



Town Council Meeting:

Rewriting Our Rules – A Land Use Management Ordinance (LUMO) Update

Planning Staff:

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Town Council Meeting Date:

October 23, 2024

Overview

During the October 23, 2024, Council Meeting, staff will provide updates and seek input on the following:

1. Neighborhood Commercial Development
2. Stormwater Standards

Staff will also provide Council with a general project update regarding the current status of the LUMO rewrite and major next steps in the process.

1. Neighborhood Commercial Development

Staff Recommendation: *Allow a limited number of commercial uses in medium- to high-density residential zoning districts to encourage more vibrant and walkable neighborhoods.*

Council has expressed a strong interest in facilitating more neighborhood-scale commercial development throughout town. While it is not feasible to *require* this sort of development, the new LUMO can support neighborhood-scale commercial development by making it an allowed use in more zoning districts.

As seen in other communities, neighborhood-scale commercial uses like corner stores, restaurants, and coffee shops can be compatible with residential uses and help to create more vibrant, walkable neighborhoods. These sorts of uses could reasonably complement the nonresidential uses already allowed in many of the Town's residential zoning districts (e.g., schools, places of worship, public use facilities, daycares, etc.). Appropriate safeguards around factors like parking, buffering, and building scale can ensure that these uses remain compatible with the predominantly residential nature of their zoning districts.

As these uses would likely not be appropriate in all parts of a residential neighborhood, the new LUMO can limit them to higher-capacity streets (e.g., collectors and arterials) within medium- to high-density residential zoning districts (e.g., R-2 and higher).

2. Stormwater Standards

Staff Recommendation: *Require most new development to accommodate the **100-year storm** but include limited exemptions for missing middle housing and small-scale work on commercial properties.*

Background

On [May 1, 2024](#), Council passed an ordinance requiring new developments subject to Conditional Zonings or Major Special Use Permits to comply with more stringent stormwater regulations. Under the new standards, these developments must now construct stormwater control measures that can accommodate the 100-year storm¹. This change was a major improvement over the previous standards that only required development to address the 25-year storm.

Due to concerns regarding the cost of implementing these new standards, the May 1 ordinance had a narrower scope than its original draft which would have applied the 100-year storm requirement to almost all new development. Staff's current proposal would expand the scope of the 100-year storm requirement but create exemptions or less stringent requirements for certain small-scale developments that serve other important Town goals.

Expanding the 100-Year Storm Requirement

With the exceptions discussed below, staff recommend expanding the 100-year storm standard to all new development subject to the Town's stormwater performance criteria. Developments required to meet the 100-year storm standard would include:

- Multifamily development with 5 or more units
- 1- and 2-family development that exceeds 20,000 square feet of land disturbance or is part of a common plan of development
- 3- and 4-family development that exceeds 20,000 square feet of land disturbance or has a footprint greater than 2,500 square feet.
- Any new commercial development.
- Existing commercial development that adds more 500 square feet of impervious surface area.

Impacts on Construction Costs

During the May 1, 2024, Town Council meeting on the original stormwater text amendment, public comment included estimates of the potential impacts on residential construction. Analysis provided on behalf of the Homebuilders Association of Durham, Orange, and Chatham Counties and the Chamber for a Greater Chapel Hill-Carrboro considered the impact of the new standard on recently approved townhome projects and suggested that the new standard would generally:

- Increase the size of stormwater detention facilities by approximately 35 percent

¹ The terminology "#-year storm" is shorthand used to describe the probability that a storm will occur in a given year. For example, a 100-year storm is a storm that has a 1 percent chance of occurring in a given year while a 25-year storm has a 4 percent chance of occurring.

- Decrease the total number of housing units by approximately 8 – 12 percent
- Increase the cost per unit by approximately \$15,000 - \$18,000

Imposing the 100-year storm standard on new development can reasonably be expected to increase construction costs. However, this reform is a critical step in ensuring that the Town develops in a more sustainable and resilient manner. To balance these interests, Council could consider incorporating the exceptions discussed below.

Three-Family and Four-Family Development

Staff recommend treating smaller three- and four-family developments the same as single- and two-family homes. Three- and four-family developments that exceed a footprint of 2,500 square feet or disturb more than 20,000 square feet of land would be subject to the more stringent stormwater requirements applicable to other types of development.

The proposal would encourage the construction of smaller (and thus *potentially* more affordable) missing middle homes. For example, a two-story fourplex with a footprint of 2,500 square feet would be the size of a large single-family home (examples of which are found in many parts of Chapel Hill) but could support modestly sized two- or three-bedroom units.

Under the proposed arrangement, smaller three- and four-family developments would not be required to install stormwater control measures but would be required to discharge stormwater in a diffuse and non-erosive manner. Like single- and two-family homes, all three- and four-family developments would still be subject to limitations on the total amount of impervious surface.

Commercial Development

Staff recommend phasing-in the 100-year storm requirement for existing commercial development so that small additions do not immediately trigger the need to expand stormwater treatment infrastructure. The proposed phasing approach would exempt the first 500 square feet of new impervious surface from stormwater treatment requirements. However, once a project exceeds 500 square feet of new impervious surface, all new impervious surface (including the previous exempt area) would need to be treated.

This arrangement would allow commercial developments to make small improvements in the short-term while creating a clear and predictable threshold for when more significant investments will be needed in the future. Types of projects likely to fall under this exemption could include mechanical upgrades, accessibility improvements, outdoor amenity spaces, additional storage and other small-scale improvements that can help existing commercial development keep up with the needs of their occupants.

Appendix A: Prior Council Meetings and Materials

June 17, 2024 – [Council Regular Meeting](#)

- Meeting Topics
 - Neighborhood Conservation Districts
 - Missing Middle Housing
 - Design and Dimension Standards
- [Meeting Recording](#) (Discussion begins at 00:52:10)
- Recommended documents to review:
 - [Staff Memo](#)

May 15, 2024 – [Council Regular Meeting](#)

- Meeting Topics
 - Administrative Approvals
 - Conditional Zoning Process Improvements
 - Update on WASMPBA Planning Process
- [Meeting Recording](#) (Discussion begins at 00:58:00)
- Recommended documents to review:
 - [Staff Memo](#)

April 24, 2024 – [Council Regular Meeting](#)

- Meeting Topics
 - Racial Equity Analysis
 - Affordable Housing Economic Analysis
- [Meeting Recording](#) (Discussion begins at 03:04:56)
- Recommended documents to review:
 - [Staff Memo](#)

March 13, 2024 – [Work Session](#)

- Meeting Topics
 - Community Benefits
 - Economic Constraints
- [Meeting Recording](#) (Discussion begins at 01:17:30)
- Recommended documents to review:
 - [Staff Memo](#)
 - [Typology Resource Guide](#)

February 21, 2024 – [Work Session](#)

- Meeting Topics
 - Local Zoning Authority
 - Student Housing
 - Drive-Throughs and Shelters
 - Environmental Policy
- [Meeting Recording](#) (Discussion begins at 03:25)
- Recommended documents to review:
 - [Staff Memo](#)

January 17, 2024 – [Work Session](#)

- Meeting Topics
 - Missing Middle Housing
 - Subdivision Standards
 - Flag Lots

- [Meeting Recording](#) (Discussion begins at 49:05)
- Recommended documents to review:
 - [Staff Memo](#)

November 13, 2023 – [Work Session](#)

- Meeting Topics
 - Proposed Zoning Districts
 - Building and Site Design Standards
 - Affordable Housing Incentives
- [Meeting Recording](#) (Discussion begins at 05:45)
- Recommended documents to review:
 - [Staff Memo](#)
 - [Draft Zoning District Proposal](#)
 - [Briefing Book: Feasibility of Density Bonuses to Support Community Benefits](#)

October 18, 2023 – [Work Session](#)

- Meeting Topics
 - By-Right Development
 - Development Intensity in FLUM Focus Areas
 - Mixed-Use Districts
 - Parking Minimums
 - Regulations for Single-Family Homes
- [Meeting Recording](#) (Discussion begins at 04:36)
- Recommended documents to review:
 - [Staff Memo](#)

June 21, 2023 – [Information Item](#)

- Recommended documents to review:
 - [Summary Report](#)
 - [Plan Alignment Memo](#)
 - [LUMO Audit Report](#)