

### ITEM #14: Omnibus Text Amendment to the Chapel Hill Land Use Management Ordinance and Town Code

#### **Council Question:**

Instead of being "an opportunity to share (my) opinions", I have seen the Concept Plan Review as a way to evaluate the project against the Town's goals and to provide my input on options, trade-offs, and priorities for the project using the Complete Community framework as a guide. I've also seen it as part of the negotiation process for community benefits and have had a number of developers tell me that they appreciate the Concept Plan review and the chance to hear from the people who are tasked with making the ultimate decision.

The premise behind the proposal is that strategic community engagement and staff consultation will do a better job. The following questions are about how that would work:

1. What would the new processes look like, how and when would options and trade-offs be evaluated and decided, what will a feedback loop look like, and how we will maintain transparency?

### Staff Response:

Rather than requiring a formal concept plan review, applicants will be encouraged to seek informal consultations with Town staff that represent a wide range of Town interests. This would include, at minimum, staff representing affordable housing, planning, and urban design. Additional consultations with staff representing sustainability, fire, and stormwater could be held if the project warrants their early input.

Because staff are well-versed in Council priorities, Town policies, the Comprehensive Plan, regional plans, best practices in urban design, and the LUMO, they will be fully equipped to counsel applicants. Staff already have these sorts of meetings with applicants and they are oftentimes used as an opportunity to evaluate options and tradeoffs.

As the Complete Community Strategy intended, this shift would allow Council to take a step back from project-by-project decision-making and instead focus on ensuring that its priorities are clearly articulated.

Like today, prospective conditional zoning applicants would still be free to discuss their projects with any Council members that are open to doing so.

The public discussions related to the subsequent conditional zoning application (e.g., public information meetings and public hearings) would be the primary opportunity to close feedback loops and offer transparency into staff consultations.



## <u>ITEM #14</u>: Omnibus Text Amendment to the Chapel Hill Land Use Management Ordinance and Town Code (Cont'd)

2. Should we choose to keep Concept Plans entirely or in non-Focus Areas, what changes does staff recommend for making the process more effective and efficient while also achieving our interests?

### Staff Response:

The current concept plan review process is already relatively streamlined. Limited additional improvements could include (1) reducing the level of detail applicants are asked to provide with their concept plans or (2) scheduling concept plans closer to the beginning of Council meetings rather than reserving them as the final items on the agenda.

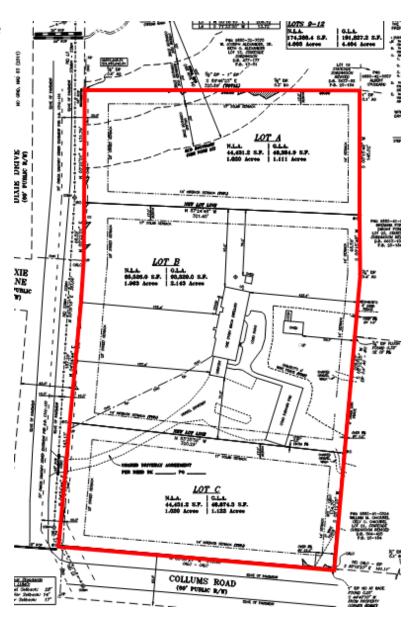
#### **Council Question:**

For amendments that would impact things like dimensional standards and setbacks and the resulting changes to impervious surface and tree canopy: Please share any analysis that you've done and what it shows in terms of improved outcomes, possible consequences? If it hasn't been done, can you apply changes to previous projects so everyone can better understand?

### Staff Response:

Staff have conducted sketch-level "test fits" to understand how some recent subdivisions could have yielded more lots if smaller lots were allowed.

The following images are an example of a test fit. The image to the right represents a 4-acre lot that was subdivided in 2024.



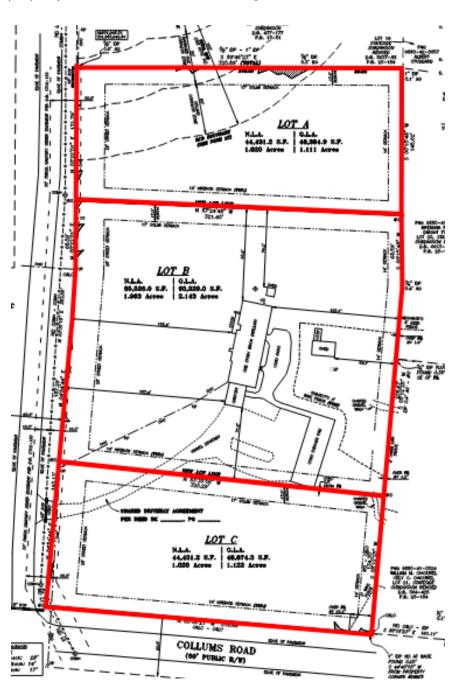
Prepared by the Town of Chapel Hill 10/22/2025



# ITEM #14: Omnibus Text Amendment to the Chapel Hill Land Use Management Ordinance and Town Code (Cont'd)

### Staff Response (Cont'd):

The 4-acre lot was divided into three lots: one 2-acre lot that preserved the existing house and two 1-acre lots. Notably, the existing zoning for this property includes a minimum lot size of 17,000 SF (.39 acres) so the property owner could have included a few more lots.

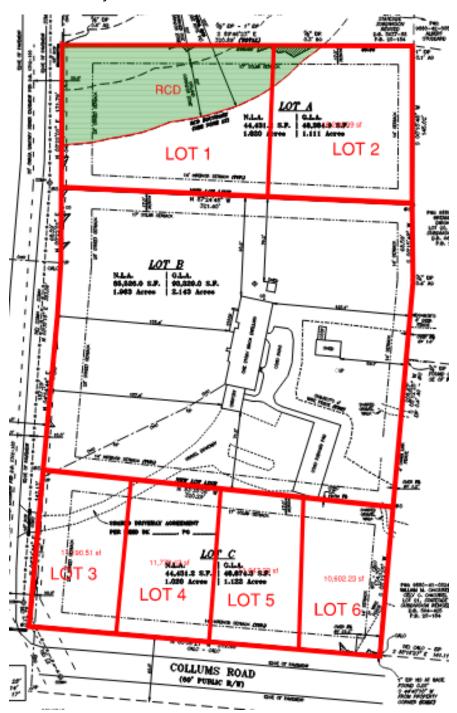




## ITEM #14: Omnibus Text Amendment to the Chapel Hill Land Use Management Ordinance and Town Code (Cont'd)

### Staff Response (Cont'd):

With the proposed 10,000 SF minimum lot size, at least 7 total lots would be possible on this site. PLEASE NOTE: The creation of this many new lots would trigger requirements for on-site stormwater management that have not been factored into the sketch below.





## <u>ITEM #14</u>: Omnibus Text Amendment to the Chapel Hill Land Use Management Ordinance and Town Code (Cont'd)

#### **Council Question:**

For amendments that would impact things like dimensional standards and setbacks and the resulting changes to impervious surface and tree canopy: The report mentions that it is difficult to assess changes to impervious surface and our current lack of an official Urban Tree Canopy goal. What would be the necessary steps to further analyze and address each of those?

#### Staff Response:

There are various ways in which we could try to understand the potential amount and distribution of new impervious surface. Whether we use the "more detailed" or "less detailed" analyses described below, we would need to make some major assumptions about the likely rate of new development – something that is notoriously difficult to forecast. The "more detailed" analysis described below would also require significant Town resources.

While we can try to contextualize some of these numbers (e.g., "a 1% increase in impervious cover per year" or "a .5% decrease in canopy cover per year"), understanding their impact would require additional analysis that is more resource intensive. For example, we may be able to approximate the amount of new impervious surface that could be added in a given year. But that information does not meaningfully examine impacts like downstream flooding or stream degradation. To understand those impacts, the Town would need to commission something akin to a townwide stormwater impact analysis.

#### "Less Detailed Analysis"

<u>Impervious Surface</u>: A rudimentary analysis would identify a range of potential new homes that could be built each year and assign an expected amount of new impervious surface to each new home. Considering a range of outcomes is critical because forecasting the potential rate of new home construction is essentially impossible to do with any meaningful level of certainty.

Hypothetical values could look like:

A. (40 new homes per year) (4,000 square feet of impervious per home) = 160,000 square feet of additional impervious surface per year.

OR

B. (20 new homes per year) (4,500 square feet of impervious per home) = 100,000 square feet of additional impervious surface per year.

OR

C. (10 new homes per year) (3,500 square feet of impervious per home) = 35,000 square feet of additional impervious surface per year.

We typically think about the impacts of impervious surface in terms of watersheds or sub-watersheds. The ranges described above could be used to understand how much additional impervious surface could be added to a sub-watershed.



## ITEM #14: Omnibus Text Amendment to the Chapel Hill Land Use Management Ordinance and Town Code (Cont'd)

### Staff Response (Cont'd):

If all 40 homes from example A above were built in the Lower Booker Creek sub-watershed, they would represent a 1% increase in the total amount of impervious surface in that sub-watershed. Since it is highly unlikely that all new homes in a given year would be built in the same sub-watershed, the impacts described above would be spread out among many sub-watersheds.

<u>Tree Canopy</u>: Like impervious surface, a rudimentary analysis of tree canopy impacts would identify potential canopy loss associated with each new home. Under a worst-case scenario, we could assume that all new impervious involves an equivalent or greater amount of tree canopy loss and does not involve any mandatory tree replacements. Using the numbers from above, potential hypothetical ranges could look like:

A. (40 new homes per year) (4,500 square feet of lost tree canopy) = 180,000 square feet of lost tree canopy per year.

OR

B. (20 new homes per year) (5,000 square feet of lost tree canopy) = 100,000 square feet lost tree canopy per year.

OR

C. (10 new homes per year) (4,000 square feet of lost tree canopy) = 40,000 square feet of lost tree canopy per year.



For context, the census tract highlighted in orange here has a tree canopy coverage of about 79% or roughly 32 million square feet. If all 40 of the homes described above were built in this census tract, they would represent a reduction in tree canopy of .5%.

As with impervious surface, it's highly unlikely that new development would be concentrated to a single census block, so the impacts on tree canopy would be more diffuse across town.



## ITEM #14: Omnibus Text Amendment to the Chapel Hill Land Use Management Ordinance and Town Code (Cont'd)

Staff Response (Cont'd):

### "More Detailed Analysis"

A more detailed study to understand potential changes to impervious surface and tree would need to begin with an estimate of how many lots in Chapel Hill would be viable options for subdividing after lot sizes are reduced. Each sub-watershed could then be assigned a theoretical maximum number of new lots that could be created.

The following methodology could produce somewhat accurate results but would include steps that are either very labor-intensive (e.g., steps 5 and 6) or involve drawing conclusions about the legal documents (e.g., step 4):

- 1. Identify all lots in the R-1A through R-6 zoning districts that are least twice as large as the proposed minimum lot size for their respective zoning district.
- 2. Exclude lots that are subject to RCD buffers.
- 3. Exclude lots whose topography would pose a challenge to new construction.
- 4. Exclude lots that are subject to restrictive covenants that prohibit further subdivision of land.
  - We know, speaking very generally, that most newer subdivisions established covenants of this sort when they were created. However, as discussed during prior text amendment deliberations, any Town-led inquiry into the legal status or impact of restrictive covenants is extremely fraught and should be avoided.
- 5. Exclude lots whose shape would preclude subdividing even if using a zero-frontage or flag lot option.
  - With tools currently available to Town staff, this would likely need to be manual exercise.
- 6. Exclude lots that would be difficult to subdivide due to the location of existing homes.
  - With tools currently available to Town staff, this would likely need to be manual exercise.

Identifying the total number of lots that could potentially subdivide gives us a theoretical maximum, but not a rate of change. To understand the rate of change, we would need to estimate the number of lots that are likely to be subdivided in a given time period (e.g., new lots per year).

This is a particularly difficult figure to estimate when dealing with in-fill development because almost every existing subdividable lot represents at least one property owner that would need to individually choose to subdivide their land. This contrasts with greenfield development where the construction of several dozen or even hundreds of homes could depend on the decision of a very small number of property owners. Historic trends in home construction could be informative but would need to be adjusted to account for the different dynamics associated with in-fill development.



## <u>ITEM #14</u>: Omnibus Text Amendment to the Chapel Hill Land Use Management Ordinance and Town Code (Cont'd)

#### **Council Question:**

Relatedly, we know that the LUMO is a blunt tool. What are the pros and cons as well as the options available to us to address things like stormwater, tree canopy, and connectivity in a more nuanced way? Are there things we need to put in place simultaneously to meet those interests?

#### Staff Response:

LUMO's biggest limitation is that it is primarily intended for managing new development. In general, zoning ordinances are best suited for mitigating the direct impacts of new development, rather than using new development to actively improve preexisting deficits in the community. Strategic public investment is typically the best tool to pick up where zoning leaves off.

We most often see this dynamic at play with stormwater management. Even when new developments are required to address the 100-year storm the mandate is still fundamentally "do not make things worse." No number of new developments that control for the 100-year storm can meaningfully improve the Town's broader stormwater concerns. For the Town to systematically address its stormwater concerns, major public investments will be necessary.

#### **Council Question:**

Does passage of these changes now, rather than next spring with the full LUMO, make it difficult or impossible for us to make changes?

#### Staff Response:

The changes being considered now are all aligned with the full LUMO rewrite. Passage of the changes now, rather than with the full LUMO, will not impact the Town's ability to change course later. Regardless of when the changes are made, the primary obstacle to course corrections will be the new limits to downzoning enacted by the General Assembly last year.