



# Land Use Management Ordinance Text Amendment Short-Term Rentals

June 16, 2021

# Recommendation

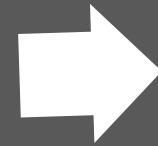
- Receive public comment at this meeting
- Move to close the public hearing
- Receive comments up to 24 hours via email at [planning@townofchapelhill.org](mailto:planning@townofchapelhill.org)
- Enact the Ordinance on June 23, 2021

# Text Amendment Process

**Staff  
Review**



**Planning  
Comm.  
Review  
5/4/2021**



**Council  
Public  
Hearing  
5/19/2021  
6/16/2021**



**Council  
Action  
6/23/2021**

# What's in your packet?

- Staff Report
- Resolution A, Resolution of Consistency
- Ordinance A, enacting the amendment
- Resolution B, denying the amendment
- Planning Commission Recommendation

# Text Amendment Background



- Short-Term Rentals (STRs): Rental of residential dwelling units for a period of less than 30 days
- Current LUMO only permits STRs as:
  - Home Occupation
  - Tourist Home
  - Overnight Lodging (Blue Hill only)

# Text Amendment Background

<b>June 2019</b>	<ul style="list-style-type: none"><li>• CHALT, Chamber for a Greater Chapel Hill-Carrboro, and local hoteliers submit a petition</li><li>• Council directs staff to develop updated standards for STRs</li></ul>
<b>Fall 2019 – Winter 2020</b>	<ul style="list-style-type: none"><li>• Council appoints a 13-member taskforce focused on dedicated STRs</li><li>• Taskforce meets monthly from October – February</li><li>• Taskforce creates a final set of findings</li></ul>
<b>March 2020</b>	<ul style="list-style-type: none"><li>• Staff reviews taskforce findings with CCES</li></ul>
<b>June 2020</b>	<ul style="list-style-type: none"><li>• Council accepts taskforce findings and dissolves taskforce</li></ul>
<b>Fall 2020 – Spring 2021</b>	<ul style="list-style-type: none"><li>• Staff meets with Town Council to receive input on possible STR ordinance provisions</li></ul>

# Council Feedback from May 19<sup>th</sup>:

- Reduce residency from 60% (219 days/year) to 50% of the year (183 days/year)
- Allow simultaneous rentals so long as the STR operator is on-site with guests
- Interest in permitting both dedicated and primary residence STRs as part of a pilot program. There was not a strong preference for a 12-month or 18-month amortization clause to bring STRs into compliance with the proposed ordinance.
- Allow on-street parking
- Remove the “Three Strikes, You’re Out” provision.
- Increase rental age to 21 years.
- No dedicated STRs in any Residential (R-) zoning district.

# Changes since May 19, 2021

- Updates based on Council feedback
- Amending definitions
  - STR
  - Lodging Unit
  - Hotel
  - Tourist Home
- Pilot Program
- Violations & Enforcement



# Summary of Proposed Changes

- Require zoning compliance permits (STR permit) for dedicated and primary STRs to ensure compliance with the ordinance
- Allow primary residence STRs in all zoning districts
- Permit dedicated STRs in mixed-use and commercial zoning districts
- Limit dedicated STRs to only 2 units or 3% of units, whichever is greater in multi-family developments
- Provide operational requirements for STRs
- Zoning Violations



# Definitions

- **Short-term rental (STR):** A dwelling unit rented in whole or in part for fewer than thirty (30) consecutive days for a fee or other valuable consideration, or a lodging unit contained in a building that primarily contains dwelling units. A building that contains more lodging units than dwelling units, and at least three (3) lodging units, shall be considered a Tourist Home or Hotel or motel as defined in Appendix A.
  - **Dedicated STR:** A residential dwelling unit(s) located on a property not used as a primary residence in which the dwelling unit is rented in whole or in part for fewer than thirty (30) consecutive days for a fee or other valuable consideration, or a lodging unit contained in a building that primarily contains dwelling units.
  - **Primary residence STR:** A primary residence rented in whole or in part for fewer than thirty (30) consecutive days for a fee or other valuable consideration.
- **Primary residence:** A dwelling unit, a single-family dwelling unit with accessory apartment, or a dwelling unit with an attached duplex unit owned by the same property owner, in which the host resides a majority of the year (**183 days per year or 50%** or more of the time).

# Definitions

**STR designated local responsible party:** the local contact responsible for responding to emergency complaints or issues stemming from the use of the dwelling unit as a short-term rental.

**STR hosting platform:** a public platform that allows an operator to advertise a residential dwelling unit for use as a short-term rental and facilitates the booking transaction between the operator and the guest.

**STR property owner:** The owner of record of the short-term rental property as recorded in the Orange County Register of Deeds. The property owner maybe an individual or individuals or any form of business entity recognized by the State of North Carolina. If the property owner is a form of business entity, it shall maintain current registration with the North Carolina Secretary of State.

# Definitions

**Short-term rental (STR) operator:** A property owner or authorized agent advertising, managing, and/or facilitating the use of the property as a primary residence STR or dedicated STR.

**Short-term rental (STR) permit:** The zoning compliance permit issued by the Town to property owners or designated agents to certify that a residential dwelling unit or accessory structure may be used as a primary residence STR or dedicated STR.

# Operational Requirements

## (a) Rentals

- Primary residence STR – rent out accessory apartment and/or single-family dwelling unit. No simultaneous rentals if operator is not on-site.
- Dedicated STR – No simultaneous rentals.

## (b) Maximum Overnight Occupancy

- 2 guests/bedroom + 2 guests
- Does not include children 12 and under

## (c) Designated Responsible Party

- Someone local able to respond within 2 hours

## (d) Noise



# Operational Requirements

## **(e) Parking**

- No more than 3 vehicles on- or off-street for STR use

## **(f) Special Events**

## **(g) Signs**

## **(h) Taxes**

## **(i) Minimum Rental Age of 21**

## **(j) Minimum Rental Duration of overnight, or no less than 18 hours**



# Enforcement & Compliance

- **Enforcement**
- **18 months from the effective date of the ordinance:**
  - Existing STRs meeting the ordinance criteria shall come into compliance and receive a STR permit
  - If the STR is unable to meet the ordinance provisions, then they shall cease operations



# Pilot Program

- Inability to register STR properties under general statutes, but Town can require a zoning compliance permit
- Policies allow for flexibility in introducing temporary measures; however, permits cannot be required as part of a policy
- Adopting an ordinance allows Town to regulate STRs. Further amendments can be made once ordinance is adopted and additional information is available.



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