



TOWN OF CHAPEL HILL

Town Council Meeting Agenda

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Mayor Jessica Anderson
Mayor pro tem Amy Ryan
Council Member Camille Berry
Council Member Melissa McCullough
Council Member Paris Miller-Foushee

Council Member Theodore Nollert
Council Member Adam Searing
Council Member Elizabeth Sharp
Council Member Karen Stegman

Wednesday, April 24, 2024 6:00 PM

RM 110 | Council Chamber

Language Access Statement

For interpretation or translation services, call 919-969-5105.

ဘာသာပြန်ဆိုခြင်းနှင့် စကားပြန်ခြင်းအတွက်၊ (၉၁၉) ၉၆၉-၅၁၀၅ ကို ဖုန်းခေါ်ပါ။

Para servicios de interpretación o traducción, llame al 919-969-5105.

如需口头或
书面翻译服
务，请拨打
919-969-5105.

လၢတၢ်ကတိၤကျိးထံ မ့တမၢ် လၢတၢ်ကွဲးကျိးထံ အတၢ်မၤစၢၤအဂီၢ် ၼ် ကိးဘၣ် (၉၁၉)-၉၆၉-၅၁၀၅

In-Person Meeting Notification

View the Meeting

- View and participate in the Council Chamber.
- Live stream the meeting - <https://chapelhill.legistar.com/Calendar.aspx>
- Spectrum is replacing 1998 encoder that transmits programming to cable channel 18. It remains offline until complete.
- The Town of Chapel Hill wants to know more about who participates in its programs and processes, including Town Council meetings.
- Participate in a voluntary demographic survey before viewing online or in person - <https://www.townofchapelhill.org/demosurvey>

Parking

- Parking is available at Town Hall lots and the lot at Stephens Street and Martin Luther King Jr. Boulevard.
- See <http://www.parkonthehill.com> for other public lots on Rosemary Street
- Town Hall is served by NS route and T route, and GoTriangle Routes of Chapel Hill Transit.

Entry and Speakers

- Entrance on the ground floor.
- Sign up at the meeting starting at 5:30 PM with the Town Clerk to speak.
- If more than 14 people sign up for an item, Council will reduce speaking time from 3 minutes to 2 min./person.
- Please do not bring signs.

ROLL CALL

OPENING

ANNOUNCEMENTS BY COUNCIL MEMBERS

PUBLIC COMMENT FOR ITEMS NOT ON PRINTED AGENDA AND PETITIONS FROM THE PUBLIC AND COUNCIL MEMBERS

Petitions and other similar requests submitted by the public, whether written or oral, are heard at the beginning of each regular meeting. Except in the case of urgency and unanimous vote of the Council members present, petitions will not be acted upon at the time presented. After receiving a petition, the Council shall, by simple motion, dispose of it as follows: consideration at a future regular Council meeting; referral to another board or committee for study and report; referral to the Town Manager for investigation and report; receive for information. See the Status of Petitions to Council webpage to track the petition. Receiving or referring of a petition does not constitute approval, agreement, or consent.

CONSENT

Items of a routine nature will be placed on the Consent Agenda to be voted on in a block. Any item may be removed from the Consent Agenda by request of the Mayor or any Council Member.

1. Approve all Consent Agenda Items. [\[24-0205\]](#)
By adopting the resolution, the Council can approve various resolutions and ordinances all at once without voting on each resolution or ordinance separately.
2. Amend Chapter 2, Article IV, Section 2-72 of the Town Code of Ordinances Regarding Campaign Contribution Limitations. [\[24-0206\]](#)
By enacting the ordinance, the Council increases the municipal campaign maximum contribution to \$367.00 and the contribution disclosure exemption to \$38.00 as required by ordinance.
3. Update the Town's Traffic Calming Policy. [\[24-0207\]](#)

By adopting the resolution, the Council adopts the updated Town Traffic Calming Policy.

DISCUSSION

- 4.** Public Forum: Use of 2024-2025 Community Development Block Grant Funds. [\[24-0208\]](#)

PRESENTER: Emily Holt, Affordable Housing Manager

RECOMMENDATION: That the Council receive public comment on the use of federal Community Development Block Grant (CDBG) program funding and the Application Review Committee's Recommended 2024-2025 CDBG Program Plan.

- 5.** Consider Approving the Recommended Affordable Housing Funding Plan. [\[24-0209\]](#)

PRESENTER: Sarah Osmer Viñas, Director
Emily Holt, Affordable Housing Manager

RECOMMENDATION: That the Council approve the recommended Affordable Housing Funding Plan, as outlined in the agenda item.

- 6.** Rewriting Our Rules - A LUMO Update. [\[24-0210\]](#)

PRESENTERS: Katherine Shor, Senior Planner
Tas Lagoo, Principal Planner

Planning Department Staff will share updates and request feedback on the Rewriting Our Rules project.

REQUEST FOR CLOSED SESSION TO DISCUSS ECONOMIC DEVELOPMENT, PROPERTY ACQUISITION, PERSONNEL, AND/OR LITIGATION MATTERS



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Item Overview

Item #: 1., **File #:** [24-0205], **Version:** 1

Meeting Date: 4/24/2024

Approve all Consent Agenda Items.

Staff:

Sabrina M. Oliver, Director/Town Clerk
Brenton Hodge, Assistant Town Clerk

Department:

Governance Services

Overview: Items of a routine nature to be voted on in a block. Any item may be removed from the Consent Agenda by the request of the Mayor or any Council Member.



Recommendation(s):

That the Council adopt the various resolutions and ordinances.

Fiscal Impact/Resources: Please refer to each agenda item for specific fiscal notes.



Attachments:

- Resolution

**A RESOLUTION ADOPTING VARIOUS RESOLUTIONS AND ENACTING VARIOUS ORDINANCES
(2024-04-24/R-1)**

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby adopts the following resolutions and ordinances as submitted by the Town Manager in regard to the following:

2. Amend Chapter 2, Article IV, Section 2-72 of the Town Code of Ordinances Regarding Campaign Contribution Limitations. (O-1)
3. Update the Town's Traffic Calming Policy. (R-2)

This the 24th day of April, 2024.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council can approve various resolutions and ordinances all at once without voting on each resolution or ordinance separately.



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Item Overview

Item #: 2., File #: [24-0206], Version: 1

Meeting Date: 4/24/2024

Amend Chapter 2, Article IV, Section 2-72 of the Town Code of Ordinances Regarding Campaign Contribution Limitations.

Staff:

Sabrina Oliver, Director
Matt DeBellis, Assistant Town Clerk

Department:

Governance Services

Overview: The Town established campaign contribution limits in 1999 pursuant to special legislation enacted by the General Assembly. Chapter 2, Article IV, of the Town Code of Ordinances limits the amount of money that an individual or a political committee can contribute to a Mayor or Town Council candidate's campaign. The Ordinance also establishes a maximum contribution that can be made without disclosing the contributor's name in municipal campaign reports. Ordinance [Section 2-73](https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_CH2AD_ARTIVCADICOLI_S2-73ADCRDICOLICO) requires that these amounts be adjusted during even-numbered years and provides criteria for making these adjustments based on the number of Town of Chapel Hill registered voters and changes in the Consumer Price Index (CPI) since January 1st of the prior even-numbered year. The adjustments proposed for tonight, if enacted, will apply to the 2025 municipal campaigns.



Recommendation(s):

That the Council enact the attached ordinance to increase the municipal campaign maximum contribution to \$367.00 and the contribution disclosure exemption to \$38.00 as required by ordinance.

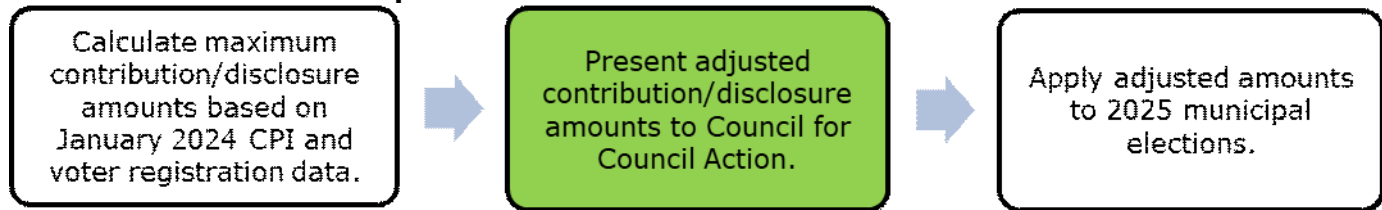
Background:

- In 2023, the maximum amount that an individual or political committee could donate to a municipal candidate's campaign was \$357.00 and the names of contributors donating \$37.00 or less were exempt from disclosure in campaign reports.
- Council established the 2023 amounts on [April 27, 2022](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=5561918&GUID=26B855AA-9A81-41D8-)

Decision Points:

- Based on data obtained for January 2024 (as required by Sec. 2-73 of the Town Code), the CPI change since January 2022 is 12.72% and active voter registration for the Town of Chapel Hill is 35,412
- The CPI Change is up from the 4.54% change used for the last round of adjustments. The Base Voters amount is up from the prior amount of 35,209.
- Based on the adjustment criteria established in Ordinance Sec. 2-73, maximum contribution and disclosure exemption amounts for the 2025 municipal campaigns should be increased to \$367.00 and \$38.00, respectively.

Fiscal Impact/Resources: None to the Town

Where is this item in this process?**Attachments:**

- Ordinance
- Disclosure and Contribution Adjustments Worksheet

AN ORDINANCE AMENDING THE DISCLOSURE EXEMPTION AND MAXIMUM CONTRIBUTION LIMITS IN CHAPTER 2, ARTICLE IV OF THE TOWN CODE OF ORDINANCES AS REQUIRED BY ORDINANCE (2024-04-24/O-1)

WHEREAS, Chapter 2, Article IV, Campaign Disclosure and Contribution Limitations of the Town Code of Ordinances limits the amount of money that an individual or a political committee can contribute to a Mayor or Town Council candidate's campaign; and

WHEREAS, Chapter 2, Article IV further limits the amount that an individual or a political committee can contribute to a Mayor or Town Council candidate's campaign without disclosing the contributor's name in municipal campaign reports filed in accordance with Chapter 163, Article 22A, Part 2 of the North Carolina General Statutes; and

WHEREAS, Chapter 2, Article IV further requires that these amounts be adjusted during even-numbered years and provides criteria for making these adjustments based on changes in the Consumer Price Index since January 1 of the prior even-numbered year and the number of Town of Chapel Hill registered voters.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Chapel Hill that the Council amend Chapter 2, Article IV of the Code of Ordinances of the Town of Chapel Hill as follows:

Section 1. **Sec. 2-71. - Disclosure of contributors, subsection (b)**, is amended to read as follows:

"(b) Names of contributors of amounts ~~thirty-seven dollars (\$37.00)~~ **thirty-eight dollars (\$38.00)** or less are exempt from the requirements of this section."

Section 2. **Sec. 2-72. - Limitation on contributions**, is amended to read as follows:

"Except as provided by N.C.G.S. 163-278.13(d), no individual or political committee shall contribute to any candidate, or political committee of a candidate, any money or make any other contribution in any town municipal election in excess of ~~three hundred and fifty-seven dollars (\$357.00)~~ **three hundred and sixty-seven dollars (\$367.00)** for that election."

Section 3. This Ordinance shall be effective upon enactment.

This the 24th day of April, 2024.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By enacting the ordinance, the Council increases the municipal campaign maximum contribution to \$367.00 and the contribution disclosure exemption to \$38.00 as required by ordinance.

Campaign Disclosure and Contribution Adjustments Based on Ordinance 2017-02-27/O-5 Rolling Average CPI Adjustment and Compared to Base Voter Numbers (40,000)									
Year	CPI in \$ (Prior 2-Yr Average)	CPI % Change	Base Voters	Units of 2,000	Voter Adjust vs 40,000	Disclosure	Contrib Limit	Rounded Disclosure	Rounded Contribution
2016	236.88					36.00	353.00	36.00	353.00
2018	242.57	2.40%	39382	0	0%	36.86	361.48	37.00	361.00
2020	253.38	4.46%	38373	0	0%	38.65	377.60	39.00	378.00
2022	264.89	4.54%	35209	-2	-10%	36.87	356.99	37.00	357.00
2024	298.59	12.72%	35412	-2	-10%	38.01	366.70	38.00	367.00

- Instructions:
- 1) Update CPI Data tab with prior 2 years' numbers, obtained from BMD. Numbers will flow over to this sheet automatically.
 - 2) Update Base Voters field manually with data obtained by GS for current year from Orange (32,945) and Durham (2,467) counties.
 - 3) Rounded Disclosure and Rounded Contribution amounts will calculate automatically (columns I, J).

4/2/2024

2022	Jan	281.148		
2022	Feb	283.716		
2022	Mar	287.504		
2022	Apr	289.109		
2022	May	292.296		
2022	Jun	296.311		
2022	Jul	296.276		
2022	Aug	296.171		
2022	Sep	296.808		
2022	Oct	298.012		
2022	Nov	297.711		
2022	Dec	296.797		
2023	Jan	299.170		
2023	Feb	300.840		
2023	Mar	301.836		
2023	Apr	303.363		
2023	May	304.127		
2023	Jun	305.109		
2023	Jul	305.691		
2023	Aug	307.026		
2023	Sep	307.789		
2023	Oct	307.671		
2023	Nov	305.051		
2023	<u>Dec</u>	<u>306.746</u>	298.595	12.724% 2022-2023 average for 2025 election



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Item Overview

Item #: 3., **File #:** [24-0207], **Version:** 1

Meeting Date: 4/24/2024

Update the Town's Traffic Calming Policy.

Staff:

Roger Henderson, Traffic Engineering Manager
Josh Mayo, Transportation Planner

Department:

Public Works
Planning

Overview: The Town has not officially updated its traffic calming policy since 2002, and current practices do not match the existing policy. The proposed policy aligns with current Vision Zero efforts to enhance safety and make it simpler for the public to provide feedback. The new policy updates the process for requesting traffic calming, outlines available options, and allow staff to make updates going forward.



Recommendation(s):

That the Council adopt a resolution to approve the Town's Traffic Calming Policy.

- **Fiscal Impact/Resources:** No fiscal impacts are expected beyond current Town activities.



Attachments:

- Resolution
- Draft Traffic Calming Policy

A RESOLUTION TO ADOPT A TOWN TRAFFIC CALMING POLICY (2024-04-24/R-2)

WHEREAS, the Town conducts traffic calming activities on Town-maintained streets; and

WHEREAS, the Town Council passed a traffic calming policy in 2002 to establish procedures for requesting traffic calming measures; and

WHEREAS, the Town wishes to update the procedures and available measures for traffic calming.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council adopt the new traffic calming policy, as described in the April 24, 2024 meeting materials.

BE IT FURTHER RESOLVED that previous Traffic Calming Policy versions are superseded and obsolete.

BE IT FURTHER RESOLVED that the Town Manager or designee may make updates to this policy.

This the 24th day of April, 2024.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council adopts the updated Town Traffic Calming Policy.



TRAFFIC CALMING POLICY

[Adopted 4/24/2024 by the Chapel Hill
Town Council]
[Supersedes 2002 Traffic Calming Policy]

What is Traffic Calming?

Traffic calming is the combination of mainly physical measures that reduce the negative effects of motor vehicle use, alter driver behavior and improve conditions for non-motorized street users, according to the [Institute of Transportation Engineers](https://www.ite.org/technical-resources/traffic-calming/)¹.

What Can This Policy Help Me Do?

This policy is in place to help people request traffic calming measures in Chapel Hill. This policy aims to:

- Make it simple to request help from the Town
- Set clear thresholds for when the Town will put measures in place to reduce speeding
- Outline the types of solutions that the Town will put in place to reduce speeding

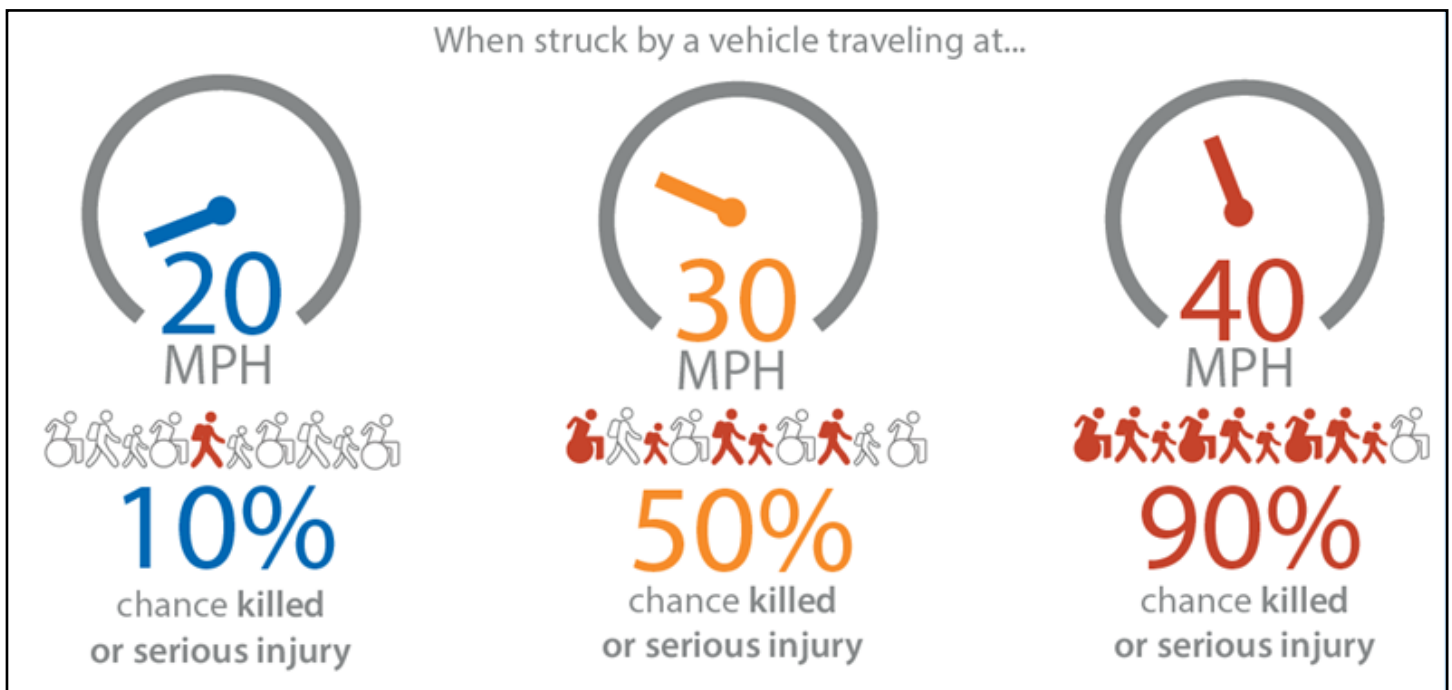


Table of Contents

Why is Traffic Calming Important?	3
Apply	4
Assess	5
Implement	6
Appendix A: Traffic-Calming Measures	7
(Additional appendices may be added at staff's discretion in the future)	

Why is Traffic Calming Important?

Safety is a key reason for traffic calming. The Chapel Hill Town Council adopted its Vision Zero Resolution in October 2021, which affirmed the Town's commitment to eliminating traffic deaths and serious injuries by 2031. To achieve this goal, the resolution commits the Town to prioritizing the safety of road users over vehicle speeds. The Town maintains close to 170 miles of road, and aims to make them safe for all road users.



1. Apply

Can I Apply For Traffic Calming?



Yes! The Town welcomes requests from people who live, work, study, or visit Chapel Hill. Town staff will also look for locations to proactively examine traffic calming solutions.



What Streets Will Town Staff Evaluate?

- Not all streets in Chapel Hill fall under the Town's control - requests must be on streets maintained by the Town of Chapel Hill. Please check the [Town's online map of Town-maintained streets](#) to see if your request is eligible.



This policy excludes streets maintained by:

- The North Carolina Department of Transportation (NCDOT)
- UNC
- Private roads

What is Not Included in This Policy?



- New speed bumps, stop signs, and traffic signals **cannot** be requested by the public under this policy. For allowed traffic calming measures, see Appendix A.



2. Assess

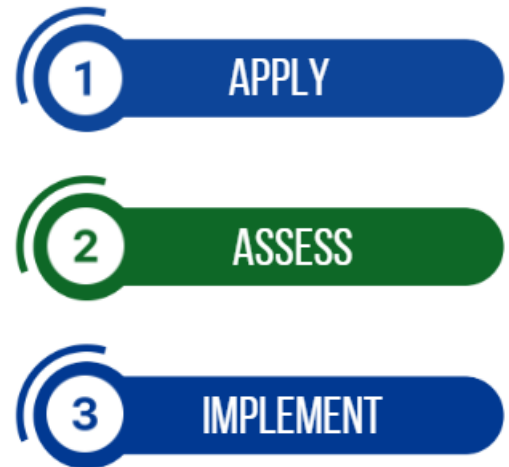
After an application on a Town street is received, the request will enter the Town's list of requested Traffic Calming Assessments. Assessments will be conducted by collecting vehicle speed data close to the area highlighted as a concern.

Similar requests may be combined into one assessment. The Town will provide status updates through the online Traffic Calming Portal so residents can stay up-to-date on the assessment's progress.

In order to be considered for traffic calming treatments, assessments must show that:

- Between 500 and 6,000 cars use the road each day.
- At least 15 percent of drivers are going at least 7 miles per hour over the speed limit. Streets with lower speeds would fall lower on the priority list.

If a street meets the thresholds required for traffic calming, staff will determine feasible options for traffic calming, considering characteristics such as road width, sight distance, curves, hills, presence of bikes/pedestrians, and crash history. While staff will aim to find the right type of traffic calming, some streets may not have an easily feasible traffic calming solution – staff will share with the applicant if this determination is made.



TO QUALIFY FOR TRAFFIC CALMING, THE FOLLOWING
MUST BE TRUE



3. Implement



If a street meets the thresholds for traffic calming, staff will develop an appropriate design based on the approved interventions listed in Appendix A. An interdepartmental staff group, including emergency services and Chapel Hill Transit, will test the design and approve. The Town Manager, or a representative, will give final approval.

Project Prioritization

Approved projects will be prioritized for installation based on the findings from the engineering study, speed study, crash history, cost estimate and the length of time from the initial request. The highest-priority projects will be selected quarterly for implementation. The number of traffic calming installations per year will depend on the amount of funding available by the Town. Prior to installation, Town staff will communicate to the applicant, nearby residents, community organizations, and other stakeholders on the traffic calming design and the timeline for the installation.

Traffic Calming Implementation

The traffic calming devices will be installed with temporary materials that can be modified or removed if they are found to be ineffective at reducing traffic speeds or other unintended results. Final projects are subject to change based on constructability, final cost, or engineering judgement.

Traffic Calming Feedback

At the site of the project, staff will provide information to nearby residents and on the project itself to inform road users why the traffic calming installation was selected and how it is expected to reduce vehicle speeds. It will also direct users to the Town's traffic calming [feedback](#) form to provide additional feedback.

Traffic Calming Results

Following installation, staff will conduct an after-speed study to evaluate countermeasure effectiveness, and staff may adjust as necessary. The results of the after-speed study and community feedback will be presented to the Town's interdepartmental staff team and added to the Traffic Calming Portal. Town staff will present the results of traffic calming projects as part of the annual Vision Zero report.

Appendix A: Normal Range of Traffic Calming Interventions

Table 1: Mid-Block Traffic Calming Countermeasures

Mid-Block Calming Measure	Description
Lowering Speed Limits	Lower posted speed limit if the speed study shows it would be appropriate.
Radar Speed Sign	Displays the speed of passing vehicles, reinforces the speed limit.
Chicanes	Designed curved street alignment that slows traffic with horizontal shifts
Parking Adjustments	Adding, removing or converting parking to encourage traffic calming
Diagonal Parking	A parking design that aligns parking spaces in 45 or 60 degree angle to ensure drivers can back-in easily and pull out safely.
Lane Striping	Create bike lanes to provide a dedicated cycling area and reduce the width of travel lanes
On Street Walking Path	Create vertical separation between active users and vehicles on streets without sidewalks
Roadway narrowing	Reduce lane width to slow traffic and create room for sidewalks, bike lanes, roadside parking, and landscapes.
Raised Medians or Pedestrian Refuge Areas	A roadway design that uses a raised island to separate traffic directions. It helps to narrow the street as well as protect pedestrians from vehicles.
Flashing Variable Signage	Traffic safety warning devices such as Rectangular Rapid Flashing Beacons (RRFBs) that use LED lights to alert drivers to yield at pedestrians.
Neighborhood Greenway / Bike Boulevard	Prioritizing bicycle access and connections along low-speed, low-volume streets

Table 2: Intersection Traffic Calming Countermeasures

Intersection Calming Measure	Description
Neighborhood Traffic Circle	Change stop control intersection to yield control with a center island to circulate traffic
Parking Adjustments	Adding, removing or converting parking to encourage traffic calming
Curb Extensions (e.g. bulb-outs, neckdowns, chokers)	Create vertical separation between active users and vehicles on streets without sidewalks
Diverter	A roadway design used to prohibit traffic from entering or exiting a street. A typical cul-de-sac type diverter cuts traffic from both lanes by placing it across the street while allowing pedestrians and bicyclists to go through.
Painted Crosswalks	Add high visibility treatments to crosswalks to improve pedestrian crossing safety
Neighborhood Gateways	Creating placemaking at the entrance to neighborhoods to emphasize residential safety



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Item Overview

Item #: 4., File #: [24-0208], Version: 1

Meeting Date: 4/24/2024

Public Forum: Use of 2024-2025 Community Development Block Grant Funds.

Staff:

Sarah Osmer Viñas, Director
Emily Holt, Affordable Housing Manager

Department:

Affordable Housing and Community Connections

Overview: The Council will open the second public forum for the Community Development Block Grant (CDBG) Program to receive comments from the public about the recommended annual program plan. The Council held an initial public forum on [November 15, 202](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6414715&GUID=C78D825B-2F39-41C2-8D65-59C57EF1C054)
<<https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6414715&GUID=C78D825B-2F39-41C2-8D65-59C57EF1C054>>3. The Council will be asked to approve a recommended annual program plan in June.



Recommendation(s):

That the Council receive comments on the use of federal Community Development Block Grant (CDBG) program funding and the recommended 2024-2025 CDBG Program Plan.

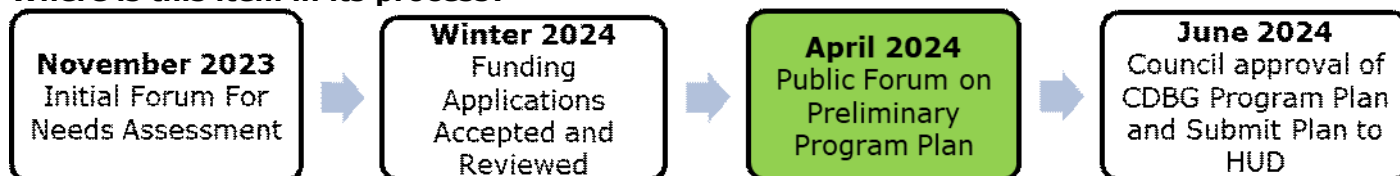
Key Issues

- The Town's estimated FY24-25 CDBG allocation is \$419,225. The final Housing and Urban Development (HUD)-calculated CDBG grant award will be announced by June.
- The recommended CDBG Program Plan also includes \$7,338 in program income from an annual repayment of a loan made in 2008 to support development of the Dobbins Hill Low-Income Housing Tax Credit development.
- Eligible activities must serve households earning less than 80 percent of the Area Median Income (AMI), or \$80,900 for a household of four.
- We included notice of tonight's forum and the ongoing opportunity to provide feedback on the plan in the Herald Sun on March 29, April 10, April 17, and April 22, 2024; in the Town's email newsletter; in the Town's Affordable Housing and Community Connections Newsletter; on the Town's social media; and directly to our affordable housing and community development partners.
- Town staff assembled a funding recommendation and shared it to the CDBG Application Review Committee on March 22, 2024 for consideration. All members indicated support for the proposed plan.
- The annual Community Development Program Plan, submitted to HUD, will include all comments received in writing and at public forums.
- All proposed projects meet the CDBG eligibility requirements.

Fiscal Impact/Resources: The Town of Chapel Hill is a Community Development Block Grant Entitlement Community and receives an annual CDBG allocation from HUD. The Town provides CDBG funding through performance agreements with agencies that implement approved programs and services.

Program	Requested	Recommended Plan
Affordable Housing		
Community Home Trust - Homebuyer Subsidy	\$ 30,000	\$ 30,000
Rebuilding Together of the Triangle Home Repairs	\$ 89,500	\$ 89,500
Neighborhood Revitalization	\$ -	\$ 139,983
Total	\$ 119,500	\$ 259,483
Economic Development		
Transplanting Traditions Community Farm Microenterprise Development	\$ 17,784	\$ 17,784
Total	\$ 17,784	\$ 17,784
Public Services - 15% Cap of \$63,984		
Town's Summer Youth Employment Program	\$ 35,000	\$ 35,000
Inter-Faith Council - Homeless Case Management	\$ 137,961	\$ 28,984
Refugee Community Partnership Crisis Case Management	\$ 50,000	\$ -
Total	\$ 222,961	\$ 63,984
Administration - 20% Cap of \$85,312		
Total	\$ 85,312	\$ 85,312
Total	\$ 445,557	\$ 426,563

Where is this item in its process?



Attachments:

- Summary of 2024-25 CDBG Funding Requests and Funding Recommendation
- [Town of Chapel Hill CDBG Quick Guide](https://www.townofchapelhill.org/home/showpublishedimage/37163/638472258168600000)
<<https://www.townofchapelhill.org/home/showpublishedimage/37163/638472258168600000>>

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Emily Holt, Affordable Housing Manager

RECOMMENDATION: That the Council receive public comment on the use of federal Community Development Block Grant (CDBG) program funding and the Application Review Committee's Recommended 2024-2025 CDBG Program Plan.

Summary of 2024-2025 CDBG Funding Requests and Recommended Funding Plan






This document summarizes the recommended 2024-2025 funding plan for \$426,563 in (Community Development Block Grant) CDBG. This includes an estimated 2024-2025 CDBG grant award of \$419,225, plus \$7,338 in program income. The program's income is received from the annual repayment of a loan made in 2008 to support development of the Dobbins Hill Low Income Housing Tax Credit development. Individual program awards will need to be adjusted once the Town receives notification of the final HUD-calculated CDBG grant award, anticipated by June. Recommended adjustments are highlighted in the recommendation summaries below.




Application Review Committee Recommended Funding Plan

Program	Requested	Recommended Plan	% of Request
Affordable Housing			
Community Home Trust - Homebuyer Subsidy	\$ 30,000	\$ 30,000	100%
Rebuilding Together of the Triangle Home Repairs	\$ 89,500	\$ 89,500	100%
Neighborhood Revitalization	\$ -	\$ 139,983	
Total	\$ 119,500	\$ 259,483	
Economic Development			
Transplanting Traditions Community Farm Microenterprise Development	\$ 17,784	\$ 17,784	100%
Total	\$ 17,784	\$ 17,784	
Public Services - 15% Cap of \$63,984			
Town's Summer Youth Employment Program	\$ 35,000	\$ 35,000	100%
Inter-Faith Council - Homeless Case Management	\$ 137,961	\$ 28,984	21%
Refugee Community Partnership Crisis Case Management	\$ 50,000	\$ -	0%
Total	\$ 222,961	\$ 63,984	
Administration - 20% Cap of \$85,312			
	\$ 85,312	\$ 85,312	
Total	\$ 445,557	\$ 426,563	

*Federal Regulations cap the amount of CDBG funding used for **public services at 15%** of the Town's current year grant plus program income equaling an estimated \$63,984 for FY24-25. **Administration is capped at 20%** of current year grant plus program income equaling an estimated \$85,312 for FY24-25.

Affordable Housing

 <p>Community HOME TRUST</p>	<p><u>Homebuyer Subsidy</u> Recommendation: \$30,000 Request: \$30,000 Previous CDBG Awards (since FY 2017): \$195,000</p> <p>The Community Home Trust (CHT) requests funding for its Homebuyer Assistance Program. These funds would be used to make CHT homes more affordable to households earning 80% of the area median income or less.</p>	
 <p>Rebuilding Together. Of the Triangle</p>	<p><u>Rehabilitation Services & Home Repairs</u> Recommendation: \$89,500 Request: \$89,500 Previous CDBG Awards (since FY 2017): \$325,358</p> <p>\$17,000 for Rehabilitation Services to support the work of the Orange County Home Preservation Coalition (OCHPC), providing applicant intake, home assessments, work scopes, bid preparation, and project management of low-income homeowner repair and accessibility modification projects.</p> <p>\$72,500 for repair projects identified through Rehabilitation Services to be completed by an OCHPC member agency/agencies and coordinated by Rebuilding Together. This program will serve at least 5 households earning up to 80% of the area median income.</p>	 

	<p><u>Neighborhood Revitalization Activities</u> Recommendation: Balance of CDBG award (est. \$139,983) Request: \$139,983 Previous CDBG Awards (since FY 2017): \$159,345</p> <p>A flexible pool of funding to be used for Affordable Housing and Community Development projects identified throughout the year. Activities include: second mortgage assistance; property acquisition and/or renovation for rental or homeownership; housing rehabilitation; code enforcement; demolition; public housing improvements; public improvements such as installation of sidewalks; or parks and recreation facilities such as a community garden.</p> <p>The Town Manager would approve projects, which must demonstrate compliance with Town policies and federal regulations.</p> <p>Note: This amount may be higher or lower than the estimate depending on the final HUD CDBG allocation to the Town.</p>	
<u>Economic Development</u>		
	<p><u>Microenterprise Development</u> Recommendation: \$17,784 Request: \$17,784 Previous CDBG Awards (since FY 2017): \$15,338</p> <p>Microenterprise development through an 8-10 week intensive business, marketing and agricultural course called Growers School offered to low-income refugee farmers as they grow small agricultural businesses. The course includes monthly technical assistance as well as marketing and customer support. Transplanting Traditions anticipates up to 15 businesses owned and run by 29 refugee farmers in Chapel Hill will participate, creating new jobs and providing more sustainable income and livelihood security.</p>	

Public Services

Public service activities, such as programs focusing on employment, childcare, healthcare, and education are eligible to be funded through the CDBG program. Federal regulations cap the amount of CDBG funding used for public services at 15% of the Town's Current Year grant plus program income equaling an estimated \$63,984 for FY 24-25.



Summer Youth Employment Program

Recommendation: \$35,000

Request: \$35,000

Previous CDBG Awards (since FY 2017): \$182,455

The Town of Chapel Hill offers job training and paid employment to youth ages 14-18 in Chapel Hill households earning less than 80% of the Area Median Income. Every summer, the hired youth work 20 hours a week for 8-10 weeks in a variety of Town departments and outside agencies. This funding will allow the Town to hire 19 Chapel Hill youth, in addition to up to 6 Carrboro youth funded by Carrboro Human Services funding applied for through their outside agency process.



Case Management

Recommendation: \$28,984 (balance of remaining Public Services amount)

Request: \$137,961

Previous CDBG Awards (since FY 2017): \$306,670

Funding will mostly support 1 of the 3 requested full-time equivalent case manager staff positions for IFC's residential programs to assist individuals and households experiencing homelessness in obtaining shelter, securing permanent affordable housing and accessing outside resources.




Note: the funded amount could be increased or decreased depending on the final amount of available Public Services funding calculated once HUD releases the final CDBG allocation.

HomeStart



Community House



<u>Program Administration</u> Recommend the Council allocate funds to meet oversight requirements of the CDBG and related affordable housing and community development programs, including Town staff salaries.		
	<u>Program Administration</u> Recommendation: \$85,312 Request: 20% of CDBG grant Previous CDBG Awards (since FY 2017): 20% of CDBG grant The Committee recommends the Council allocate funds to meet oversight requirements of the CDBG and related affordable housing and community development programs, including Town staff salaries.	
<u>Application Not Recommended for Funding</u>		
	<u>Crisis Case Management</u> Recommendation: \$0; application was submitted late, so could not be considered for funding per Town policy. Request: \$50,000 Previous CDBG Awards (since FY 2017): \$12,000 Staff positions to provide crisis case management and resource referral for refugee and migrant households that are experiencing homelessness or are at risk of homelessness through community-based, on-call interpretation/translation and accompaniment for non-English speaking residents in Karen, Arabic, Burmese/Chin, and Dari/Pashto. The goal is to increase access to existing safety net services that would otherwise be inaccessible due to linguistic and cultural barriers.	

CDBG Application Review Committee Members

Mychal Weinert (Human Services Advisory Board)

Tony Williams (Housing Advisory Board)

Shenekia Weeks (Town of Chapel Hill Diversity, Equity and Inclusion Officer)

Anita Badrock (Town of Chapel Hill Senior Ombuds)

John French (Town of Chapel Hill Parks and Recreation Supervisor of Hargraves Center)

Sarah Poulton (Town of Chapel Hill Senior Special Projects Manager)

Staff Liaison: Emily Holt, Affordable Housing Manager



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Item Overview

Item #: 5., **File #:** [24-0209], **Version:** 1

Meeting Date: 4/24/2024

Consider Approving the Recommended Affordable Housing Funding Plan.

Staff:

Sarah Osmer Viñas, Director
Emily Holt, Affordable Housing Manager

Department:

Affordable Housing and Community Connections

Overview: This item provides an overview of a recommended Funding Plan for \$1,668,800 in local affordable housing resources.



Recommendation(s):

That the Council consider adopting the resolution, approving the recommended Affordable Housing Funding Plan, consistent with staff's recommendations.

Town Affordable Housing Funding

- After allocating a record amount of affordable housing funding in FY 2023, the Town released up to \$800,000 in funding from the Affordable Housing Development Reserve (AHDR).
- This amount included the full value of a penny on the tax rate dedicated to the AHDR in the FY 2024 budget, or \$971,000, minus funding to support the Affordable Housing Manager position and to provide annual operating support to the Northside Neighborhood Initiative.
- Shortly after releasing the request for funding proposals, the Town learned that it received a \$1.5 million federal Community Project Funding (CPF) grant for the Tanyard Branch Trace project on Town-owned land. Because the Town had previously awarded \$1.95 million in Town funding to that project, the CPF grant frees up previously allocated Town affordable housing bond funding to award to projects this funding cycle and in the future.
- In addition, the available funding includes \$50,000 in unallocated American Recovery Program Act funding that was dedicated to a 2023 Low-Income Housing Tax Credit but never committed to a project.
- Altogether, there is \$2,246,286 in affordable housing funding currently available for FY 2024 applicants. Funding not allocated in this funding round will be carried over to support projects in FY 2025.
- Consistent with the recommendation in our Council-approved Affordable Housing Plan & Investment Strategy and in alignment with the Housing Advisory Board's (HAB) approved charge, staff have assembled the recommended funding plan for Council consideration.

Overview of Funding Plan:

- The table below is a summary of the recommended funding plan, as developed by staff based on the funding guidelines and scoring rubric established by the HAB. The recommended funding plan also reflects the funding priorities identified in the Allocation Strategy of the Affordable Housing Development Reserve (AHDR) and Council-approved Affordable Housing Plan.
- The recommended funding plan fully funds five of the six funding requests received.
- Four of the recommended projects meet the scoring threshold of 60 percent established by the HAB. One recommended project scores below the HAB's threshold, but staff believe the request represents a sound investment that supports the preservation of a permanently affordable unit

acquired through the Town's Inclusionary Zoning policy.

- Staff did not recommend one project for funding. Given that the proposed renovation budget for this project exceeds the last assessed value of the building, staff recommend that the applicant work within the existing structure of the Preservation Coalition to design a more cost-effective scope of work that will meet the accessibility needs of the household.
- Additional details about the recommended funding plan and the applications received can be found in the attachments.

Organization	Project	Request	Recommendation
Community Home Trust	Everam Court Foundation Repair	\$33,800	\$33,800
EmPOWERment, Inc.	Davie Circle Acquisition	\$200,000	\$200,000
Habitat for Humanity of Orange County	225 Knolls St Accessibility Repairs	\$45,000	\$0
Habitat for Humanity of Orange County	Carver St. Acquisition	\$375,000	\$375,000
Residential Services Inc. (RSI)	Cedar Hills Home Renovation	\$110,000	\$110,000
Taft-Mills Group and Community Home Trust	Longleaf Trace LIHTC Project	\$950,000	\$950,000
	Total	\$1,713,800	\$1,668,800

Fiscal Impact/Resources:

- If Town Council approves the recommended funding plan, that would allocate all the remaining 2018 Affordable Housing Bond funds and leave about \$575,000 remaining in Affordable Housing Development Reserve funds.



Attachments:

- Resolution
- Recommended Funding Plan Overview

A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR) AND AFFORDABLE HOUSING BOND (2024-04-24/R-3)

WHEREAS, in fiscal year 2015, the Council approved the establishment of an Affordable Housing Development Reserve (AHDR), which provides funding to support affordable housing development and preservation projects; and

WHEREAS, in November 2018, Chapel Hill residents voted to approve a \$10 million affordable housing bond; and

WHEREAS, the Chapel Hill Town Council approved the eligible activities and priority areas for use of Affordable Housing Bond Funds in February 2018; and

WHEREAS, in June 2020, the Town Council approved allocating the first \$5 million of affordable housing bond funds to five projects to develop 275 new affordable homes in Chapel Hill; and

WHEREAS, in 2021, the Town issued the first \$4.75 million of the approved \$5 million of bond funds; and

WHEREAS, in November 2022, the Town Council approved allocating \$9,183,530 in affordable housing funding, including \$5,353,635 in affordable housing bond funds, \$600,895 in Affordable Housing Development Reserve, and \$2.5 million in ARPA funding to 6 projects to develop 325 affordable homes in Chapel Hill; and

WHEREAS, in fiscal year 2023, the Council increased the annual allocation to the Affordable Housing Development Reserve by \$282,605 to a total of \$971,000; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council approves the following funding plan using Affordable Housing Bonds and Affordable Housing Development Reserve funds.

Organization	Project	Recommendation
Community Home Trust	Everam Court Foundation Repair	\$33,800
EmPOWERment, Inc.	Davie Circle Acquisition	\$200,000
Habitat for Humanity of Orange County	225 Knolls St Accessibility Repairs	\$0
Habitat for Humanity of Orange County	Carver St. Acquisition	\$375,000
Residential Services Inc. (RSI)	Cedar Hills Home Renovation	\$110,000
Taft-Mills Group and Community Home Trust	Longleaf Trace LIHTC Project	\$950,000
	Total Recommendation	\$ 1,668,800

This the 24th day of April, 2024.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Sarah Osmer Viñas, Director

Item #: 5., File #: [24-0209], Version: 1**Meeting Date: 4/24/2024**

Emily Holt, Affordable Housing Manager

RECOMMENDATION: That the Council approve the recommended Affordable Housing Funding Plan, as outlined in the agenda item.



FY 2024 Recommended Funding Plan Overview










Funding Requests Breakdown

Organization	Project	Recommendation	Requests	Previous Award	Total Request	Units	Subsidy Per Unit	Total Project Cost	Cost Per Unit*	% Funded by Town	Leverage from Outside Sources
Community Home Trust	Everam Court Foundation Repair	\$33,800	\$33,800	-	\$33,800	2	\$21,600	\$43,200	\$21,600	78%	\$9,400
EmPOWERment, Inc.	Davie Circle Acquisition	\$200,000	\$200,000	-	\$200,000	8	\$25,000	\$1,015,000	\$126,875	20%	\$815,000
Habitat for Humanity of Orange County	Pine Knolls St. Accessibility Repair	\$0	\$45,000	-	\$45,000	1	\$45,000	\$116,470	\$116,470	39%	\$71,470
Habitat for Humanity of Orange County	Carver Street Acquisition	\$375,000	\$375,000	-	\$375,000	12	\$31,250	\$4,020,000	\$335,000	9%	\$3,645,000
Residential Services Inc. (RSI)	Cedar Hills Home Renovation	\$110,000	\$110,000	-	\$110,000	6	\$18,333	\$1,193,850	\$198,975	9%	\$1,083,850
Taft-Mills Group and Community Home Trust	Longleaf Trace LIHTC Project	\$950,000	\$950,000	-	\$950,000	48	\$19,792	\$15,837,386	\$329,946	6%	\$14,887,386
Total	Total	\$1,668,800	\$1,713,800	\$0	\$1,713,800	77	\$26,046	\$22,225,906	\$288,648	8%	\$20,512,106

*Cost Per Unit includes the costs to develop all units in the project

Project Overviews and Recommendations

	<p><u>Everam Court Foundation Repair</u></p> <p>Recommendation: \$33,800</p> <p>Request: \$33,800</p> <p>Previous Award: \$0</p> <p>CHT aims to use \$33,800 to correct critical foundation issues at 202 and 206 Everam Court Chapel Hill, NC 27516. This is a duplex sold to CHT as part of the inclusionary zoning requirement for the development. Both units are occupied by homeowners with mortgages.</p> <p>The proposed grant will allow CHT to rectify a cracked foundation, flooring, and structural concerns, preventing financial strain on homeowners. CHT believes that addressing these issues promptly is essential to safeguarding the property's integrity and maintaining affordable housing inventory for the Chapel Hill community.</p>	<table><tr><td data-bbox="1278 222 1442 449"><p>Description</p><p>A view of the crack at the right perimeter wall</p></td><td data-bbox="1442 222 1841 524"></td></tr><tr><td data-bbox="1278 466 1442 524"><p>Photo No.</p><p>2</p></td><td></td></tr><tr><td data-bbox="1278 524 1442 784"><p>Description</p><p>A typical view of drywall cracks at the right perimeter wall of 202</p></td><td data-bbox="1442 524 1896 859"></td></tr><tr><td data-bbox="1278 784 1442 859"><p>Photo No.</p><p>8</p></td><td></td></tr></table>	<p>Description</p> <p>A view of the crack at the right perimeter wall</p>		<p>Photo No.</p> <p>2</p>		<p>Description</p> <p>A typical view of drywall cracks at the right perimeter wall of 202</p>		<p>Photo No.</p> <p>8</p>	
<p>Description</p> <p>A view of the crack at the right perimeter wall</p>										
<p>Photo No.</p> <p>2</p>										
<p>Description</p> <p>A typical view of drywall cracks at the right perimeter wall of 202</p>										
<p>Photo No.</p> <p>8</p>										



Davie Circle Acquisition

Recommendation: \$200,000

Request: \$200,000

Previous Town Award: \$0

EmPOWERment (EI) seeks \$200,000 to support a \$1,015,000 acquisition of a NOAH property with eight units—four 1-bedroom and four 2-bedroom apartments. Situated off Franklin Street, the project addresses a critical need for affordable housing in a central location, accessible to UNC Campus, hospitals, Franklin Street, and local businesses. Targeted at individuals earning 30% to 60% of the Area Median Income, the project will not displace current low-income occupants. The project's overarching goal is to sustain safety and affordability in Chapel Hill communities. By offering affordable housing near key institutions, it contributes significantly to enhancing the well-being and accessibility of housing for the local workforce. EI's priority for this project is land acquisition for low income renters.



Pine Knolls Accessibility Repairs

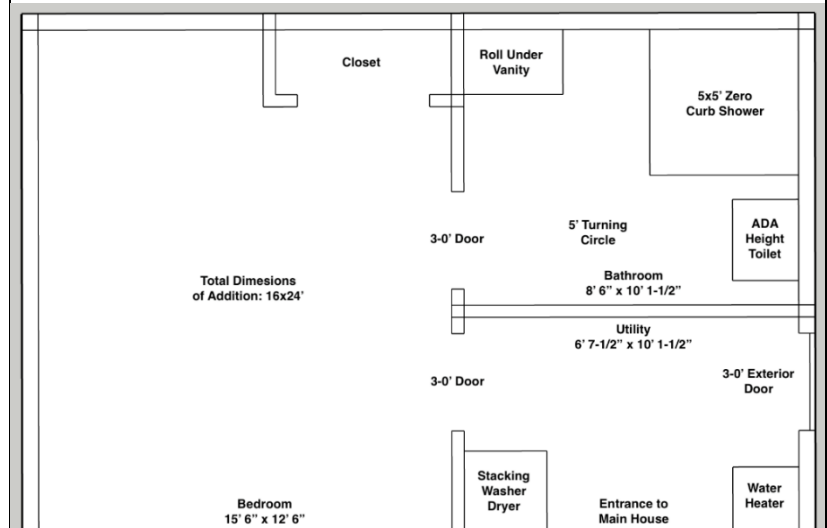
Recommendation: \$0

Request: \$45,000




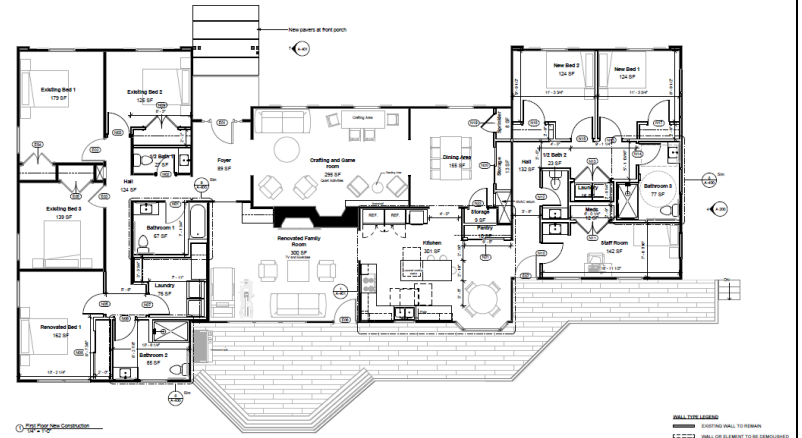
Previous Town Award: \$0



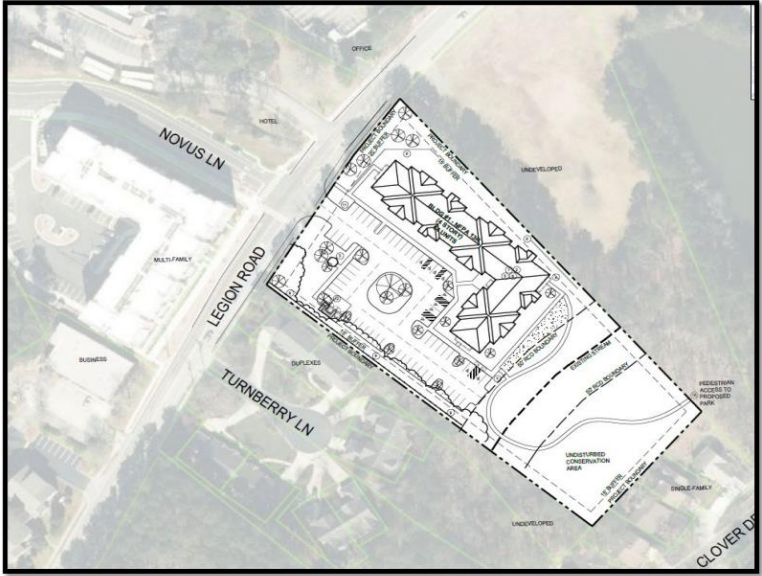
Habitat proposes to use \$45,000 in AHDR funds to complete critical home repairs, including building a home addition with comprehensive ADA accessibility modifications through the Home Preservation Program. The homeowner is a long-time Pine Knolls resident with two children, one of whom has significant physical disabilities.

The project budget includes \$116,470 to demolish a recent addition to the home, which has significant structural issues, and build a new addition designed to accommodate the specific needs of the family.



Repair Floor Plan

	<p>Staff do not recommend funding this request. Given that the proposed renovation budget for this project exceeds the last assessed value of the building, staff recommend that the applicant work within the existing structure of the Preservation Coalition to design a more cost-effective scope of work that will meet the accessibility needs of the household.</p>	
	<p><u>Carver Street Acquisition</u> Recommendation: \$375,000 Request: \$375,000 Previous Town Award: \$0</p> <p>Habitat for Humanity of Orange County proposes to use \$375,000 in AHDR funds to purchase two adjoining properties on Carver Street in the Northside neighborhood in Chapel Hill. The Carver Street properties are currently owned by Self-Help Community Development Corporation, and were purchased as part of a land banking strategy developed through extensive neighborhood planning with Northside residents and other stakeholders. Habitat plans to build twelve high-quality, affordable homes to be sold to community members who are first time homebuyers earning between 30-80% AMI.</p>	
	<p><u>Cedar Hills Home Renovation</u> Recommendation: \$110,000 Request: \$110,000 Previous Award: \$0</p> <p>RSI intends to convert this single-story property into a licensed group home for six low-income individuals with intellectual and developmental disabilities. Following the renovation, Cedar Hills will remain a single-story layout with no transitions to facilitate easy movement and reduce fall risks, accommodating aging in place. RSI has secured a line of credit for spending during construction, so this project can begin as soon as the license is approved from NC DHHS.</p>	

	<p>The total project budget is \$1,193,850. RSI has been approved for a loan covering 60% of their project from the NC Housing Finance Agency, and is seeking \$110,000 from the Town to cover a portion of the 40% self-funding required by the NCHFA.</p>	
<div data-bbox="111 316 367 446">  </div> <div data-bbox="142 479 331 633">  </div>	<p><u>Longleaf Trace 2024 LIHTC Project</u> Recommendation: \$950,000 Request: \$950,000 Previous Award: \$0</p> <p>CHT and TMG applied for a \$950,000 Town loan to be used as a supplemental source of “gap” financing to be coupled with Low-Income Housing Tax Credit Equity, NCHFA-awarded Rental Production Program (“RPP”) funds and conventional debt to serve as the permanent financing for the proposed development. A conventional construction loan, coupled with the aforementioned sources, will be used to fund associated costs during the construction phase. CHT believes the proposed development will provide much-needed affordable housing in Chapel Hill; it represents a +/- \$15.8MM investment in the community.</p>	<p><u>SITE MAP</u></p> 



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Item Overview

Item #: 6., **File #:** [24-0210], **Version:** 1

Meeting Date: 4/24/2024

Rewriting Our Rules - A LUMO Update.

Staff:

Britany Waddell, Director
Judy Johnson, Assistant Director
Charnika Harrell, Planner II
Katherine Shor, Senior Planner
Tas Lagoo, Principal Planner

Department:

Planning

Overview: Please see staff report of following page.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTERS: Katherine Shor, Senior Planner
Tas Lagoo, Principal Planner

Planning Department Staff will share updates and request feedback on the Rewriting Our Rules project.


Town Council Meeting:

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

Planning Staff: Britany Waddell, Judy Johnson, Katherine Shor, Charnika Harrell, Tas Lagoo

Town Council Meeting Date: April 24, 2024

Overview

During the April 24, 2024, meeting, staff will provide updates and seek Council's input on the following:

1. Design and Dimensional Standards
2. Racial Equity Analysis
3. Affordable Housing Analysis

1. Design and Dimensional Standards

Staff are postponing additional discussion on design and dimensional standards. The LUMO team is continuing to develop design and dimensional standards based on feedback received from the Community Design Commission and Council. Staff believe that the most productive next phase of discussion should be focused on draft standards so that CDC, Planning Commission, and Council have tangible materials to react to. As the draft standards are not yet ready, staff are postponing further detailed discussion on this topic.

As Councilmembers continue to review the Typology Resource Guide, please note that the CDC has provided comments on the document. The CDC's comments are attached. Staff and the consultant team will incorporate CDC's feedback where possible.

2. Equity Analysis

Zoning and land use policies have historically contributed to systemic economic and racial inequity. Staff have prepared a Racial Equity Analysis to better understand how these dynamics have impacted Chapel Hill and how our current LUMO is – or is not – aligned with best practices. Modernizing the LUMO is one important step of many to address racial disparities institutionalized by our land use plans, rules, and decisions.

The attached Racial Equity Analysis includes three parts:

1. A Land Acknowledgement
2. An analysis of the racial impacts and the root causes of inequity related to land use in Chapel Hill
3. An assessment of our current ordinance based on the American Planning Association (APA) [Equity in Zoning Policy Guide](https://www.planning.org/publications/document/9264386/)¹, which contains recommended policies for equity in land use rules, procedures, and zoning.

For future Council discussions, staff will evaluate zoning procedures and zoning maps for alignment with the recommended Equity in Zoning policy guide. When a draft ordinance is

¹ <https://www.planning.org/publications/document/9264386/>

available, staff will assess whether the proposed language is aligned with the Equity in Zoning policy guide.

3. Affordable Housing Analysis

A. Overview

A wide variety of tools are required to meet the Town's affordable housing goals. This section explores the important, albeit limited, role that zoning can play in meeting these goals. Ongoing economic analysis conducted by the LUMO team supports the following conclusions which are discussed in this section:

- It is unlikely that code-based incentives will motivate market-rate developers to provide affordable housing.
- Some level of relief from Town standards can provide meaningful support to mission-oriented affordable housing developers.
- Smaller scale development likely cannot bear the cost of providing affordable housing.

Because these conclusions are based on a range of market conditions, they may change over time. The Town should periodically revisit this analysis to determine whether additional updates to the LUMO are warranted.

B. Code-Based Incentives

Under current conditions, a voluntary incentive-based program for affordable housing cannot replace the Town's ability to negotiate for affordable housing through conditional zonings.

Effective code-based incentives must generate enough additional value for a market-rate housing development that they create a convincing business case for a developer to provide affordable units. Our analysis indicates that code-based incentives cannot generate enough additional value for developers to meet the Town's affordable housing goals.

Critically, our analysis demonstrates that code-based incentives do provide *some* additional value. While that additional value may not be sufficient to motivate market-rate developers, it could be very meaningful for mission-oriented affordable housing developers. These developers do not need incentives to build affordable housing, but they do need support.

i. Density Bonuses

Impractically high density bonuses (> 50%) would be required to support the Town's current affordable housing goals. More modest density bonuses (~20%) will support a lesser level of affordable housing.

Density Bonus	Affordability Set Aside
50%	7.5% of units at 65% AMI & 7.5% of units at 80% AMI
50%	7.5% of units at 60% AMI
25%	5% of units at 65% AMI &

	5% of units at 80% AMI
20%	15% of units at 80% AMI
20%	3.5% of units at 60% AMI

Table 1: Impacts of Density Bonus.
Analysis conducted by SB Friedman.

A density bonus of 50 percent would be required for a project with a 15 percent affordable housing set aside to achieve similar financial returns as a project with no set aside.

In practice, an even larger density bonus would be required to create a convincing business case for a developer to meet the 15 percent set aside. However, such a large increase in density can likely only be achieved by shifting from wood-frame construction to steel and concrete construction.

This shift in construction type can represent a major increase in construction costs that likely cannot be supported by market-rate rents in Chapel Hill. Under these circumstances a developer would be more likely to maximize their returns by building less densely and not offering any affordable housing.

A smaller density bonus could avoid pushing developers into expensive steel and concrete construction methods but could result in other cost increases (e.g., shifting from surface parking to structured parking) that could make them unattractive to developers. These smaller density bonuses are only able to support lesser levels of affordable housing.

ii. Setbacks and RCD Buffers

Like density bonuses, other code-based incentives are unlikely to generate significant additional value for a market-rate development.

Hypothetical Incentive	Impact on Returns
Reducing street setbacks from 20 feet to 10 feet	Improves Yield on Cost from 6.19% to 6.21%
Reducing RCD buffers from 150 feet to 100 feet...	Improves Yield on Cost from 6.26% to 6.34%

Table 2: Impacts of Modified Setbacks and RCD Buffers.
Analysis conducted by SB Friedman.

Our analysis focused on incentives tied to setbacks and RCD buffers because they were the most likely to have major impacts on projects and could offer the most insight into how dimensional standards impact project returns. Testing such major changes in setbacks and RCD buffers underscores the notion that it can take a lot to move the needle even slightly. Under “optimal” scenarios, incentives tied to these regulations increased the total number of units in a project but did not significantly improve overall project returns.

Given the tradeoffs associated with such significant changes (e.g., less consistent streetscapes and weaker environmental protections), staff do not recommend using them as incentives for market-rate developments. However, more limited relief from various Town standards could provide meaningful support for smaller scale affordable housing developments.

C. Affordable Housing Requirements for Small-Scale Development

A typical townhome or missing middle development likely needs to include anywhere from 10 to 16 units before it can bear the costs associated with providing affordable housing.

It is important for standards in the new LUMO to reflect evolving market conditions. Understanding the scale of development that can bear the cost of providing affordable housing can help the Town ensure that we are not discouraging smaller-scale development.

i. Overview of Analysis

The LUMO consultants assessed how providing affordable units can impact estimated financial returns for both rental and for-sale developments.

Affordable Housing Set Aside	Estimated Land Costs	Total Units Required to Reach Acceptable Project Returns
Rental Missing Middle		
1 unit at 65% AMI & 1 unit at 80% AMI OR 1 unit at 60% AMI	\$5/SF	12 units
	\$10/SF	16 units
Rental Townhomes		
1 unit at 65% AMI & 1 unit at 80% AMI OR 1 unit at 60% AMI	\$5/SF	12 units
	\$10/SF	14 units
For-Sale Townhomes		
1 unit at 65% AMI & 1 unit at 80% AMI	\$5/SF	13 units
	\$10/SF	15 units
1 unit at either 65% AMI OR 80% AMI	\$5/SF	10 units
	\$10/SF	12 units

Table 3: Minimum Development Size for Affordable Housing.
Analysis conducted by SB Friedman.

ii. Using the Analysis

Since at least March 2000, the Town's expectations for affordable housing have applied to all residential development with five or more units. Our recent analysis suggests that this threshold may be too low and may be a barrier to smaller-scale development. Through further work with staff and community partners, we will evaluate whether this threshold should be revised.

This analysis will also help to inform the scale of residential development that should be allowed by-right in the new LUMO. For example, in residential and Town Center zoning districts, proposed multifamily developments with over 10 units are only

allowed with a conditional zoning. The ability to negotiate over affordable housing commitments is one of the most important features of the conditional zoning process. If we have reason to believe that smaller scale development cannot bear the cost of including affordable units, it is worth revisiting whether such development should be subject to the conditional zoning process.

Attachments

1. Appendix A: Prior Council Meetings and Materials
2. Racial Equity Analysis
3. Policy Discussions and Outreach Schedule
4. Engagement and Communications Report
5. SB Friedman Analysis: Feasibility of Code-Based Incentives to Support Community Benefits
6. CDC Comments on Typology Resource Guide

Appendix A: Prior Council Meetings and Materials

March 13, 2024 – [Work Session](#)ⁱ

- [Meeting Recording](#)ⁱⁱ (Discussion begins at 01:17:30)
- Recommended documents to review:
 - [Staff Memo](#)ⁱⁱⁱ
 - [Typology Resource Guide](#)^{iv}

February 21, 2024 – [Work Session](#)^v

- [Meeting Recording](#)^{vi} (Discussion begins at 03:25)
- Recommended documents to review:
 - [Staff Memo](#)^{vii}

January 17, 2024 – [Work Session](#)^{viii}

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

November 13, 2023 – [Work Session](#)^{xi}

- [Meeting Recording](#)^{xii} (Discussion begins at 05:45)
- Recommended documents to review:
 - [Staff Memo](#)^{xiii}
 - [Draft Zoning District Proposal](#)^{xiv}
 - [Briefing Book: Feasibility of Density Bonuses to Support Community Benefits](#)^{xv}

October 18, 2023 – [Work Session](#)^{xvi}

- [Meeting Recording](#)^{xvii} (Discussion begins at 04:36)
- Recommended documents to review:
 - [Staff Memo](#)^{xviii}

June 21, 2023 – [Information Item](#)^{xix}

- Recommended documents to review:
 - [Summary Report](#)^{xx}
 - [Plan Alignment Memo](#)^{xxi}
 - [LUMO Audit Report](#)^{xxii}

ⁱ <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6563526&GUID=A3C4266B-6390-47E0-8BF8-C7E07565CEB9&Options=&Search=>

ⁱⁱ https://chapelhill.granicus.com/player/clip/6940?view_id=7&meta_id=289838&redirect=true

iii <https://chapelhill.legistar.com/View.ashx?M=F&ID=12727883&GUID=E10DFDFB-8C22-4936-9EC0-760B12A5D094>

iv <https://chapelhill.legistar.com/View.ashx?M=F&ID=12727881&GUID=4791CF5E-C6B5-4C24-9593-04942642CB44>

v <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6512691&GUID=1188AC33-7397-409C-8634-6A143164EB71&Options=&Search=>

vi <https://chapelhill.legistar.com/MeetingDetail.aspx?ID=1147095&GUID=0DCD012E-BA00-42AF-8B02-19D3F50995B4&Options=info|&Search=>

vii <https://chapelhill.legistar.com/View.ashx?M=F&ID=12657337&GUID=51E55C7D-E990-40C7-B0A0-4F09A9D30061>

viii <https://chapelhill.legistar.com/MeetingDetail.aspx?ID=1146970&GUID=B3AA190A-6D3E-48FB-8059-6414EFF0C820&Options=info|&Search=>

ix

https://chapelhill.granicus.com/player/clip/6827?view_id=7&redirect=true&h=5210dba06d55a684086cc550cbd0222f

x <https://chapelhill.legistar.com/View.ashx?M=F&ID=12561620&GUID=4602FDA9-B882-4B1A-8D18-DB3B7F1FE710>

xi <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6411208&GUID=7E0011D5-461C-405E-9B6E-85812D1146CC&Options=&Search=>

xii

https://chapelhill.granicus.com/player/clip/6743?view_id=7&redirect=true&h=5e443dfce641eb54b133007e1d3d547b

xiii <https://chapelhill.legistar.com/View.ashx?M=F&ID=12442793&GUID=ECBF5833-78B7-4921-B401-0F51E756C33A>

xiv <https://chapelhill.legistar.com/View.ashx?M=F&ID=12442794&GUID=B22F73AE-3AB1-494F-937C-51AD0A1EC102>

xv <https://chapelhill.legistar.com/View.ashx?M=F&ID=12442796&GUID=E19A3CA3-E57E-4C78-A8E2-67AA9E5AD0CF>

xvi <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6383925&GUID=838AD17B-7E46-4F69-AFA2-44D1BE4627EC&Options=&Search=>

xvii

https://chapelhill.granicus.com/player/clip/6702?view_id=7&redirect=true&h=2270fc412f1c7cb4addcd71b0e8996c3

xviii <https://chapelhill.legistar.com/View.ashx?M=F&ID=12371576&GUID=6B736E05-7462-4197-B751-A6AB2EDB19A0>

xix <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6264298&GUID=C30FEDCA-74F6-4258-B3B8-7F5E0F6B89EC&Options=&Search=>

xx <https://chapelhill.legistar.com/View.ashx?M=F&ID=12100680&GUID=740E3375-2FBF-43C5-B1AB-FBFAB704F288>

xxi <https://chapelhill.legistar.com/View.ashx?M=F&ID=12100715&GUID=A048EC18-A7AE-4C20-B81B-C3BA6C9D49C1>

xxii <https://chapelhill.legistar.com/View.ashx?M=F&ID=12100714&GUID=CE71757F-49C9-4116-823A-ABAA0D8AB3F8>

Racial Equity Analysis

Focusing on equity is critical in helping the town increase and enhance positive outcomes for all community groups. This Racial Equity Analysis was developed to help increase transparency on how staff assess the potential impacts of the update to our land use rules, or Land Use Management Ordinance (LUMO), on those most vulnerable to the negative impacts of land use decisions.

LAND ACKNOWLEDGEMENT

We acknowledge that any plan, rule, or decision related to land implicates the Indigenous stewards of this area. The Occaneechi Band of the Saponi Nation offers a Land Acknowledgement for this purpose, adapted below.

We would like to acknowledge that we are on the land of the Eno, Tutelo, Saponi, Occaneechi, and Shakori Native people. This land was traditionally part of the territory of the Saponi people, in the Piedmont of what is now the state of North Carolina. This area is not far from the "Great Trading Path", used by both the native people of this area and non-native peoples during the early years of contact. The Saponi people, whose descendants include the Occaneechi Band of the Saponi Nation Indian Tribe still thrive and live in this region, officially recognized by the state government of North Carolina.

We pay respect to their elders past and present. The Occaneechi People (The Ye'sah), ask that you will keep these thoughts in mind, while here on their ancestral lands and treat it with the respect, love, and care that their Ancestors did, and as the Occaneechi Saponi people do so today.

- OBSN Tribal Council

ANALYSIS OF RACIAL IMPACTS

Based on the One Orange Racial Equity Framework¹, this section explores two questions: "what are the racial impacts of our current land use rules?" and "what are the root causes of these impacts?".

The Town is beginning to use this sort of inquiry to assess practices, policies, and programs. Staff will continue to refine and expand this inquiry throughout the LUMO project.

1. What are the racial impacts of our current land use rules?

Our land use rules can contribute to inequitable housing outcomes, economic opportunities, and education outcomes:

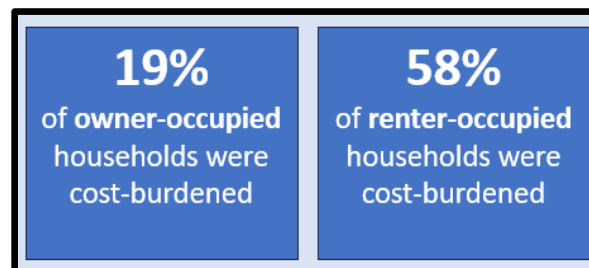
Inequitable Housing Outcomes

- There is clear evidence that exclusionary, suburban zoning policies limit racial and economic diversity.²

¹ <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=5390141&GUID=E4E7D69C-ABDA-4398-8CC3-5DA89ED1E78F&Options=ID%7CText%7C&Search=%22one+orange%22>

² <https://housingmatters.urban.org/feature/zoning-matters-how-land-use-policies-shape-our-lives>

- Land use rules that require large lot sizes, limit infill development, and restrict housing types are associated with higher housing costs, which can have a disproportionate impact on low-income households, renter households, and Black or African American households.
- Low-income, renter, and Black households are the most likely to be cost burdened by housing (i.e., spending more than 30 percent of their household income on housing).
- The 2021 U.S. Census Bureau American Community Survey ("ACS") estimates demonstrate a significant racial disparity between owner and renter households in Chapel Hill:



Race and Hispanic or Latino Origin of Household	Total number of occupied housing units	Renter-occupied	Owner-occupied
White	14,625	46%	54%
Black or African American	2,118	82%	18%
Asian	2,273	40%	60%
American Indian and/or Alaskan native	30	14%	86%
Native Hawaiian and Other Pacific Islander	0	0%	0%
Some other race	239	80%	20%
Two or more races	829	77%	23%
Hispanic or Latino origin	1,024	65%	35%

Table 1 - Black or African American, Hispanic or Latino, Some other race, or Two or more race households are much more likely to rent than own.³

³ <https://data.census.gov/table/ACSST5Y2021.S2502?q=chapel%20hill%20renters%20by%20race>

Inequitable Education Outcomes

There is growing evidence to suggest that restrictive land use rules lead to disparate educational choices and access to opportunities.⁴ A key indicator for this disparate impact is the “achievement gap”, measured as grade level proficiency in end of year exams. The North Carolina Department of Public Instruction reports grade-level proficiency for every school district in the state.⁵ Figure 2 demonstrates that the percent of students with Grade Level Proficiency (GLP) in end of year exams for the 2022-2023 school year is notably higher for Chapel Hill-Carrboro school students who are White, Asian, or Two or more races compared to their Black, American Indian (AMIN), Hispanic (Hisp), and Economically Disadvantaged (EDS) peers.

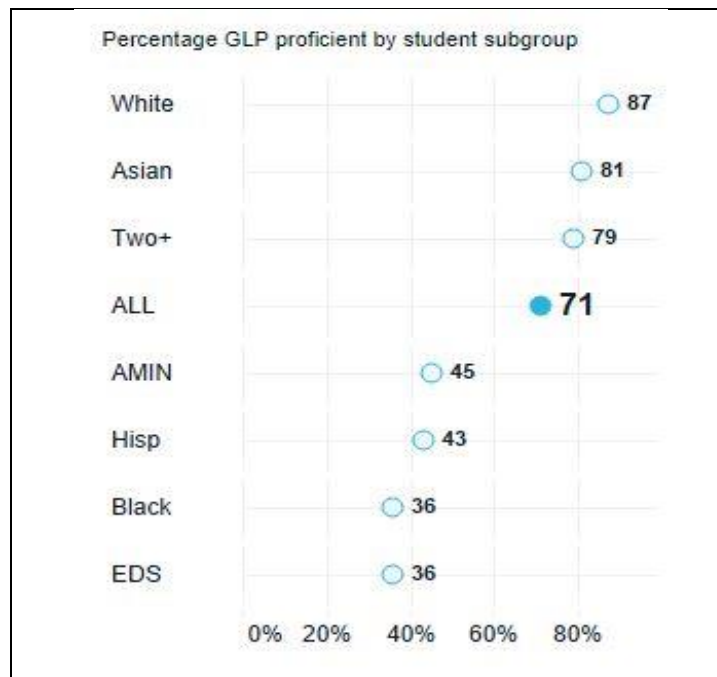


Figure 1: GLP Proficiency in Chapel Hill-Carrboro Schools

Source: NC Department of Public Instruction District Level Proficiency

Inequitable Economic Opportunities

Restrictive land use rules also lead to disparate economic opportunities based on race, especially in business ownership. The One Orange Racial Equity Index is a tool to inform policy making with a racial equity lens for Orange County decision-makers. The One Orange Racial Equity Index reports the percent of people in Orange County who are self-employed. Business ownership is an important indicator of economic opportunity because it “provides opportunities for residents to overcome barriers to the traditional labor force

⁴ <https://housingmatters.urban.org/articles/why-school-segregation-matters> and https://www.brookings.edu/wp-content/uploads/2016/06/0419_school_inequality_rothwell.pdf

⁵

https://bi.nc.gov/t/DPIAccountabilityandTesting/views/FACT_DPITestScores2023_DistrictProduction/District?%3Aorigin=card_share_link&%3Aembed=y

and increase their earnings. Personal wealth, access to capital, entrepreneurial skills, and educational attainment may be factors that limit success in this indicator.”⁶ Figure 3 illustrates business ownership is highest among people who identify as White and Hispanic, whereas only 3.5 percent of people who identify as Black are self-employed.

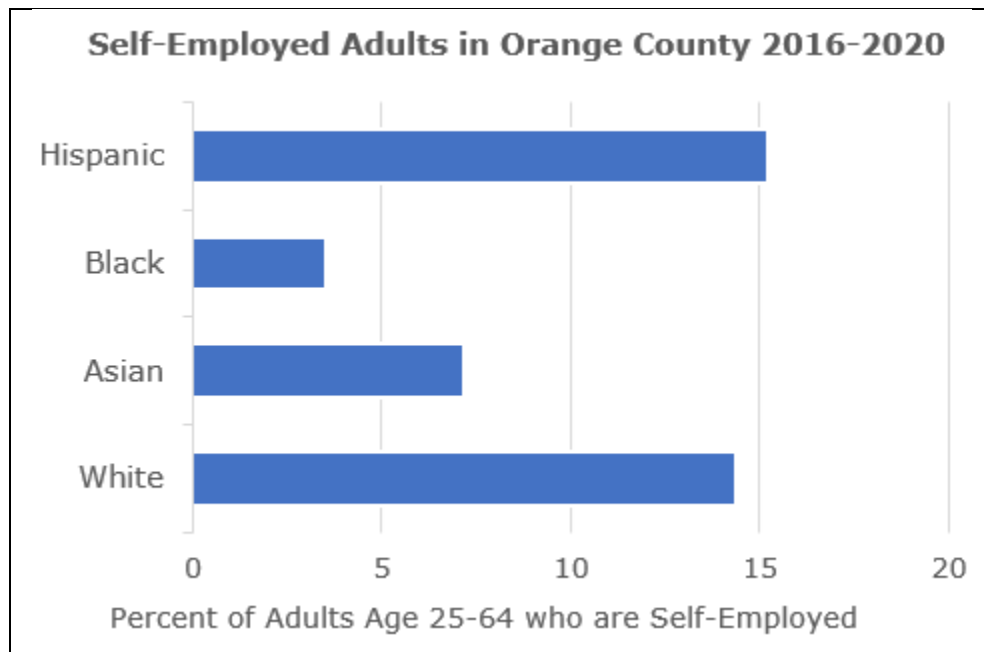


Figure 3: Self-Employed Adults in Orange County

Source: One Orange Racial Equity Index

⁶ <https://experience.arcgis.com/experience/2b39cf29bcc644a7898f1474c053fb0e/page/Economic-Opportunity/>

2. What are the root causes of this inequity?

Several factors have contributed to the inequity of our land use rules over time. The root causes of inequity in Chapel Hill are replicated across the Southeast U.S.⁷

These root causes include, but are not limited to:

- Disparate access to a quality education and economic opportunity.
- A smaller proportion of residents in our community who are Black or African American, or Hispanic or Latino, compared to the State of North Carolina (see tables below). This is both a root cause of certain inequitable outcomes and an inequitable outcome in and of itself.

Estimates of Population by Race ⁸						
	Chapel Hill		Durham-Chapel Hill MSA		North Carolina	
	Total	Percent	Total	Percent	Total	Percent
White	40,055	68%	379,541	58.6%	6,800,458	65%
Black or African American	6,161	10.5%	163,535	25.2%	2,192,455	20.9%
American Indian and Alaska Native	228	0.4%	2,947	0.5%	109,600	1.1%
Asian	9,305	13.4%	30,202	4.7%	325,670	3.1%
Native Hawaiian and other Pacific Islander	1	0%	411	0.1%	6,948	0.1%
Some other Race Alone	1,648	2.8%	29,851	4.6%	421,954	4%
Two or more races	2,926	5%	41,579	6.4%	613,129	5.9%
Total	58,919	100%	648,066	100%	10,470,214	100%

Estimates of Population by Ethnicity						
	Chapel Hill		Durham-Chapel Hill MSA		North Carolina	
	Total	Percent	Total	Percent	Total	Percent
Not Hispanic or Latino	54,928	92.8%	573,572	88.5%	9,419,209	90%
Hispanic or Latino	3,991	7.3%	74,494	11.5%	1,051,008	10%
Total	58,919	100%	648,066	100%	10,470,214	100%

⁷ Rothstein, Richard. 2018. *The Color of Law*. New York, NY: Liveright Publishing Corporation.

⁸ U.S. Census Bureau American Community Survey 5-year estimates, 2017-2022

- Disparate access to public transportation and other community amenities
- Chapel Hill households report median incomes that are higher than the statewide median income.

Estimates of Median Household Income		
Chapel Hill	Durham-Chapel Hill MSA	North Carolina
\$85,940	\$76,040	\$66,186

- Disparate access to housing
- Disparate ability to purchase and maintain property, build equity, and create generational wealth
- Real estate market trends that contribute to property values (both appreciation and depreciation)
- Zoning regulations that restricted housing types, required large minimum lot sizes and large minimum house sizes thereby segregating residents by income and class.
- Restrictive covenants that have further perpetuated these trends and, before the Fair Housing Act of 1968, included racial restrictions.
- Sundown laws and policies that restricted Blacks and other people of color from being in certain neighborhoods or towns after sunset, often enforced by police and residents.

Specific to Chapel Hill, there are several root causes of the inequitable outcomes outlined in response to Question 1 above:

- Some people still lack voice, influence, and power in land use decisions, whereas those who own land and make decisions about how land is used continue to have the most power in our community.⁹
- Development patterns that encouraged larger homes near the UNC campus and limited housing for low-income workers to Pine Knolls and Northside.
- The LUMO and its predecessors that perpetuated suburban development trends in a rapidly urbanizing region, including¹⁰ land use rules that limit the development of new housing to detached, single-family houses and large apartment complexes.

⁹ 2023 Gap Analysis and Engagement Study

¹⁰ <https://www.townofchapelhill.org/home/showpublisheddocument/53443>

EQUITY IN CHAPEL HILL'S ZONING

The Town Manager's Office of Diversity, Equity, and Inclusion defines Racial Equity as "when race can no longer be used to predict life outcomes and outcomes for all groups are improved."¹¹

Zoning has contributed to the systemic nature of economic and racial segregation and zoning alone cannot "fix" any issue. However, changing our land use rules is one important tool of many to address racial disparities institutionalized by land use rules, plans, and decisions.

Staff have assessed our current ordinance against the American Planning Association (APA) Equity in Zoning Policy Guide¹², which contains recommended policies for equity in land use rules, procedures, and the zoning map. The APA defines Equity in Zoning as "those who write, administer, or enforce zoning regulations take clear steps to avoid or "undo" unfair outcomes and mitigate the unequal ability to participate in or influence all parts of the zoning process."

This analysis focuses on recommended policies for equity in land use rules. In future analysis, staff will evaluate zoning procedures and zoning maps for alignment with the recommended Equity in Zoning policies. When a draft ordinance is available, staff will assess the extent to which the proposed language is aligned with recommended policies in the Equity in Zoning guide.

Equity in Land Use Rules

The highlighted rows in the table below lists 35 recommended policies for land use rules from the APA Equity in Zoning Guide. Following each highlighted row is staff's assessment of how our current ordinance is or is not aligned with those recommended policies.

Zoning Districts Policy 1	APA's Equity in Zoning Policy Guidance <i>"Establish new residential zoning districts or amend existing residential districts to allow more housing by right.</i> Avoid districts limited to only single-household detached dwellings when that will limit housing opportunities for historically disadvantaged and vulnerable populations. Evidence shows that single-household only residential zoning has a disproportionate impact on the ability of historically disadvantaged and vulnerable groups to access attainable housing and quality schools and services. Revise zoning to allowing a broader range of building forms, lot sizes, lot widths, and residential types in low-density residential neighborhoods. However, if the residents of historically disadvantaged and vulnerable neighborhoods want to preserve single-household zoning to discourage speculative investment and displacement, those desires should be respected." (Equity in Zoning Policy Guide p.17)
	Staff Assessment of Current LUMO The current ordinance includes ten residential zoning districts that restrict the amount of housing types allowed by-right. No residential zoning district allows a development of more than 10 units by-right. For more information, see LUMO Audit ¹³ .

¹¹ <https://www.townofchapelhill.org/government/departments-services/town-manager/diversity-equity-inclusion/racial-equity>

¹² American Planning Association (APA) Equity in Zoning Policy Guide, Accessed at <https://planning-org-uploaded-media.s3.amazonaws.com/publication/download_pdf/Equity-in-Zoning-Policy-Guidev2.pdf>

¹³ Link to LUMO Audit <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6264298&GUID=C30FEDCA-74F6-4258-B3B8-7F5E0F6B89EC&Options=&Search=>

Zoning Districts Policy 2	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Establish new mixed-use zoning districts or allow a wider mix of residential and non-residential uses in existing zoning districts.</i></p> <p>Districts that allow a mix of appropriately-scaled housing, commercial, and service uses can increase opportunities for historically disadvantaged and vulnerable populations to live closer to sources of quality employment, goods, and services. Cities and counties should consider existing conditions and demographics to identify neighborhoods that would benefit from additional access to opportunities provided through an expanded list of permitted uses. Take care not to introduce new uses that could distort housing markets and lead to forced displacement of existing residents." (p.17)</p> <p>Staff Assessment of Current LUMO</p> <p>The Mixed Use-Village, Neighborhood Commercial, Community Commercial, Walkable-Residential, and Walkable-Mixed Use districts allow multi-family dwellings by-right alongside commercial uses. Town Center districts allow a mix of residential and commercial with a Conditional Zoning Council approval. For more information, see LUMO Audit¹⁴.</p>
Zoning Districts Policy 3	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Where supported by a historically disadvantaged or vulnerable community, consider establishing specialized overlay zones to help preserve business districts that have historically served and been focused on the needs of these communities.</i></p> <p>In many communities, traditional business, entertainment, or service centers serve as sources of jobs, revenue, and pride for the historically disadvantaged and vulnerable areas they serve. This is particularly true when businesses primarily serve racial, ethnic, Tribal, Indigenous, or religious groups or the LGBTQIA community that want specific goods and services in a context not often provided by the broader economy. An overlay district or legacy business zone designation can be used to recognize and preserve their cultural and economic contribution to the community, as well as allow additional flexibility in building forms and uses needed to accommodate current activities and to strengthen the image of the area for the future. These types of overlay districts acknowledge that it is not always a unique building or architectural style that fosters a unique sense of place, but rather a collection of businesses, residential dwellings, and/or civic uses that establish a shared community identity." (p.17-18)</p> <p>Staff Assessment of Current LUMO</p> <p>Chapel Hill does not include this in our current ordinance. The West Rosemary Street Development Guide, a part of our comprehensive plan, refers to preserving one such historically significant business district.</p>

¹⁴ Link to LUMO Audit <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6264298&GUID=C30FEDCA-74F6-4258-B3B8-7F5E0F6B89EC&Options=&Search=>

Zoning Districts Policy 4	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Where supported by a historically disadvantaged or vulnerable community, consider establishing specialized overlay zones to help protect residential areas that are affordable to low- and moderate-income households, but are not protected from speculative development pressures by any local, state, or federal program.</i></p> <p>This can be done by defining and protecting established building forms, by prohibiting the demolition of more affordable types of housing, or by limiting the amount by which existing single-family homes can be expanded within a given time period. Preserving the existing scale and fabric of smaller and more affordable housing can help slow or prevent the replacement of smaller, affordable housing with much larger and more expensive homes in those neighborhoods that want to preserve current levels of affordability. This tool should be used only with the clear understanding that restricting private investment will mean that the existing housing stock may age and may remain substandard compared to surrounding areas unless funding for structural improvements or interior remodeling is made available. In addition, this tool should be clearly limited to disadvantaged and vulnerable neighborhoods and should not be used to create islands of housing in neighborhoods of wealth and privilege." (p.18)</p> <p>Staff Assessment of Current LUMO</p> <p>Three neighborhood conservation districts were created for this purpose. The Northside and Pine Knolls Neighborhood Conservation Districts were created to protect the largest historically Black communities in Chapel Hill. The Elkin Hills Neighborhood Conservation District was created to protect a low- to moderate-income neighborhood.</p>
Zoning Districts Policy 5	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Establish specialized overlay zones to improve health outcomes and environmental justice by preventing concentration of pollution or environmental hazards, including hazards related to climate changes, especially near historically disadvantaged and vulnerable populations.¹⁵</i></p> <p>A key element of pursuing environmental justice is balancing strategies that prevent hazards from being created with those that mitigate the impacts of pollution or hazards already existing. An overlay zone can accomplish both by severely restricting the expansion of existing harmful industrial uses, requiring larger setbacks and more intensive buffers from residential uses, requiring environmental remediation, protection of existing trees, and/or requiring sound walls during redevelopment. These types of zoning districts should be developed in close collaboration with the surrounding communities so that concerns about health, the environment, and employment reflect the values of the community." (p.18)</p>

¹⁵ The Equity in Zoning Policy Guide defines a historically disadvantaged and vulnerable population as: Black, Latino/a/x, Tribal, Indigenous, and other communities of color, older adults, persons experiencing disabilities, persons of different national origins or religious faiths, and the lesbian, gay, bisexual, transgender, queer/questioning, intersex, and asexual/ally (LGBTQIA) community.

	<p>Staff Assessment of Current LUMO</p> <p>The Resource Conservation District restricts building within stream buffers to mitigate flood risk, protect water quality, and protect natural habitats for some streams.</p> <p>The Jordan Watershed Protection District is a state requirement that is reinforced in our ordinance to promote efficient land use and water quality in a portion of Chapel Hill.</p>
<p>Zoning Districts Policy 6</p>	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Where supported by historically disadvantaged or vulnerable communities, establish specialized overlay zones to protect culturally significant sites, even if they may not qualify for designation as historic districts or landmarks.</i></p> <p>Sites or areas that are culturally important to historically disadvantaged or vulnerable communities are often undocumented and unprotected. A cultural preservation overlay zone can protect those sites or areas the community values and provide more flexibility in the design and development of surrounding properties to honor these locations." (p.18)</p>
	<p>Staff Assessment of Current LUMO</p> <p>Ten Neighborhood Conservation Districts (NCDs) were created between 2004 and 2017.¹⁶</p> <p>Some of these districts are intended to protect areas of Town that are culturally significant to the largest historically Black communities in Chapel Hill, such as the Northside and Pine Knolls NCDs. However, the 8 remaining NCDs preserve and protect certain areas of Town that may not have cultural significance for historically disadvantaged or vulnerable communities.</p>

¹⁶ <https://www.townofchapelhill.org/government/departments-services/planning/overlay-districts#ncd>

Form and Design Policy 1	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Reduce or remove limits on single-household minimum lot size requirements for different types of housing and eliminate minimum dwelling size and maximum floor area ratio standards that effectively require construction of more expensive homes that are less affordable to historically disadvantaged and vulnerable communities.</i></p> <p>While large minimum lot sizes are often defended on the basis of preserving neighborhood character or property values, their impact has been to perpetuate patterns of economic and demographic segregation of historically disadvantaged and vulnerable communities. There are many examples of neighborhoods with broad mixes of lot sizes and housing that maintain very high qualities of life without perpetuating those exclusionary impacts. Establish lot and building standards that accommodate less expensive "missing middle" housing (a range of multiple unit housing types similar in scale and form to detached single-family homes, such as townhouses, tri- and fourplexes, cottage housing developments, and accessory dwelling units (ADUs)) plus manufactured and modular housing. In addition, consider limiting the ability to consolidate small lots into larger ones that facilitate development of larger homes or multi-household development." (p.19)</p>
	<p>Staff Assessment of Current LUMO</p> <p>LUMO has requirements for large minimum lot sizes in many existing zoning districts. Many zoning districts also have maximum floor area ratios that apply to multi-family dwellings but not single-family dwellings. For more information, see LUMO Audit¹⁷.</p>
Form and Design Policy 2	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Reduce or remove limits on multi-household development density, minimum dwelling unit sizes, or maximum dwelling units per acre that tend to force the construction of fewer, larger, more expensive dwelling units within these buildings.</i></p> <p>In addition to limiting the ability of households to live closer to needed schooling, childcare, employment, and services, these types of artificial limits make it difficult for America's aging population to "age in place" in the neighborhoods they love. Regulations that focus on the form, size, and placement of these types of buildings, rather than the number of dwelling units in them, should be considered. If larger units are needed to accommodate growing populations of larger households, regulations may better promote construction of the needed housing by requiring more units with more bedrooms." (p.20)</p>
	<p>Staff Assessment of Current LUMO</p> <p>LUMO has limits on multi-household development density requirements. The Town no longer regulate unit density per acre; however, density is regulated by units per lot and maximum floor area ratios. Our current maximum floor area</p>

¹⁷ LUMO Audit <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6264298&GUID=C30FEDCA-74F6-4258-B3B8-7F5E0F6B89EC&Options=&Search=>

	ratios, limits on the total number of units per lot, and other dimensional standards contribute to a pattern of low-density development in most zoning districts.
Form and Design Policy 3	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Consider adopting building form and design standards that protect the quality and character of historically disadvantaged or vulnerable households and businesses, and that do not impose undue cost burdens.</i></p> <p>Form and design standards that increase development costs while producing only marginal public benefits can prevent disadvantaged households from moving into a new neighborhood, creating a business in that neighborhood, or making improvements to their property." (p.20)</p>
	<p>Staff Assessment of Current LUMO</p> <p>The Northside and Pine Knolls Neighborhood Conservation Districts were created for the purpose of regulating building form to protect the quality and character of historically disadvantaged or vulnerable households. Chapel Hill is prohibited by State law from regulating single-family building design.</p>
Form and Design Policy 4	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Add standards to allow those with reduced mobility or without access to a motor vehicle to easily access and circulate in all neighborhoods.</i></p> <p>These include standards requiring Universal Design or other accessibility programs that go beyond the minimum requirements of the Americans with Disabilities Act (ADA), to ensure that neighborhoods function for older adults as well as those experiencing disabilities. Because compliance with some of these requirements may increase development and housing costs, they should be accompanied by other zoning changes or incentives that balance out overall development costs." (p.20)</p>
	<p>Staff Assessment of Current LUMO</p> <p>The LUMO requires that all development be accessible and comply with the State Building Code. The 2023 Design Manual has more detailed accessibility guidance and guidance for multi-modal improvements.</p>

Form and Design Policy 5	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Except in designated historic districts and cultural overlay zones, avoid drafting or allowing the use of architectural style design standards that have negative connotations among communities of color and vulnerable populations.</i></p> <p>For example, antebellum and Spanish Colonial styles may discourage Black, Latino/a/x, or Native American households from feeling welcome in a neighborhood or community due to the historical use of these architectural styles to assert power over these communities. Other defined styles may create similar reactions from Asian or Pacific Islander communities." (p. 20)</p>
	<p>Staff Assessment of Current LUMO</p> <p>Chapel Hill has adopted Design Principles and Standards for local historic districts that require the preservation of architectural styles that may have negative connotations among communities of color and vulnerable populations.</p> <p>State law prohibits regulation of single-family architectural design outside of the designated historic districts. The current ordinance includes design standards for multi-family and non-residential buildings in the form-based code of the Walkable Mixed Use and Walkable Residential districts (also referred to as Blue Hill Form Based Code). Staff do not know if these design standards have negative connotations among communities of color and vulnerable populations.</p>
Form and Design Policy 6	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Remove or modify restrictions on specific building or site features that are commonly found and disproportionately limited in historically disadvantaged and vulnerable neighborhoods.</i></p> <p>Examples of development standards that place disparate burdens include bans on window mounted air-conditioning units, outdoor clothes lines, parking of a single commercial vehicle, basketball hoops, or carports. If necessary, limits or prohibitions on these types of typical site features should be based on documented negative outcomes developed in collaboration with those neighborhoods most likely to be affected by them." (p.21)</p>
	<p>Staff Assessment of Current LUMO</p> <p>Not applicable. The LUMO does not prohibit window-mounted air-conditioning units, outdoor clothes lines, parking of a single commercial vehicle, basketball hoops, carports, or other buildings and site features that are commonly found in historically disadvantaged or vulnerable neighborhoods.</p>

Permitted Use Policy 1	<p>APA’s Equity in Zoning Policy Guidance</p> <p><i>"Where supported by historically disadvantaged and vulnerable populations, expand the list of residential use types permitted in those neighborhoods to include one or more of the following forms of non-traditional and "missing middle" housing that is more available to America’s diverse, aging population.</i></p> <p>Types of housing that are missing from many zoning ordinances—or only available following a public hearing—include cottage or courtyard dwellings, duplexes, triplexes, fourplexes, attached single household homes (townhouses or stacked townhouses), co-housing, tiny houses, live-work dwellings, single-room occupancy (SRO), manufactured/modular housing, and both attached and detached accessory dwelling units (ADUs). By including appropriate standards on these uses, they can often be made available “by-right” in a wide range of residential zoning districts without the need for a public hearing or negotiated approval. To support the viability of ADUs, co-housing, and multi-generational living, a second kitchen that meets building code standards should generally be permitted.” (p.22)</p> <p>Staff Assessment of Current LUMO</p> <p>Permitted uses in residential zoning districts—excluding Neighborhood Conservation Districts—were expanded by the Housing Choices for a Complete Community Text Amendment, adopted in June 2023, to include a new housing type, single family with a cottage, and to recategorize two-family and multi-family dwelling units. This change supports the option of missing middle housing throughout Town.</p>
Permitted Use Policy 2	<p>APA’s Equity in Zoning Policy Guidance</p> <p><i>"Allow accessory dwelling units (ADUs) without the need for a public hearing, subject to only those conditions needed to mitigate potential impacts on neighboring properties.</i></p> <p>ADUs are complete, smaller, secondary dwelling units that are located within a principal dwelling or in a detached accessory structure. Administrative approval of ADUs significantly decreases the time, cost, and risk of the development review process for applicants and encourages property owners to use their own resources to increase housing diversity. While ADUs may support the stability of existing neighborhoods by accommodating extended families or creating an opportunity to generate revenue from tenants, they can also spur speculative investment that displaces current residents, particularly when ADUs are used as short-term rentals. Where allowing short-term rentals may lead to displacement, it may be necessary to limit them to properties where the primary dwelling unit is the owner’s primary residence.” (p.22)</p>

	<p>Staff Assessment of Current LUMO</p> <p>Accessory Dwelling Units (ADUs) are allowed without a public hearing in all zoning districts that currently allow residential uses. Some Overlay Districts, like the Northside and Pine Knolls Neighborhood Conservation Districts, restrict ADUs.</p>
Permitted Use Policy 3	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Allow manufactured and modular homes in many residential districts, protect existing manufactured housing parks, and allow the creation of new manufactured housing parks with quality common open space and amenities.</i></p> <p>Redevelopment of manufactured housing parks can create unusual hardships if the residents cannot afford to move their units or cannot find affordable replacement housing. Cities and counties should allow the installation of individual manufactured homes in a variety of residential districts, as well as the creation of new manufactured home parks in desirable residential areas. Where risks of natural disasters create disproportionate risks for occupants of these units, additional public safety regulations for these types of housing, including but not limited to an engineered tie-down system or reinforced concrete or masonry foundation, may be appropriate. They should also protect existing manufactured housing parks that meet public health and safety standards from displacement by limiting options for redevelopment without the approval of the elected officials." (p.22-23)</p>
	<p>Staff Assessment of Current LUMO</p> <p>"Manufactured home parks" as a use type are not allowed in any zones, except as a Planned Development which requires Council approval.</p> <p>Manufactured homes, Class A, are permitted in all districts that allow residential uses.</p>
Permitted Use Policy 4	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Treat assisted living facilities, congregate care communities, retirement villages, and supportive housing types as residential (not commercial) uses and allow them in a wide variety of residential zoning districts where the scale of the facility is similar to other permitted uses in the district.</i></p> <p>Although supportive housing facilities often include commercial activities such as providing healthcare or other support services, they function as residential facilities and should be treated as such. Classifying supportive housing types as residential uses and reducing the need for public hearings and conditional approvals also expands opportunities for older adults to 'age in place'." (p. 23)</p>

	<p>Staff Assessment of Current LUMO</p> <p>Independent Senior Living Facility and Group Care Facility are allowed in most residential districts only with special approval by Council (a special use permit). These uses are classified as Use Group B, while most residential uses are classified as Use Group A. The division of permitted uses into use groups is intended to differentiate uses by relative intensity.</p>
Permitted Use Policy 5	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Treat housing with supportive services for people with disabilities the same as similarly sized residential uses.</i></p> <p>Group homes or supportive housing for those with physical and mental disabilities are protected by the federal Fair Housing Amendments Act (FHAA), and the required broad reading of the FHAA means that zoning should not treat group homes any differently than similar sized homes for people not experiencing disability. Ensure that zoning regulations allow small group homes wherever single-household homes are permitted and allow large group homes wherever multi-household buildings of the same size are permitted." (p. 23)</p>
	<p>Staff Assessment of Current LUMO</p> <p>This type of housing is regulated as a "group care facility". A special use permit – major is required to provide this type of housing in any zoning district where dwelling units are permitted. Similarly sized residential uses would also require a Conditional Zoning or Special Use Permit.</p> <p>Facilities for six or fewer individuals are regulated as single-family homes.</p>
Permitted Use Policy 6	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Replace zoning references to "family" with a definition of "household" that includes all living arrangements that function as a household living unit or define residential units without reference to a family or household.</i></p> <p>The definition of "family" is an important, and often overlooked, part of zoning regulations when it comes to disproportionate impacts on historically disadvantaged and vulnerable communities. Many definitions related to household composition are based on outdated assumptions about small, nuclear families and a largely white culturally-specific concept of family that excludes other ways of living. Ensure that the definition includes people related by adoption, guardianship, or foster placement, and accommodates larger groups of unrelated individuals living as single households in a cooperative community. As an alternative, define a residential unit as consisting of self-contained rooms located in a building or structure used for residential purposes and containing kitchen and bathroom facilities intended for use of that unit only, if the definition includes a maximum number of unrelated persons, ensure that it is no lower than the number of related persons that would be permitted in the same size residential home." (p. 23)</p>

	<p>Staff Assessment of Current LUMO</p> <p>LUMO defines family with many types of living arrangements that function as a household living unit. The definition for a family is "An individual living alone or two (2) or more persons living together as a single housekeeping unit, using a single facility in a dwelling unit for culinary purposes. The term "family" shall include an establishment with support and supervisory personnel that provides room and board, personal care and habitation services in a family environment for not more than six (6) residents who are handicapped, aged, disabled, or who are runaway, disturbed or emotionally deprived children and who are undergoing rehabilitation or extended care. The term "family" shall not be construed to include a fraternity or sorority, club, rooming house, institutional group or the like."</p> <p>LUMO also restricts occupancy of a single-family dwelling to "four person who are not related by blood, adoption, marriage, or domestic partnership".</p>
<p>Permitted Use Policy 7</p>	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Allow administrative approval of "reasonable accommodations" for persons experiencing disabilities.</i></p> <p>The FHAA requires that requests for reasonable variations and exceptions to zoning rules to accommodate persons experiencing disabilities (such as a request for a wheelchair ramp that extends into a required setback) be considered and that decisions on those requests be reasonable. Establish a clearly defined administrative process for approval of requests for Reasonable Accommodation (perhaps in consultation with a caretaker or representative of persons experiencing disabilities)." (p. 23-24)</p>
	<p>Staff Assessment of Current LUMO</p> <p>The current ordinance allows modifications and renovations to existing structures, like ramps, "by-right" through an administrative Zoning Compliance Permit as long as they do not exceed the threshold for Council review.</p>
<p>Permitted Use Policy 8</p>	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Adopt Universal Design requirements for a significant share of new housing construction to better accommodate the needs of older adults and persons experiencing disabilities.</i></p> <p>While the Americans with Disabilities Act (ADA) generally does not require accessible design for single-household homes, Universal Design requirements ensure that key features (like doorways wide enough to accommodate wheelchairs and at least one at-grade entrance) are incorporated into single-household dwellings. If the building code does not already required these elements in a percentage of new homes constructed, incorporating them into development regulations can substantially expand the ability to 'age in place'." (p. 24)</p>

	<p>Staff Assessment of Current LUMO</p> <p>Chapel Hill does not reference universal design requirements in our current ordinance.</p>
Permitted Use Policy 9	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Evaluate the permitted use regulations applied to small-scale commercial uses and eliminate restrictions and standards that are not based on documented public health, safety, economic, or other land use impacts on surrounding areas.</i></p> <p>Businesses such as plasma clinics, laundromats, nail salons, social clubs, and tattoo parlors are often limited or prohibited in many commercial zoning districts even though they have similar operating characteristics and land use impacts as other commercial uses like banks, personal services, and urgent care clinics. In many communities, these uses serve as significant providers of goods, services, and employment in the surrounding areas, as well as important gathering places for historically disadvantaged and vulnerable communities." (p. 24-25)</p>
	<p>Staff Assessment of Current LUMO</p> <p>Small-scale commercial uses, like food trucks, flex space, and service station/convenience store are restricted as the most intense use group "C". Food trucks require additional permitting and must be associated with an existing business. Service station/convenience store are special uses that require Town Council approval in the Town Center, Community Commercial, and Neighborhood Commercial districts.</p>
Permitted Use Policy 10	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Allow small-scale child and elder care and outpatient medical and health support facilities in a wide variety of zoning districts to allow convenient access by all residents and treat non-residential addiction services like other outpatient treatment facilities.</i></p> <p>American's aging population will require increasing amounts of medical and dental care, physical and occupational therapy, and other supportive services located conveniently to the neighborhoods where they "age in place". In addition, serious shortages of convenient childcare have a disproportionate impact on single-parent, often female-headed, households. Outpatient addiction treatment centers operate similarly to other types of outpatient facilities and should be treated as such." (p. 25)</p>

	<p>Staff Assessment of Current LUMO</p> <p>Child and adult care facilities are allowed in all districts where dwelling units are allowed. However, in R-1, R-2, and HR-L districts, these facilities must be connected to a street that is classified “arterial” or “collector”.</p> <p>Health clinics and medical offices are allowed “by right” in commercial zoning districts, like Town Center districts, Community Commercial, Neighborhood Commercial, and the Office-Institutional Districts (1, 2, 3, and 4).</p>
Permitted Use Policy 11	<p>APA’s Equity in Zoning Policy Guidance</p> <p><i>"Ensure access to healthy food by allowing grocery stores, local cuisine restaurants, and artisanal food producers within and near low-density residential neighborhoods and in food deserts.</i></p> <p>Grocery stores and local food producers are important contributors to public health and are needed in almost every part of the community on a daily basis. Zoning regulations and procedures that create barriers to these uses should be removed or revised to allow wider access to healthy food in residential neighborhoods at scales consistent with established development.” (p. 25)</p>
	<p>Staff Assessment of Current LUMO</p> <p>Commercial uses are separate from residential uses, except for in mixed-use, Community Commercial, Neighborhood Commercial, Town Center, and conditional zoning districts. These districts are sparsely distributed throughout Town and centralized in auto-oriented nodes like 15-501.</p>
Permitted Use Policy 12	<p>APA’s Equity in Zoning Policy Guidance</p> <p><i>"To improve environmental justice, prohibit the location of new industrial uses and the expansion of existing industrial uses that do not meet current public health and environmental safety standards.</i></p> <p>Where existing environmentally harmful uses continue to operate as legal nonconforming uses, prohibit expansion of those uses unless the expansion will result in reduction and remediation of existing risks to public health and safety, particularly when they are located near schools, health care facilities, and other facilities serving vulnerable communities.” (p. 26)</p>

	<p>Staff Assessment of Current LUMO</p> <p>Extraction of earth products and landfills are allowed with special use permits in the Rural Transition district. The LUMO requires that if this use is within 300 feet of a dwelling, school, or similar use, a security fence must be installed.</p> <p>There are specific standards for regulating uses in the Light Industrial Conditional Zoning District.</p> <p>Heavy manufacturing is not an allowed use in our ordinance.</p>
<p>Permitted Use Policy 13</p>	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Classify and clearly define low-impact and artisan manufacturing uses as commercial uses and allow them in more zoning districts.</i></p> <p>While the term "industrial" is typically associated with large facilities with large neighborhood impacts, there are many small-scale assembly, processing, and fabrication activities with few or no negative impacts on the surrounding area. Because these uses are often grouped with the more intense industrial uses, there are often unnecessary limits on where they can be located." (p. 26)</p>
	<p>Staff Assessment of Current LUMO</p> <p>Light manufacturing is allowed in select nonresidential zones, Community Commercial, Industrial, and Light Industrial Conditional Zoning Districts.</p> <p>This is a broad category for industrial uses and our current ordinance does not carve out small-scale or artisan manufacturing to allow it in more places.</p>
<p>Permitted Use Policy 14</p>	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Allow small-scale urban agriculture—including but not limited to community gardens, greenhouses, beekeeping, and poultry raising—in a wide variety of zoning districts, including residential districts, and allow light processing, packaging, and sales of products grown on the property.</i></p> <p>To protect public health, ensure that soil on urban agriculture sites is not contaminated or that raised beds with clean soil are used, particularly when the site has been previously used for commercial or industrial purposes. Reduce noise impacts by prohibiting roosters and ensure households properly dispose of animal waste. Remove barriers to construction of supporting facilities needed to protect plants due to climate or soil conditions and reduce standards,</p>

	<p>such as the number of beehives allowed per lot, that significantly limit many properties from operating those uses. Do not allow large-scale or high-impact agricultural uses to locate near historically disadvantaged or vulnerable populations." (p. 26-27)</p> <p>Staff Assessment of Current LUMO</p> <p>LUMO defines "agriculture, non-livestock" as "the use of land for the production of cash grains, field crops, vegetables, fruits, and nuts, and for horticulture and floriculture." "Agriculture, non-livestock" is allowed in all residential zoning districts.</p> <p>"Agriculture, Female chickens" are allowed in all residential zoning districts with conditions. Except for female chickens, "Agriculture, livestock" is only allowed in the Residential Low-Density-5, Rural Transition, and Residential Low-Density-1. Agriculture, livestock is defined as "the use of land for the keeping, grazing, feeding, or breeding of livestock, including cattle, hogs, sheep, goats, and poultry, and also animal specialties such as horses, rabbits, bees, and fish and fur-bearing animals in captivity."</p>
<p>Permitted Use Policy 15</p>	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Allow farmer's markets and other facilities for local food distribution in a wide variety of zoning districts, including residential districts, as either temporary or permanent uses.</i></p> <p>Easy public access to healthy food is as important as the ability to produce healthy food, particularly for those who do not have the ability to grow it themselves." (p. 27)</p> <p>Staff Assessment of Current LUMO</p> <p>LUMO does not have standards for temporary events. A farmer's market as a permanent use may be considered a business and business uses are not allowed in residential zones.</p>
<p>Permitted Use Policy 16</p>	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Update home occupation regulations to broaden the types of activities allowed to be conducted from dwelling units of all types.</i></p> <p>Ensure that any restrictions on home occupations are based on documented neighborhood impacts and eliminate special permit requirements where possible. Regulations should allow those who occupy housing as their primary residence to also use that home as an economic asset to participate the "gig" economy. Regulations should focus on</p>

	<p>preventing negative impacts on the surrounding area rather than trying to list specific permitted home businesses. Limits on the use of accessory buildings, prohibitions on employment of even one person from outside the household, additional requirements for off-street parking, and prohibitions on cottage food operations all create signification barriers to economic activities and likely have a disproportionate impact on historically disadvantaged and vulnerable communities.” (p. 27)</p> <p>Staff Assessment of Current LUMO</p> <p>Home occupations are allowed in all residential zones, but the requirements may limit the type of businesses that can operate.</p>
<p>Permitted Use Policy 17</p>	<p>APA’s Equity in Zoning Policy Guidance</p> <p><i>"Reduce zoning barriers for temporary events, entertainment, and outdoor sales, including garage/yard sales, "pop-up retail" sidewalk sales, street vending, and mobile food vendors where those barriers are likely to hinder social and economic opportunities for historically disadvantaged and vulnerable individuals.</i></p> <p>Temporary uses are often heavily restricted due to perceived or potential traffic and noise impacts, even though those impacts will be short-lived. Temporary events are often tied to cultural celebrations that foster a sense of community within a neighborhood and offer additional sources of temporary employment without the need to invest in a permanent place of business. Temporary use restrictions should be based on balancing short-term impacts of these events with the social, economic, and cultural benefits they create.” (p. 27-28)</p> <p>Staff Assessment of Current LUMO</p> <p>Except for signs, LUMO standards do not apply to temporary events, which pose a challenge to regulate for evolving needs. Food truck vending is not allowed as a permanent use in residential zones. Outside the LUMO, sidewalk vending is covered in the Town Code Chapter 17 Article 6. Many businesses cannot conduct commercial activity in the public right-of-way.</p>

Site Development Policy 1	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Draft thresholds for compliance with specific site development standards to avoid disproportionate impacts on historically disadvantaged and vulnerable neighborhoods.</i></p> <p>The triggers for compliance with different types of site development standards should be developed after close consultation with the affected neighborhoods so that they reflect a good balance between the desire to maintain and upgrade the quality of the neighborhood with the need to sustain investment and employment by existing businesses and the affordability of housing to area residents." (p. 28)</p> <hr/> <p>Staff Assessment of Current LUMO</p> <p>LUMO defines development as "any man-made change to improved or unimproved real estate, including, but not limited to: the construction, structural alteration, enlargement, or rehabilitation of any buildings or other structures, including farm buildings; mining; dredging; filling; grading; paving; excavation or drilling operations; clearing vegetation; division of a parcel of land into two (2) or more parcels or some changes in use of structures or land. Development may also include any land disturbing activity on real estate that changes the amount of impervious surfaces on a parcel."</p> <p>This definition means that most improvements or changes to a property must comply with LUMO standards. However, the intent behind many LUMO thresholds for compliance (e.g., access, parking, landscaping, lighting, etc.) do not align to any one philosophy and can in effect restrict some types of smaller scale uses.</p> <p>It also does not consider how requiring compliance may impact neighborhoods, especially those of historically disadvantaged or vulnerable people. Potential impacts may be addressed through the conditional zoning process.</p>
Site Development Policy 2	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Require high levels of accessibility and connectivity for pedestrians, bicycles, and motor vehicles in all new development and significant redevelopment.</i></p> <p>Require that bicycle routes, sidewalks, internal walkways, and pedestrian crossings are safe and usable by all people, including persons experiencing disabilities. Ensure existing pedestrian routes are preserved to the maximum extent practicable when new development is proposed, and require off-site enhancements such as improved crosswalk markings, protected bicycle lanes, and enhanced transit stops. Consider requiring Complete Streets, going beyond the standard requirements of the Americans with Disabilities Act, and requiring compliance with federal Public Right-of-Way Accessibility Guidelines. Prohibit the creation of new "gated communities" with single or limited points of access that lengthen walking, bicycling, and motor vehicle trips and are significance contributor to exclusionary development patterns. Consider requiring large projects with multiple buildings to incorporate low vision, blind-supportive, and deaf-</p>

	<p>friendly design features such as wide sidewalks, raised crosswalks, and other tactile markers to differentiate pathways.” (p. 29)</p> <p>Staff Assessment of Current LUMO</p> <p>All development must be accessible and comply with the State Building Code. The 2023 Design Manual has expanded accessibility standards for pedestrian facilities compared to the 2005 manual.</p>
<p>Site Development Policy 3</p>	<p>APA’s Equity in Zoning Policy Guidance</p> <p><i>"Eliminate or reduce minimum off-street parking requirements in areas where those requirements serve as significant barriers to investment and are not necessary to protect public safety of pedestrians, bicyclists, motorists, older adults, or persons with disabilities.</i></p> <p>Minimum parking requirements are often based on suburban development models that are not applicable to denser, urban contexts or redevelopment projects. Reducing minimum parking requirements is particularly important for Transit-oriented Development and other areas with meaningful mobility options. However, because of poor public transit access to employment opportunities, some historically disadvantaged and vulnerable households may have no choice but to own a motor vehicle (or more than one) to reach more dispersed work opportunities. Some employers may need more off-street parking because their workforce arrives from widely dispersed neighborhoods not served by other forms of transportation. Reductions in parking requirements should be based on careful consultation with affected neighborhoods and employers to balance the affordability and walkability benefits of less parking with the need to accommodate vehicles used for employment without compromising public health and safety.” (p. 30)</p> <p>Staff Assessment of Current LUMO</p> <p>All land in one of the Town Center zones is exempt from a minimum parking requirement, except for accessory apartments built after November 23, 2015.</p>
<p>Site Development Policy 4</p>	<p>APA’s Equity in Zoning Policy Guidance</p> <p><i>"Do not require minor building expansions, minor site development projects, or adaptive reuse of existing buildings to provide additional parking unless the change will create significant impacts on public health or safety.</i></p> <p>A major barrier to opening a small business or operating a restaurant or personal service use is additional parking requirements triggered when the intensity of use increases. This can disproportionately impact historically disadvantaged and vulnerable business owners who have more constrained sites and who may lack the resources to make significant site improvements to accommodate a relatively small change in use. Often, the time involved in evaluating incremental parking requirements for small changes in property uses far outweighs the benefits of those parking adjustments to public health and safety.” (p. 30)</p>

	<p>Staff Assessment of Current LUMO</p> <p>Except for land in Town Center zones, minimum parking requirements must be met. Additional parking may be required for some changes in use or building expansions that include an increase in floor area. Some uses may share parking if peak usage times are different. The Board of Adjustment and Town staff can approve a reduction of up to 20 percent of the minimum parking requirement.</p>
<p>Site Development Policy 5</p>	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Draft zoning standards that require or incentivize new development and redevelopment to increase the amount of landscaping, open space, and tree canopy in those neighborhoods that currently have less of these site design features.</i></p> <p>Higher levels of these important amenities are particularly important where development intensity is increased. These requirements should be drafted in close collaboration with those most affected by the change, so that increases in these features are balanced with the need to preserve the affordability of housing and the viability of existing businesses." (p. 31)</p>
	<p>Staff Assessment of Current LUMO</p> <p>Requirements for landscaping, open space (including recreation space or pervious surfaces), and tree canopy coverage are required based on the type of approval, existing and proposed uses, and/or zoning district. Requirements apply to the zoning district as a whole, and don't consider different requirements for areas within a zoning district that may have less landscaping, less open space, or less tree canopy coverage compared to the other areas within the district.</p>
<p>Site Development Policy 6</p>	<p>APA's Equity in Zoning Policy Guidance</p> <p><i>"Require adequate levels of lighting of sidewalks, crosswalks, walkways, public transit stops, and parking lots to protect the health and safety of vulnerable populations.</i></p> <p>Through shielding requirements, "dark sky" fixtures, limits on uplighting, and better light trespass standards, lighting needed for public safety can be readily balanced with community desires to "see the stars." Because excessive lighting standards have sometimes been used to increase surveillance of Black, Latino/a/x, and other persons of color, lighting standards should be drafted after careful consultation with the residents and businesses in the neighborhoods where they will be applied, so that they balance public safety for all residents and visitors" (p.31)</p>
	<p>Staff Assessment of Current LUMO</p> <p>Current rules require adequate lighting for streets, driveways, bikeways, sidewalks, pedestrian paths, parking areas, and other common areas and facilities for all development, except single- and two-family dwellings.</p>

Policy Discussions and Outreach Schedule

Current as of April 5, 2024

Overview

This document is a schedule of Town Council meetings, Planning Commission meetings, and public outreach events related to the Rewriting Our Rules project. General information about the project will be shared at all events. Specific policy topics that will be the focus of certain meetings are listed throughout the schedule.

The schedule outlines activities until May 2024. Many more meetings and public outreach events are expected through the rest of the year. Additional details will be added as available.

The project is currently in [Module 6](#) of the schedule.

Module 1	General Policy Questions: <ul style="list-style-type: none"> • By right development • Development intensity in FLUM Focus Areas • Mixed-use districts • Abolishing parking minimums • Regulations for single-family homes 	
	What?	Why?
Sept 18, 2023	Planning Ambassador Learning Session	Engage with underrepresented community members to build relationships and equip individuals with the information they need to be more involved in future planning processes.
Oct 2 & 4, 2023	Stakeholder Focus Group Meetings	User-testing of building design and affordable housing incentive analysis with 36 total participants. Representatives from non-profit developers, community service providers, for-profit developers, and Advisory Boards.
Oct 16, 2023	Planning Ambassador Learning Session	Engage with underrepresented community members to build relationships and equip individuals with the information they need to be more involved in future planning processes.
Oct 18, 2023	Town Council Work Session	Orient Council to the LUMO project and receive Council input on the general policy questions listed above.
Module 2	Updates on LUMO Drafting: <ul style="list-style-type: none"> • Proposal for new zoning districts • Building and site design standards • Feasibility of code-based affordable housing incentives 	
	What?	Why?
Nov 15, 2023	Town Council Work Session	Follow-up on Council questions from Oct. 18 Work Session and provide Council updates on consultant work streams.

Dec 11, 2023	“Meet A Planner” pop-up style outreach event, Chapel Hill Public Library	Meet community members where they are to share information about the LUMO project.	
Dec 18, 2023	“Meet A Planner” pop-up style outreach event, Hargraves Community Center	Meet community members where they are to share information about the LUMO project.	
Module 3	Housing Policy: <ul style="list-style-type: none">• Missing middle policy guidance• Subdivision standards• Flag lots		
	What?	Why?	What Next?
Jan 17, 2024	Town Council Work Session	Orient new Councilmembers to the LUMO project and receive Council guidance on issues related to housing policy.	Share highlights of Council discussion at the Jan 31 PIM and through other Town channels. Incorporate Council feedback into code drafting.
Jan 24, 2024	“Meet A Planner” pop-up style outreach event, South Estes Public Housing Community	Meet community members where they are to share information about the LUMO project.	Provide Council summary of location demographics, questions, and comments. Please see Engagement and Communications Report.
Jan 31, 2024	Public Information Meeting (In-Person)	Provide general information on project goals and specific topics discussed with Council during the Jan 17 work session.	Provide Council summary of attendee demographics, questions, and concerns. Please see Engagement and Communications Report.
Feb 6, 2024	Planning Commission Meeting	Orient Planning Commission to its role in the LUMO Update process and receive guidance on issues related to housing policy.	Incorporate Planning Commission feedback into code drafting.
Feb 8, 2024	Planning Ambassador Learning Session	Engage with underrepresented community members to build relationships and equip individuals with the information they need to be more involved in future planning processes.	N/A

Feb 14, 2024	"Meet A Planner" pop-up style outreach event, Airport Gardens Public Housing Community	Meet community members where they are to share information about the LUMO project.	Provide Council summary of location demographics, questions, and concerns. Please see Engagement and Communications Report.
Module 4	Process Overview and Background Information <ul style="list-style-type: none"> State Legislature and Local Zoning Authority Housing Policy: <ul style="list-style-type: none"> Student housing Housing needs analysis Regulation of Specific Uses: <ul style="list-style-type: none"> Drive throughs Shelters Commercial-to-office conversions Housing and places of worship Environmental Policy: <ul style="list-style-type: none"> Resource conservation district Tree protection and landscaping Stormwater management 		
	What?	Why?	What Next?
Feb 20, 2024	Planning Commission Meeting	Receive guidance from Planning Commission regarding the policy topics listed above and share information regarding community outreach.	Incorporate feedback into code drafting.
Feb 21, 2024	Town Council Work Session	Receive guidance from Council regarding the policy topics listed above and share information regarding community outreach.	Incorporate feedback into code drafting. Share discussion overview during March public information meetings
Feb 24, 2024	"Meet A Planner" Pop-up event, Chapel Hill Farmer's Market at University Place	Meet community members where they are to share information about the LUMO project.	Provide Council summary of attendee questions and comments. Please see Engagement and Communications Report.
Feb 27, 2024	Community Design Commission	Discuss the design reference guide and receive feedback from the Community Design Commission.	Incorporate feedback into code drafting.

March 4, 2024	Stakeholder Meeting with BuildUP, UNC-Chapel Hill Campus	Engage with underrepresented community members to build relationships and equip individuals with the information they need to be more involved in future planning processes.	Provide Council summary of attendee demographics, questions, and comments. Please see Engagement and Communications Report.
March 12, 2024	Stakeholder Meeting with Northside Compass Group, First Baptist Church	Engage with underrepresented community members to build relationships and equip individuals with the information they need to be more involved in future planning processes.	
Module 5	Community Benefits <ul style="list-style-type: none"> In what instances is it appropriate to mandate, incentive, or negotiate for community benefits? Design Standards <ul style="list-style-type: none"> Introduction to design standards Economic Environment <ul style="list-style-type: none"> What economic constraints impact land use decisions in Chapel Hill? 		
	What?	Why?	What next?
March 13, 2024	Town Council Work Session	Receive guidance from Council regarding the policy topics listed above and share information regarding community outreach.	Incorporate feedback into code drafting. Share discussion overview during March public information meetings.
March 19, 2024	Planning Commission Meeting	Receive guidance from Planning Commission regarding the policy topics listed above and share information regarding community outreach.	Incorporate feedback into code drafting.
March 19, 2024	Stakeholder Meeting with Northside Neighborhood, Hargraves Community Center	Engage with underrepresented community members to build relationships and equip individuals with the information they need to be more involved in future planning processes.	Provide Council summary of attendee demographics, questions, and comments. Please see Engagement and

March 25, 2024	Public Information Meeting (In-Person)	Provide general information on project goals and specific topics discussed with Council during March 13 work session.	Communications Report.
March 26, 2024	Community Design Commission	Discuss the design reference guide and receive feedback from the Community Design Commission.	Incorporate feedback into code drafting.
March 27, 2024	Public Information Meeting (Virtual, 12 p.m.)	Provide general information on project goals and specific topics discussed with Council during March 13 work session.	Provide Council summary of attendee demographics, questions, and comments. Please see Engagement and Communications Report.
March 27, 2024	Public Information Meeting (Virtual, 6 p.m.)	Provide general information on project goals and specific topics discussed with Council during March 13 work session.	
March 30, 2024	"Meet A Planner" Pop-up event, Chapel Hill Farmer's Market at University Place	Meet community members where they are to share information about the LUMO project.	
April 2, 2024	Stakeholder Meeting with Home Builder's Association Government Affairs and Land Use Committee	Engage with a broad range of stakeholders.	
April 4, 2024	Stakeholder Meeting with Chapel Hill Carrboro Chamber of Commerce Government Affairs Committee	Engage with a broad range of stakeholders.	
April 9, 2024	"Meet A Planner" pop-up style outreach event, First Baptist and Manley Estates	Meet community members where they are to share information about the LUMO project.	Provide Council summary of attendee demographics, questions, and comments.
April 9, 2024	Planning Ambassador Learning Session	Engage with underrepresented community members to build relationships and equip individuals with the information they need to be more involved in future planning processes.	

April 10, 2024	Stakeholder Meeting with Orange County Affordable Housing Coalition Development Sub-committee	Engage with a broad range of stakeholders.	
April 13, 2024	"Meet A Planner" Pop-up event at Friends of the Library Book Sale, Chapel Hill Library	Meet community members where they are to share information about the LUMO project.	
April 14, 2024	"Meet A Planner" Pop-up event at Greene Tract Master Land Use Plan Workshop	Meet community members where they are to share information about the LUMO project.	
Module 6	Policy Discussion Topics: Affordable Housing <ul style="list-style-type: none">Update on affordable housing economic analysis Racial Equity Analysis <ul style="list-style-type: none">Update on racial equity framework **Scheduling Notes** Meetings: <ul style="list-style-type: none">Planning Commission to discuss LUMO on April 16Town Council to discuss LUMO on April 24 Policy Topics: Design Standards (POSTPONED) <ul style="list-style-type: none">Design standards by building typeStandards based on street typeSpecial considerations for downtown Basic Dimensional Standards (POSTPONED) <ul style="list-style-type: none">FLUM guidance on appropriate heights		
	What?	Why?	What Next?
	April 16, 2024	Planning Commission Meeting	Receive guidance from Planning Commission regarding the policy topics listed above and share information regarding community outreach.
April 18, 2024	Stakeholder Meeting, Orange Chatham Association of REALTORS	Engage with a broad range of stakeholders.	Provide Council summary of attendee demographics, questions, and comments.
April 18, 2024	"Meet A Planner" Pop-up event at Chapel Hill Public Housing	Meet community members where they are to share information about the LUMO project.	

April 24, 2024	Town Council Meeting	Receive guidance from Council regarding the policy topics listed above and share information regarding community outreach.	Incorporate feedback into code drafting. Share discussion overview during April public information meetings.
April 27, 2024	“Meet A Planner” Pop-up event, Chapel Hill Farmer’s Market at University Place.	Meet community members where they are to share information about the LUMO project.	Provide Council summary of attendee demographics, questions, and concerns.
April 29, 2024	Public Information Meeting (In-Person)	Provide general information on project goals and specific topics discussed with Council during April meeting.	
April 30, 2024	Public Information Meeting (Virtual 12 p.m.)	Provide general information on project goals and specific topics discussed with Council during April meeting.	
April 30, 2024	Public Information Meeting (Virtual 6 p.m.)	Provide general information on project goals and specific topics discussed with Council during April meeting.	
Module 7	Development Review Processes <ul style="list-style-type: none">• By-right development• Conditional zoning Long Range Considerations <ul style="list-style-type: none">• Alignment with the FLUM• Implementing the Complete Community Strategy		
	What?	Why?	What next?
May 7, 2024	Planning Commission Meeting	Receive guidance from Planning Commission regarding the policy issues listed above and share information regarding community outreach.	Incorporate feedback into code drafting.
May 15, 2024	Town Council Meeting	Receive guidance from Council regarding the policy issues listed above and share information regarding community outreach.	Incorporate feedback into code drafting. Share discussion overview during May public information meetings.
May 20, 2024	Public Information Meeting (In-Person)	Provide general information on project goals and specific topics discussed with Council during May Council meeting.	Provide Council summary of attendee demographics,

May 22, 2024	Public Information Meeting (Virtual, 12 p.m.)	Provide general information on project goals and specific topics discussed with Council during May Council meeting.	questions, and concerns.
May 22, 2024	Public Information Meeting (Virtual, 6 p.m.)	Provide general information on project goals and specific topics discussed with Council during May Council meeting.	

Communication and Engagement Strategy

This year, staff will continue outreach efforts to ensure that the public is well-informed about *Rewriting Our Rules*. Outreach will be guided by the three communications and engagement goals that were identified at the outset of this project¹ and shared with Council in their January 17, 2024 work session:

1. We'll engage a **range** of stakeholders while centering the voices of those most impacted and those who have been historically under-engaged in Town decisions related to land use regulations.
2. We'll be **responsive** to project history and past engagement, clearly communicate the role of this phase of work, and commit to responding to community feedback promptly.
3. We'll **educate and equip** community members with the information they need to readily engage with Town planning processes.

To implement these goals, staff will use a variety of in-person events, public meetings, and digital content to reach the following stakeholder groups:

- Business owners
- Non-profit developers
- For-profit developers
- Property owners
- Community service providers
- Students
- Renters
- Residents living with low-income
- Residents living in public housing
- Residents that speak languages other than English

Our approach to reach groups will differ and we will use a variety of methods to achieve our goal.

The table below outlines the planned approach for future engagement and communications. This approach may vary and adjust based on resources.

Method	Reach	Frequency
TOWNnews	Between 6,000 and 7,000 subscribers	Monthly
Project newsletter	120 subscribers	Monthly
Public Information Meeting (in-person)	Advertise on Town channels	Monthly

¹ Outreach and engagement goals were developed in response to the Town of Chapel Hill Gap Analysis & Engagement Study (<https://www.townofchapelhill.org/government/departments-services/affordable-housing-and-community-connections/get-involved/gap-analysis-and-engagement-study>) and informed by resources provided by the Government Alliance on Race and Equity (<https://www.racialequityalliance.org/>), American Planning Association (<https://www.planning.org/>), and International Association for Public Participation (<https://www.iap2.org/mpage/Home>).

Method	Reach	Frequency
	All stakeholders	
Public Information Meeting (virtual)	Advertise on Town channels All stakeholders	Monthly
Planning Ambassador Learning Sessions	12 Stakeholders	4 of 4 Sessions Completed.
PeachJar School Flyer Distribution	All schools in Chapel Hill Carrboro City School System	Two distributions
Affordable Housing and Community Connections listserv	300 - 400 subscribers	Monthly
"Cookies & Community", hosted by Affordable Housing and Community Connections	Five locations that reach public housing residents	Monthly
Tabling at community events	All stakeholders	Varied due to external scheduling
Direct outreach and meetings	Under-represented stakeholders and LUMO involved, experienced stakeholders	Varied due to external scheduling
Small focus group meetings	LUMO involved, experienced stakeholders	Varied due to external scheduling
Marketing and advertising collateral	Varied	Ongoing

Engagement and Communications Report

Current as of April 5, 2024

1. Overview

This report is a living document that will summarize community engagement efforts for Rewriting Our Rules. The report will cover public information meetings, pop-up events, and other stakeholder meetings and will include information such as how many people attended the meeting, topics shared by staff, and feedback received from attendees.

Summaries included in this report:

- [January 24, 2024 – Pop-up event](#)
- [January 31, 2024 – Public Information Meeting](#)
- [February 14, 2024 – Pop-up event](#)
- [February 24, 2024 – Pop-up event](#)
- [March 4, 2024 – Stakeholder meeting](#)
- [March 12, 2024 – Stakeholder meeting](#)
- [March 19, 2024 – Stakeholder meeting](#)
- [March 25, 2024 – Public Information Meeting](#)
- [March 27, 2024 – Public Information Meetings](#)
- [March 30, 2024 – Pop-up event](#)
- [April 2, 2024 – Stakeholder meeting](#)
- [April 4, 2024 – Stakeholder meeting](#)

Please see the **Policy Discussion and Outreach Schedule** for more on future events.

2. Demographic Data

U.S. Census Bureau 5-year estimates from the American Community Survey for the Town of Chapel Hill, the Durham-Chapel Hill Metropolitan Statistical Area (MSA), and the State are shown below. This data is current as of 2022 and is context for the demographic information shared throughout the report. The data in the tables below are updated from the 2021 estimates provided in the March work session report.

Estimates of Population by Race						
	Town of Chapel Hill		Durham-Chapel Hill MSA		State of North Carolina	
	Total	Percent	Total	Percent	Total	Percent
White	40,055	68%	379,541	58.6%	6,800,458	65%
Black or African American	6,161	10.5%	163,535	25.2%	2,192,455	20.9%
American Indian and Alaska Native	228	0.4%	2,947	0.5%	109,600	1.1%
Asian	9,305	13.4%	30,202	4.7%	325,670	3.1%
Native Hawaiian and other Pacific Islander	1	0%	411	0.1%	6,948	0.1%
Some other Race Alone	1,648	2.8%	29,851	4.6%	421,954	4%
Two or more races	2,926	5%	41,579	6.4%	613,129	5.9%
Total	58,919	100%	648,066	100%	10,470,214	100%

Estimates of Population by Ethnicity						
	Town of Chapel Hill		Durham-Chapel Hill MSA		State of North Carolina	
	Total	Percent	Total	Percent	Total	Percent
Not Hispanic or Latino	54,928	92.8%	573,572	88.5%	9,419,209	90%
Hispanic or Latino	3,991	7.3%	74,494	11.5%	1,051,008	10%
Total	58,919	100%	648,066	100%	10,470,214	100%

Estimates of Population by Sex						
	Town of Chapel Hill		Durham-Chapel Hill MSA		State of North Carolina	
	Total	Percent	Total	Percent	Total	Percent
Male	27,817	47.2%	313,505	48.4%	5,131,370	49%
Female	31,102	52.8%	334,561	51.6%	5,338,844	51%
Total	58,919	100%	648,066	100%	10,470,214	100%

Estimates of Population 5 Years and Over by Language Spoken at Home						
	Town of Chapel Hill		Durham-Chapel Hill MSA		State of North Carolina	
	Total	Percent	Total	Percent	Total	Percent
English only	45,171	79.3%	516,920	84.2%	8,663,829	87.7%
Language other than English	11,811	20.7%	96,811	15.8%	1,216,618	12.3%
Total	56,982	100%	613,731	100%	9,880,447	100%

Estimates of Population by Age						
	Town of Chapel Hill		Durham-Chapel Hill MSA		State of North Carolina	
	Total	Percent	Total	Percent	Total	Percent
Under 18	9,429	16%	128,550	19.8%	2,283,888	21.8%
18 - 24	19,214	32.6%	73,191	11.3%	1,014,214	9.7%
25 - 34	7,214	12.2%	95,016	14.7%	1,394,673	13.3%
35 - 44	5,337	9.1%	83,443	12.9%	1,321,715	12.6%
45 - 54	6,122	10.4%	81,332	12.6%	1,354,229	12.9%
55- 64	4,572	7.8%	81,754	12.6%	1,353,570	12.9%
64 - 74	3,945	6.7%	63,911	9.9%	1,051,212	10.0%
Over 75	3,086	5.3%	40,869	6.3%	696,713	6.7%
Total	58,919	100%	648,066	100%	10,470,214	100%

3. Engagement Summary

This section includes brief summaries of the following events attended or hosted by Planning Department staff:

- [January 24, 2024 – Pop-up event](#)
- [January 31, 2024 – Public Information Meeting](#)
- [February 14, 2024 – Pop-up event](#)
- [February 24, 2024 – Pop-up event](#)
- [March 4, 2024 – Stakeholder meeting](#)
- [March 12, 2024 – Stakeholder meeting](#)
- [March 19, 2024 – Stakeholder meeting](#)
- [March 25, 2024 – Public Information Meeting](#)
- [March 27, 2024 – Public Information Meetings](#)
- [March 30, 2024 – Pop-up event](#)
- [April 2, 2024 – Stakeholder meeting](#)
- [April 4, 2024 – Stakeholder meeting](#)

January 24, 2024 - Pop-up Event

Location: South Estes Public Housing Community Center

Overview: Planning Department staff joined a “Cookies and Community” monthly event hosted by the Affordable Housing and Community Connections Department. These events provide an opportunity to share information about Town-sponsored services and activities with residents of various communities throughout Chapel Hill.

Location Demographics

- A large share of public housing residents identify as Black or African American, Immigrant or Refugee, Low-Income, and all are Renters.
- These community members speak a range of languages, including Arabic, Burmese, English, Spanish, and Karen.

Questions and Comments

Common themes of attendees’ questions and comments included:

- The proximity of school and parks to young attendees’ homes.
- What surrounds a school facility and why.
- How they travel around Town – by walking, biking, or car.

January 31, 2024 - Public Information Meeting

Location: Chapel Hill Public Library

Attendance: 17

Overview: Staff hosted a public information meeting at the Chapel Hill Public Library on January 31, 2024. The meeting began with a poster session where attendees could learn more about potential changes included in the new LUMO. Staff then presented the project’s goals and timelines and summarized Council’s discussion during the January 17 work session. The meeting concluded with another opportunity for attendees to review posters and discuss the new LUMO with staff.

Attendee Survey

Survey Respondents: 9

- Majority of respondents had attended a public meeting before and heard about this event through TownNews.
- 44% of respondents “disagree” with the statement “I learned something new about how land use rules impact my life and/or my property.”
- 44% of respondents were “neutral” with the statement “I learned something new about how zoning and land use rules have changed over time.” 44% of respondents “disagree” or “strongly disagree” with that statement.
- 66% of respondents “disagree” or “strongly disagree” with the statement “I learned why our land use rules (LUMO) need to be updated.”

Attendee Demographics

- All survey respondents identified as White, non-Hispanic, and spoke English at home.
- 1/3 of respondents identified as over the age of 75.
- 1/3 of respondents identified as under age 55.

Questions and Comments

Common themes of attendees’ questions and comments included:

- How changes to the land use rules can support the Town’s goal of more affordable housing.
- The relationship between the Rewriting Our Rules project and last year’s Housing Choices text amendments.
- What land use rules may be changed and what land use rules may stay the same.
- Opportunities to strengthen existing elements of our ordinance, such as tree protection requirements.
- The timing of any rezoning to implement an updated LUMO.

February 14, 2024 - Pop-up Event

Location: Airport Gardens Public Housing Community Center

Overview: Planning Department staff joined a “Cookies and Community” monthly event hosted by the Affordable Housing and Community Connections Department.

Location Demographics

- A large share of public housing residents identify as Black or African American, Immigrant or Refugee, Low-Income, and all are Renters.
- These community members speak a range of languages, including Arabic, Burmese, English, Spanish, and Karen.

Questions and Comments

Common themes of attendee’s questions and comments included:

- When asked “If you could choose what you live next to, what would it be?”, young attendees responded, “my friends”.
- The proximity of school and parks to their homes.
- How they travel around Town – by walking, biking, or car.

February 24, 2024 - Pop-up Event

Location: Chapel Hill Farmer’s Market

Attendees: Approximately 20

Overview: Planning Department staff tabled at the Chapel Hill Farmer’s Market located at University Place from 10 am and 12 pm.

Questions and Comments

Common themes of attendees’ questions and comments included:

- What the Planning department does.
- The relationship between the Rewriting Our Rules project and last year’s Housing Choices text amendments.
- If and where the Town can accommodate growth.
- The land use rule changes should make it easier for property owners to build accessory dwelling units.
- The timing of the project and when Council could make a decision.
- Infrastructure like protected bike lanes is needed with new development.
- How our land use rules relate to stormwater management.

March 4, 2024 - Stakeholder Meeting

Location: UNC-Chapel Hill BuildUp Member Meeting

Attendees: Approximately 15

Overview: Planning Department staff joined a meeting of BuildUP, a group of UNC undergraduates that are interested in urban planning. The attendees did not complete a survey as a part of this meeting.

Attendee Demographics

- The membership of BuildUP is students and young adults.

Questions and Comments

Common themes of attendees’ questions and comments included:

- Housing costs for students off-campus and limited housing supply on-campus
- Lack of groceries around campus and limited affordable food options
- General urbanist themes of denser development, transit options, and prevention of sprawl
- Limitations of Historic District and Neighborhood Conservation Districts near campus, and how they relate to opportunities for new housing.

March 12, 2024 – Stakeholder meeting

Location: Northside Compass Group monthly meeting

Attendees: Approximately 20

Overview: Planning staff presented information about the LUMO Update and its potential impacts to Northside Compass Group as part of their monthly meeting.

Attendee Survey

Survey Respondents: 11

- 6 respondents “agree” and 4 respondents “strongly agree” with the statement “I learned something new about how land use rules impact my life and/or my property.” One respondent was “neutral”.
- 7 respondents “strongly agree” and 3 respondents “agree” with the statement “I learned something new about how zoning and land use rules have changed over time.” One respondent was “neutral”.
- 9 respondents “strongly agree” and 2 respondents “agree” with the statement “I learned why our land use rules (LUMO) need to be updated.”

Attendee Demographics

- Majority of respondents heard about the meeting from the Jackson Center and have attended a public meeting hosted by the Town before.
- Majority of respondents identified as Black or African American, not Hispanic or Latino, and speak English at home. One respondent speaks Spanish.
- The age of respondents was evenly distributed between age 18 to over 75.

Questions and Comments

Common themes of attendees’ questions and comments included:

- How do long term residents find out about and get priority for designated low-income housing?
- How do new LUMO rules deal with state legislature restrictions? What are those restrictions?
- How can we make welcoming, affordable environments for families with young children?

March 19, 2024 - Stakeholder meeting

Location: Northside Neighborhood Meeting, Jackson Center

Attendees: Over 30

Overview: Planning staff presented information about the LUMO Update and its potential impacts to the Northside neighborhood and the W. Rosemary Commercial District as part of their monthly meeting. The attendees did not complete a survey as a part of this meeting.

Questions and Comments:

- Long-term residents and property owners shared their pressing concerns, including the ability of their properties to meet their needs, increasing property taxes, displacement of affordable housing residents, and increasing numbers of student rentals.
- Many residents felt that student housing landlords had more development opportunities in Northside than they did.

- Others spoke to changes along Rosemary Street and its potential impact and relationship to the neighborhood.
- They called for more affordable and attainable housing that would allow multi-generational families to remain in the neighborhood.
- Many expressed frustration that they were not included in creating the NCD in 2002 and felt that the NCD regulations were a hinderance.
- People asked how the feedback provided will impact the development of the LUMO.

March 25, 2024 – Public Information Meeting

Location: Chapel Hill Public Library

Attendance: 13

Overview: Staff hosted a public information meeting at the Chapel Hill Public Library on March 25, 2024. The meeting began with a poster session where attendees could learn more about potential changes included in the new LUMO. Staff then presented the project's goals and timelines and summarized Council's discussion during the February 21 and March 13 work sessions. The meeting concluded with another opportunity for attendees to review posters and discuss the new LUMO with staff.

Attendee Survey

Survey Respondents: 12

- Majority of respondents had attended a public meeting before and heard about this event through TownNews.
- 5 respondents are "neutral" with the statement "I learned something new about how land use rules impact my life and/or my property. The remaining respondents (6) were equally distributed between "disagree", "agree", and "strong agree".
- 4 respondents "agree" and 2 respondents "strongly agree" with the statement "I learned something new about how zoning and land use rules have changed over time." The remaining respondents (6) are equally distributed between "disagree" or "neutral" with that statement.
- 4 respondents "strongly agree" with the statement "I learned why our land use rules (LUMO) need to be updated." 3 respondents either "agree" or is "neutral" to this statement. 1 respondent answered "disagree".

Attendee Demographics

- The majority of respondents identified as White, non-Hispanic, and spoke English at home. One participant identified as Asian.
- 2/3 of respondents identified as over the age of 56, with the highest attendance rate among people who identify in the 66-75 age range.
- 1/3 of respondents identified between the ages of 18 and 45.

Questions and Comments

Staff asked participants to reflect on the possible positive and negative impacts of proposed changes, these are summarized below.

<i>Perceived Positive Impacts</i>	<i>Perceived Negative Impacts</i>
<ul style="list-style-type: none"> • Opportunity to implement Complete Community • Well-designed buildings that engage pedestrians • Improving our sustainability • More housing, retail, and greenways in existing neighborhoods • Higher density and mixed-use development • Better use of rapid transit and other types of auto-alternative modes • Relieving restrictions on housing supply • A cost-benefit decision making process for future development • Prioritize diverse affordable housing options 	<ul style="list-style-type: none"> • Poorly designed site plans and structures that are not context-sensitive • More costly housing in certain areas of Town • More traffic with more people • Impact of increasing density in single-family neighborhoods is not equitably shared across Town

- Are some of the ideas presented viable?
- How will these rules be enforced?
- How quickly could we feel the impacts of these changes?
- Would by-right impact the speed of development review?
- How will public input be used in this project?
- When will the product be available for public view?
- What percentage of land is in the historic districts and the Neighborhood Conservation Districts?
- What amount of population growth is being planned for?
- How are smaller-scale businesses supported by these rules?

March 27, 2024 – Public Information Meetings

Location: Zoom

Attendees: 7

Overview: Staff hosted two public information meetings in a Zoom webinar format on March 27, 2024. The meetings took place at 12 p.m. and 6 p.m. Staff presented the project's goals and timelines and summarized Council's discussion during the February 21 and March 13 work sessions. The meetings concluded with an opportunity for attendees to discuss the project with staff.

Attendee Survey

Survey Respondents: 7

Attendee Demographics

- All respondents identified as non-Hispanic. One identified as Black or African American, another selected "Prefer not to say", and five participants identified as White. Two did not respond to this question. No respondents reported their gender.

- The age distribution of respondents was between 26 and 75. Two participants responded that they identify in the 36-45 age range.
- The majority of respondents “strongly agree” with all statements in the survey.

Questions and Comments

- How will the new LUMO promote affordable housing?
- Is the low turnout at virtual PIMs troubling? Is enough being done to get the word out about this project?
- Will all neighborhoods be impacted equally by the LUMO changes?
- How can we allow or promote building more densely in areas of town that have been downzoned over time?
- How can we avoid “designing by committee?” Can we limit how proscriptive we get with design standards and let people express their own tastes over time?
- Can we increase the amount of by-right development allowed in Town?
- How will neighborhoods with covenants be impacted? What did the Local Reporter mean when it said that neighborhoods with covenants would not be impacted?
- How will you increase density around bus stops/BRT stations?

March 30, 2024 – Pop-up event

Location: Chapel Hill Farmer’s Market

Attendees: 6

Overview: Planning Department staff tabled at the Chapel Hill Farmer’s Market located at University Place from 10 am and 12 pm.

Questions and Comments

Common themes of attendees’ questions and comments included:

- How can we strengthen our stormwater regulations?
- Are we accounting for potential water shortages in the future?
- How can we make more walkable areas of Town like Blue Hill?
- What are the biggest changes we are likely to see in the new LUMO?
- How can we get more affordable housing in town?

April 2, 2024 – Stakeholder meeting

Location: Homebuilders Association of Durham, Orange and Chatham Counties Land Use and Government Affairs Committee

Attendees: 13

Overview: Planning staff presented information about the LUMO Update as part of their monthly meeting. Members of this group are frequent users of the ordinance and have experience using ordinances in neighboring jurisdictions. The attendees did not complete a survey as a part of this meeting.

Questions and Comments

Common themes of attendees’ questions and comments included:

- Consolidating zoning districts to reduce redundancy.
- Reconciling conflicts between LUMO and the Public Works Design Manual

- Tax efficiency of smaller frontages associated with flag lots.
- Removing advisory boards if administrative approval is appropriate.
- Increase the threshold for Council review from the existing limit.
- How to amend the ordinance in future iterations.
- The types of housing that could be allowed in the Transit-Oriented Development (TOD) Districts
- Regulatory incentives for adaptive reuse

April 4, 2024 – Stakeholder meeting

Location: Chamber of Commerce for Greater Chapel Hill-Carrboro, Government Affairs Committee

Attendees: 15

Overview: Planning staff presented information about the LUMO Update as part of this committee's meeting. Members of this group "meet monthly to prepare policy positions and advocate for business interests of Greater Chapel-Hill Carrboro."¹ The attendees did not complete a survey as a part of this meeting.

Questions and Comments

Common themes of attendees' questions and comments included:

- How we will translate from the current zoning districts to proposed zoning districts.
- When will the comprehensive plan be updated and how does that timeline relate to this project?
- An interest in more frequent and less cumbersome LUMO text amendments to respond to changing markets.
- Why does Town review a change in use for existing retail spaces? This burdens small-scale business owners and benefits larger companies that can afford the cost of permitting.
- The extent of Special Use Permits throughout Town and how those will be handled with the new ordinance.
- A separate fee schedule should be considered for smaller infill sites.
- It should be easier to do a cluster subdivision.
- The reduced time of permitting as a benefit of by-right development and administrative approval.
- A request to revisit the sign ordinance.

¹ <https://www.carolinachamber.org/advocacy/>

4. Communication Summary

This section summarizes digital communications shared by Town staff using a variety of platforms.

Date(s)	Activity	Reach
October 2023	Project Newsletter	81 Subscribers
July to October 2023	Social Media	3 posts 9,562 Twitter ("X") impressions 90 Instagram likes
November 2023	"What is Zoning" video, social media post	Instagram - 43 likes, 1262 accounts reached, 11 shares, 1 save Facebook - 2 likes, 400 people reached, 2 shares Twitter - 10 likes, 5 reposts, 1415 impressions, 322 unique views
December 2023	"Why do we Plan" video, social media post	Instagram - 43 likes, 1058 accounts reached, 1 share, 1 save Facebook - 3 likes, 407 people reached Twitter- 1 like, 541 views
January 2024	Project Newsletter	110 Subscribers
January 2024	Affordable Housing and Community Connections Newsletter	300-400 Subscribers
January 11, 2024 January 19, 2024 January 25, 2024	Chapel Hill Town News	6,000 – 7,000 Subscribers
February 2024	Project Newsletter	120 Subscribers 41 direct outreach emails
February 2024	Affordable Housing and Community Connections Newsletter	300-400 Subscribers

Date(s)	Activity	Reach
February 15, 2024 February 22, 2024 February 29, 2024	Chapel Hill Town News	6,000 – 7,000 Subscribers
March 5, 2024	Project Newsletter	142 subscribers 71 direct outreach emails
March 7, 2024	People's Academy	Approximately 50 attendees
March 11, 2024	Email update for Public Information Meeting	145 subscribers
March 14, 2024	Chapel Hill Town News	6,000 – 7,000 Subscribers
March 20, 2024	Affordable Housing and Community Connections Newsletter	300-400 Subscribers

CHAPEL HILL LUMO UPDATE

Feasibility of Code-Based Incentives to Support Community Benefits

April 4, 2024



VISION
ECONOMICS
STRATEGY
FINANCE
IMPLEMENTATION

LUMO Update

Feasibility of Code-Based Incentives to Support Community Benefits

October 2023 Findings

- At minimum, a 50% density bonus is needed for a project with a 15% affordability set aside to achieve financial returns comparable to a lower density project without any set aside
- To be attractive, a voluntary density bonus would need to provide significantly higher returns than the base scenario
- A 50%+ density bonus would likely require more expensive construction techniques
- In the Chapel Hill market, the hard cost premium associated with concrete framing exceeds achievable rent premiums; thereby limiting the attractiveness of density bonuses

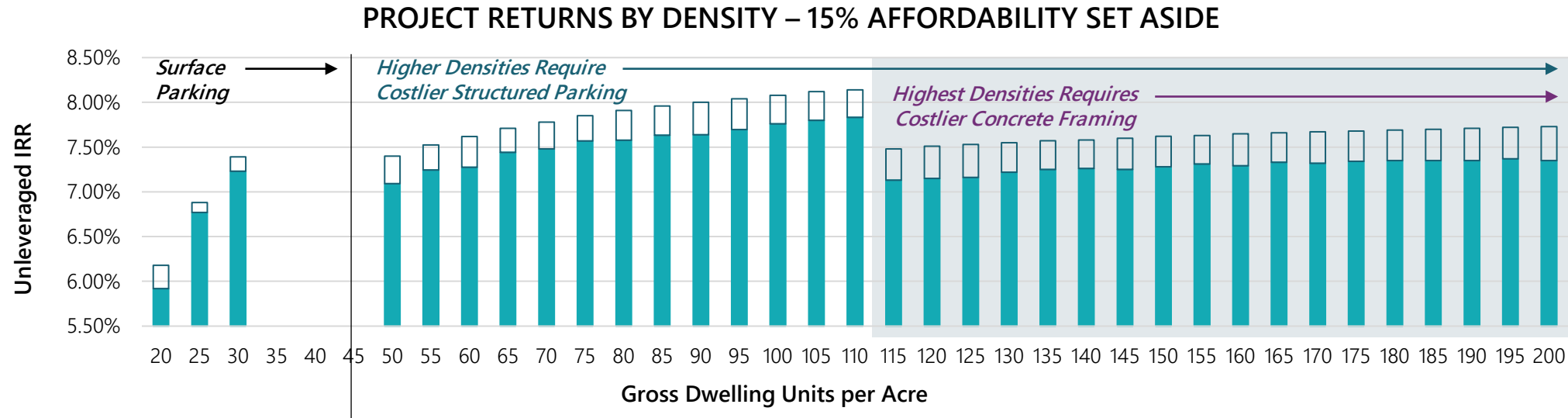
January-March 2024 – Financial Testing

1. Testing different affordability requirements to understand density bonuses needed to offset impact to revenues
2. Testing extent by which of setback and buffer modifications can support additional project costs to fund community benefits
 - Street setback modification
 - RCD buffer modification
3. Testing minimum number of rental townhome and missing middle units needed to support Town's affordability set aside targets

Density Analysis

Density Analysis

Density bonus needed to return to baseline returns at various DUs/acre



Wood Frame Construction, Structured Parking

Base DU/Acre	DU/Acre to Achieve Similar Returns	Density Bonus to Achieve Similar Returns
50	65	30%
55	75	36%
60	85	42%
65	95	46%
70	105	50%

Affordability Requirements

Affordability Requirements

Testing density bonus needed to offset impact to revenues

Wood Frame Construction, Structured Parking	Unit Breakdown				Weighted Average NOI/Unit	Impact to NOI/Unit	Density Bonus to Achieve Similar Returns
	Market Rate	80% AMI	65% AMI	60% AMI			
NOI	\$17,790	\$16,682	\$13,051	\$11,575			
<i>No affordability set aside</i>	<i>100%</i>				<i>\$17,790</i>		
<i>7.5% of units at 65% AMI & 7.5% of units at 80% AMI</i>	<i>85.0%</i>	<i>7.5%</i>	<i>7.5%</i>		<i>\$17,351</i>	<i>-\$439</i>	<i>50%</i>
<i>7.5% of units at 60% AMI</i>	<i>92.5%</i>			<i>7.5%</i>	<i>\$17,324</i>	<i>-\$466</i>	<i>50%</i>
<i>5% of units at 65% AMI & 5% of units at 80% AMI</i>	<i>90.0%</i>	<i>5.0%</i>	<i>5.0%</i>		<i>\$17,498</i>	<i>-\$292</i>	<i>25%</i>
<i>15% of units at 80% AMI</i>	<i>85.0%</i>	<i>15.0%</i>			<i>\$17,624</i>	<i>-\$166</i>	<i>20%</i>
<i>3.5% of units at 60% AMI</i>	<i>96.5%</i>			<i>3.5%</i>	<i>\$17,572</i>	<i>-\$218</i>	<i>20%</i>

[1] Density bonus could be reflected in an increase in height or increase in net developable land area

Cost of Affordability Requirements

Estimating subsidies needed at various AMIs to return to baseline market rate returns

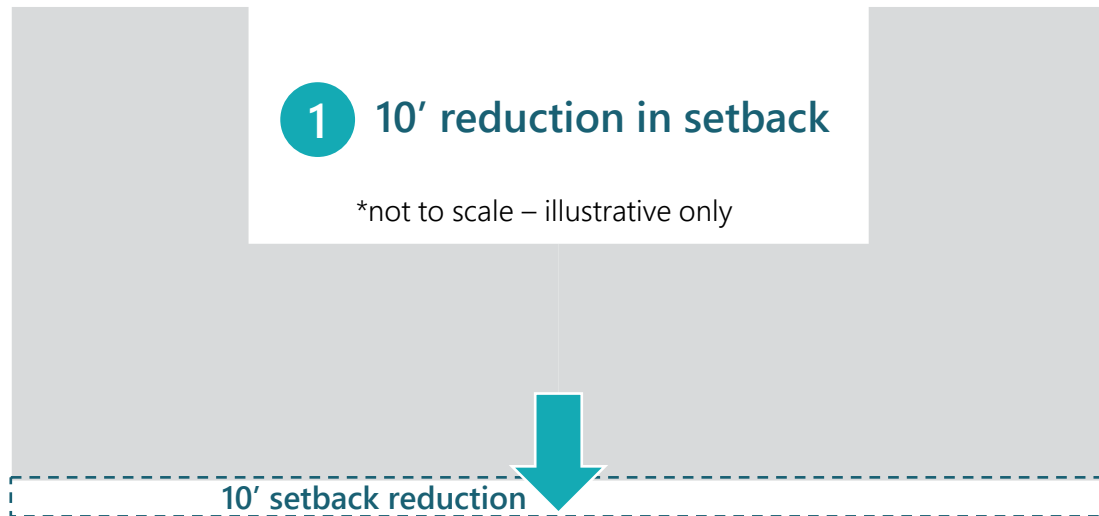
	Wood Frame Construction, Structured Parking	Market Rate	80% AMI	65% AMI	60% AMI
NOI/unit		\$17,790	\$16,682	\$13,051	\$11,575
<i>Value per unit at a 5.7% cap</i>		<i>\$312,000</i>	<i>\$293,000</i>	<i>\$229,000</i>	<i>\$203,000</i>
<i>Reduction in value per unit</i>			6.2%	26.6%	34.9%
<i>Yield on cost per unit</i>	<i>\$300,000/unit TDC</i>	5.9%	5.6%	4.4%	3.9%
<i>Estimated subsidy to return to baseline market rate returns</i>			\$19,000	\$80,000	\$105,000
<i>(Holding constant the relationship between TDC & valuation)</i>					
<i>Yield on cost per unit after subsidy</i>		5.9%	5.9%	5.9%	5.9%

Street Setback Modification

Street Setback Modification

Testing extent by which reduced street setback can support community benefits

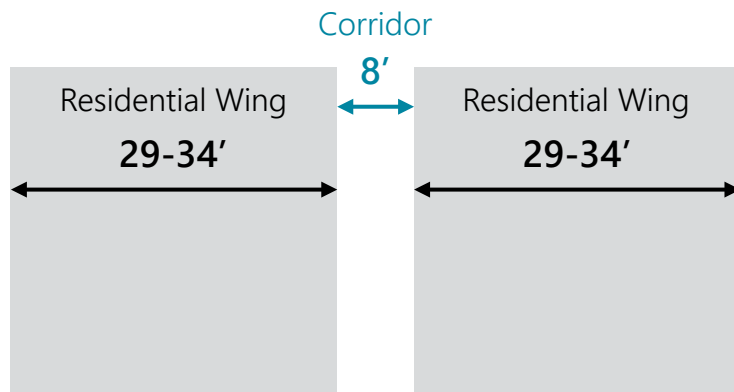
- Existing R5 & R6 Zoning Districts require **20' minimum** street setback
- Updated LUMO Update is considering **10' minimum**
- Chapel Hill multifamily is largely double-loaded corridors in residential wings
- Value of reduced setback comes from allowing additional development at the end of residential wings
- Developers likely will not value greater unit depth



Street Setback Modification

Testing extent by which reduced street setback can support community benefits

- Typical depth of residential wings in Chapel Hill: **65-75'**
- Estimated width of interior corridors: **8'**
- Estimated unit depth: **29-34' (31' average)**



- 31' (depth) x 20' (width) x 2 (assumed residential wings) x 6 (assumed floors) = **7,440 of additional RSF**
- One potential configuration:

Unit Type	Assumed SF	Additional Units	Additional SF
Studio	625	4	2,500
1-bedroom	760	5	3,800
2-bedroom	1,150	1	1,150
3-bedroom	1,425		
Total		10	7,450

Street Setback Modification

Testing extent by which reduced street setback can support community benefits

- Assuming baseline 75 DUA project, \$20/land SF acquisition cost, no baseline affordability

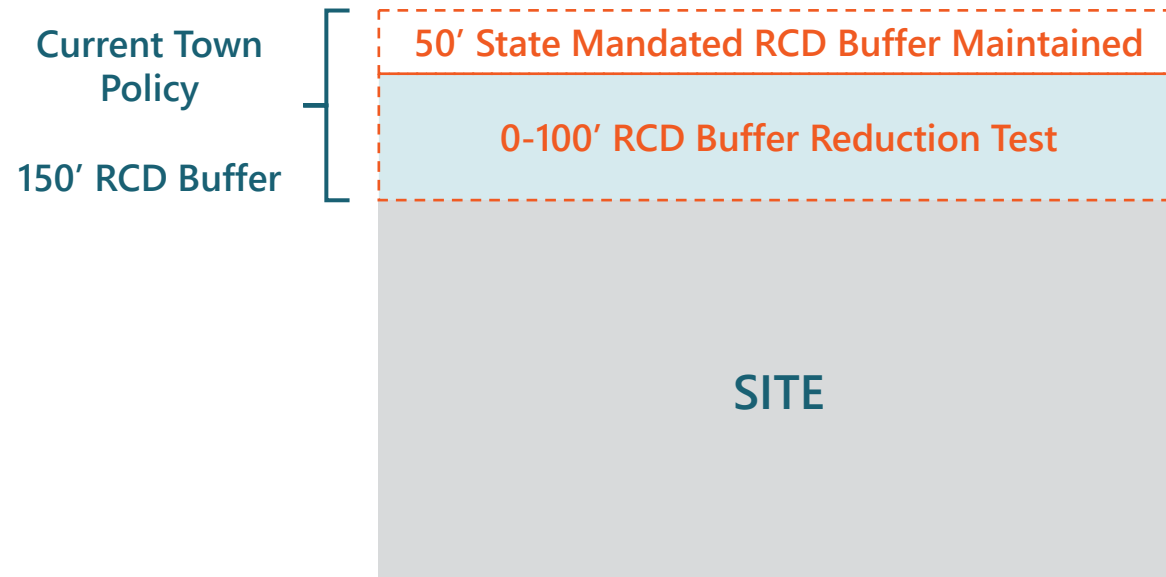
	Baseline	Sensitivity
Total Units	225	235
Density	75 DUA / 1.84 FAR	78 DUA / 1.91 FAR
Total Project Cost	\$64,850,586	\$67,093,394
Cost per Unit	\$288,225	\$285,504
Yield on Cost	6.19%	6.21%
Benefit to Project over Baseline / Supportable Community Benefits ^[1]	--	\$262,000
per Additional Unit		\$26,000
as a Percent of Additional Unit Per-Unit Cost		9.2%

[1] Estimated community benefits that could be supported by the project while maintaining baseline developer returns

RCD Buffer Modification

RCD Buffer Modification

Testing extent by which reduced RCD buffer can support community benefits



- Benefit of an RCD buffer modification will vary based on site characteristics

RCD Buffer Modification

Testing extent by which reduced RCD buffer can support community benefits

- Assuming baseline 90 DUA project, \$20/land SF site acquisition cost, no baseline affordability
- Baseline site is assumed to have a net developable area of 435' (width) x 200' (depth)
- Reduction in the RCD buffer increases the depth of the developable area
- Assuming site acquisition costs remain constant as previously undevelopable land becomes developable

	Baseline	25' Reduction	50' Reduction	75' Reduction	100' Reduction
RCD Buffer	150'	125'	100'	75'	50'
Net Developable Area (AC)	2.0	2.25	2.50	2.75	3.00
Density	90 DUA	--	--	--	--
Total Units	180	202	225	247	270
Total Project Cost / Unit	\$284,160	\$283,632	\$282,807	\$281,653	\$281,264
Yield on Cost	6.26%	6.29%	6.31%	6.32%	6.34%
Benefit to Project over Baseline / Supportable Community Benefits ^[1]	--	\$196,700	\$423,900	\$645,300	\$862,100
per Additional Unit		\$8,900	\$9,400	\$9,600	\$9,600
as a Percent of Additional Unit Per-Unit Cost		3.2%	3.3%	3.4%	3.4%

‘How Small?’ Assessment

'How Small?' Rental Assessment

Testing minimum number of TH or MM units needed to support Town's affordability set aside targets

1 unit at 65% AMI & 1 unit at 80% AMI

Site Acquisition Cost: \$5/Land SF		Hurdle Rate	10 units	12 units
Rental Townhomes 1 unit at 65% AMI & 1 unit at 80% AMI	Stabilized Yield on Cost	5.9%	5.87%	6.11%
	Unleveraged IRR	7.0%	7.18%	7.68%
Rental Missing Middle 1 unit at 65% AMI & 1 unit at 80% AMI	Stabilized Yield on Cost	5.9%	5.73%	5.95%
	Unleveraged IRR	7.0%	6.88%	7.35%

Ability to carry affordable units is highly dependent on the site acquisition costs.

With acquisition costs of \$5/SF land, a **minimum of 12 units** appear to be required to carry 2 units at the Town's current affordability target.

This results in a 16.6% set aside.

'How Small?' Rental Assessment

1 unit at 65% AMI & 1 unit at 80% AMI

Testing minimum number of TH or MM units needed to support Town's affordability set aside targets

Site Acquisition Cost: \$10/Land SF		Hurdle Rate	10 units	12 units	14 units	16 units
Rental Townhomes 1 unit at 65% AMI & 1 unit at 80% AMI	Stabilized Yield on Cost	5.9%	5.58%	5.85%	6.09%	
	Unleveraged IRR	7.0%	6.56%	7.14%	7.66%	
Rental Missing Middle 1 unit at 65% AMI & 1 unit at 80% AMI	Stabilized Yield on Cost	5.9%	5.49%	5.73%	5.89%	6.04%
	Unleveraged IRR	7.0%	6.37%	6.9%	7.23%	7.54%

Ability to carry affordable units is highly dependent on the site acquisition costs.

With acquisition costs of \$10/SF land, a **minimum of 14-16 units** appear to be required to carry 2 units at the Town's current affordability target.

This results in a 12.5-14.3% set aside.

'How Small?' Rental Assessment

1 unit at 60% AMI

Testing minimum number of TH or MM units needed to support one unit at deeper affordability

Site Acquisition Cost: \$5/Land SF		Hurdle Rate	10 units	12 units
Rental Townhomes 1 unit at 60% AMI	Stabilized Yield on Cost	5.9%	5.87%	6.11%
	Unleveraged IRR	7.0%	7.18%	7.69%
Rental Missing Middle 1 unit at 60% AMI	Stabilized Yield on Cost	5.9%	5.67%	5.90%
	Unleveraged IRR	7.0%	6.76%	7.24%

Ability to carry affordable units is highly dependent on the site acquisition costs.

With acquisition costs of \$5/SF land, a **minimum of 12 units** appear to be required to carry 1 unit at a 60% AMI affordability target.

This results in an 8.3% set aside.

'How Small?' Rental Assessment

Testing minimum number of TH or MM units needed to support one unit at deeper affordability

1 unit at 60% AMI

Site Acquisition Cost: \$10/Land SF		Hurdle Rate	10 units	12 units	14 units	16 units
Rental Townhomes 1 unit at 60% AMI	Stabilized Yield on Cost	5.9%	5.58%	5.85%	6.10%	
	Unleveraged IRR	7.0%	6.57%	7.15%	7.66%	
Rental Missing Middle 1 unit at 60% AMI	Stabilized Yield on Cost	5.9%	5.44%	5.69%	5.85%	6.00%
	Unleveraged IRR	7.0%	6.24%	6.79%	7.14%	7.46%

Ability to carry affordable units is highly dependent on the site acquisition costs.

With acquisition costs of \$10/SF land, a **minimum of 14-16 units** appear to be required to carry 1 unit at a 60% AMI affordability target.

This results in a 6.3-7.1% set aside.

'How Small?' Sale Assessment

Testing minimum number of TH units needed to support one unit at deeper affordability

For-Sale Townhomes

Assumes: 3-bed, 1,950 SF units

Sale Prices: \$525,000 for Market Rate, \$138,000 for 65% AMI, \$180,000 for 80% AMI

	1 unit at 65% & 1 unit at 80% AMI	1 unit at 65% AMI	1 unit at 80% AMI
Site Acquisition Cost: \$5/Land SF	12 total units	10 total units	10 total units
Site Acquisition Cost: \$10/Land SF	14 total units	12 total units	12 total units

Ability to carry affordable units is highly dependent on the site acquisition costs & market-rate sales price.

With acquisition costs of \$5/SF land, a **minimum of 10-12 units** appear to be required to carry up to 2 units at the Town's current affordability target.

With acquisition costs of \$10/SF land, a **minimum of 12-14 units** appear to be required to carry up to 2 units at the Town's current affordability target.



70 W Madison St, Suite 3700
Chicago, IL 60602
312-424-4250 | sbfriedman.com

VISION | ECONOMICS
MARKET ANALYSIS AND REAL ESTATE ECONOMICS

STRATEGY
DEVELOPMENT STRATEGY AND PLANNING

FINANCE | IMPLEMENTATION
PUBLIC-PRIVATE PARTNERSHIPS AND IMPLEMENTATION

Comments on Updated Typologies Prepared by SOM

Community Design Commission 3/11/24

GENERAL COMMENTS ON THE DRAFT

The updated Typologies Document was sent to the CDC on March 6. The report analyzes different development types from more than 22 cities throughout the United States. The major additions to the document were explanatory statements from pages 4-8 which outline how the Typologies Document is intended to be used.

Specifically the Typologies Document will serve as a Reference that is intended to inform Design Standards or Guidelines that will be incorporated into the Updated Land Use Management Ordinance (LUMO).

In addition it will provide a “Best Practices” resource for Development Review that will be outside of the LUMO’s administrative parameter. For example the LUMO Update will define which developments will be “As Of Right” and subject only to Staff’s review of the project’s conformance with Zoning Regulations. We believe this As Of Right provision warrants further discussion.

Although many projects will still be subject to the Planning Commission and Town Council’s approval, the Typologies Document implies that it will serve as the Resource. We believe that it is more the role of the LUMO and the Design Standards which will have been incorporated therein.

SPECIFIC COMMENTS ON THE DRAFT

Many of our comments are amplifications of elements listed in the Document while still others are new and are all listed and described below.

- 1) Only two of the 22 Cities could be considered “College Towns”. SOM should explore developments in similar sized communities which are also College Towns in fast growth, technology driven economies.

- 2) Although the report does look at various parking structures, more is required to demonstrate that any exposed parking deck is unacceptable and must be adequately screened.
- 3) In addition, since surface parking is typical for strip retail and garden apartments and although the document discusses them, more detail is needed with an emphasis on mature planting especially shade trees. SOM's proposal to have at least 25% of on-site parking lots covered with photovoltaic panels is strongly supported by the CDC and note that it is most supportable in office and apartment developments.
- 4) Although the document does touch on office developments, we believe that more examples are needed. The market for office space in general has cooled but not so for Life Sciences. 306 Franklin and the UNC proposed Life Sciences on Rosemary are good examples of projects where the Town could have used comparisons for guidance.
- 5) The provision of On-Site and Off-site Open Space is of particular importance for place making and meaningful community engagement. The report states the need to encourage public use by providing seating, landscaping and surface treatments but more is needed including sculptures, statues, fountains and most importantly, shade either from trees or other means. The document does show some photos of people resting in these spaces. Perhaps some photos or sketches showing the importance of human scale in how people can interact with fountains, water features, and memorials would be helpful.
- 6) The report calls for articulation at Ground Floors including retail displays, art-work and landscaping. We would add planters, pergolas, arcades and awnings showing their relationship to pedestrians. Also, active private outdoor uses, such as restaurants need clear separation from the public sidewalks.
- 7) The report addresses Service Areas and Utilities by stating that they should be shielded from primary pedestrian entrances and that attaching exposed utilities should be avoided.

We believe that all utilities, including transformers, condensers, meter boxes and the like should not be seen from the street, sidewalk or parking lots and all these elements must be screened.

- 8) We understand that The Public Works Department is in the process of preparing a streetscape design for Franklin Street. Perhaps SOM ought to provide input especially as to creating nodes of public meeting spaces.
- 9) Regarding especially large residential buildings we recommend the following be added:
 - Limit frontages along sidewalks to 350',
 - Any building must have set back and height variation,
 - Buildings should step down to the street,
 - Abrupt changes in color and materials should be avoided.
- 10) As a separate undertaking we recommend that the Town create a Typology Analysis for major streets in Chapel Hill using a similar approach as the SOM effort. This analysis would look at medians, Street Furniture, Tree species and other landscape elements as appropriate.