersgate Apartments) on 1.42 acres which could be aggregated with the vacant land zoned R-4 and redeveloped. A second site (approximately 0.53 acres) zoned R-4, located on the south side of Poplar Avenue east of Maynard Way, is currently being developed as a single family house and has been excluded from the calculation.

Pending Stand-Alone Apartment Units: Only one application is currently pending, Schilling Farms PD, Phase 66 (256 units). This development will be located on the south side of Poplar Avenue and west of Schilling Boulevard West (see map in Appendix B). This is an area of Schilling Farms approved for stand-alone apartments. The Preliminary Site Plan is expected to come before the BMA in the late summer or fall of 2020 but it is unclear when construction will start. Once Phase 66 is completed, only 289 stand-alone apartment entitlements will remain in all of the Schilling Farms PD (see Figure 2).

Other Forms of Housing: The Town's predominate residential dwelling type is single family detached homes (Figure 3). The Town has averaged about 172 single family permits each year over the last 8 years and continues to see single family demand.

This analysis does not take into account "group quarters," where people live or stay in a group living arrangement that is owned or managed by an entity or organization providing housing and/or services for the residents. The most common group quarters in Collierville is senior housing, such as independent living facilities, assisted living facilities, congregate care facilities,

and nursing homes. Currently, there are approximately 483 group quarter units in Collierville or under various stages of construction (see Figure 3). Approximately 720 group quarter units/beds have been approved, but not yet built. Many of these developments are age-restricted and would be difficult to turn into stand-alone apartments due to the lack of kitchen facilities. While the majority of these units/beds are considered rental uses, these units/beds are not considered stand-alone apartments.

This analysis also does not take into account townhouses. Up to 167 townhouse dwellings (The Towne at Byhalia Commons) are currently being constructed in phases on Collierville Road. While these townhouses will be constructed on individually platted lots, the owner of the lot/townhouse could chose to rent the dwelling. Because these townhouse units are likely to be owner occupied and based on policy statements in the Collierville 2040 Plan, they are not considered stand-alone apartments.

Summary: As of December 2019, the Town-wide residential mix was approximately 83.3% single family detached, 13.9% stand-alone apartments, and about 2.8% other forms of attached residential (duplexes, triplexes, quadplexes, or townhouses). This is similar to the build-out mix indicated for the community by the Collierville 2040 Plan. It is unlikely that all 537 units allowed in the remaining planned developments (see Figure 2) will be built. The number of stand-alone apartment units outside of the Downtown Study Area will be very close to what is planned in the Collierville 2040 Plan (see Figure 4) provided that the BMA continues to follow the policy of "no net gain" in multi-family units adopted in 2012. The 256 stand-alone apartment units in Schilling Farms, Phase 66 were allowed by the planned development prior to 2011 and are already included in these build-out projections. Any increase in stand-alone apartments due to construction on land with entitlements granted prior to 2011 should be offset over time by continued single family growth. As evidenced by Figures 3 and 4, the Town is on target with its build-out residential mix goals.

Figure 3: Town-wide Dwelling Unit Summary (December 2020*)

Housing by Type	Dwelling Units (all types)	% Total (all types)	Dwelling Units (excludes group quarters**)	% Total (excludes group quarters**)
Single Family Detached	15,491	81.2%	15,491	83.3%
Stand-alone Apartments	2,592	13.6%	2,592	13.9%
Triplex, Quadplex, or Townhouse	424	2.2%	424	2.3%
Assisted Living	205	1.1%		
Independent Living or Congregate Care	164	0.9%		
Nursing Home	114	0.6%		
Duplex	86	0.5%	86	0.5%
Other	11	0.1%	11	0.1%
Total =	19,087	100.0%	18,604	100.0%

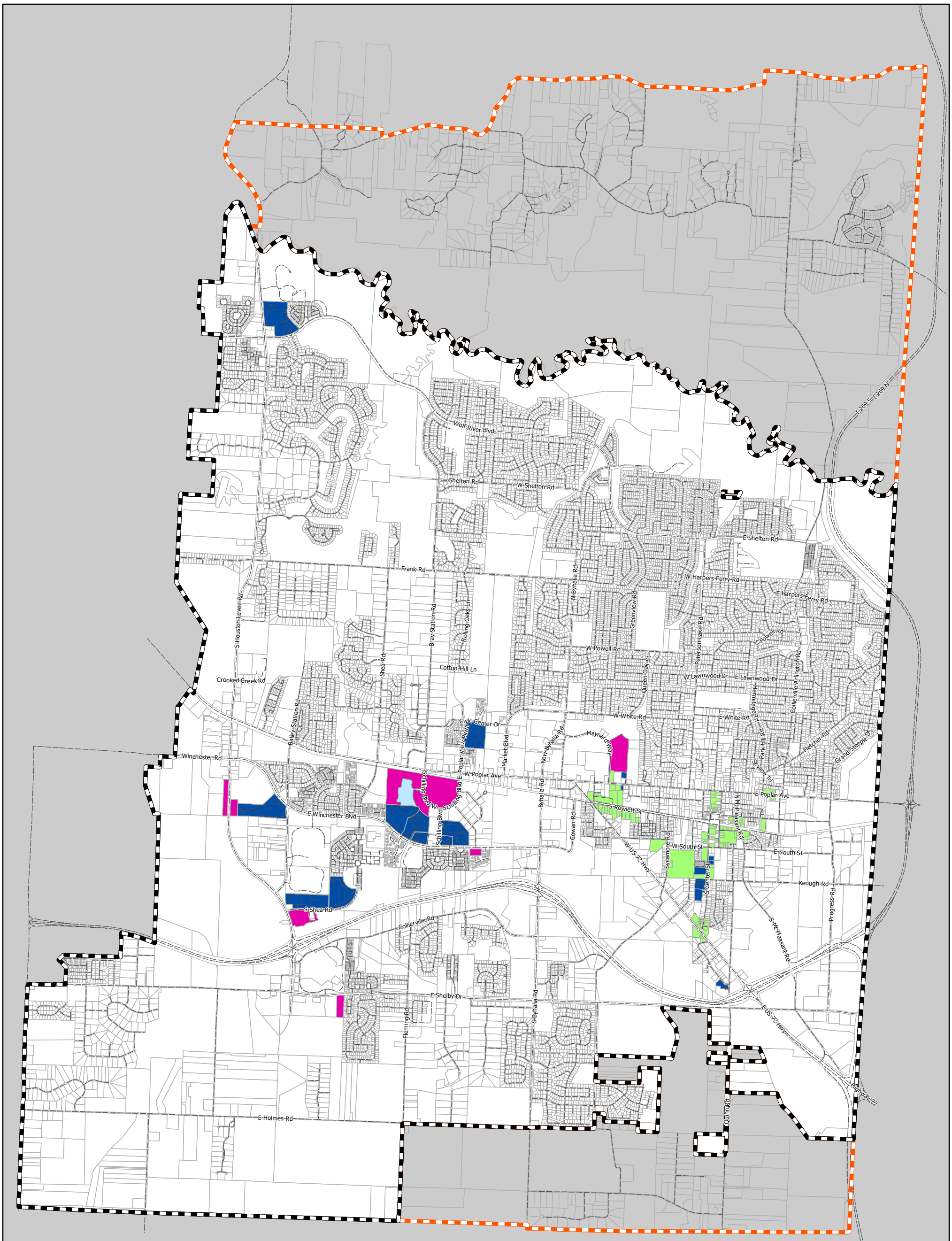
* Does not include the 256 stand-alone apartment dwellings pending in Schilling Phase 66 (The Water Tower District)
** Group quarters include Assisted Living, Nursing Home, Independent Living, & Congregate Care

Figure 4: Stand-Alone Apartment Dwelling Unit Summary (July 2020)

Source	Units
Existing	2,592
Construction Approval Pending	256
Maximum Per Conventional Zoning (Not Approved Yet for Construction)	187
Maximum Allowed Per Planned Developments (Not Approved Yet for Construction)	539
Downtown Study Area @ Build-Out	551
Sub-Total (Excluding Downtown Study Area)	3,574
Sub-Total (including Downtown Study Area)	4,125

Appendix A: Commonly-Used Terms in Collierville for Attached Units

Term and Description	Commentary on Form and Ownership	Example
Stand-alone Apartments: These dwellings can be attached side-by-side, or on top of each other.	There are most often multiple structures on one lot, but in Downtown Collierville it may be appropriate for apartments to be in a single building tucked into a block. Standalone apartment complexes are required to be screened from residential areas and must meet architectural and site design standards. While they have their place in providing a diverse land use mix, the Town has grown increasingly concerned about large standalone apartment complexes and clusters of separate complexes, as the intensity and scale of these forms is often not consistent with the predominately single family neighborhoods in the community. The Town has special design guidelines to require such architecture and buffering. An entity owns and maintains the single lot and units are rented. This is a commercial venture and they pay commercial property tax rates.	Local examples are Signature at Schilling Farms and Westbrook Crossing.
Townhouse Units: These dwellings are to be attached side-by-side fee simple dwelling units with lot lines running under the walls that separate the units, which are usually 4 to 8 per building. If arranged as fee simple lots, "quadplexes" can have similar attributes as townhouses.	Each unit would typically have a small front yard and back courtyard (or side courtyards on the end units). The Town has special design guidelines to require parking and garages to the back in some cases (like Downtown), so that the emphasis is on the architecture. Almost always there are homeowners associations to take care of common private improvements, like driveways, parking lots, lawn areas or detention ponds. There is nothing to prevent an individual homeowner from renting their unit to someone, and someone could own multiple dwellings and rent them out (if the homeowners association allows it).	A local example is Central Square on Center Street. They are fee simple. Many are owner-occupied. Some are rented. The Towne at Byhalia Commons (under construction) is another example of fee simple townhouse units.
Duplex/Triplex Units: These dwellings are attached side-by-side with each two- or three-unit building being on a single, fee simple lot. If there are multiple buildings and lots, this type of development can resemble a stand-alone apartment complex.	Duplexes and triplexes can also be designed to blend in with single family areas and are an excellent transitional use/form adjacent to nonresidential areas. The Town has special design guidelines to require parking and garages to the back in some cases (like Downtown), so that the emphasis is on the architecture. There is nothing to prevent an individual lot owner from renting their unit (or the other side of their unit) to someone, and someone could own multiple duplexes and rent them out. A local example is South Street Station in the Downtown area (approvals were finalized last night with the rezoning to TN: Traditional Neighborhood). Duplexes are seen as a commercial venture and they pay commercial property tax rates.	A local modern example is South Street Station (10 units) on South Street. Each structure contains 2 dwellings and each structure is on a separate lot (5 lots total). The dwellings are rented.
Condominiums: These can look like apartment complexes, duplexes/triplexes/quadplexes, or townhouses. The main difference with a condominium (often called a condo) is the form of ownership.	The difference between an "apartment" complex and condominium is purely legal. There is no way to differentiate a condominium from an apartment simply by looking at or visiting the building. What defines a condominium is the form of ownership. Individual home ownership within a condominium is construed as ownership of only the air space confining the boundaries of the home. A condominium complex is a collection of individual home units and commonly-owned spaces/areas/features along with the land upon which they sit, like hallways, exterior building facades, driveways, parking lots, lawn areas, or detention ponds. Condominiums have conditions, covenants, maintenance fees/dues, restrictions, and often additional rules that govern how the individual unit owners are to share the common spaces/areas/features. The Town has special design guidelines to require parking and garages to the back in some cases (like Downtown), so that the emphasis is on the architecture. There is nothing the Town can do to prevent an individual homeowner from renting their unit to someone, and someone could own multiple dwellings and rent them out (if the homeowners association allows it).	A local example is The Oaks at Schilling Farms Condominiums. Many are owner-occupied. Some are rented.
"Live/Work" Units: These could be under single ownership (like a townhouse), but the owner could have nonresidential uses downstairs	This is very different from a home occupation. Many of these, from experience in other parts of the country, are initially used 100% for residential on the ground floor, and they have the flexibility to do retail one day (maybe years down the road). By design, these areas are built to evolve. We do not have any local examples of these.	Kentlands, Maryland, is a national example of a development with live/work units.
"Loft" Units: These units are simply dwellings atop retail or office buildings. They are sometime called "live-above" units. A building with residential and nonresidential use inside is called a "mixed use" building type.	These units could be rented as apartments, but they could also be set up as condos for ownership of the "airspace". A development called Birkdale Village in Huntersville, NC, which is similar to Collierville and outside of Charlotte, has such units. Locally, we have two of these development forms. One is the Kelsey Building on the east side of the Square. The second is the "coffee shop" floor use in the Carrington I. These upper floor units could be rented, with clusters of these atop what is essentially a shopping center, or simply used as a home by the fee simple lot owner/shop owner. We have the land use policies and zoning tools in place to do more of these over time, and we will likely see more as the market for this develops (near Square, Center Street, Schilling Farms, Price Farms, and I- 269 area).	The pending Water Tower District development in Schilling Farms will have dwelling units atop retail or office buildings.



Appendix B: Existing and Future Stand-Alone Apartment* Development

Apartment Areas

- Pending / Under Construction
- Entitlement Area
- Small Area Plan**
- Existing
- Town Boundary

1 inch = 3,750 feet

February 19, 2020

Notes:

* Summary of attached dwellings likely to be stand-alone (rental) apartments. "Live above" and other types of residential dwellings located above ground-floor non-residential uses (e.g. retail and office) and vertically-attached residential dwellings (e.g. duplexes) with fee-simple (via individually platted lots) or (clearly documented plans for) condominium ownership are not counted towards the "no net gain" cap on multifamily units in the 2040 plan.

** Small Area Plan: All of these properties are not likely to develop as stand-alone apartments. There are existing uses/structures to remain or other uses are more likely (e.g. detached residential, retail, office) per the Downtown Collierville Small Area Plan. In some cases, stand-alone apartment uses are only appropriate for a portion of the sub-areas highlighted in this map per conditions described in the applicable Small Area Plan. Properties unlikely to develop as stand-alone apartments are not shown as potential sites. Consult the Downtown Collierville Small Area Plan to see if a property is eligible for redevelopment as stand-alone apartments. The BMA clarified that stand-alone apartments are not appropriate in the I-269 Small Area Plan per a plan amendment adopted in 2014, but other forms of attached dwellings are.

H:\arcgis_projects\Planning\MapDocuments\Multifamily_2020.mxd