

Town Code & Land Use Management Ordinance Text Amendments



**Town Council
October 22, 2025**

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Background

A new consultant team is moving forward with drafting the updated LUMO.

Staff plan to share an update on the work in January.

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Background

Earlier in the year, Council expressed interest in accelerating some portions of the LUMO rewrite.

Staff are recommending a suite of text amendments that reflect Councilmember interests, public discussions regarding LUMO, and best practices.

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Procedures

- Open the public hearing
- Receive and provide comment
- Continue the hearing to November 19, 2025

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Amendment Summary

Procedural Improvements

- Site Plan Review
- Concept Plan Review
- Conditional Zoning
- Special Use Permits
- Subdivisions

Substantive Improvements

- Lot layout standards
- Infrastructure requirements
- Two-family housing options
- Parking regulations
- Manufactured homes
- Signs

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Concept Plan Review

Proposed: Remove concept plan review for new conditional zonings and special use permits.

- Public concept plan review is not a widely used process in North Carolina.
- Current practices reinforce a culture of project-by-project decision-making and create additional barriers to entry.
- Council-supported improvements to our staffing, policies, and adopted plans can allow the Town to step back from public concept plan reviews.
- The core interests behind concept plan review can be better served through strategic community engagement and meaningful collaboration with Town staff.

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Conditional Zoning

Proposed: Streamline the conditional zoning process for all application types by implementing the following improvements:

- 1. Allow Council approval after one meeting*
- 2. Right-size application submission requirements*
- 3. Increase flexibility after Council approval*
- 4. Remove advisory board review after Council approval*

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Conditional Zoning

- Streamlining our most widely used zoning tool makes it easier for Chapel Hill to get the development results it needs.
- Strengthens the Town's ability to negotiate for **community interests**.
- Reduces the **risk, cost, and time** associated with our processes.
- Improvements have been tested through previous projects.

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Special Use Permits

Proposed: Allow properties with existing SUPs to add new permitted uses or development.

- Facilitates the redevelopment, reuse, or evolution of properties with old SUP's.
- The addition of new “special uses” will always require Council approval.
- Examples of redevelopment or reuse could include:
 - ☐ Office building adding a charter school.
 - ☐ Retail building adding an office tenant.
 - ☐ Place of worship adding housing.

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Site Plan Review

Proposed: Remove Planning Commission's site plan review for most projects.

- Site plan review is a purely administrative process that is redundant of other mandatory review processes.
- Administrative decisions are best made by staff, rather than appointed or elected officials.
- Site plan review will remain for Pine Knolls and Northside as required by their NCD rules.
- Rather than reviewing for compliance with all of LUMO, site plan review will focus only on NCD rules.

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Subdivisions

Proposed: Give the Town Manager authority over all subdivision approvals.

- Subdivision approval is a purely administrative process the often requires Planning Commission or Town Council approval.
- Administrative decisions are best made by staff, rather than appointed or elected officials.
- Reassigning responsibility creates **clear expectations** for applicants and the public.

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Minimum Lot Sizes

Proposed: Decrease minimum lot sizes and related dimensions.

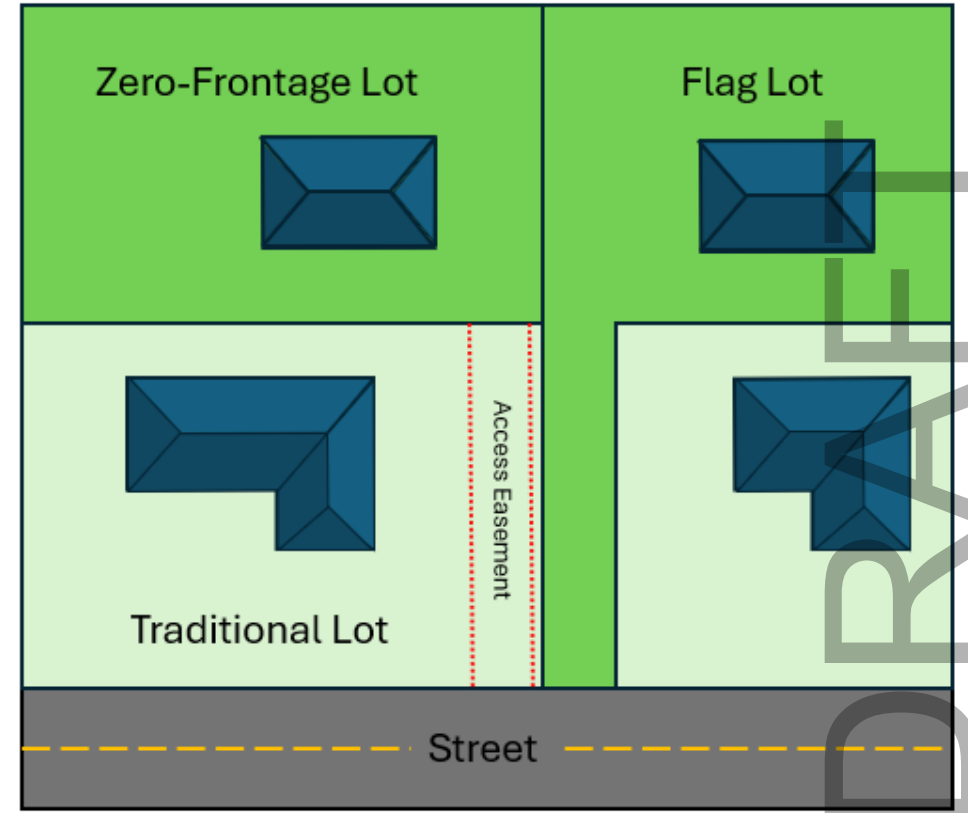
- Minimum lot sizes hurt affordability and have historically had an exclusionary impact.
- Reducing lot sizes enables incremental growth in areas already well-served by Town services and infrastructure.

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Lot Layout Standards

Proposed: Allow flag lots and zero-frontage lots

- Diverse lot layouts can support incremental in-fill development.
- Chapel Hill's development history means that we have many large lots that cannot be easily subdivided.



Infrastructure Requirements

Proposed: Reduce infrastructure requirements for new lots on existing local streets.

New lots on existing local streets must currently provide:

- ☐ Adequate right-of-way
- ☐ Adequate pavement width
- ☐ Curb and gutter
- ☐ Sidewalks

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Infrastructure Requirements

Proposed: Reduce infrastructure requirements for new lots on existing local streets.

Proposed rules will not require construction of any new infrastructure:

- ☐ Adequate right-of-way
- ☒ Adequate pavement width
- ☒ Curb and gutter
- ☒ Sidewalks

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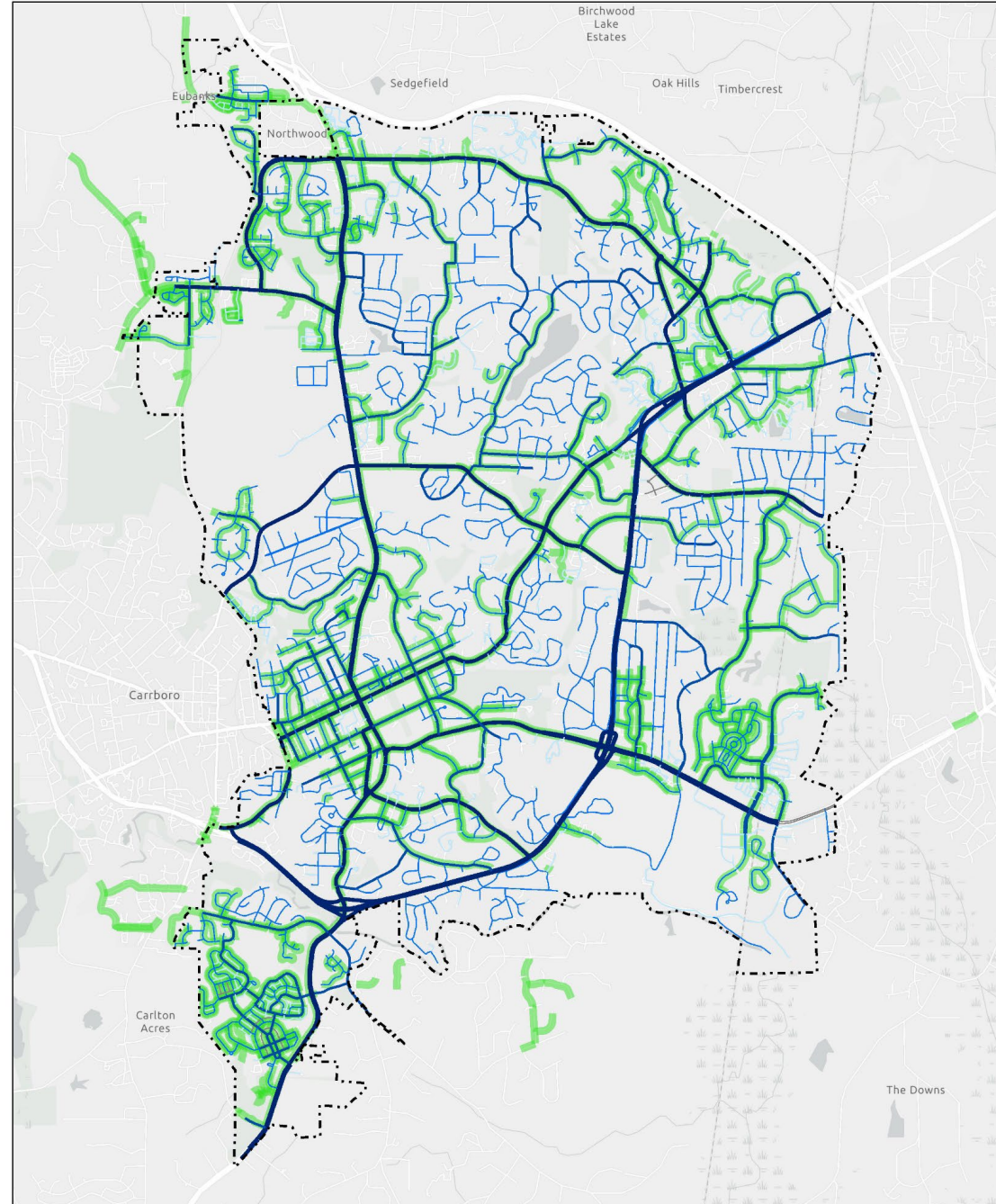
Infrastructure Requirements

Proposed: Reduce infrastructure requirements for new lots on existing local streets.

- Right-sizing our infrastructure requirements can support incremental in-fill development.
- The high cost of requiring sidewalks, wider pavement, and curb & gutter is disproportionate to the limited benefits created for the Town.
- The increased tax revenue generated by new lots is more beneficial than the one-time fees the existing rules occasionally generate.

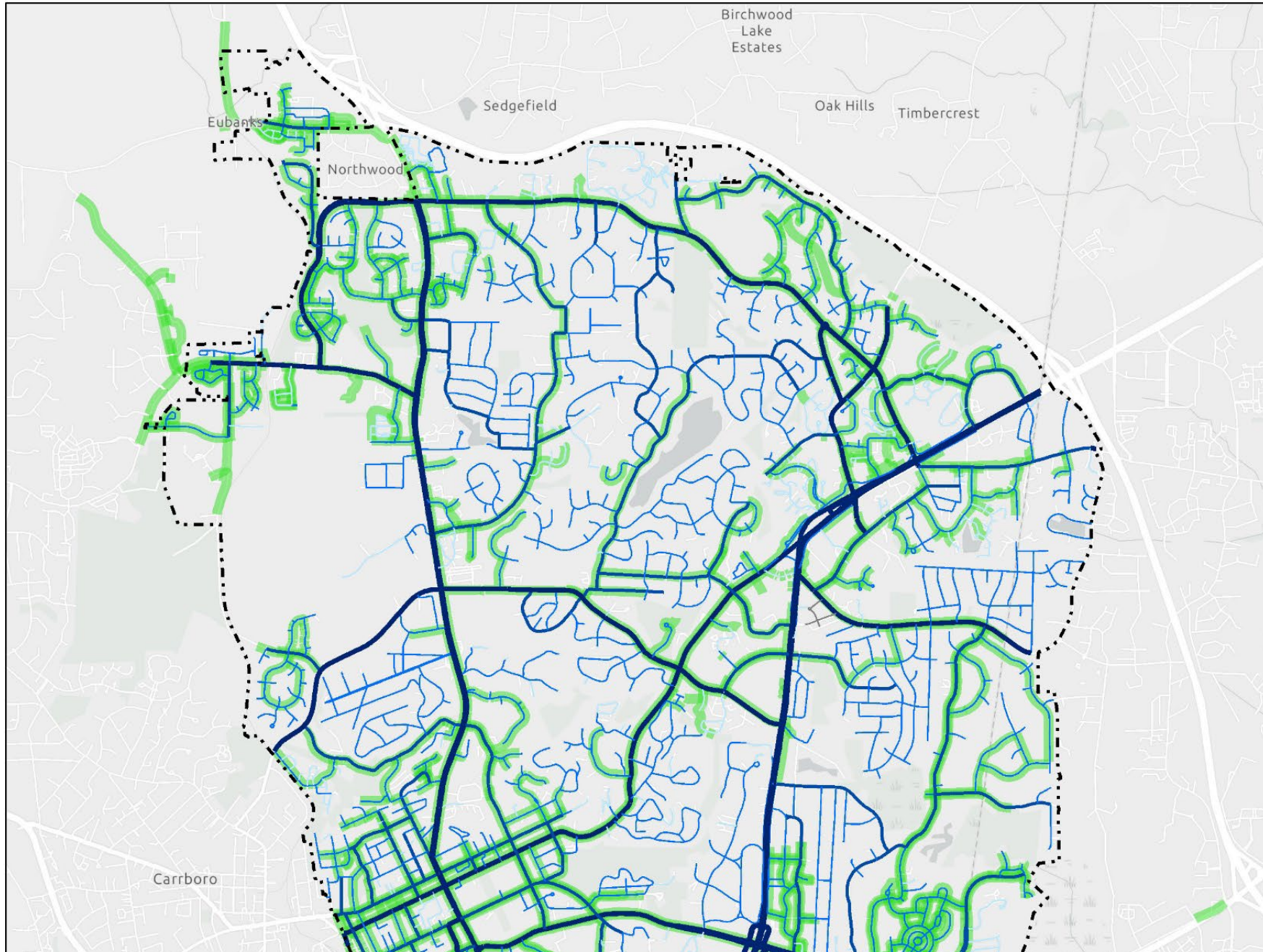
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Chapel Hill Streets and Sidewalks

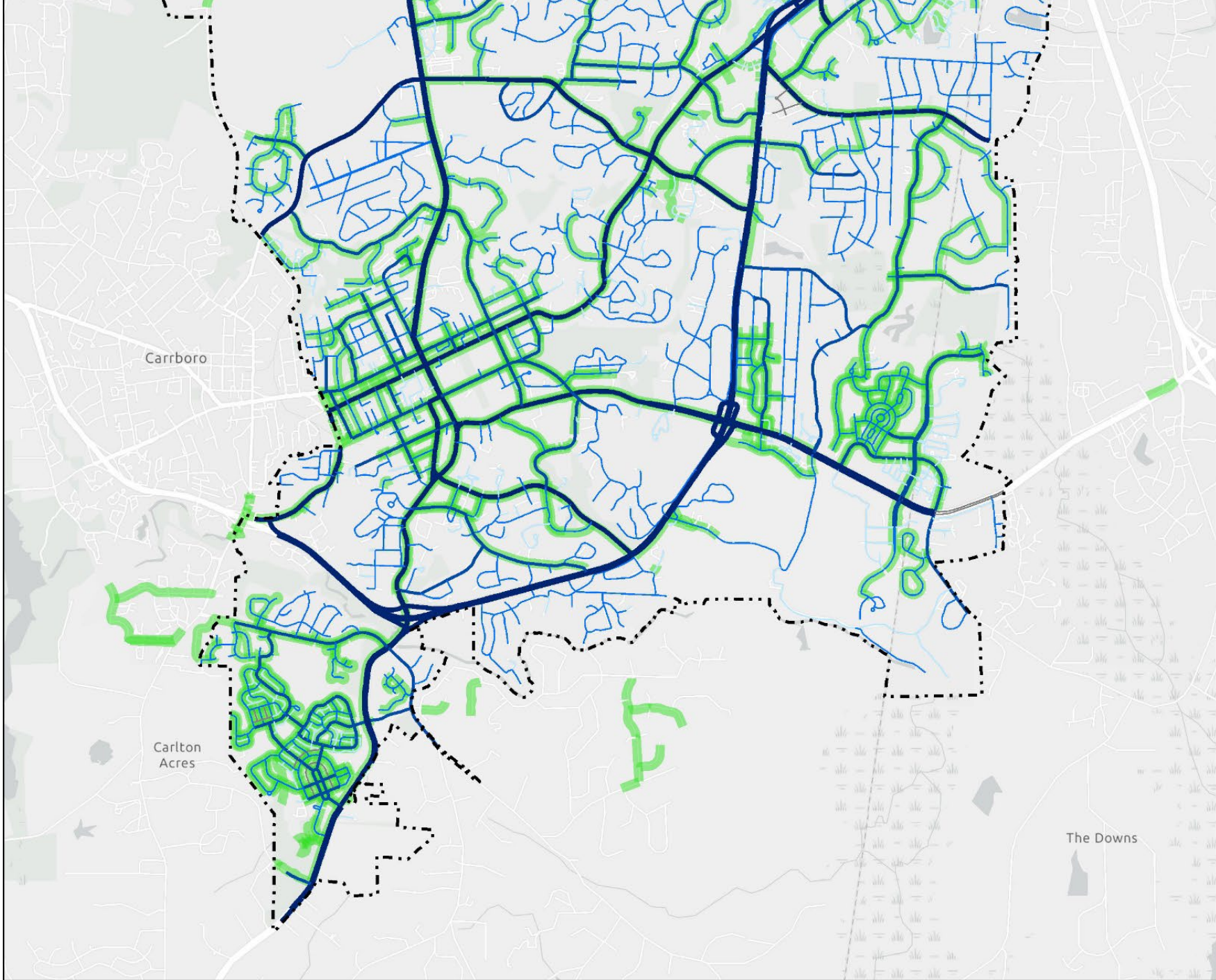


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Chapel Hill Streets and Sidewalks



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Infrastructure Requirements

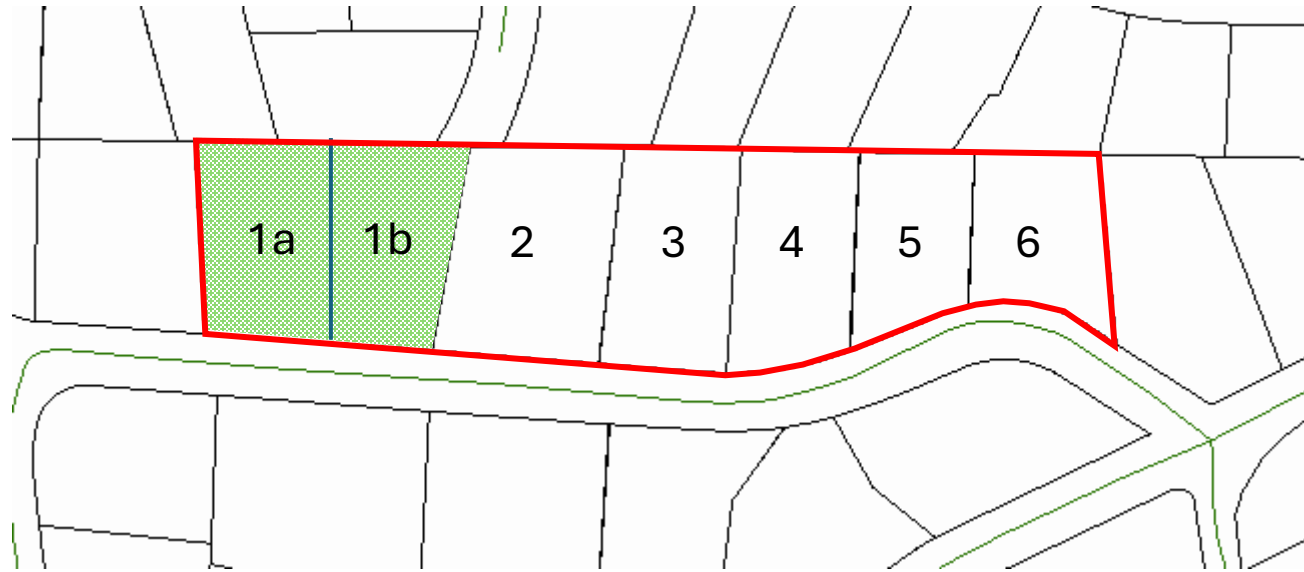


Lot 1 is almost **twice the size** of Lots 3-6 but has the **same assessed land value**.

As single-family lots become bigger, **tax value per acre decreases**.

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Infrastructure Requirements



A typical payment-in-lieu would likely be \$8,000 - \$10,000.
Town use of the funds is strictly limited.

Subdividing Lot 1 would add at least **\$3,500 in annual revenue**.
General fund revenue can be used for almost any legitimate Town purpose.

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Two-Family Housing

Proposed: Increase maximum size limits and remove parking restrictions for duplexes.

- Proposed rules would allow duplexes up to 5,000 square feet and remove the two parking space limit on duplexes.
- Updated limits are more likely to support **financially feasible projects**.

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Parking Minimums

Proposed: Remove mandatory parking minimums for new development.

- Eliminating Town parking minimums is an important step in the right direction.
- Mandatory parking minimums are not aligned with the Town's sustainability goals.
- Impacts on neighborhoods will likely be minimal, but monitoring will be essential.

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Manufactured Home Communities

Proposed: Allow existing manufactured home communities to continue as permitted uses.

- Stronger legal status for manufactured home communities can help residents.
- Manufactured home communities are **non-conforming uses** throughout Town.
- Non-conforming status for existing communities **prevents quality-of-life improvements**.

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Signs

Proposed: Update elements of the sign code and allow additional types of signs in residential zoning districts.

Updates would include:

- ☐ Smaller minimum letter height requirements.
- ☐ Relaxed restrictions on sign “raceways.”
- ☐ Additional sign types allowed in residential zoning districts.

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Procedures

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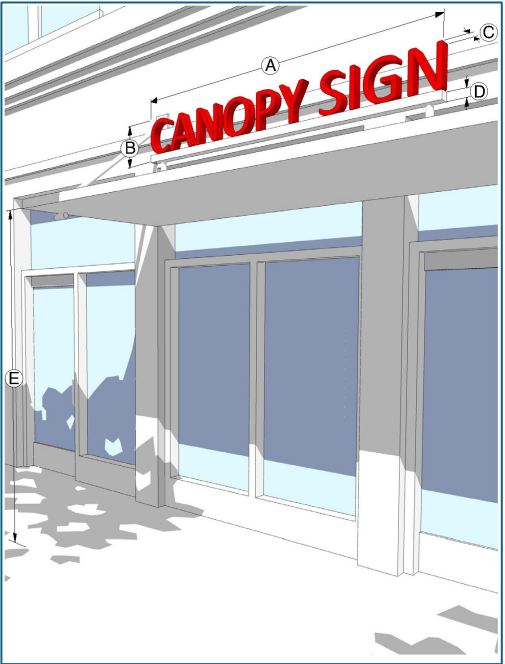
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Appendix

Proposed Lot Dimensions and Setbacks					
Zoning District	Minimum Lot Size (Square Feet):	Street Frontage (Feet):	Lot Width (Feet):	Street Setback (Feet):	Interior Setback (Feet):
	"Current" ↓ "Proposed"	"Current" ↓ "Proposed"	"Current" ↓ "Proposed"	"Current" ↓ "Proposed"	"Current" ↓ "Proposed"
R-1A	25,000	80	100	29	15
	↓ 10,000	↓ 48	↓ 60	↓ 26	↓ 10
R-1	17,000	64	80	28	14
	↓ 10,000	↓ 48	↓ 60	↓ 26	↓ 10
R-2A	14,500	56	70	27	10
	↓ 7,500	↓ 40	↓ 50	↓ 24	↓ 8
R-2	10,000	52	65	26	11
	↓ 7,500	↓ 40	↓ 50	↓ 24	↓ 8
R-3	5,500	40	50	24	8
	↓ 4,000	↓ 36	↓ 42	↓ 22	↓ 6
R-4	5,500	40	50	22	8
	↓ 4,000	↓ 36	↓ 42		↓ 6
R-5	5,500	40	50	20	6
	↓ 4,000	↓ 36	↓ 42		↓ 5
R-6	5,500	40	50	20	6
	↓ N/A	↓ N/A	↓ N/A	↓ 16	↓ N/A

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Appendix



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