Town Code & Land Use Management Ordinance Text Amendments



Town Council October 22, 2025

Background

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

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

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.

Procedures

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

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

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.

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

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.

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.

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.



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.

Minimum Lot Sizes

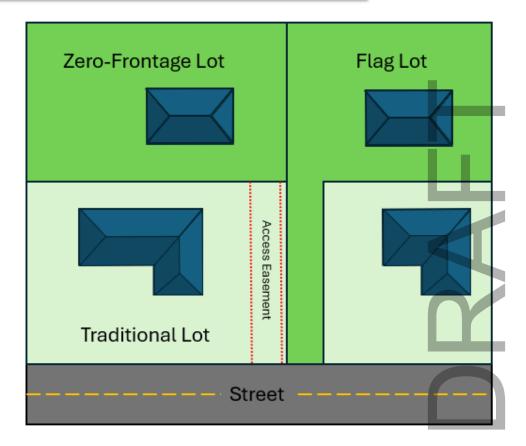
Proposed: Decrease minimum lot sizes and related dimensions.

- 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.

Lot Layout Standards

Proposed: Allow flag lots and zero-frontage lots

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



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



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

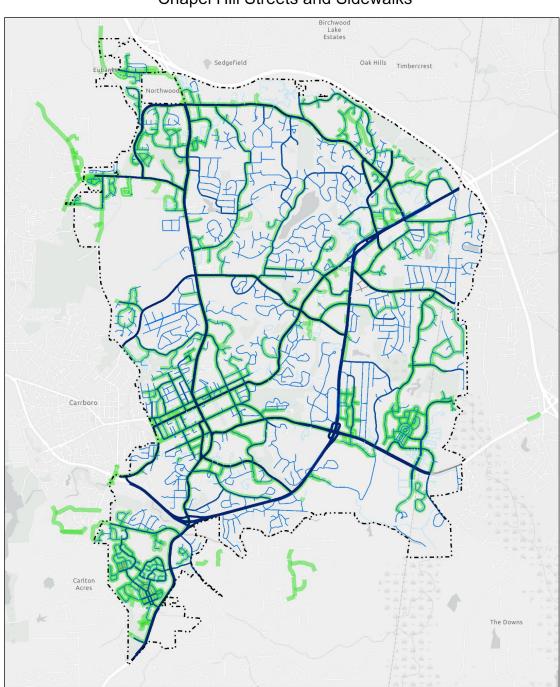
Proposed rules will not require construction of any new infrastructure:

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

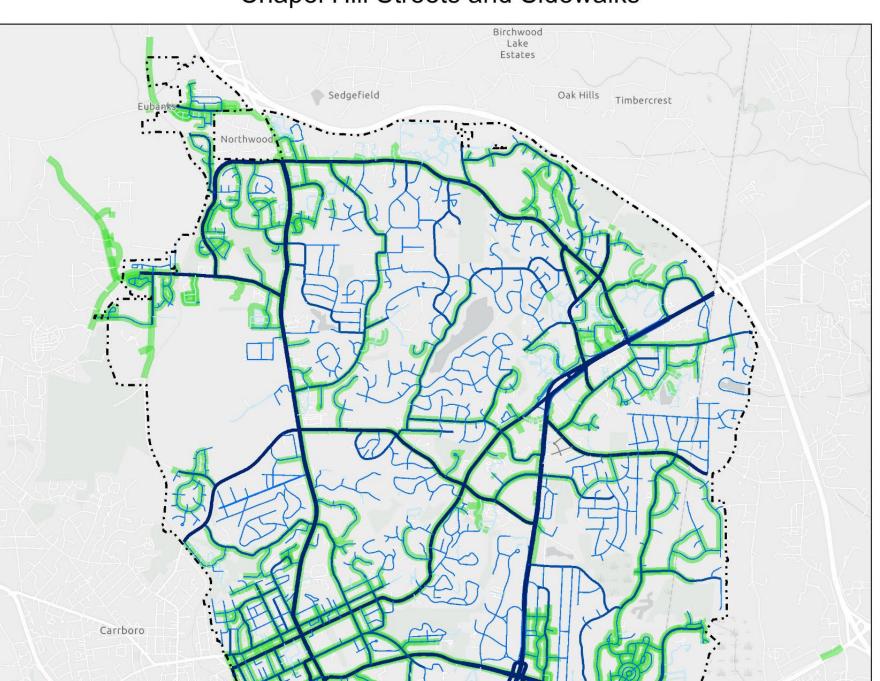
Proposed: Reduce infrastructure requirements for new lots on existing local streets.

- 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 onetime fees the existing rules occasionally generate.

Chapel Hill Streets and Sidewalks



Chapel Hill Streets and Sidewalks





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.



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.

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.

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.

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.

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.

Procedures

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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"	"Current"	"Current"	"Current"	"Current"
	↓	↓	↓	↓	↓
	"Proposed"	"Proposed"	"Proposed"	"Proposed"	"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 ↓ 4,000	40 ↓ 36	50 ↓ 42	22	8 ↓ 6
R-5	5,500 ↓ 4,000	40 ↓ 36	50 ↓ 42	20	6 ↓ 5
R-6	5,500	40	50	20	6
	↓	↓	↓	↓	↓
	N/A	N/A	N/A	16	N/A

Appendix

