

## MEMORANDUM

To: Chapel Hill Historic District Commission

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SUBJECT: Housing Choices for a Complete Community Text Amendment

DATE: May 9, 2023

### OVERVIEW

Chapel Hill's available housing supply does not meet the needs of current and future residents. As written, the Land Use Management Ordinance (LUMO) has encouraged suburban development trends, fostering the construction of owner-occupied, detached single-family houses and renter-occupied multi-family housing complexes. This has led to a segregation of housing types with about 70% of Chapel Hill's land devoted to single-family neighborhoods. Staff has been working on the Housing Choices for a Complete Community Land Use Management Ordinance text amendment project that seeks to encourage Missing Middle Housing forms, such as duplexes, triplexes, and fourplexes, as a bridge between single-family and large multi-family developments.

### PURVIEW OF THE HISTORIC DISTRICT COMMISSION (HDC)

Staff will be sharing information with the HDC at this meeting. No action or formal recommendation is required of the commission. Further, the proposed amendment does not override anything in the Historic District overlays or the commission's authority to apply the congruity standards to exterior changes and new developments. Exterior changes and new construction will continue to require a Certificate of Appropriateness (COA).

The commission should focus their feedback on those items in the proposal that conflict with the purpose of the local historic districts, which is outlined in [Land Use Management Ordinance \(LUMO\) 3.6.2](#)<sup>1</sup> and states:

*The historic district is intended to protect and conserve the heritage and character of the Chapel Hill community by providing for the preservation of designated areas within the planning jurisdiction, including individual properties therein that embody important elements of social, economic, political, or architectural history, and by promoting the stabilization and enhancement of property values throughout such areas...*

*It is intended that these regulations ensure, insofar as possible, that buildings or structures in the historic district shall be in harmony with other buildings or structures located therein. However, it is not the intention of these regulations to require the reconstruction or restoration of individual or original buildings, or to prohibit the demolition or removal of such buildings, or to impose architectural styles from particular historic periods, but rather to encourage design, whether contemporary or traditional, which is harmonious with the character of the historic district.*

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<sup>1</sup>[https://library.municode.com/nc/chapel\\_hill/codes/code\\_of\\_ordinances?nodeId=CO\\_APXALOUSMA\\_ART3ZODIUSDIST\\_3.6OV\\_DI](https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALOUSMA_ART3ZODIUSDIST_3.6OV_DI)

[LUMO 8.4.6\(d\)](#)<sup>2</sup> further outlines the powers of the commission, which include:

- d) *To propose to the council amendments to this chapter or to any other ordinance relating to the historic district, and to propose new ordinances or laws relating to the historic district or to a program for the development of the historical resources of the Chapel Hill community;*
- i) *To cooperate with other commissions, boards, or agencies of the town or other governmental unit in offering or requesting assistance, guidance, or advice concerning matters under the commission's purview or of mutual interest;*

## PURPOSE OF THE TEXT AMENDMENTS

- **Clean up the Land Use Management Ordinance (LUMO).** Staff proposes updating the setback and height exceptions permitted by the LUMO that apply across all zoning districts. Changes include:
  - Clarifying that front yard fences may not exceed 4 feet in height
  - Limiting HVAC, generators, and other mechanical equipment to 5 feet from the lot line
  - Electrical vehicle charging stations and related mechanical equipment at least 5 feet from the lot line
  - Solar panels that do not project more than 1 foot above the roof peak of a pitched roof or 10 feet above a flat roof (and not visible from the public right-of-way)

Staff also proposes introducing definitions and development standards for townhouses.

- **Diversify housing types.** Currently, the LUMO and the Town's approval process encourage single-family and large multi-family apartment complexes. By permitting a range of housing types as allowed uses in the LUMO, there are more opportunities to construct housing that addresses different price points, life stages, and preferences. Staff recommends allowing duplexes in all residential (R-) zoning districts as well as allowing triplexes, fourplexes, and cottage courts in those zoning districts that currently allow multi-family development. These uses have maximum size restrictions, on-site parking requirements, and impervious surface limits of 0.5.
- **Increase housing production.** LUMO text amendments can incentivize housing production by streamlining zoning approval processes, such as allowing staff to administratively approve triplexes and fourplexes as envisioned by the Future Land Use Map (FLUM).
- **Encourage Compatible Infill.** Staff proposes that triplexes and fourplexes constructed in primarily single-family neighborhoods be compatible with existing development. Staff is researching development standards for these uses that take into consideration the mass, scale, form, building height, setbacks, and details of neighboring houses. In the historic districts, any renovation with exterior changes or new construction would be reviewed through the Certificate of Appropriateness (COA) process.
- **Promote gentle density.** The intention of these text amendments is to increase the density of existing neighborhoods sensitively and incrementally. In turn, the additional housing will support community commercial centers, transit routes, and greenways. It will also foster environmental suitability by increasing the density of existing neighborhoods to promote walkable and transit-supportive areas throughout town.

## BACKGROUND

### *Why are we doing this?*

In September 2021, several Council members [petitioned](#)<sup>3</sup> staff to create a pathway for Missing Middle Housing while the Land Use Management Ordinance (LUMO) rewrite project is underway.

Chapel Hill's available housing units do not meet the needs of current and future residents. Like most communities across the country, Chapel Hill is experiencing a housing crisis. Over 36% of households in the community are cost burdened. Some may be forced to seek housing outside of Town limits leading to longer

<sup>2</sup> [https://library.municode.com/nc/chapel\\_hill/codes/code\\_of\\_ordinances?nodeId=CO\\_APXALAUSMA\\_ART8ADME\\_8.4HIDICO](https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALAUSMA_ART8ADME_8.4HIDICO)

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

commutes, traffic, and parking demands. The [Projected Housing Needs: 2020-2040](#)<sup>4</sup> study found that a diverse range of housing types at different price points serving different life stages is necessary to meet demands. Staff proposes a text amendment to the LUMO to provide housing choices that address the different needs of the community.

Chapel Hill's LUMO as written has encouraged suburban development trends. Not only is this an inefficient use of the land, but it has also contributed to higher home values and higher rents for tenants, pricing many out of the community. By limiting development in low-density neighborhoods, housing demand has moved to the fringes of the community where large lots and farmland have been converted to housing developments. Low-density zoning districts do not align with Council's goals for social justice and creating an inclusive and integrated community.

Additional studies supporting the need for new housing are available on the Town's [project webpage](#)<sup>5</sup>.

#### ***Timeline of Work Completed:***

<i>Fall 2022</i>	<ul style="list-style-type: none"> <li>Staff presented proposed text amendments to the Planning Commission, Housing Advisory Board, and Council Committee for Economic Sustainability (CCES)</li> </ul>
<i>Winter 2022-2023</i>	<ul style="list-style-type: none"> <li>Staff presented revisions to HAB and the Planning Commission</li> <li>Council opened the legislative hearing (1.25) to offer more feedback and closed the legislative hearing (2.22) to allow more time for public engagement</li> <li>Staff hosted community open houses and neighborhood meetings</li> </ul>
<i>Spring 2023</i>	<ul style="list-style-type: none"> <li>Staff continues to host community open houses and neighborhood meetings</li> <li>Council holds a work session on the proposed text amendments (4.10) and provides staff guidance with moving forward</li> <li>Staff returns to advisory boards to inform them of the proposed changes</li> <li>Council opens a new public hearing (tentatively scheduled for 5.24)</li> </ul>

For a full list of meeting dates, materials, and videos, please visit the [project webpage](#).

#### **MOVING FORWARD: LUMO CLEAN-UP & REFINING MISSING MIDDLE**

This spring, staff anticipates that the Council will open a new public hearing on the Housing Choices for a Complete Community LUMO Text Amendment that enables the following options for housing:

- Amend provisions for accessory apartments
- Cottages on a compact lot, permitted in most residential zoning districts
- Duplexes permitted in all residential zoning districts so long as they are connected to public sewer
- Triplexes and fourplexes permitted only in zoning districts that already allow multifamily dwellings. The change would be to break out triplexes and fourplexes as housing types that can be approved administratively in places where they are already allowed
- Cottage courts permitted only in zoning districts that already allow multifamily dwellings, with approval by Planning Commission through a site plan process
- Townhouse developments permitted only in zoning districts that already allow multifamily dwellings
- Revise the multifamily use classifications from 3-7 units and over 7 units to 5-10 units and over 10 units
- Updated height and setback exceptions

<sup>4</sup> <https://www.townofchapelhill.org/home/showpublisheddocument/50141/637715343396500000>

<sup>5</sup> <https://www.townofchapelhill.org/government/departments-services/planning/plans-and-ordinances/current-initiatives/housing-access-text-amendments>

The following shows the proposed Use Matrix for residential zoning districts under this scenario:

	R-LD5	RT	R-LDI	R-1A	R-1	R-2	R-2A	R-3	R-4	R-5	R-6	HR-L	HR-M	HR-X
Single Family	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Single Family + Accessory Apartment	P	P	P	P	P	P	P	P	P	P	P	P	P	P
<u>Cottage on a Compact Lot</u>	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Duplex	✓	✓	✓	✓	✓	P	✓	P	P	P	P	P	P	P
Triplex	-	-	-	-	-	-	-	-	✓	✓	✓	P	P	P
<u>Fourplex</u>	-	-	-	-	-	-	-	-	✓	✓	✓	-	-	✓
<u>Cottage Courts</u>	-	-	-	-	-	-	-	-	✓	✓	✓	-	-	✓
<u>Townhouses</u>	-	-	-	-	-	-	-	-	✓	✓	✓	-	-	✓
Multi-Family (3-7 units 5-10 units)	-	-	-	-	-	-	-	-	P	P	P	-	-	P
Multi-Family (7+ units 10+ units)	-	-	-	-	-	-	-	-	-	-	C Z	-	-	-

P - Permitted uses CZ: Permitted only through conditional zoning

✓ New Permitted Use

### MORE WORK AHEAD: EXPANDING MISSING MIDDLE HOUSING OPPORTUNITIES

Staff finds that additional opportunities for expanding housing options beyond those listed above could be incorporated into the LUMO rewrite process. This would allow further time to study ways to mitigate any impacts. Future options may include:

- A. Allowing accessory apartments as an accessory, or secondary, use to cultural and institutional facilities as well as places of worship.
- B. Identifying criteria for strategic placement of triplexes, fourplexes, and cottage courts, such as:
  - Creating opportunities through overlay zones
  - Identifying appropriate vacant and underdeveloped sites
  - Requirements for proximity to sidewalks, major streets, streets of adequate width, and/or transit service
- C. Limiting the pace of triplex and fourplex construction in lower-density zoning districts through guardrails such as:
  - A cap on the number of permits issued each year
  - A minimum separation distance

### ATTACHMENTS

- A. Draft Staff Presentation