



**OPEN THE LEGISLATIVE HEARING: LAND USE MANAGEMENT ORDINANCE TEXT AMENDMENT – ARTICLES 1, 3, 4, 5, 6, and 7 and Appendix A REGARDING HOUSING CHOICES FOR A COMPLETE COMMUNITY**

**Staff Memorandum**

TOWN OF CHAPEL HILL PLANNING DEPARTMENT  
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<p><b>Amendment Request</b></p> <p>Amend sections of the Land Use Management Ordinance (LUMO) to address missing middle housing forms and development of smaller lots, establish design standards, and provide an administrative review process for incremental housing developments.</p>	<p><b>Meeting Date</b></p> <p>January 25, 2023</p>
<p><b>Staff Recommendation</b></p> <p>That the Council open the legislative hearing on the LUMO text amendment, receive public comment, provide feedback on the draft text amendment, and continue the hearing to February 22, 2023.</p>	
<p><b>Process</b></p> <p>The item before the Council is for approval of a LUMO Text Amendment. The Council must consider whether one or more of the three findings for enactment of the LUMO Text Amendment applies:</p> <ol style="list-style-type: none"> <li>1. To correct a manifest error in the chapter; or</li> <li>2. Because of a changed or changing conditions in a particular area or in the jurisdiction generally; or</li> <li>3. To achieve the purposes of the Comprehensive Plan</li> </ol>	<p><b>Decision Points</b></p> <ul style="list-style-type: none"> <li>• Remove density limitations in all zoning districts and instead focus on regulating the size of new construction based on the lot size, setbacks, and height.</li> <li>• Encourage gentle density by allowing small-scale residential developments up to four units in most residential zoning districts.</li> <li>• Provide opportunities for smaller development through cottages on compact lots and cottage courts.</li> <li>• Update the allowed height and setback exceptions.</li> <li>• Define townhouses of five (5) or more units as a specific use with specific design standards and subdivision regulations</li> <li>• Clarify and revise setback and height exceptions Specify standards for single-family with accessory apartment, triplex, and fourplex uses to ensure neighborhood compatibility</li> <li>• Provide revised and new definitions that address the changes outlined above</li> <li>• No changes to Neighborhood Conservation Districts (NCDs) are proposed at this time. Consider directing staff to revise the NCDs at a later date.</li> </ul>
<p><b>Text Amendment Overview</b></p> <p>Based on the direction provided in the Town’s adopted plans and commissioned studies, staff proposes a text amendment that seeks to:</p> <ul style="list-style-type: none"> <li>• Remove density caps throughout the community. Minimum lot sizes, 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.</li> <li>• Expand the diversity of housing types by allowing duplexes, triplexes, and fourplexes, and cottage courts in most residential zoning districts. (Currently triplexes and fourplexes are limited to higher density residential zones that allow multi-family development.)</li> <li>• Allow for cottages on compact lots, providing a small house-small lot development option.</li> </ul>	

- Provide opportunities for cottage courts, containing three to twelve detached cottage houses around a central landscaped courtyard.
- Define townhouse and provide development standards for townhouse developments of five (5) or more units.
- Update the current height and setback exceptions.
- 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).
- Establish minimum and maximum parking rates for triplexes, fourplexes, cottage courts, 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.
- Update the definitions to address the changes outlined above.
- The amendments proposed do not supersede any regulations set forth by the Neighborhood Conservation Districts (NCDs), nor do are they intended to incentivize the immediate redevelopment of single-family neighborhoods. The proposed changes will encourage context-sensitive density over time and provide additional dwelling units incrementally within existing neighborhoods.

### Background

Chapel Hill's available housing units do not meet the needs of current and future residents. Chapel Hill, like most communities across the country, is experiencing a housing crisis. An estimated 5,000+ units of affordable housing alone are needed in Chapel Hill to serve low-income households. Over 36% of households in Chapel Hill are cost burdened. Some may be forced to seek housing outside of Town limits leading to longer commutes, traffic, and parking demands. The [Projected Housing Needs: 2020-2040](#)<sup>1</sup> study found that a diverse range of housing types at different price points serving different life stages is necessary to meet demands. Staff proposes a text amendment to the Land Use Management Ordinance (LUMO) to provide housing choices for a complete community.

Chapel Hill's LUMO as written has encouraged suburban development trends, fostering the construction of detached, single-family, owner-occupied housing and multifamily 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, housing demand has moved to the fringes of the community where large lots and farmland have been converted to housing developments. 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.

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, missing middle and middle-income housing. Specific plan references are included in the attached Technical Report.

In October 2022 and January 2023, Planning staff introduced a series of text amendments to encourage "gentle density" into existing residential neighborhoods. Staff met with the following Advisory Boards:

Date:	Advisory Board:
October 4, 2022	<a href="#">Planning Commission</a> <sup>2</sup>

<sup>1</sup> <https://www.townofchapelhill.org/home/showpublisheddocument/50141/637715343396500000>

<sup>2</sup> <https://chapelhill.legistar.com/MeetingDetail.aspx?ID=1002261&GUID=1D34F7CA-9F20-4CDB-A33C-F2B374FE96D3&Options=info|&Search=>

<b>October 11, 2022</b>	<a href="#">Housing Advisory Board (HAB)</a> <sup>3</sup>
<b>January 10, 2023</b>	<a href="#">HAB</a> <sup>4</sup>
<b>January 17, 2023</b>	<a href="#">Planning Commission</a> <sup>5</sup>

Since initially meeting with Planning Commission and HAB, staff has done additional research, analysis, and outreach, including:

- Creating an online survey and public forum on [PublicInput.com](#)<sup>6</sup>
- Engaging with the Home Builders Association, architects, and developers to receive feedback on the proposal related to Missing Middle Housing forms and townhouses
- Discussing the proposal with Town staff from the Town Attorney’s, Building & Development Services, Code Enforcement, Fire, Housing, and Stormwater departments as well as the Town’s Urban Designer and Diversity, Equity, and Inclusion Officer
- Meeting with Durham Planning staff to discuss their Expanded Housing Choices text amendments and Raleigh Planning staff on their Missing Middle zoning reforms
- Receiving preliminary Council feedback at their December 2, 2022 [Council Committee on Economic Sustainability \(CCES\) meeting](#)<sup>7</sup>
- Hosting Public Information Meetings on [January 11, 2023](#)<sup>8</sup> and [January 12, 2023](#)<sup>9</sup>. Recordings and meeting materials are available on the [project webpage](#)<sup>10</sup>.

Staff heard support from both the Planning Commission and HAB, and the Planning Commission recommended additional changes that are included in their recommendations. Staff has incorporated the feedback received from the Advisory Boards and groups above to revise draft Ordinance A.

**Potential Outcomes**

Staff has analyzed the success of similar programs to provide increased opportunities for housing development:

<b>Minneapolis 2020 Comprehensive Plan</b> (January 2020-2022)	<ul style="list-style-type: none"> <li>• 70% of land area zoned for detached, single-family</li> <li>• January 2020 – rezoned to allow duplexes and triplexes</li> <li>• Approximately 9,000 housing units permitted, including: <ul style="list-style-type: none"> <li>○ 62 new duplexes (0.68% of total permits)</li> <li>○ 17 new triplexes (0.18% of total permits)</li> </ul> </li> </ul>
<b><a href="#">Durham Expanding Housing Choices (EHC)</a></b> <sup>11</sup> (October 2019-November 2022)	<ul style="list-style-type: none"> <li>• Found that 2,000 dwelling units/year needed county-wide</li> <li>• 407 EHC-related permits since 2019: <ul style="list-style-type: none"> <li>○ 15 single family + accessory dwelling unit (ADU) (3.68% of total permits)</li> <li>○ 11 single family (2.7% of total permits)</li> </ul> </li> </ul>

<sup>3</sup> <https://chapelhill.legistar.com/MeetingDetail.aspx?ID=994251&GUID=12C5C144-C6D1-47B6-A898-C9FAC3F3B95C&Options=info|&Search=>

<sup>4</sup> <https://chapelhill.legistar.com/MeetingDetail.aspx?ID=1073454&GUID=BD91AB80-59BA-4CB1-9541-C57A4429F011&Options=info|&Search=>

<sup>5</sup> <https://chapelhill.legistar.com/MeetingDetail.aspx?ID=1056571&GUID=D1B8C681-3C3E-40E7-B7A1-2F8C4FEFF30E&Options=info|&Search=>

<sup>6</sup> <https://publicinput.com/v3540>

<sup>7</sup> <https://www.townofchapelhill.org/government/departments-services/economic-development/council-economic-sustainability-committee>

<sup>8</sup> <https://www.townofchapelhill.org/Home/Components/Calendar/Event/20302/15?curm=1&cury=2023>

<sup>9</sup> <https://www.townofchapelhill.org/Home/Components/Calendar/Event/20304/15?curm=1&cury=2023>

<sup>10</sup> <https://www.townofchapelhill.org/government/departments-services/planning/plans-and-ordinances/housing-access-text-amendments>

<sup>11</sup> <https://www.durhamnc.gov/DocumentCenter/View/47593/JCCPC-EHC-Metrics-November-30-2022-PDF>

	<ul style="list-style-type: none"> <li>○ 15 duplexes (3.69% of total permits)</li> <li>○ 60 ADUs (14.7% of total permits)</li> <li>○ 152 lot splits (37.35% of total permits)</li> <li>○ 132 small lot options (32.4% of total permits)</li> <li>○ 47 demolitions (11.5% of total permits)</li> </ul>
<p><b><u>Raleigh Missing Middle Housing Reforms</u></b><sup>12</sup> (August 2021- October 2022)</p>	<ul style="list-style-type: none"> <li>• August 2021 reforms eliminated density and instead focused on dimensional standards.</li> <li>• Allowed for Tiny Houses up to 1,200 SF in floor area, duplexes, townhouses with ADUs, 3-unit multi-family dwellings on smaller lots, cottage courts, and Transit-oriented development (TOD)</li> <li>• Applications for Missing Middle Housing as a result of ordinance changes included: <ul style="list-style-type: none"> <li>○ 11 subdivisions</li> <li>○ 90 ADUs</li> <li>○ 0 Townhouses</li> </ul> </li> </ul>
<p><b>Predicted Chapel Hill Outcomes</b></p>	<ul style="list-style-type: none"> <li>• 70.9% Land zoned for detached, single-family and duplex</li> <li>• Add on average 262 housing units/year</li> <li>• Using the same percentages as the cities above, this would lead to: <ul style="list-style-type: none"> <li>○ 1.78(0.68%) to 9.6 (3.69%) new duplexes per year</li> <li>○ 0.47 new triplexes (0.18%)</li> <li>○ 84.8 new cottages on compact lots (32.4%)</li> </ul> </li> </ul>

Staff anticipates that the proposed text amendments will incrementally add new housing in Chapel Hill’s existing neighborhoods.

Accessory Apartments

Following a 2015 ordinance to allow accessory apartments in all zoning districts that permit single family dwelling units, the town saw approximately 39 new permitted accessory apartments constructed between then and 2021. Many of these additional dwelling units were constructed as part of basement renovations or above garages.

Short-Term Rentals (STRs)

No changes are proposed to the STR regulations at this time. Currently the Residential (R-) zoning districts only permit primary residence STRs. A primary residence is defined as, “a dwelling unit, a single-family dwelling unit with accessory apartment, or a dwelling unit with an attached duplex unit owned by the same property owner, in which a host resides a majority of the year (183 days per year or 50% of the time).” There is no provision for triplexes and fourplexes, and staff finds that these would be treated as dedicated STRs which are not permitted in the R- zoning districts.

<sup>12</sup> <https://raleighnc.gov/planning/what-missing-middle>

## Other Considerations

- No changes to the Neighborhood Conservation Districts (NCDs) are proposed at this time. Of the Town's thirteen NCDs, only Northside and Pine Knolls currently allow duplexes and triplexes for affordable housing. Glen Lennox allows duplexes on specific lots. The majority of the NCDs prohibit duplexes and are silent on triplexes and fourplexes as these are currently not allowed in the underlying low residential zoning districts. It is not the intent to allow small multi-family developments in the NCDs at this time.

Staff find that the NCDs were created after significant community engagement and input. While staff is not proposing to amend NCDs at this time, staff believes further analysis should be conducted to determine what updates to the NCDs may be needed in the future. It would be helpful to receive input from Council about revising the NCDs.

- Staff has proposed limiting occupancy to no more than four unrelated people per dwelling unit. Note, however, that the State's residential building code allows up to eight unrelated people per dwelling unit, so enforcement of the occupancy requirement would be separate from building code enforcement. Occupancy has been difficult to enforce in the past.
- Stormwater staff are currently considering amendments to their regulations, and staff has not made text amendments to this section of LUMO. Multi-family developments of 3 or more units will still be required to make stormwater improvements.
- Staff has not proposed changes to [LUMO 5.2.4](#)<sup>13</sup> which requires that every subdivided lot front on a street meeting Town standards, which include sidewalks, curbs, and gutters.
- Subdivision standards of [LUMO 4.6.3\(b\)](#)<sup>14</sup> have not been amended. Any subdivision that seeks to create more than four (4) lots from any tract of land or lots of record that existed as of October 8, 1956, will require Council review as a major subdivision.
- In some instances, the Fire Code may be more restrictive than the provisions of the LUMO, such as access requirements and building separation.
- The Town's GIS maps have identified some 247 neighborhoods in Chapel Hill. Staff is in the process of analyzing these to determine how many single family neighborhoods in Chapel Hill have a Homeowners' Association, restrictive covenants, or an underlying entitlement (master land use plan, conditional zoning, or special use permit) that restrict development to single family or single family + accessory apartment only.
- Zoning regulations alone will not address the housing shortage. Other tools that could be applied include:
  - Amending the zoning map to allow more density
  - Development bonuses for affordable housing
  - Transit-oriented development, which is currently underway
  - Expedited review for pre-approved housing designs

## ATTACHMENTS

1. Technical Report
2. Table- Comparison of Housing Types
3. Draft Staff Presentation
4. Resolution A (Resolution of Consistency)
5. Ordinance A (Enactment of Land Use Management Text Amendment Proposal)
6. Resolution B (Deny Land Use Management Text Amendment Proposal)
7. Advisory Board Recommendations

<sup>13</sup>[https://library.municode.com/nc/chapel\\_hill/codes/code\\_of\\_ordinances?nodeId=CO\\_APXALOUSMA\\_ART5DEDEST\\_5.2LOLAST](https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALOUSMA_ART5DEDEST_5.2LOLAST)

<sup>14</sup>[https://library.municode.com/nc/chapel\\_hill/codes/code\\_of\\_ordinances?nodeId=CO\\_APXALOUSMA\\_ART4PR\\_4.6SU](https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALOUSMA_ART4PR_4.6SU)



# 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, fourplexes, and cottage courts to be constructed within existing neighborhood fabric. The purpose of allowing these uses in existing residential zoning districts is 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 petition from several Council members:

Plan	Goals or themes supporting diversity of housing:
<p><b>Chapel Hill 2020 Comprehensive Plan<sup>15</sup></b>  <b>Adopted: June 25, 2012</b></p>	<ul style="list-style-type: none"> <li>• A range of housing options for current and future residents (<i>Place For Everyone.3</i>)</li> <li>• Low density, green Rural Buffers that exclude urban development and minimize sprawl (<i>Good Places, New Spaces.1</i>)</li> <li>• 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.2</i>)</li> <li>• 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.5</i>)</li> <li>• Future land use, form, and density that strengthen the community, social equity, economic prosperity, and natural environment (<i>Good Places, New Spaces.8</i>)</li> <li>• 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.7</i>)</li> <li>• 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.4</i>)</li> </ul>

<sup>15</sup> <https://www.townofchapelhill.org/home/showpublisheddocument?id=15001>

	<ul style="list-style-type: none"> <li>Promote access for all residents to health-care centers, public services, and active lifestyle opportunities (<i>Town Gown Collaboration.6</i>)</li> </ul>
<p><b>Future Land Use Map<sup>16</sup></b>  <b>Adopted: December 9, 2020</b></p>	<ul style="list-style-type: none"> <li>Guiding Statement 1: Respond to the threats associated with climate change and environmental stewardship and resiliency by: <ul style="list-style-type: none"> <li>Creating compact, walkable, mixed-use communities where activities are in close proximity and require less time and energy to access and travel between destinations.</li> <li>Densify at strategic locations and mixing land uses shortens trips and reduces car dependency.</li> <li>Promote patterns and styles of development that are climate responsive and utilize existing infrastructure.</li> <li>Support transit systems through additional housing units and more intense land uses.</li> </ul> </li> <li>Guiding Statement 2: Ensure equitable planning and development. <ul style="list-style-type: none"> <li>Mitigate residential displacement as development and redevelopment occurs</li> <li>Provide affordable housing options for all family sizes and incomes in all neighborhoods</li> <li>Preserve and strengthen intact neighborhoods, building upon local assets and resources</li> <li>Develop healthy and safe communities through, among other improvements, walkable neighborhoods.</li> </ul> </li> <li>Guiding Statement 3: Encourage of Diversity of Housing Types <ul style="list-style-type: none"> <li>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.</li> <li>Development of townhouses at the edge of existing neighborhoods that act as a transitional use.</li> <li>Small lot single-family subdivisions that utilize traditional neighborhood design to create compact, livable, and accessible neighborhoods.</li> </ul> </li> <li>Guiding Statement 4: Promote distinctive, safe, and attractive neighborhoods. <ul style="list-style-type: none"> <li>Direct dense growth to multimodal and key transportation corridors to promote a multi-modal network and increase mobility options.</li> <li>Protect and preserve historic neighborhoods and neighborhood conservation districts (NCDs).</li> </ul> </li> <li>Guiding Principal 8: Provide appropriate transitions between land uses and buildings of different scales. <ul style="list-style-type: none"> <li>Create harmonious transitions between different types and intensities of land uses and built forms physically through form, use, architectural, and landscaped transitions.</li> </ul> </li> <li>Guiding Principal 9: Preserve and maintain the appearance of Chapel Hill and create quality design and development <ul style="list-style-type: none"> <li>Focus high quality appearance and design of private development to public views</li> <li>Develop design guidelines, regulations, streetscape plans, and improvements that provide guidance on building massing, scale, shape, and orientation</li> </ul> </li> </ul>
<p><b>Mobility &amp; Connectivity Plan</b>  <b>Adopted October 28, 2020</b></p>	<ul style="list-style-type: none"> <li>Compact, higher density and multi-family development creates demand for greenways, walking and biking paths, as well as transit.</li> </ul>

<sup>16</sup> <https://online.flippingbook.com/view/26191/>

<p><a href="#"><u>Climate Action &amp; Response Plan</u></a><sup>17</sup>  <b>Adopted: April 7, 2021</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><a href="#"><u>Petition from Council Members Regarding Affordable and Missing Middle Housing</u></a><sup>18</sup>  <b>Submitted: September 22, 2021</b></p>	<ul style="list-style-type: none"> <li>• Several members of 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.</li> </ul>
<p><a href="#"><u>Projected Housing Needs, 2020-2040</u></a><sup>19</sup>  <b>October 12, 2021</b></p>	<ul style="list-style-type: none"> <li>• 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 500 units/year are needed to meet housing demands.</li> </ul>
<p><a href="#"><u>Complete Community Strategy</u></a><sup>20</sup>  <b>December 7, 2022</b></p>	<ul style="list-style-type: none"> <li>• The Town of Chapel Hill worked 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: <ul style="list-style-type: none"> <li>○ Diversity of housing types, including missing middle density for both renters and homeowners.</li> <li>○ Diversity of tenures for a diversity of households and recognizes that both units and secondary suites add gentle density.</li> <li>○ Higher density, higher use, and lessened need for driving/parking will lower infrastructure and building costs.</li> </ul> </li> </ul> <p><i>Note: The Complete Community Strategy has not yet been put into narrative form and integrated into the Comprehensive Plan so that it may become part of the development review process. Town staff have begun that work and the matter is scheduled for public hearing in April 2023.</i></p>

## PROPOSED TEXT AMENDMENT CHANGES

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

### 1. Clarify definition of two-family.

Staff proposes amendments throughout the Land Use Management Ordinance (LUMO) to clarify 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.

### 2. Diversify the types of housing units allowed.

<sup>17</sup><https://www.townofchapelhill.org/Home/ShowDocument?id=48581>

<sup>18</sup><https://chapelhill.legistar.com/View.ashx?M=F&ID=9834553&GUID=1DB8AFA8-3BDF-42E2-9E41-D6747BD4ECF4>

<sup>19</sup><https://www.townofchapelhill.org/home/showpublisheddocument/50141/637715343396500000>

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



- Triplex and Fourplex Dwelling Units.
- Cottages on compact lots— a new use that would allow small houses on lots that are below the minimum lot size of the zoning district. Durham has found success in allowing a similar use.
- Cottage courts, with regulations to encourage clusters of small houses around a shared open space.
- “Multi-family dwelling units” has been redefined as either 5 to 10 units or more than 10 units.

**3. 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 in all residential (R-) zoning districts. The text amendment also allows cottages, triplexes, and fourplexes in most residential zoning districts, starting with Residential-1A (R-1A).

Through their Expanding Housing Choices Ordinance, Durham found that there was still significant demand for detached single-family housing. Staff proposes a similar “small house, small lot” initiative that would allow cottages on compact lots. Cottages, with a maximum floor area of 1,600 square feet, would be permitted on lots measuring a minimum of 2,700 square feet. This is roughly half the size of the smallest lots of 5,500 square feet allowed in the R-5 and R-6 zoning districts. The typical thresholds for minor or major subdivisions would apply to the creation of compact lots.

Cottage courts are proposed to be permitted in residential zoning districts, starting with Residential-3 (R-3). This would allow the development of clusters of cottages, measuring no more than 1,600 square feet in floor area each, to be constructed around a landscaped open space.

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 Permitted Uses do 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 duplex uses altogether. The majority are currently silent on triplexes and fourplexes as these uses are not currently permitted in most residential zoning districts. Staff believes the next phase of this project should be to engage with NCD residents and examine the allowed uses in these neighborhoods.

**4. 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 prescribed density and instead focusing on the number of dwelling units contained within a building. The standards proposed will mitigate the impacts of increased density by requiring new small-multi-family developments to fit into the neighborhood context, thus reducing the perceived density visible from the street.

While this proposal seeks to eliminate the density prescribed by the LUMO, other standards that indirectly control density will remain. Dimensional standards, including minimum lot size, setbacks, and building height will remain. This allows a progression in density between Residential-1 (R-1) to Residential-6 (R-6) zoning districts.

- *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 follow 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 or neighborhood conservation 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.

## 5. Update the setback and height exceptions outlined in Section 3.8.

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 has received variance requests for new mechanical equipment located in interior setbacks. Staff proposes allowing mechanical equipment associated with residential developments of less than five (5) units to encroach up to 5 feet into setbacks so long as they can comply with the Town's Noise Ordinance. Staff also proposes allowing wells to encroach into setbacks so long as any necessary well house does not exceed 4 feet 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 of the Town Code 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 included 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](#)<sup>21</sup> model ordinance.

## 6. Revise Inclusionary Zoning Standards.

Currently, the Inclusionary Zoning Ordinance determines the minimum number of affordable housing units generated by a subdivision as a percentage of the number of dwelling units permitted on the lots in the approved subdivision. Under the current zoning, most subdivisions in residential zoning districts would yield one (1) single family or duplex dwelling unit per lot in a new subdivision. Roughly:

$$15\% \text{ of proposed lots} \times 1 \text{ single family dwelling unit/lot} = \text{Number of affordable housing units}$$

The new regulations would significantly increase the number of affordable housing units generated if a fourplex were permitted in most zoning districts and the method of calculation remained the same:

$$15\% \text{ of proposed lots} \times 4 \text{ units/lot} = \text{Number of affordable housing units}$$

Staff finds that this would become a deterrent to many small-scale developers seeking to add gentle density. Instead, staff proposes that the 15% of the lots be deed-restricted to affordable housing development. Any fractions of a lot or payment-in-lieu would be based on the maximum number of units permitted on the lot. Staff is continuing to analyze whether this change to the Inclusionary Zoning Ordinance would achieve the intended results.

## 7. 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. Townhouse subdivision requirements have been

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<sup>21</sup> <https://solsmart.org/solar-energy-a-toolkit-for-local-governments/planning-zoning-development/>

further refined so they may be applied to cottage courts and other detached housing developments on smaller lots within a larger zoning lot.

**8. 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.

**9. Require Site Plan Review for Cottage Courts.**

Staff finds that this is a new use that is intended to be pedestrian-oriented. Additional review may be necessary to ensure standards are met, and staff recommends that Cottage Courts follow the site plan review process for approval by the Planning Commission.

**10. 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.

**11. 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.

**12. 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.

**13. 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, not single-family and small-scale multi-family housing up to four units.

Staff has heard concerns that more density will lead to the loss of tree canopy. To combat this, staff proposes amendments that would require 20% tree canopy coverage for triplexes and fourplexes as well as 30% for cottage courts. No minimum tree canopy requirements are proposed for single family, duplex, or cottages.

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

Staff proposes the following amendments:

- Motorcycle and Moped Parking: Removing a requirement to provide motorcycle, moped, and bicycle parking for parking facilities accommodating more than five (5) vehicles as 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: Duplex, triplex, and fourplexes would provide parking at the same rates as multi-family developments based on the number of bedrooms.
- Cottage Court parking ratios: A minimum of one (1) parking space and maximum of two (2) parking spaces per unit for non-Town Center (TC-) zoning districts.
- Townhouse development parking ratios: 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. Staff has created design standards for townhouse developments that encourage pedestrian-oriented facades with emphasized entrances and recessed garages.

**15. Amend Article 6- Special Regulations for Particular Uses to address development standards for housing types.**

Staff has proposed regulations to require context-sensitive infill design for each of the following uses:

- Accessory Apartments. Currently the development standards for accessory apartments are included in Appendix A- Definitions. A new section in Article 6 dedicated to this use would include additional provisions would require an accessory apartment to remain subordinate in mass, size, scale, and location to the primary dwelling unit.
- Cottages. New development standards for these small houses ensure that they remain small-scale development. Cottages are defined as units with a maximum floor area of 1,600 square feet on a lot measuring a minimum of 2,700 square feet. These units and lots would require plat notes specifying the limitations of the development.
- Cottage Courts. These developments could contain between three to twelve single-family or duplex cottages on lots measuring 10,000 to 24,000 square feet. The intent of the cottage court is to develop pedestrian-oriented houses around a shared centralized, landscaped open area. Parking would be relegated to the rear or side of the development.
- Triplexes and Fourplexes: New development regulations for these uses 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. A new section in Article 6 would incorporate 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 from the Community Design Commission (CDC) during their review of townhouse developments.

**16. 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
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<ul style="list-style-type: none"> <li>• Dwelling units, Duplex</li> <li>• Dwelling units, multifamily</li> <li>• Dwelling units, single-family with accessory apartment</li> <li>• Dwelling units, two-family</li> <li>• Dwelling units, triplex</li> <li>• Recreation space</li> <li>• Townhouse subdivision</li> </ul>	<ul style="list-style-type: none"> <li>• Condominium</li> <li>• Dwelling units, fourplex</li> <li>• Dwelling units, townhouse</li> <li>• Dwelling units, cottage court</li> <li>• Dwelling units, cottage on cottage lot</li> <li>• Townhouse development</li> </ul>	<ul style="list-style-type: none"> <li>• Two family lot</li> </ul>
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