



Council Work Session: Rewriting Our Rules – A LUMO Update and Policy Discussion

Planning Dept. Staff: Britany Waddell, Judy Johnson, Tas Lagoo

Town Council Meeting Date: October 18, 2023

Overview

Staff will update Council on “Rewriting Our Rules” – the project to comprehensively update our Land Use Management Ordinance (LUMO) – and listen to Council discussion on five key policy questions (discussed below). The key policy questions are based on several of the “Priority Improvements” identified in the attached Plan Alignment Memo prepared by Orion Planning + Design and other analysis conducted by the project team.

A brief “Planning Glossary” is included at the end of this document to make it more accessible to all readers.

Project Goals

We need a thorough update of LUMO to better implement the Town’s Comprehensive Plan.

LUMO was adopted in 2003 and since that time, the Town has adopted multiple Comprehensive Plan elements that are not reflected in the ordinance. By thoroughly updating LUMO, the Town can better implement:

- [Complete Community Strategy¹](#)
- [Future Land Use Map²](#)
- [Shaping Our Future: A Transportation and Land Use Initiative³](#)
- [Climate Action and Response Plan⁴](#)
- [Mobility and Connectivity Plan⁵](#)
- [Chapel Hill 2020⁶](#)

Key Policy Questions

For each of the policy questions included in this section, please consider the following prompts:

- Is this the general direction you believe Chapel Hill should move in?
- What tradeoffs are you most concerned about?
- Are there specific actions that the town should take in relation to this topic?
- What additional information do you need on this topic?

¹ <https://www.townofchapelhill.org/home/showpublisheddocument/53972/638222644055270000>

² <https://online.flippingbook.com/view/26191/>

³ <https://www.townofchapelhill.org/government/departments-services/planning/plans-and-ordinances/current-initiatives/shaping-our-future>

⁴ <https://online.flippingbook.com/view/857144275/>

⁵ <https://www.townofchapelhill.org/residents/transportation/bicycle-and-pedestrian/chapel-hill-mobility-and-connectivity-plan>

⁶ <https://www.townofchapelhill.org/home/showpublisheddocument?id=15001>

1. **By-Right Development:** *Should the LUMO expand opportunities for administrative development approvals (i.e., by-right development)?*

- The Town’s “20/40 Rule” requires new developments that exceed either 20,000 square feet of floor area or 40,000 square feet of land disturbance to obtain a Special Use Permit (SUP) or a Conditional Zoning (CZ).
- Expanding opportunities for by-right development can bring more predictability to the development review process. Lower barriers to entry can also result in more [equitable outcomes](#)⁷ for current and future residents.
- Conditional zoning allows the Town to negotiate with developers and secure commitments for community benefits that the Town cannot require through LUMO. However, the length, complexity, and uncertainty of the process are often cited as reasons that developers choose not to work in Chapel Hill.

2. **Development Intensity:** *Should LUMO and the zoning map be aligned with the development intensities called for in the Focus Areas of the Future Land Use Map (FLUM)?*

- LUMO controls development intensity using a variety of tools including (1) height limits, (2) floor area ratios (FAR), (3) building setbacks, and (4) landscape buffers.
- Often, these standards are not aligned with the development patterns identified in the FLUM. For example, the development intensity for the focus areas in the FLUM frequently exceeds LUMO’s current FAR and height limits.
- This mismatch between the FLUM and LUMO acts as a further source of pressure that pushes applicants towards the conditional zoning process, which is then used to modify many LUMO regulations on a project-by-project basis.

3. **Mixed-Use Districts:** *Should LUMO allow more by-right mixed-use options to support small-scale commercial uses such as corner stores, pharmacies, and restaurants?*

- Existing residential zoning districts do not support small-scale commercial development. Our current residential zoning districts are exclusively residential except for certain uses such as places of worship, schools, essential services, and daycares.
- Existing mixed-use districts include requirements for a minimum amount of commercial floor area. These minimum requirements are often modified through the conditional zoning process.
- Small-scale commercial development can improve walkability by placing amenities closer to or within residential neighborhoods.

⁷ <https://www.planning.org/publications/document/9264386/>

4. **Parking Minimums:** *Should LUMO lower or remove parking minimums? If so, for all uses or specific uses?*
 - The Planning Commission [petitioned Council](#) on June 21, 2023, to abolish parking minimums, significantly reduce parking maximums, and require the unbundling of parking costs from housing costs.
 - Developers often point to investor/lender requirements that they include parking as the driving force for providing parking, not LUMO standards.
 - Raleigh abolished parking minimums in 2022.
5. **Single-Family Homes:** *Should LUMO include regulations for single-family homes that are more consistent with regulations for other uses?*
 - LUMO currently exempts single-family homes from several standards (e.g., FAR, tree canopy coverage, and most stormwater regulations) that apply to other development.
 - State law imposes significant restraints on how local governments can regulate single-family homes. Any new regulations would need to be carefully crafted to stay within the Town’s authority.
 - Additional single-family dwelling unit regulations may add substantial cost to the property owner.

Next Steps

1. **November 13 Council Work Session:** Staff and project consultants are scheduled to return at the November 13, 2023, Council Work Session to discuss follow-up questions from October 18th and to present additional information regarding:
 - affordable housing incentives,
 - building design standards,
 - reorganized zoning districts.
2. **New Member Orientation:** Staff will present to Council in early 2024 to orient new Council members to the LUMO rewrite project and learn about the priorities of new members.
3. **Preparing the Draft LUMO:** Based on Council feedback, the project team will refine the proposed zoning district palette and continue to compile the draft LUMO. Additional focus group meetings may be held to test certain ordinance elements before the draft LUMO is published.
4. **Draft LUMO:** A preliminary draft of the revised LUMO will be presented to Council in Spring 2024. The project team will also host a series of public events to share the draft and receive public comment.

Attachments

1. Planning Glossary
2. Plan Alignment Memo prepared by Orion Planning + Design (June 21, 2023)

Planning Glossary

Plans and Regulations

Comprehensive Plan:

Chapel Hill's 2020 Comprehensive Plan was adopted in 2012 and defines the long-range vision for the town. It is meant to reflect the community's values, aspirations, and ideas. Since 2012, the Town Council has adopted several additional components to the 2020 Comprehensive Plan. You can learn more about each element of our comprehensive plan [here](#).⁸

Comprehensive plans are not laws, but they set the stage for other more detailed plans and regulations. In North Carolina, local governments must have a comprehensive plan or land use plan to adopt and enforce land use regulations (e.g., a zoning map and Land Use Management Ordinance).

Future Land Use Map (FLUM):

The FLUM is an element of Chapel Hill's comprehensive plan that defines a more detailed vision for how we want specific parts of town to look in the future. This plan directs the most substantial change in development and infrastructure to parts of town known as "Focus Areas." There are six Focus Areas located around major corridors including Franklin Street, US 15-501, and Martin Luther King Jr. Blvd

The FLUM acts as a bridge between the comp plan and the Land Use Management Ordinance (LUMO).

Land Use Management Ordinance (LUMO):

Most communities have regulations that govern development, including where a building can be located on a property, how tall it can be, or what it can be used for. This same set of rules can also determine the design of streets and parking lots, lighting and signs, stormwater infrastructure, and landscaping. In Chapel Hill, the current set of development regulations is called a Land Use Management Ordinance, or "LUMO." You can find the Town's Land Use Management Ordinance (LUMO) online [here](#).⁹

Land Use Tools

Zoning Districts:

Zoning districts are the fundamental building blocks of a zoning code and usually have abbreviated names that include a mix of letters and numbers to differentiate them (e.g., R-1, R-2, C, etc).

Zoning districts limit what sort of uses are allowed in a particular area and often have detailed requirements that control a building's size and its relation to its surroundings.

⁸ <https://www.townofchapelhill.org/government/departments-services/chapel-hill-2020>

⁹ https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=PTIICO_APXALAUSMA

Zoning Map:

The zoning map impacts how Chapel Hill looks and feels as a place. The zoning map is the geographic application of zoning districts. It takes the districts described in the code and applies them to different areas of town. This means each property has a zoning district applied to it.

By-Right Zoning:

If a proposed development fits within the rules of LUMO, a property owner can build it "by-right". Town staff would ensure the plans meet the standards of LUMO and approve the project without needing approval from the Town Council.

Conditional Zoning Districts and Special Use Permits:

In Chapel Hill, any development that includes more than 20,000 square feet of floor area or disturbs more than 40,000 square feet of land must receive a Conditional Zoning District or Special Use Permit. Either option involves extensive review from Town staff, the Planning Commission, and Town Council.

Floor area ratio (FAR):

Floor area ratio (FAR) is the ratio between the floor area of a building and the size of the lot. For example, a FAR of 2.0 means that the total floor area of a building can be twice as much as the area of the lot. A FAR of 2.0 is typical for a mid-rise office building or a mid-rise multi-family building. A FAR of 0.5 would likely be a retail strip mall with surface parking. Taller buildings will have a much higher FAR.

Setback:

Setbacks are the minimum distance a structure must be from the edges of the property line. This mostly addresses setbacks at the ground level. Some codes also require additional setbacks from the property line for upper floors on taller buildings.

Mixed use:

"Mixed Use" refers to properties or areas that include multiple land uses, instead of just a single use. Mixed use developments can include combinations of residential, commercial, office and other uses. Mixed use can be in a single building or in multiple buildings.