

# MEMORANDUM

Date: November 6, 2023  
To: Chapel Hill Town Council  
Tas Lagoo, Town of Chapel Hill  
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**SUBJECT: LAND USE MANAGEMENT ORDINANCE (LUMO) RE-ENVISIONED DRAFT ZONING DISTRICT PROPOSAL**

## OVERVIEW

This memorandum provides a summary of:

- The project background and purpose;
- The role of zoning in implementing our comprehensive plan and **Complete Community Strategy**;
- The process used to compose the revised draft LUMO district palette;
- How the proposed districts and align with community priorities established through recent planning efforts, including **Complete Community, Charting Our Future, and Shaping Our Future**;
- The proposed purpose of each district and how the proposed districts relate to the existing zoning designations in Chapel Hill;
- How lot, building, and street design elements can be used to reinforce a sense of place; and,
- An overview of next steps in the LUMO drafting process.

## PROJECT BACKGROUND AND PURPOSE

The comprehensive audit of the Town's **Land Use Management Ordinance (LUMO)**, completed in the spring of 2023 as part of the **Shaping Our Future Plan**, highlighted how the intent, composition, and characteristics of current zoning districts in Chapel Hill are out of alignment with past community planning efforts; most notably, the **Complete Community Strategy and Future Land Use Map (FLUM)**. The **Complete Community** effort served to highlight and reinforce core themes and community-driven priorities previously established by the comprehensive plan; namely, that land use decisions in Chapel Hill should:

- **Maintain the distinctive features and attributes that make the Town a desirable place to live and work;**
- **Create connected, attractive, and inclusive places that are more responsive to the effects of climate change;**
- **Attract, grow, and deliver programs and amenities to support Chapel Hill residents' quality of life; and,**
- **Reinforce social equity by expanding all residents' access to a healthy, safe, and fulfilling community.**

The LUMO plays an integral role in ensuring land use and development decisions reflect these core tenets moving forward. Town Council endorsed a comprehensive update of LUMO in Spring 2023. This update will align the regulatory framework of LUMO with the vision originally set by the FLUM and reinforced through **Complete Community**. An updated LUMO will better serve the Town by establishing clear parameters for development:

- **Where and how it can occur**
- **The process by which it will be evaluated**
- **The outcomes that can be expected by both developer and the community at large**

The composition of zoning districts serves as the foundation for the LUMO rewrite and the launch point from which the update process began.

#### **ZONING DISTRICTS AS A TOOL IN SUPPORT OF THE COMPLETE COMMUNITY STRATEGY**

It is important to ensure district purpose is aligned with plan goals. There are many other components that can be layered into a zoning district that reflect the qualities of a place or neighborhood and support a district's effectiveness in implementing **Complete Community** objectives.

Currently, zoning districts in Chapel Hill employ a standard suite of bulk and dimensional requirements to guide where and how development occurs by lot or site. These standards are typical of most zoning codes throughout the state and country; however, they fail to reflect, preserve, or enhance the aesthetic qualities and context that exists between neighborhoods and places within and between zoning districts. With few exceptions, each district prescribes a minimum lot size, lot width, and length of street frontage; requires a minimum setback from the street and interior lot lines; includes a solar setback; sets maximum building height; and establishes a maximum amount of impervious surface as well as floor area ratio for development by lot within a district.

The evaluation and recomposition of a draft set of zoning districts for Chapel Hill involves reframing the development context by district, lot, building, and street type. Instead of continuing the "one size fits all approach" to bulk and dimensional requirements as presently exists today, the revisions to LUMO districts look to an expanded framework of design requirements that apply based on the contextual environment a lot or development site is within.

The placement, massing, scale, and orientation of a building or development on a lot will still be regulated by district, but with additional parameters, such as:

- **Establishing building types that reflect the distinctive features and qualities of a district or neighborhood;**
- **Regulating design elements like roof pitch, floor height, transparency, and blank wall space;**
- **Permitting select uses by building type;**
- **Requiring certain types of buildings or specific building frontages based on the type of street they face.**

Expanding standards beyond district type to consider a lot's surroundings allows by-right development to be more responsive to context and ensure design outcomes reflect what the community desires as expressed through **Complete Community** and the FLUM.

The table below highlights how new or revised district elements can reinforce Complete Community objectives and the overall goals of the FLUM.

PLAN OBJECTIVE	CHANGES TO USE	DISTRICT ELEMENT		
		DISTRICT/ LOT DESIGN STANDARDS	BUILDING TYPES	STREET TYPES
HOUSING DIVERSITY	Separate use from built form by establishing building types. For example, the use of a building is for a “residence”, but that residence could take multiple forms – duplex, triplex, quad court, apartment.	Permit select building types by district.	Incorporate building types that express a wide range of residential development, assigned appropriately based on district purpose.	Permit certain building types based on the street type upon which they front.
TRANSIT OPPORTUNITIES	Allow transit stations and associated infrastructure as permitted by-right in TOD and other districts, as appropriate.	Require transit stops and infrastructure in TOD districts, and others, at a level to serve the communities’ needs	--	Require transit stops and infrastructure based on street type, linked to district.
LIVE/WORK/PLAY OPPORTUNITIES	Expand permitted uses by district to allow more opportunities for residential development to occur alongside employment opportunities, supported by recreation. Activities should be integrated by district, by lot, and in some cases by building type.	Include standards for multiple principal uses, accessory uses, and temporary uses, based on the district, to enable mixed use buildings and development by-right in certain districts.	Establish mixed-use building types, to incorporate by district.	Establish what street types are most appropriate to allow mixed-use buildings, or a mix of uses (in separate buildings) on one lot or development site.

DISTRICT ELEMENT

PLAN OBJECTIVE	CHANGES TO USE	DISTRICT/ LOT DESIGN STANDARDS	BUILDING TYPES	STREET TYPES
MIXED USE BUILDINGS	Create a clear avenue for mixed uses to occur on a site (in multiple, separate buildings) and mixed uses within a single building, as appropriate by district.	Include standards for multiple principal uses, accessory uses, and temporary uses, based on the district, to enable mixed use buildings and development by-right in certain districts.	Establish mixed-use building types, to incorporate by district.	Establish what street types are most appropriate to allow mixed-use buildings, or a mix of uses (in separate buildings) on one lot or development site.
PEDESTRIAN-ORIENTED <sup>1</sup>	--	Incorporate build-to zones to activate street frontages and encourage proactive use of a setback.	Establish orientation requirements for building entrances to ensure safe and accessible entry for pedestrians from streets and parking lots. This can be accomplished by district, by building type, by street typology, or using a combination of all three.	Establish orientation requirements for building entrances to ensure safe and accessible entry for pedestrians from streets and parking lots. This can be accomplished by district, by building type, by street typology, or using a combination of all three.
ACTIVE TRANSPORTATION	Incorporate active transportation uses and activities under the refined uses and use groups to better reflect the array of possibilities in Chapel Hill.	Consider how active transportation elements can be incorporated into a required amenity space.	--	Require multi-modal infrastructure (sidewalks, sharrows, bike lanes) for all street types, with varied standards based on context, and level of service.
PUBLIC REALM	--	Establish landscape buffers and open space requirements based on adjacent land use or activity.	--	Establish frontage requirements for landscaping, building orientation, and access based on street type.

<sup>1</sup> Pedestrian-oriented development facilitates easy access for pedestrian movement over vehicular movement through an emphasis on sidewalks, building orientation, scale, and access. Pedestrian-oriented buildings are generally placed close to the street with the main entrance opening toward a street sidewalk.

DISTRICT ELEMENT

PLAN OBJECTIVE	CHANGES TO USE	DISTRICT/ LOT DESIGN STANDARDS	BUILDING TYPES	STREET TYPES
QUALITY DESIGN	Develop landscape requirements specific to uses, and require between dissimilar or conflicting uses.	Expand site design standards to include amenity space, additional setbacks, block length, build-to zones, etc.	Incorporate design standards that address façade improvements, story height, roof pitch, transparency, floor area, frontage and building length by building type, to correlate with site design standards.	Incorporate design standards based on street type to reinforce consistency along key road frontages and corridors.

Site, building, and street type design standards are just one component of the context-sensitive approach being considered as the LUMO update moves forward. Additional considerations based on proximity to assets, programs, and amenities in Chapel Hill – such as open space – can be required of development on a district-wide basis. Similar proximal considerations when it comes to transit, utilities, employment, education, and recreation hubs will be explored to ensure the existing and future residents of Chapel Hill are served equitably and efficiently.

**LUMO ZONING DISTRICT EVALUATION AND REORGANIZATION**

Over the past three months the consultant team has conducted a deeper dive into the existing zoning districts, evaluating their purpose alongside the intent of future land use designations defined by the FLUM, and identifying where alignment, overlap, or disconnect were present. This evaluation also considered how existing zoning districts reflect the established **Complete Community** goals, particularly those prioritizing housing diversity; an attainable mix of housing, retail, and employment opportunities; enhanced access to transit; greater multi-modal connectivity; and lot design standards oriented toward the pedestrian. Many existing districts accomplish select aspects of these desired outcomes. However, deeper assessment confirmed the initial audit findings.

Chapel Hill has too many districts that:

- **Overlap in purpose and intent**
- **Have limited differentiation in scale, massing, use, and design aesthetic**
- **Fail to produce the development results desired and established by past planning efforts**

The evaluation also identified gaps in the ability of existing districts to support a mix of residential housing options. While this gap was partially addressed through the passage of the Housing Choices amendments in June 2023, in-depth analysis of development scenarios by district and housing type were conducted and verified onsite in Chapel Hill in late August. The scenarios studied reinforced the need to refine residential and mixed-use district purpose statements, reassess uses in relation to building types, and reconsider design standards and requirements for residential development in order to better position development and redevelopment to accomplish specific housing diversity and attainability goals. Gaps in by-right mixed-use districts, beyond what is currently offered through conditional zoning, were also identified as a misalignment between the stated land use goals of the FLUM and current district composition.

Through July and August, the project team workshopped the recommended reorganization of LUMO zoning districts with Town Planning staff during bi-weekly (and occasionally weekly) meetings. Staff input on district intent and purpose was critical to shaping the draft as a reflection of established community goals. Alongside this effort, specific emphasis was placed on the transit-oriented development (TOD) districts, as an implementation of the recently completed **Shaping Our Future** planning effort. Additional weekly meetings focused on the evolution of this district and its role in moving the needle on community goals related to housing, transit, and mobility throughout Chapel Hill.

The resulting draft district proposal unifies the intent behind the future land use designations established by the FLUM and reinforced through **Complete Community**. Proposed districts are organized under four main categories: residential, non-residential, overlay, and legacy districts. Legacy districts are those districts that will continue to exist as they do today but will not be expanded to other areas of Chapel Hill in the future. The fifth category identifies districts to be sunsetted. The sunseting of a district is commonly suggested when that district is no longer being used or the intent is better accomplished through a non-district specific process.

## **PROPOSED LUMO ZONING DISTRICTS**

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### **Residential Districts**

- Rural Residential
- Ex-urban Residential
- Suburban Residential
- Compact Residential
- Urban Residential
- Mixed Residential

### **Non-Residential Districts**

- Neighborhood Mixed Use
- Town Center Small Scale Mixed Use
- Town Center Large Scale Mixed Use
- Corridor Mixed Use
- Office / Institution
- University
- Light Industrial
- Transit Oriented Development

### **Overlay Districts**

- Watershed Protection Overlay
- Resource Conservation Overlay
- Historic Districts (Franklin-Rosemary, Cameron-McCauley, Gimghoul)
- Neighborhood Conservation Districts

### **Legacy Districts**

- All existing CZDs
- Blue Hill Districts
- Historic Rogers Road
- Industrial

### **Districts to Sunset or Move Under Processes and Procedures**

- Airport Hazard
- Materials Handling District
- Development Agreement-1 District
- Traditional Neighborhood Development

The following table explains how each newly proposed district relates to the existing zoning districts in place today. It also sets forth the proposed purpose of each new district and how that purpose aligns with future land use map designations and intent established in the FLUM. Legacy districts have not been included in the table below, as changes in district name, purpose, composition, or application are not being proposed as part of this update. Districts identified to be sunsetted or moved under process have also been left off of the table.

EXISTING ZONING DISTRICT	PROPOSED DISTRICT NAME	PROPOSED DISTRICT PURPOSE	ALIGNMENT
R-LD5	Rural Residential (RUR-RES)	<p>The RUR-RES district is intended to accommodate very large-lot, rural single-unit and two-unit residential dwellings and accessory development. The purpose of this district is to preserve agriculture, open space, and environmental features that are at the very edge of the Town and are rural in nature. Residential development in this district is not connected to Town utilities and therefore character of development should remain compatible with rural development patterns.</p>	<p>The RUR-RES district is used to implement the Comprehensive Plan within those areas shown as Rural Residential.</p>
RT R-LD1	Ex-Urban Residential (EXU-RES)	<p>The EXU-RES district is intended to accommodate large-lot, single-unit and two-unit residential dwellings, clustered subdivisions, and accessory development. While this district generally supports open space and the protection of distinct environmental features, the developable land in this district is intended to be converted to residential uses. These areas are often found at the edge of Town and serve as a transition between Rural Residential and Suburban Residential Districts. Any use that would substantially interfere with the development of single-unit and two-unit attached and detached residential dwellings, or the quiet residential nature of the district, is prohibited.</p>	<p>The EXU-RES district is used to implement the Comprehensive Plan within those areas shown as Very Low Residential.</p>



EXISTING ZONING DISTRICT	PROPOSED DISTRICT NAME	PROPOSED DISTRICT PURPOSE	ALIGNMENT
R-1A	Suburban Residential (SUB-RES)	The SUB-RES district is intended for single-unit and two-unit residential uses and accessory development on medium-sized suburban lots. Some lots may be located outside of subdivisions, while those located within subdivisions have suburban characteristics including curvilinear streets, cul-de-sacs, limited pedestrian connectivity, limited external connectivity, and most all have town-connected services. Many of these subdivisions may contain open space, parks, or are other environmentally-conscious features. Infill and redevelopment is encouraged to continue the existing visual pattern, rhythm, style, and orientation of the surrounding dwelling units.	The SUB-RES district is used to implement the Comprehensive Plan within those areas shown as Low Residential.
R-1			
R-2A			
R-2			
R-3	Urban Residential (URB-RES)	The URB-RES district is intended to accommodate small-lot or compact single-unit, two-unit, three-unit, and four-unit residential uses and accessory developments that are new, infill, or redevelopment designed to be walkable, well-connected, designed around natural or environmental features as accessible community amenities, and proximate to schools, parks, services, and transit. URB-RES reflects development intensities typical of an eclectic neighborhood environment where a mix of low-intensity to medium-intensity housing types are supported. Infill and redevelopment are encouraged to continue the existing visual pattern, rhythm, style, and orientation of the surrounding dwelling units.	The URB-RES district is used to implement the Comprehensive Plan within those areas shown as Medium and occasionally High Residential.
R-4			



EXISTING ZONING DISTRICT	PROPOSED DISTRICT NAME	PROPOSED DISTRICT PURPOSE	ALIGNMENT
R-5 R-6	Mixed Residential (MX-RES)	The MX-RES district is intended to provide opportunities for a variety of multiple unit residential buildings at a range of intensities, designed to be compatible with their sites and surroundings. This district supports both small-scale and large-scale multi-unit developments including attached and stacked units, live/work units, residential units over ground floor non-residential units, and apartments. Single, detached residential units will be limited based on the intended density of this district. This district is intended to serve as a transition between higher intensity commercial and mixed-uses and lower-intensity residential development. Some supportive ground floor commercial and service uses are permitted in multi-unit buildings.	The MX-RES district is used to implement the Comprehensive Plan within those areas shown as High Residential.
TOD-C	Transit Oriented Development (TOD) – Core	The Transit-Oriented Development district encourages a mixture of residential, commercial, and employment opportunities within identified light rail, bus rapid transit, or other high-capacity transit areas and corridors. The district allows for a more intense and efficient use of land at increased densities for the mutual reinforcement of public investments and private development. Uses and development are regulated to create a more intense built environment oriented to pedestrians and bicycles, and to provide a density and intensity that is supportive of transit. The development standards of the zone are designed to encourage a safe and pleasant pedestrian and bicycle environment near transit stations and to limit conflicts between vehicles and these user groups.	The TOD districts are intended to apply to those focus areas and corridors identified in the FLUM and furthered through the TOD plan <b>Shaping Our Future</b> .
	Transit Oriented Development (TOD) – Mid		
TOD-P	Transit Oriented Development (TOD) – Perimeter		

EXISTING ZONING DISTRICT	PROPOSED DISTRICT NAME	PROPOSED DISTRICT PURPOSE	ALIGNMENT
NC	Neighborhood Mixed Use (N-MU)	The N-MU district is intended to provide for a mix of uses intended for small-scale, low-impact neighborhood-serving commercial, office, service, and residential uses. This district may facilitate mixed-use infill within existing, established neighborhoods. The N-MU environment is one that is pedestrian-friendly, walkable, and well connected with public spaces and gathering areas.	The N-MU district is used to implement the Comprehensive Plan within those areas shown as Mixed Use, and in neighborhoods identified as appropriate for small-scale (i.e. corner market, café, bike shops, live work space) mixed infill.
TC-1	Town Center Small Scale Mixed Use (TCSC-MU)	The TC-MU districts are intended to provide for a mix of uses to accommodate a vibrant downtown environment incorporating a wider range and size of commercial, office, service, hospitality, and residential uses in the traditional community core of Chapel Hill. This environment balances heavy pedestrian and vehicular use but should retain a well-connected street system with strong bicycle and pedestrian connections. The public and private realm should be activated through sidewalks, street cafes, plazas, etc., and these elements incorporated as places to gather or otherwise spend time. Creation of walkable activity nodes through land-use diversity and proximity of destinations supports non-motorized modes of transportation as well as transit ridership.	The TCSC-MU district is used to implement the Comprehensive Plan within those areas shown as Mixed Use and Village Center, and specifically identified as the Downtown Focus Area within the FLUM. The only difference between TCSC and TCLC is height.
TC-2	Town Center Large Scale Mixed Use (TCLC-MU)		
TC-3			

EXISTING ZONING DISTRICT	PROPOSED DISTRICT NAME	PROPOSED DISTRICT PURPOSE	ALIGNMENT
CC	Corridor Mixed Use (C-MU)	The C-MU district is intended to provide for a mix of uses to accommodate a wider range and size of commercial, office, service, hospitality, and residential uses along Chapel Hill's primary corridors and commercial nodes. This environment is more auto-dominated, but should have a well-connected street system, and strong bicycle and pedestrian connections. Where possible, sidewalks and other pedestrian spaces should be activated as places to gather or otherwise spend time. Creation of walkable activity nodes through land-use diversity and proximity of destinations supports non-motorized modes of transportation as well as transit ridership.	The C-MU district is used to implement the Comprehensive Plan within those areas shown as Mixed Use and Village Center, as well as corridor-oriented focus areas specifically called out in the FLUM (MLK N/S, 15-501, NC-54, South Columbia).
OI-1			
OI-2			
OI-3			
OI-4			
OI-4	University District (UD)**	The UD is intended to provide for public or private development on-campus for college/university with integrated or support functions of research, civic, hospital, clinics, cultural, housing, general business, convenience business, office-type business, recreation, utility, and/or open space uses. The UD would require development plan approval.	The UD district is used to implement the Comprehensive Plan within those areas shown as University and Traditional University Supportive Uses.
U-1	Institutional District (ID)*	The Institutional District is intended to accommodate mid-to large size public, semipublic and institutional uses which have a substantial land use impact or traffic generation potential. It is not intended for the small institutional uses customarily found within residential areas. Institutional uses could include state-owned lands, recreational lands owned by a university, facilities owned by the Town, etc.	The ID district is used to implement the Comprehensive Plan within those areas shown as Commercial/Office, Institutional, and occasionally University.

EXISTING ZONING DISTRICT	PROPOSED DISTRICT NAME	PROPOSED DISTRICT PURPOSE	ALIGNMENT
I LI-CZD	Light Industrial (LI)	The LI district is intended to provide for the development of job-creating uses that fit Chapel Hill’s needs, promoting values of creativity, inclusivity, and entrepreneurialism. Permitted uses include research and development activities, light manufacturing, food processing, flex space, and associated support functions serving both the needs of the community and region. This district is intended to be located away from low- and medium-density residential development.	The LI districts are used to implement the Comprehensive Plan within those areas shown with character type light industrial, and commercial/ office.
RCD	Resource Conservation District (RCD) Overlay	The Resource Conservation District (RCD) Overlay is intended to be applied to land adjacent to waterbodies to prevent erosion and sedimentation, to protect water quality and stream health, and to maintain wildlife and plant life habitat.	The RCD Overlay is used to implement the Comprehensive plan by protecting sensitive waterbodies
WPD	Watershed Protection District (WPD) Overlay	The Watershed Protection District is intended to be applied to a portion of the New Hope Watershed draining to Jordan Lake in order to ensure long-term water quality of the Jordan Lake Reservoir, to protect possible future sources of drinking water for the town and surrounding localities, and to control pollution sources affecting water quality.	The WPD Overlay is used to implement the Comprehensive Plan within those areas shown as waterbodies, and specifically the New Hope Watershed. It is anticipated this district may overlay a variety of character types in order to accomplish its intended goal.

EXISTING ZONING DISTRICT	PROPOSED DISTRICT NAME	PROPOSED DISTRICT PURPOSE	ALIGNMENT
FRANKLIN-ROSEMARY	Historic District 1 Overlay – Franklin-Rosemary (HD-1-FR)	The Historic District is intended to protect and conserve the heritage and character of the Chapel Hill community by providing for the preservation of designated areas within the planning jurisdiction, including individual properties therein that embody important elements of social, economic, political, or architectural history.	The Historic districts overlay a variety of character types designated by the Comprehensive Plan, in alignment with the geographic boundaries of respective neighborhoods.
CAMERON-MCCAULEY	Historic District 2 Overlay – Cameron-McCauley (HD-2-CM)		
GIMGHOUL	Historic District 3 Overlay – Gimhoul (HD-3-G)		
NEIGHBORHOOD CONSERVATION DISTRICTS	Varied	No changes are proposed to the unique purpose statements associated with each Neighborhood Conservation District established.	The Neighborhood Conservation Districts overlay a variety of character types designated by the Comprehensive Plan, in alignment with the geographic boundaries of respective neighborhoods and areas designated as important to retain.

\* Includes select OI-2 zones geographically

\*\* Includes select U-I zones geographically

### NEXT STEPS ON THE ROAD TO A RE-ENVISIONED LUMO

The draft zoning districts presented in this memo and the corresponding slide deck is an evolving component of the LUMO update. Over the coming months, district design components described above will continue to be workshopped with Town Planning staff and introduced for discussion with Council. The consultant team will also begin drafting other LUMO components following the revised Table of Contents framework introduced in the June 2023 memo. Future engagement opportunities with key stakeholders, Planning Ambassadors, Committee members, Council, and the broader public are planned for winter/spring of 2024.