



TOWN OF CHAPEL HILL

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

Town Council

Meeting Minutes - Final

Mayor Pam Hemminger
Mayor pro tem Michael Parker
Council Member Jessica Anderson
Council Member Allen Buansi

Council Member Hongbin Gu
Council Member Tai Huynh
Council Member Amy Ryan
Council Member Karen Stegman

Wednesday, June 16, 2021

7:00 PM

Virtual Meeting

Virtual Meeting Notification

Town Council members will attend and participate in this meeting remotely, through internet access, and will not physically attend. The Town will not provide a physical location for viewing the meeting.

The public is invited to attend the Zoom webinar directly online or by phone.

Register for this webinar:

https://us02web.zoom.us/webinar/register/WN_INbWtYxqSNq7R_8SpTQEug After registering, you will receive a confirmation email containing information about joining the webinar in listen-only mode. Phone: 301-715-8592, Meeting ID: 860 4112 2141

View Council meetings live at <https://chapelhill.legistar.com/Calendar.aspx> – and on Chapel Hill Gov-TV (townofchapelhill.org/GovTV).

Roll Call

Present: 8 - Mayor Pam Hemminger, Mayor pro tem Michael Parker, Council Member Jessica Anderson, Council Member Allen Buansi, Council Member Hongbin Gu, Council Member Karen Stegman, Council Member Tai Huynh, and Council Member Amy Ryan

Other Attendees

Town Manager Maurice Jones, Deputy Town Manager Mary Jane Nirdlinger, Town Attorney Ann Anderson, Assistant Planning Director Judy Johnson, Senior Planner Anya Grahn, Traffic Engineering Manager Kumar Neppalli, Urban Designer Brian Peterson, Stormwater Engineer III Alisha Goldstein, Interim Housing and Community Director Sarah Viñas, Deputy Town Manager Loryn Clark, Planning Director Colleen Willger, Director of Organizational and Strategic Initiatives Rae Buckley, Communications and Public Affairs Director/Town Clerk Sabrina Oliver, and Deputy Town Clerk Amy Harvey.

OPENING

Mayor Hemminger opened the virtual meeting at 7:00 p.m. and pointed out that

Agenda Item 10 had been moved to the June 28th meeting. The COVID-19 state of emergency had been extended to the end of July and evictions were being stayed as well, she said.

Mayor Hemminger called the roll and all Council Members replied that they were present.

ANNOUNCEMENTS BY COUNCIL MEMBERS

0.01 Proclamation: Eugenia Floyd Day.

[\[21-0573\]](#)

Council Member Buansi read a proclamation declaring June 16, 2021 to be Eugenia Floyd Day in Chapel Hill. Ms. Floyd had been named NC Teacher of the Year and the proclamation listed details of her educational background, which included an MA in Gifted Education. In addition to being a fourth grade teacher in the Chapel Hill-Carrboro City Schools, Ms. Floyd had created an impactful neighborhood tutoring program. The Town was grateful for her dedicated work as a mentor, advocate, roll model and leader, Council Member Buansi read.

Mayor Hemminger congratulated Ms. Floyd and expressed gratitude on behalf of the Town for her commitment to its children.

Ms. Floyd said that she looked forward to representing her hometown of Chapel Hill and advocating for North Carolina's students and teachers. She thanked the many businesses and organizations that had made the honor possible. She pointed out that she and Council Member Buansi were among the many former Chapel Hill-Carrboro Schools students who had decided to stay and contribute to the Town.

0.02 Proclamation: Juneteenth.

[\[21-0574\]](#)

Council Member Gu read a proclamation for Juneteenth, which explained that June 19, 1865 was the date when enslaved people in Galveston, Texas were among the last to be informed that they had been freed. Juneteenth was a time to reflect and take stock of progress made, and not made, since the abolition of slavery, the proclamation said. It urged all residents and employers to take action to advance freedom and equality. The Town's first annual Juneteenth celebration would be held from June 18th to June 20th on virtual platforms and at in-person events, Council Member Gu said.

0.03 Mayor Hemminger Regarding COVID-19 Vaccination Program for Homebound Individuals.

[\[21-0575\]](#)

Mayor Hemminger announced that a mobile vaccine team from Orange County was available to come to individuals' homes. She recommended that anyone interested visit their website or call 919-245-6127 for more information.

0.04 Mayor Hemminger Regarding Upcoming Meetings.

[\[21-0576\]](#)

Mayor Hemminger said that the Council would address concept plans for the Jay Street Apartments, St. Paul Community Village, and 101 East Rosemary Street at its June 21, 2021 meeting. She reminded Council Members that a closed session may follow that meeting.

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.

1. Stephen Fleck Request to Delay Voting on the Aura Conditional Zoning Permit Application.

[\[21-0556\]](#)

The Council did not take comment on this item.

1.01 Rachel Gray Request Regarding West Chapel Hill Cemetery.

[\[21-0577\]](#)

Rachel Gray, a Chapel Hill resident, petitioned the Council to conduct recommended actions from a 2011 Environmental Services Inc. study regarding the West Chapel Hill Cemetery. She requested that the Town determine if there were any grave sites outside the current cemetery boundary before approving the Jay Street development project.

A motion was made by Council Member Anderson, seconded by Council Member Huynh, that the petitions be received and referred to the Town Manager and Mayor. The motion carried by a unanimous vote.

1.02 Robert Beasley Request Regarding Proposed Jay Street Apartments and Affordable Housing Development on Public Land Planning Process.

[\[21-0578\]](#)

Robert Beasley, a Chapel Hill resident, petitioned the Council to stop the Jay Street development project and revise the Town's process of developing affordable housing on public land. He said that the Town had purchased the Jay Street tract in 2005 with 1996 and 2003 Open Space Bond funds that residents had approved for land preservation. To proceed

with the Jay Street Apartments would violate NC General Statute, Chapter 160D, Article 13, he said.

1.03 Pamela Cooper Request Regarding Stormwater Study for Jay Street Site.

[21-0579]

Pamela Cooper, speaking on behalf of the Village West Community and surrounding neighborhoods, expressed opposition to the Jay Street development and asked that a stormwater report be completed before the project proceeded further. She said that clearing and paving that woodland site would likely cause severe drainage and flooding problems.

The Council voted unanimously to receive all petitions and refer them to the Mayor and Manager. Mayor Hemminger said that she would discuss the petitions with the Town Attorney and would have a response regarding the Jay Street concept plan review the following week.

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.

4. Authorize the Town Manager to Negotiate and Execute a Construction Contract for the Rosemary Parking Deck Project.

[21-0559]

Item pulled and moved to June 21, 2021.

Approval of the Consent Agenda

A motion was made that R-1 be adopted, which approved the Consent Agenda. The motion carried by a unanimous vote.

2. Approve all Consent Agenda Items.
3. Authorize the Town Manager and Town Attorney to Initiate Eminent Domain Proceedings for the Elliott Road Extension Project.

[21-0557]

[21-0558]

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

5. Adopt a Calendar of Council Meetings through December 2021.

[21-0560]

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

DISCUSSION

- 5.01 Motion to Move Item #10 Regarding University Place Special Use Modification to June 28, 2021.

[21-0580]

A motion was made by Council Member Anderson, seconded by Council Member Huynh, to adopt R-10.1. The motion carried by a unanimous vote.

6. Review Draft Orange Countywide Racial Equity Plan Framework.

[\[21-0561\]](#)

Assistant Director of Housing and Community Sarah Viñas said that the Town had been working with Orange County, Carrboro and Hillsborough since the fall of 2020 to develop a shared approach to racial equity work. The resulting Countywide Racial Equity Plan had been based on a Government Alliance on Race and Equity (GARE) model, she said.

Ms. Viñas explained that GARE was a national network of local government organizations, which the Town had joined in 2019, that focused on addressing institutional and structural racism. She said that staffs from the four local jurisdictions had participated in a year-long GARE orientation program and then worked together to develop a shared approach to racial equity.

Director of Organizational and Strategic Initiatives Rae Buckley outlined a framework for undertaking racial equity work across municipalities based on the GARE model. She described a racial equity review tool that staff would be bringing forward to Council. That tool would look at data and determine benefits and impacts and would also address evaluation and accountability, she said.

Ms. Buckley said that a major portion of the Countywide Racial Equity Plan would be focused on establishing a training strategy. She said that the Town's approach would be systemic and would provide training to policy makers, managers, staff, commissions and community partners. She urged the Council to think about developing principles for community engagement that included sharing and shifting power.

Ms. Buckley said that the Racial Equity Tool would have an index that would include maps and key performance indicators. Orange County would build it as a dashboard tool that would be available to the public, she said. She proposed that next steps in the process include refining the framework, engaging in more community discussions, and returning to the Council in the fall to consider the framework and training strategy.

Council Member Buansi confirmed with Ms. Buckley that the Town's new Diversity Equity and Inclusion Officer would provide strategic leadership across all projects and initiatives. The officer would work with the Council to translate its priorities into programs and would provide leadership on the GARE project, she said. He confirmed with Ms. Viñas that all Town teams would be involved in some way and that the Housing and Community Department expected to be centrally involved.

The Council ascertained from Ms. Viñas that the GARE approach was focused on organizational training and change and that any community training probably would be done through other models. They asked who would decide whether the tool, once finished, was accurate or compete. Ms. Buckley said that staff was looking for Council direction on which policy areas and/or decision points would be most beneficial.

Council Member Stegman asked if the racial equity tool could be used to help uncover broader systemic issues and structural inequities, and both Ms. Viñas and Ms. Buckley replied that it could be scaled up to look at broader issues. The Council confirmed with Ms. Buckley that staff had the resources to create the Plan's structure and that later conversations with Council would address building it out.

Council Member Gu verified that staff intended to reach out to all community groups, including the local Asian community. Mayor Hemminger asked about including people with disabilities, and Ms. Buckley said that the GARE model begins with race but would then highlight other marginalized populations.

This items was received as presented.

7. Consider a Land Use Management Ordinance Text Amendment - Proposed Changes to Section 3.11 Regarding Blue Hill Form District Use Categories.

[\[21-0562\]](#)

Planning Director Colleen Willger presented a Land Use Management Ordinance (LUMO) text amendment for Council approval. She explained that the goal was to include primary residence and dedicated STRs in the Blue Hill District and explained that a cross-reference for definitions would allow any updates upon later adoption of a Townwide STR ordinance. She recommended that the Council consider adopting the Resolution of Consistency and enacting Ordinance A.

Council Member Ryan asked how the ordinance would meet the provisions of a larger Townwide ordinance, and Ms. Willger explained that language would need to be added to the code to create a cross-reference. Council Member Ryan strongly recommended doing that so that rules the Council developed for STRs would apply in the Blue Hill District as well.

Mayor pro tem Parker commented that the same issue had been raised at the last meeting. He was surprised that it had not been addressed, he said, and Town Attorney Ann Anderson replied that the Council's clear direction had been to limit this ordinance to the change from commercial to residential.

Mayor pro tem Parker said that the Council had asked if provisions

regarding multi-family would apply in the BHD and that staff had replied that they would. He asked if staff could simply add that language and avoid having to go through the entire text amendment process.

Ms. Willger replied that it could be packaged with future text amendments. Mayor pro tem Parker said that doing so would leave a large loophole that would allow people to put unlimited STRs in multi-family residences in the Blue Hill District.

Mayor Hemminger said that it sounded as though the Council was interested in having a process. She suggested enacting the proposed change, which had already been vetted by the Planning Commission, and then have a process for adding another to close the loophole. She pointed out that this would need to come back to Council in the fall.

The Council voted unanimously to enact the ordinance regarding the use category change. They asked staff to remove the loophole as quickly as possible, before the end of year, if possible.

A motion was made by Mayor pro tem Parker, seconded by Council Member Stegman, that R-5 be adopted. The motion carried by a unanimous vote.

A motion was made by Mayor pro tem Parker, seconded by Council Member Stegman, that O-1 be enacted. The motion carried by a unanimous vote.

8. Consider an Application for Conditional Zoning - Aura Development, 1000 Martin Luther King Jr. Blvd. from Residential-1 (R-1) to Office/Institutional-3 (OI-3) (Project 20-074)

[\[21-0563\]](#)

Assistant Planning Manager Judy Johnson presented the conditional zoning application from Trinsic Residential Group to rezone approximately 16 acres at 1000 Martin Luther King Jr. Boulevard (MLK) from Residential-1 to Office Institutional-3-Conditional Zoning District. She summarized the review process thus far and pointed out that a revised ordinance, which included adjustments to a stormwater condition, had been sent to the Council that afternoon.

Ms. Johnson showed the site on a map and described nearby developments. She reviewed the proposal for 419 residential units and 15,000 square feet of commercial space. She said that topics raised at the last Council meeting had been around traffic congestion, an Estes Drive cross-section, decoupling parking fees from rents, a median on MLK, stormwater controls, and affordable housing. She said that the Council could approve the project by adopting Resolution 7 and enacting revised Ordinance 2.

Traffic Engineering Manager Kumar Neppalli reported that NC Department of Transportation (NC DOT) staff had recently looked at an Estes Drive/Somerset Drive intersection and said they did see a benefit to having a traffic signal there. NC DOT wanted to gather more information and work with staff, community and Council to come up with a solution for that intersection, he said.

Mayor Hemminger explained that NC DOT did not currently have the pedestrian counts to warrant a signal at that intersection but would have those counts when the pedestrian and bike path goes in. They would work with the Town to put a signal there, she said.

Ms. Johnson noted a staff recommendation to combine Stipulations 17 and 18 and removed Stipulation 18 from Ordinance A. That would allow a two-foot planting strip, five-foot bike lane, six-foot landscape strip, and eight-foot sidewalk along Estes Drive, and would widen the street lanes from 10 to 11 feet, she said. She pointed out that the Town Manager and NC DOT would need to approve all details before the project could proceed.

Ms. Johnson said that another stipulation would ensure the decoupling of parking and apartment fees. She showed where a proposed median would be located on MLK but pointed out that it had not yet been approved by NC DOT or the Town. She outlined the developer's plan for diverting stormwater away from the Amity Church area, and she pointed out that a second culvert would be enlarged as part of the Town's Estes Drive project.

Ms. Johnson said that the applicant had agreed to provide an impact analysis demonstrating that post-development peak stormwater flow for the 50-year and 100-year storms would not exceed pre-development peak flow.

Ms. Johnson said that the for-sale affordable townhomes would be indistinguishable on the outside from the market rate units. Nine rental units would be at 80 percent of area median income (AMI) and 20 would be at 65 percent AMI, both for 30 years, she said.

The Council confirmed with Ms. Johnson that the Town's arborist had concurred that a six-foot planting strip would be sufficient. They confirmed that staff believed the stormwater plan would lower the run-off to the Amity Church and that, as stipulated, the project could not go forward until the culvert had been deemed adequate to accommodate the flow. They verified that the applicant was only required to safely convey stormwater off its own site but would agree to a stipulation to monitor the effects of water going downstream.

Council Member Gu said that she wanted to see the applicant's detailed stormwater calculations, and Mr. Freeman replied that those had been submitted during the third review cycle of Zoning Compliance Permit plans, and he did not know why she hadn't seen them.

When she asked if they would voluntarily undertake a before-construction analysis that would show no adverse impact on surrounding properties, Hunter Freeman, a project manager with McAdams Company, said that the plan to reduce peak flow to below pre-development conditions at all discharge points for the 1-, 2-, 25-, 50- and 100-year storms satisfied the Town's requirement for having no impact downstream.

Council Members asked about stormwater effects on lower areas around the stream, but staff did not have information on that because the LUMO only accounts for things that happen on site. Council Member Anderson asked about adding a stipulation ensuring that the applicant would be responsible if something negative were to happen to downstream neighbors as a result of the Aura project.

Developer Dan Jewell, of Counter Jewell Thames, replied that the applicant would be willing to commit to observing how the culvert functioned after Aura was constructed. If any repairs were needed downstream, the proper thing would be to work with the Town to figure out what it would take to fix it, he said. He said that the applicant could certainly take on the responsibility of monitoring it. Council Member Anderson confirmed with him that they would also be willing to contribute something toward any solution.

The Council confirmed with Consultant Susana Dancy that Trinsic would accept Section 8 housing vouchers for the affordable apartments. In response to a question about having an affordable housing provider manage those, Ms. Dancy said that it needed to be done internally in order to have the affordable units mix in with the others as the Council had requested.

The Council confirmed that the applicant agreed to pay a proportional share of the Somerset traffic light and would provide bike and pedestrian access during construction. They verified with staff that all road improvements should be completed before Aura reached occupancy. In response to a question about whether the applicant would consider a stipulation for a right in/right out driveway if Somerset Drive improvements were made, Ms. Dancy said that Trinsic could not do that because having retail required having full access.

The Council ascertained that the applicant would not be willing to put an age restriction on the residential units. They verified with Ms. Dancy that large canopy streets could be installed in a six-foot planting strip. They

determined from Mr. Neppalli that 11-foot vehicle lanes were required by NC DOT and were not negotiable. Mr. Jewell explained that liability concerns prevented Trinsic from having a splash pad at Aura.

Council Member Gu said that the document should state that the developer's intent was to provide programming for the park, and that was only one example of the many needed revisions, she said. She and the applicant discussed what would be a reasonable contribution toward the Somerset traffic signal, and she said that a third of the cost seemed reasonable. Ms. Dancy replied that the applicant would commit to \$25,000.

Council Member Gu asked that details regarding the decoupling of rents and parking rates be made more specific in the ordinance, but Mr. Jewell replied that the rental apartment rates had not yet been established.

The Council confirmed that the applicant was reluctant to impose an age restriction, since doing so would create challenges with lenders and other partners. They discussed whether staff had been able to add sufficient new language regarding issues such as the \$25,000 commitment for a traffic signal, the downstream commitment, and Section 8 housing vouchers for them to take a vote at the current meeting.

Council Members Ryan and Parker, former co-chairs of the Central West Small Area Plan process, discussed how assumptions and community concerns had been different 10 years ago when the Carolina North development appeared to be imminent. They commented on the unprecedented level of traffic modeling that had been done and on how the applicant's stormwater analysis exceeded Town requirements.

Council Member Ryan said that Aura would provide significant community amenities, would extend the greenways system, and would create a better and more safely connected neighborhood. Mayor pro tem Parker said that, on balance, the project met the principles that had been outlined in the Central West Plan and would be a plus for the community.

Council Member Anderson and Mayor Hemminger stressed the importance of having "gentle density" in the parcels behind Aura that go back toward the residential neighborhood.

Council Members commented on how they had pushed hard on all issues and that all of their questions had been answered. They thanked the Aura neighbors and others who had worked with the Town in a genuine effort to make the project better. They pointed out that the Town had been talking about the missing demographic of people in the late 20s to early 30s and said that Aura would be the kind of car-free community that young people wanted. They said that a willingness to agree to stipulations that far

exceeded current regulations showed good faith on the applicant's part.

Council Member Buansi agreed with other Council Members' comments but said he was not comfortable with the lack of clarity regarding stormwater impacts on people downstream. He acknowledged that it was not necessarily the applicant's responsibility to provide that information, but said that he wanted to see it before deciding how to vote.

Council Member Gu said that she wanted to see numbers on how the stormwater plan would actually work for the 100-year storm. She said there were still safety issues regarding a gap in the multi-modal path. She said that the Town needed to be sure that the parking incentive would be applied properly. The Council had not had time to read about the plan for recreational and other small areas, she said.

Mayor Hemminger said that she felt conflicted. She understood the stormwater concerns but had never before seen so much scrutiny or a developer so willing to rearrange a project, she said. She pointed out that Trinsic had agreed to exceed Town standards and said she was hopeful that the engineering would work.

Mayor Hemminger said that safety had always been her main concern and that she had been hoping for more assurance from NC DOT about the intersections. She wished the project were a little less dense, she said, but she pointed out that the Town had decided to not sprawl 30 years ago and needed to build more densely now and address the resulting infrastructure issues as a result.

Ms. Johnson showed the language for new stipulations regarding housing vouchers, stormwater stipulations, recreation area, payment in lieu for a traffic signal, and downstream analysis. The Council voted (6-2) to approve the Resolution of Consistency, with Council Members Buansi and Gu voting nay. They voted (5-3) to approve Ordinance A, as amended, with Council Members Buansi and Gu and Mayor Hemminger voting nay. As a result, the item would come back for second reading on June 23, 2021, Mayor Hemminger said.

A motion was made by Council Member Ryan, seconded by Council Member Huynh, that R-7 be adopted. The motion carried by the following vote:

Aye: 6 - Mayor Hemminger, Mayor pro tem Parker, Council Member Anderson, Council Member Stegman, Council Member Huynh, and Council Member Ryan

Nay: 2 - Council Member Buansi, and Council Member Gu

A motion was made by Mayor pro tem Parker, seconded by Council Member

Huynh, that O-2 be enacted as revised. The motion failed adoption on first reading by the following vote:

Aye: 5 - Mayor pro tem Parker, Council Member Anderson, Council Member Stegman, Council Member Huynh, and Council Member Ryan

Nay: 3 - Mayor Hemminger, Council Member Buansi, and Council Member Gu

9. Continued Public Hearing: Land Use Management Ordinance
Text Amendments - Proposed Changes to Articles 3, 4, 6, and
Appendix A Related to Short-Term Rentals.

[\[21-0564\]](#)

Senior Planner Anya Grahn gave a PowerPoint presentation on several proposed LUMO text amendments related to short-term rental (STR) regulations. She reviewed the process since June 2019 and said that comments and recommendations the Council had expressed at a May 19, 2021 meeting had led to the proposed updates.

Ms. Grahn summarized the recommended changes, which included requiring permits for dedicated and primary STRs, allowing primary residential STRs in all zoning districts, permitting dedicated STRs in mixed-use and commercial zoning districts, limiting dedicated STRs to the greater of two units or 3 percent of units in multi-family developments, providing operational requirements for STRs, and treating STR violations the same as zoning violations.

Ms. Grahn pointed out that the Town was not legally able to require that rental properties be registered. She said that any STR regulation would need to be part of an ordinance because NC general statutes did not allow them as part of adopted policies. STRs would have to be regulated through land-use rules, which would require issuing zoning compliance permits, she said. She explained that the Town would need to adopt a law through the STR ordinance and then tweak that ordinance through a public process after determining how well it was working.

Ms. Grahn recommended that the Council receive public comment, move to close the public hearing, receive written comment for 24 hours, and consider enacting the Ordinance A at its June 23, 2021 meeting.

Council Members confirmed with Ms. Grahn that "signage" referred to STR marketing signs. They ascertained that staff believed an 18-month phase-out period would be sufficient for the Planning Department to determine how to administer, permit, educate and launch the STR program.

Council Member Gu asked about providing a hotline for complaints, and Ms. Grahn agreed to look into it but said that doing so would require staff resources, which were currently limited. Council Member Buansi asked if STR operators could see a guest's age on his/her profile, and Ms. Grahn said that she believed they could but would check to be certain. Council Member Ryan proposed distinguishing between hosted and dedicated STRs when addressing age restrictions. She was only concerned about the dedicated ones, she said.

The Council determined from Ms. Willger that an estimated 250 applications would bring in \$31,000 to \$37,000, which could be used to buy STR monitoring software. Staff was working on bringing a more exact amount, as well as any maintenance cost information, to the Council within the next few days, she said.

Alexa Nota, a former STR Task Force member, said that no evidence had ever been presented that proved dedicated STRs to be the cause of chronic or systemic issues in Town. The only responsible Council action would be to create a program that would allow all current responsible hosts in all zoning districts to register, pay their taxes, and welcome respectful visitors, she said.

Eric Plow, a Chapel Hill resident, asked Council Members to study the reasoning behind the Planning Commission's recommendation that no action be taken. He asked them to grandfather existing STRs to operate as usual until the property changes ownership. He recommended doing an 18-month pilot study and holding off on passing an ordinance until more information had been obtained.

Jeffery Roether, attorney for Atma Hotel Group, questioned the proposed 18-month compliance window for existing, dedicated STRs. He said that it would give rights to those who were not in compliance over those who were. He raised questions about changing the primary residence threshold definition from 60 to 50 percent. A straightforward residence requirement would be more appropriate and easier to enforce than a specific number of days, he said.

Scott Jennings, a Chapel Hill resident, said that it had been consistently shown that STRs do not cause worrisome community issues. The proposed limit regarding multi-family housing would be unfair and owners of smaller units should have the right to govern their properties as they see fit as long as they operate in a safe manner, he said. He urged the Council to accept the Planning Commission's recommendation.

David Hartman, a Chapel Hill resident, pointed out that only two of the Town's 11 hotels charged less than \$156 per night and that the two most expensive ones were charging \$302 and \$509 nightly. Occupancy did not

appear to have suffered to the degree that the hoteliers would have everyone believe, he said, adding that the most expensive hotel had recently been "sold out" even though there were no special events occurring in Town.

Robert David, Laurel Hill Neighborhood Association board secretary, said that Laurel Hill residents were not against tourism but felt that Chapel Hill was already well served by its hotels. Laurel Hill's more than 80 residences, which were very close to UNC campus, did not wish to become local lodging for UNC visitors, he said. Moreover, the resulting on-street parking would make Laurel Hill Road treacherous, he said.

Susan Menninger, a Chapel Hill resident, said that some of her family members had saved their homes by doing STRs during the last economic downturn. She asked the Council to be cautious about infringing upon people's rights to use their property as they see fit, as long as they do not break any laws or create nuisances.

Joe Valentine, owner of a dedicated STR in a residential zone, described the types of medical emergencies and family gatherings that make STRs a better choice than hotels for his guests. He said that local government could regulate land use, but not land ownership, and that the STR ordinance appeared to be over-reaching and going beyond the Council's delegated powers.

Francis Lewinski, Orange County Association of Realtors' Government Affairs Committee chair, expressed full support for a pilot program that would gather data that would enable an informed decision. He discussed the large number of people who come to Town for medical purposes and recommended that the Town remain inclusive by not banning or over-regulating STRs.

P. J. Warshaw, a Chapel Hill resident, characterized the proposed text amendments as solutions in search of problems. He asked the Council to change the minimum age back to 18, since 21 would be inconsistent without the same restriction on hotels, off-campus housing, and long-term leases. He recommended that the Council trust operators to manage parking safely. Any disruptive outlying properties could be addressed with the Town's existing noise ordinances and/or special events permitting, he said.

Katie Loovis, speaking on behalf of coalition that included the Chamber of Commerce, local hoteliers, CHALT (Chapel Hill Alliance for a Livable Town), and "a former Chapel Hill mayor", said that the draft ordinance reflected a fair and reasonable position. It would limit dedicated STRs to the same zones as hotels so that they could do the same commercial activity, but would allow tremendous flexibility to primary residence STRs, she said.

Ms. Loovis requested that the Council reconsider the 18-month sunset period, which the coalition believed to be excessive, and returning to the earlier 6-month period. In addition, the coalition asked that the Council return to at least a 60 percent, preferably 75 percent, minimum occupancy requirement for primary residence STRs, she said.

Stephen Bradford, a government affairs director with NC Realtors, said that STRs were not commercial in any way. They were a residential use of property and should be treated as such, as had been found in court cases across multiple states, he said. He said that land use was determined by how a property is used, not by who owns it.

Mayor Hemminger said that there would be more time for the Council to deliberate the following week. She asked Council Members to state a preference regarding the following four questions:

- 1) Should the required age be 18 or 21? The Mayor and most Council Members said that age 18 was okay. Mayor pro tem Parker had no preference and Council Members Ryan and Anderson wanted more information about whether determining people's age was legal. If it was, then age 21 for dedicated and 18 for primary, said Council Member Ryan.
- 2) How many parked cars should be allowed? Council Members Anderson, Huynh, Stegman and Buansi thought it made sense to link cars to the number of bedrooms, and Mayor Hemminger said she essentially agreed but thought one additional car should be allowed. Mayor pro tem Parker said he was not sure that limiting the number of cars was the right approach, given the variety of circumstances, but did not know of a better one. Council Member Ryan said the goal was to ensure that parking was adequate but not all over front yards.
- 3) What should the length of a sunset provision be? Most Council Members said that 12-18 months made sense but asked for feedback from staff on whether 12 months was feasible. Council Member Stegman proposed two years, but said that 18 months would be fine. She and Mayor Hemminger asked to see data at 12 months to get a sense of the impact.
- 4) Should there be a limit on the number of events? The majority of Council Members thought there should be a limit but wanted feedback from staff on what a reasonable limit would be. Some proposed finding a way to link that number to the type of event and the capacity of the property.

Mayor pro tem Parker said that he disliked passing rules that might not be enforceable. He wanted to understand what the enforcement framework

would be and how confident staff was that it could be managed, he said.

Council Member Stegman recommended making the ordinance less complicated by focusing on better enforcement of fewer things. She stressed the importance of finding ways that people could report bad behavior without calling the police.

Council Member Gu expressed doubt regarding the legality of having a regulation that addresses STRs alone and stressed the importance of being able to enforce it. She agreed that the Council needed to address the community's concerns but was not seeing enough data to support putting the proposed text amendments in place, she said.

The Council voted unanimously to return on June 23, 2021 for a vote.

A motion was made by Mayor pro tem Parker, seconded by Council Member Anderson, to close the public hearing 24-hours after discussing this item to allow additional comments in the record per recent legislation. The motion carried by a unanimous vote.

SPECIAL USE PERMIT

Special Use Permit: The Application for a Special Use Permit is Quasi-Judicial. Persons wishing to speak are required to take an oath before providing factual evidence relevant to the proposed application.

Witnesses wishing to provide an opinion about technical or other specialized subjects should first establish that at the beginning of their testimony.

- 10.** Consider an Application for Special Use Permit Modification for University Place, 201 S. Estes Drive.

[\[21-0565\]](#)

Item #10 moved to June 28, 2021.

ADJOURNMENT

This meeting adjourned at 11:25 p.m.