



Planning Commission

Regular Agenda – Text Amendment to Land Use Management Ordinance Regarding Housing Regulations and Housing Choices for a Complete Community Related to Articles 3, 4, 5, 6, and Appendix A.

Summary Report

TOWN OF CHAPEL HILL PLANNING DEPARTMENT

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Applicant Town of Chapel Hill	Meeting Date 10/4/2022	Amendment Request Amend sections of the Land Use Management Ordinance (LUMO) to address housing regulations and encourage a range of housing types.
Staff Recommendation Staff recommends that the Planning Commission review the proposed text amendment and forward a recommendation to the Town Council in time for the Council’s review at the October 19, 2022, Legislative Hearing.		
Process The LUMO requires the Planning Commission to make recommendations to the Town Council on the proposed text amendment. The Council will then hold a public hearing to consider the proposed amendments.	Decision Points • Encourage gentle density by allowing small-scale residential developments up to four units in most zoning districts. • Remove density limitations in all zoning districts and instead focus regulating the size of new construction based on the lot size, setbacks, and height rather than number of units. • Define townhouses of five (5) or more units as a specific use with specific design standards and subdivision regulations • Clarify and revise setback and height exceptions to reflect current housing and construction trends • Specify standards for single-family with accessory apartment, duplex, triplex, and fourplex uses to ensure neighborhood compatibility • Provide revised and new definitions that address the changes outlined above	
Background Chapel Hill's available housing units do not meet the needs of current and future residents. Many individuals and families are cost burdened and search for housing outside of the community. Staff proposes a text amendment to the Land Use Management Ordinance (LUMO) to provide housing choices for a complete community. Chapel Hill’s Land Use Management Ordinance (LUMO) as written has encouraged suburban development trends, fostering the construction of detached, single-family, owner-occupied housing and multi-family renter-occupied housing. This has also led to segregation of housing types, with large swaths of Chapel Hill devoted to only detached, single-family residential developments on large lots. Not only is this an inefficient use of the land, but it has also contributed to higher home values and higher rents for tenants, pricing many out of the community. By limiting development in low-density neighborhoods such as R-1 and R-2, housing demand has moved to the fringes of the community, requiring the densification of existing properties and the loss of open space. These areas on the edges of the community contribute to longer commutes, greater use of automobiles, and increased emissions. Low-density zoning districts do not align with Council’s goals for social justice and creating an inclusive and integrated community as these zones lead to exclusion. Recognizing this, the Town Council has indicated in its adopted plans and commissioned studies the need for a mix of housing types to provide opportunities for affordable housing, workforce housing, missing middle and middle-income housing.		

Text Amendment Overview

Based on the direction provided in the plans and strategies above, staff proposes a text amendment that seeks to:

- Expand the diversity of housing types by allowing duplexes, triplexes, and fourplexes in most residential zoning districts. (Currently triplexes and fourplexes are limited to higher density residential zones that allow multi-family development.)
- Remove density caps throughout the community. Maximum floor area ratios, setbacks, building height, impervious surface ratios, and other dimensional standards will help new small-scale residential infill projects design buildings that fit within the context of existing single-family residential neighborhoods no matter the number of units provided.
- Revise the current height and setback exceptions to clarify requirements as well as reflect current housing trends.
- Develop procedures that regulate triplexes and fourplexes similar to single-family and two-family developments. Triplexes and fourplexes will be a by-right process approved through a zoning compliance permit (ZCP).
- Require townhouse developments of five (5) or more units to provide recreation space at the same rate as multi-family developments of the same size.
- Establish minimum and maximum parking rates for triplexes, fourplexes, and townhouse developments.
- Amend and introduce design and development standards for duplex, triplex, fourplex, and accessory apartment dwelling units to ensure compatibility with existing neighborhoods.

The amendments proposed do not supersede any regulations set forth by the Neighborhood Conservation Districts (NCDs), nor do they intend to incentivize the immediate redevelopment of single-family neighborhoods. The proposed changes will encourage context-sensitive density over time and provide additional dwelling units within existing neighborhoods.

Exhibits

1. Technical Report
2. Resolution A (Resolution of Consistency)
3. Ordinance A (Enactment of Land Use Management Text Amendment Proposal)
4. Resolution B (Deny Land Use Management Text Amendment Proposal)



TECHNICAL REPORT

PROJECT HISTORY/BACKGROUND

For nearly a decade, the Town Council has stressed the need for a mix of housing types to meet the price points, life stages, and preferences of current and future residents. In response to Town Council's direction, the Planning Department proposes addressing Chapel Hill's housing crisis by encouraging "Gentle Density." Gentle density allows small-scale residential projects such as accessory apartments, duplexes, triplexes, and fourplexes to be constructed within existing neighborhood fabric. By allowing these uses in existing residential zoning districts, staff hopes to:

- Expand opportunities for diverse housing types that meet different price points, life stages, and preferences
- Increase housing unit production that will in turn improve the availability and affordability of housing
- Encourage compatible infill development specifically designed to respond to the context of existing single-family neighborhoods
- Sensitively and slowly increase the density of existing neighborhoods. In turn, this will support community commercial centers, transit routes, and greenways
- Increase density and promote walkability on existing and proposed greenways and trails and increases transit ridership. These alternative forms of transportation meet the town's goals for fostering environmental suitability.

These changes are supported by the following adopted plans, commissioned reports, and the Council's own petition:

Plan	Goals or themes supporting diversity of housing:
Chapel Hill 2020 Comprehensive Plan¹ Adopted: June 25, 2012	• A range of housing options for current and future residents (<i>Place For Everyone</i>.3) • Low density, green Rural Buffers that exclude urban development and minimize sprawl (<i>Good Places, New Spaces</i>.1) • A vibrant, diverse, pedestrian-friendly, and accessible downtown with opportunities for growing office, retail, residential, and cultural development and activity (<i>Good Places, New Spaces</i>.2) • A range of neighborhood types that addresses residential, commercial, social, and cultural needs and uses while building and evolving Chapel Hill's character for residents, visitors, and students (<i>Good Places, New Spaces</i>.5) • Future land use, form, and density that strengthen the community, social equity, economic prosperity, and natural environment (<i>Good Places, New Spaces</i>.8) • Reduce the carbon footprint of all Town-owned or managed services and properties; require that all new development meets standards; and support residents in minimizing their personal footprints (<i>Nurturing Our Community</i>.7) • Housing for students that is safe, sound, affordable, and accessible and meets a demonstrated need conducive to educational and maturational needs of students, and housing for Town, University, and the Health Care System employees that encourages them to reside in the community (<i>Town Gown Collaboration</i>.4)

¹ <https://www.townofchapelhill.org/home/showpublisheddocument?id=15001>

	Promote access for all residents to health-care centers, public services, and active lifestyle opportunities (<i>Town Gown Collaboration.6</i>)
Future Land Use Map² Adopted: December 9, 2020	- Guiding Statement 1: Respond to the threats associated with climate change and environmental stewardship and resiliency by: - Creating compact, walkable, mixed-use communities where activities are in close proximity and require less time and energy to access and travel between destinations. - Densify at strategic locations and mixing land uses shortens trips and reduces car dependency. - Promote patterns and styles of development that are climate responsive and utilize existing infrastructure. - Support transit systems through additional housing units and more intense land uses. - Guiding Statement 2: Ensure equitable planning and development. - Mitigate residential displacement as development and redevelopment occurs - Provide affordable housing options for all family sizes and incomes in all neighborhoods - Preserve and strengthen intact neighborhoods, building upon local assets and resources - Develop healthy and safe communities through, among other improvements, walkable neighborhoods. - Guiding Statement 3: Encourage of Diversity of Housing Types - Development of duplexes, triplexes, fourplexes, and accessory dwelling units with an approval process and requirements similar to single-family detached dwellings. FLUM recognizes that small-scale multi-family uses could fit into the existing fabric of single-family neighborhoods if carefully integrated into the existing neighborhood. - Development of townhouses at the edge of existing neighborhoods that act as a transitional use. - Small lot single-family subdivisions that utilize traditional neighborhood design to create compact, livable, and accessible neighborhoods. - Guiding Statement 4: Promote distinctive, safe, and attractive neighborhoods. - Direct dense growth to multimodal and key transportation corridors to promote a multi-modal network and increase mobility options. - Protect and preserve historic neighborhoods and neighborhood conservation districts (NCDs). - Guiding Principal 8: Provide appropriate transitions between land uses and buildings of different scales. - Create harmonious transitions between different types and intensities of land uses and built forms physically through form, use, architectural, and landscaped transitions. - Guiding Principal 9: Preserve and maintain the appearance of Chapel Hill and create quality design and development - Focus high quality appearance and design of private development to public views - Develop design guidelines, regulations, streetscape plans, and improvements that provide guidance on building massing, scale, shape, and orientation
Mobility & Connectivity Plan	Compact, higher density and multi-family development creates demand for greenways, walking and biking paths, as well as transit.

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

Adopted October 28, 2020	
Climate Action & Response Plan³ Adopted: April 7, 2021	• Compact, walkable, bikeable, transit-served neighborhoods require higher density development. The plan calls for incentivizing more compact, affordable, and mixed income housing, including “missing middle” and accessory dwelling units.

The following reports have also identified housing needs in the Chapel Hill community.

- Council Petition Regarding Affordable and Missing Middle Housing⁴ (September 22, 2021): Council asked staff to create a new application pathway to foster the creation of missing middle housing, such as duplexes, triplexes, townhouses, and other forms of compact development.
- Projected Housing Needs, 2020-2040⁵ (October 12, 2021): The Town of Chapel Hill and University of North Carolina jointly funded a report to determine housing needs. The report found that most new housing was single-family and apartments, with only 5% of new units completed serving as owner-occupied condominiums or townhouses. The Chapel Hill housing market found that more diverse housing types were needed in walkable neighborhoods to meet the needs of those left out of the current market, including first time homeowners, young families, divorcees, empty nesters, and seniors. About 485 units/year are needed to meet housing demands.
- Complete Community Strategy⁶ (2021-Present): The Town of Chapel Hill is working with consultants to develop a new approach to housing that clarifies where and how its built to create inclusive, sustainable, and complete communities. The strategy supports:
 - Diversity of housing types, including missing middle density for both renters and homeowners.
 - Diversity of tenures for a diversity of households and recognizes that both units and secondary suites add gentle density.
 - Higher density, higher use, and lessened need for driving/parking will lower infrastructure and building costs.

PROPOSED TEXT AMENDMENT CHANGES

The following is a summary of the proposed text amendments to housing regulations and to encourage gentle density by expanding housing choices:

1. Expand residential land use categories to reflect a diversity of housing types.

Staff has proposed amendments throughout the Land Use Management Ordinance (LUMO) to clarify residential land use categories. Specifically, these include:

- Clarifying that “Two-family” refers to both single-family dwelling units with an accessory apartment as well as duplex dwelling units. In some places, staff simplified the terminology to state single-family dwelling unit with accessory apartment or duplex dwelling unit. In other cases, the term “two-family” is used to capture both uses.
- Staff has also added Triplex and Fourplex Dwelling Units to this category.
- Multi-family dwelling units has been redefined as either 5 to 10 units or more than 10 units.

The first section to be amended to reflect these changes is LUMO 3.4.6 The Mixed-Use Village Conditional Zoning District (MU-V-CZD).

³<https://www.townofchapelhill.org/?splash=https%3a%2f%2fonline.flippingbook.com%2fview%2f857144275%2f&isexternal=true>

⁴<https://chapelhill.legistar.com/View.ashx?M=F&ID=9834553&GUID=1DB8AFA8-3BDF-42E2-9E41-D6747BD4ECF4>

⁵<https://www.townofchapelhill.org/home/showpublisheddocument/50141/637715343396500000>

⁶<https://www.townofchapelhill.org/businesses/complete-community#:~:text=The%20Complete%20Communities%20Strategy%20is,current%20and%20future%20housing%20needs.>

2. Amend Table 3.7-1: Use Matrix to expand small-scale residential development in residential zones and introduce fourplex and townhouse uses.

This amendment will expand housing choices by allowing duplexes and triplexes in all residential (R-) zoning districts. The text amendment also introduces fourplexes as a new use and allows them in all zoning districts that permit single-family development.

Staff has also introduced townhouses as a new use that would be permitted in most Residential (R-) zoning districts: R-1, R-2, R-3, R-4, R-5, R-6, R-SS-CZD as well Town Center, Community Commercial, Neighborhood Commercial, and Office/Institutional districts.

Table 3.7-1 does not supersede any use requirements specifically detailed in the Neighborhood Conservation Districts (NCDs). Many of the NCDs have already provided context-sensitive requirements for duplexes and multi-family dwelling units. Others have restricted these uses altogether.

3. Amend Section 3.8.2 Dimensional Regulations and Table 3.8-1-Dimensional Matrix to remove density restrictions and set standards for small-scale housing developments.

Staff has proposed several amendments to this section:

- Remove density requirements. The current LUMO limits the number of dwelling units per acre of gross land area by zoning district. Staff proposes eliminating these density requirements. Minimum lot size, minimum and maximum setbacks, height, impervious surface ratios, and floor area ratios will define a building envelope and work to keep any new buildings and lot sizes compatible with the surrounding neighborhood and single-family development. This would be a shift away from regulating through density and instead focusing on the number of dwelling units contained within a building.
- Maximum Impervious Surface. Currently the LUMO allows residential developments an impervious surface ratio of 0.5 and commercial developments a ratio of 0.7. This can be confusing as multi-family developments fall under the commercial building code and use a ratio of 0.7. Staff has clarified that residential developments of up to 4 units shall have a maximum impervious surface ratio of 0.5 and larger multi-family and townhouse developments as well as fraternities and sororities shall provide a ratio of 0.7.
- Maximum Floor Area Ratio (FAR). Staff has clarified that duplexes, triplexes, and fourplexes should provide an FAR no greater than 0.40 unless the zoning district establishes a more restrictive FAR. Staff finds that the FAR will help limit the size of the building and encourage compatibility with neighboring single-family developments.

4. Update the setback and height exceptions outlined in Section 3.8 to reflect current housing trends.

Staff has proposed amendments related to the following setback exceptions:

- Fences. Distinguish between fence heights in front yards versus side and rear yards. Provide setback exceptions for arches and trellises incorporated into the fence design.
- Mechanical Equipment and Wells. Staff regularly receives variance requests for new mechanical equipment located in interior setbacks. Staff proposing allowing mechanical equipment associated with residential developments of less than five (5) units to encroach up to five feet (5') into setbacks so long as they can comply with the Town's Noise Ordinance. Staff has also allowed well to encroach into setbacks so long as any necessary well house does not exceed four feet (4') in height.
- Window Wells. Currently, any window wells are required to meet setbacks. Staff proposes allowing window wells to encroach into the interior and solar setbacks so long as they are the minimum size required by the Building Code.
- Site Access. Staff has incorporated amendments to allow for sidewalks, pathways, accessibility ramps and similar structures to be located in setbacks. Currently, Chapter 17 provides setback requirements for driveways, and staff has incorporated it here as a reference.
- Transportation-related improvements. Both residential and commercial developments have seen increased demand for electrical vehicle charging stations, and staff has provided a provision for these to encroach into setbacks. Bus shelters and rideshare shelters may also be located in setbacks to promote these uses.

Staff has also reorganized the height exceptions to group similar architectural features and mechanical equipment together. Additionally, staff has incorporated a provision for solar collectors to extend above the maximum building heights based on the [SolSmart](https://solsmart.org)⁷ model ordinance.

5. Incorporate Townhouse Subdivision in the Subdivision Procedures.

Currently the requirements for a townhouse subdivision are included in Appendix A- Definitions. Staff proposes relocating these to LUMO Section 4.6. Subdivision.

6. Exempt triplexes and fourplexes from Site Plan Review.

Currently, only single-family, single-family with accessory apartment, and duplex dwelling units are exempt from site plan review by the Planning Commission. The FLUM calls for the development of duplexes, triplexes, fourplexes, and accessory dwelling units to have an approval process and requirements similar to single-family detached dwellings. As such, staff proposes allowing these uses to be administratively approved.

7. Amend Zoning Compliance Permit (ZCP) requirements to expedite the review process for small-scale multi-family developments as well as clarify exemptions to ZCP requirements for tree removal.

Staff has matched duplexes, triplexes, fourplexes, and other multi-family developments of less than five (5) units to the same ZCP exemptions as single-family residential development. This is consistent with the direction provided by the FLUM that seeks to encourage small-scale residential development by offering a process similar to that of single-family development.

Currently, projects requiring less than 1,500 square feet of land disturbance do not trigger a ZCP and the LUMO does not regulate trees related to single-family development. Staff has found that removal of tree canopy measuring less than 1,500 square feet can have a detrimental effect on stormwater as it the loss of tree canopy exposes soil and causes runoff issues. Staff has incorporated an additional exemption to address this by exempting from a ZCP those projects that do not include tree removal of five (5) trees (2,500 square feet of canopy) or more than 25% of the total tree canopy coverage of the site, whichever is less.

8. Clarify Recreation Space requirements for Multi-family and Townhouse Developments of five (5) or more units.

Currently, townhouses meet the definition of single-family dwelling units because they are located on individual lots. They do not meet the current definition for multi-family because it is defined as a combination of dwellings on a single lot. This has caused confusion as to which development standards apply.

Staff finds that to fit into the context of existing single-family neighborhoods, small-scale residential developments of four (4) or less units should not be required to meet recreation space requirements. Staff has clarified that multi-family and townhouse developments of five (5) or more units should meet the LUMO requirements for multi-family developments for active recreation space.

9. Amend Table 5.6.6-1 Schedule of Required Buffers to treat small-scale residential development the same as single-family development.

Single-family and two-family developments are not required to provide buffers with other developments of the same intensity. Staff proposes incorporating triplexes and fourplexes into this list.

10. Clarify the tree protection and tree canopy requirements.

Staff proposes reiterating that the requirements apply to multi-family and townhouse developments of five (5) or more units. Staff has also exempted single-, two-family, triplex, and fourplex units from activities that will require a zoning compliance permit for projects where the work requires tree removal and the total land disturbance exceeds 5,000 square feet.

11. Update parking standards and provide requirements for small-scale residential developments.

Staff proposes the following amendments:

- Motorcycle and Moped Parking: Staff proposes removing a requirement to provide motorcycle, moped, and bicycle parking for parking facilities accommodating more than five (5) vehicles as

⁷ <https://solsmart.org/solar-energy-a-toolkit-for-local-governments/planning-zoning-development/>

this provision regularly requires an increase in the number of parking spaces provided, causes confusion as there is no reduced parking space dimensions for mopeds and motorcycle parking, and leads to an increased impervious surface ratio. Applicants typically request a modification to regulations for this provision in conditional zoning district applications. Staff finds that motorcycles and mopeds can likely share vehicular parking spaces. Bicycle parking requirements are provided, and the Engineering Design Manual further clarifies Class I and II bicycle parking and storage.

- *Small-scale Residential and Multi-family development parking ratios:* Staff proposes duplex, triplex, fourplexes, and multi-family developments provide parking at the same rates based on the number of bedrooms.
- *Townhouse development parking ratios:* Staff has also incorporated parking requirements for townhouses. In the Town Center (TC-) zoning districts, a maximum of 1 parking space/townhouse is required. For other zones, the required parking increases to a minimum of 1 space and maximum of 2 spaces.

As part of this requirement, staff seeks to encourage rear-loaded townhouses over front-loaded ones. This would push parking behind the townhouse and allow for pedestrian-oriented entrances and streetscapes. Staff has heard concerns from the Town Council and Community Design Commission (CDC) that front-loaded townhouses are too vehicle-oriented with wide garages that consume much of the front façade. Garages are often used for storage, which dictates that driveways and shared parking areas be provided. Successive driveways also prevent continuous sidewalks and decrease walkability. The combination of these improvements leads to greater impervious surface areas and built upon areas.

In order to incentivize rear-loaded townhouses, staff has provided a provision that garage and driveway parking will not count towards the maximum parking requirement when located at the rear of the lot. This allows rear-loaded townhouses to potentially exceed the maximum number of parking spaces allowed. For instance, a two-car garage could have a two-car driveway leading to a rear alley. This could allow a townhouse up to four parking spaces, reducing the need for significant amounts of shared parking elsewhere in the development.

12. Amend Article 6- Special Regulations for Particular Uses to address development standards for duplexes, triplexes, fourplexes, accessory apartments.

Staff has proposed regulations for each of the following uses:

- *Duplexes.* LUMO Section 6.19 Dwelling Units-Duplex currently provides maximum floor areas and FARs, and parking for duplexes. Staff proposes encouraging duplexes to fit within the context of existing single-family residential neighborhoods by encouraging designs similar to single-family dwellings.
- *Accessory Apartments.* Currently the development standards for accessory apartments are included in Appendix A- Definitions. Staff proposes creating a new section in Section 6 dedicated to this use. Additional provisions have been added to ensure that an accessory apartment remains subordinate in mass, size, scale, and location to the primary dwelling unit.
- *Triplexes and Fourplexes:* Staff proposes new development regulations for these uses to ensure that they fit within the context of single-family neighborhoods by encouraging roof designs, massing, fenestration patterns, and materials to be similar to those found on single-family houses within the existing neighborhood.
- *Townhouse Developments.* Dimensional standards and subdivision requirements are currently provided in Appendix A- Definitions. Staff has relocated dimensional standard requirements to this section. Staff has also incorporated design standards and provisions for front- and rear-loaded townhouses, pedestrian entrances, changes in setback to break up the massing, and variations in design to ensure that no more than 2 contiguous townhouses have the same façade design. Many of these changes reflect the comments heard by the Community Design Commission (CDC) during their review of townhouse developments.

13. Staff proposes to amend existing definitions to reflect the changes outlined above as well as introduce new definitions for fourplex and townhouse dwelling units.

Terms Amended	Terms Introduced	Terms Removed
• Dwelling units, Duplex • Dwelling units, multifamily	• Condominium • Dwelling units, fourplex	• Two family lot

• Dwelling units, single-family with accessory apartment • Dwelling units, two-family • Dwelling units, triplex • Recreation space • Townhouse subdivision	• Dwelling units, townhouse • Townhouse development	
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