



Land Use Management Ordinance Text Amendment Short-Term Rentals

June 23, 2021

Recommendation

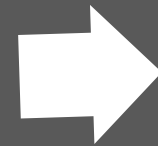
- Adopt the Resolution of Consistency (R-16)
- Enact Ordinance A (O-16)
- Adopt the Resolution amending the budget to include STR fee (R-16.1)

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
- Resolution to Amend the Fee Schedule
- 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

Updates Since the 6/16 Public Hearing

1. Zoning Compliance Fee
2. Parking
3. Special Events
4. Age Restriction
5. Enforcement
6. Sunset Clause



Summary of Proposed Regulations

- Require zoning compliance permits (STR permit)
- 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

Primary Residence STR

Dedicated STR



Hosted STR

Unhosted STR

Dedicated STR

- Property owner is home at least 183 days (50%) of the time
- No simultaneous rentals if operator is not on-site

- Do not meet the definition of a Primary Residence STR
- No simultaneous rentals

Permitting

A. Short-Term Rental (STR) Permit

- New Fee Type

Name of Fee	Proposed Rate	Estimated Number	2021-22 Projected Revenue
Short-Term Rental Zoning Compliance Permit (STR ZCP)	\$150	250	37,500
TOTAL:			\$37,500

Operational Requirements

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

E. Parking. 1 parking space per 1 bedroom + 1 parking space

F. Special Events

- Separate special events permit shall be obtained for any events impacting neighbors

Operational Requirements

G. Signs

H. Taxes

I. Minimum Rental Age of 18 (not 21)

J. Minimum Rental Duration of overnight, or no less than 18 hours



Enforcement & Compliance

- **Updated Enforcement**
- **18 months from the effective date of the ordinance:**
 - Existing STRs shall come into compliance and receive a STR permit
 - If they are out of compliance, then they shall cease operations



Next Steps:

Timeline	Actions
June 23, 2021	<ul style="list-style-type: none">• STR ordinance enacted
Summer-Fall 2021	<ul style="list-style-type: none">• Developing STR permit• Education campaign with internal partners
Fall 2021 – Spring 2022	<ul style="list-style-type: none">• Public education campaign• Purchase and implement enforcement software• STR permit application available to the community
Spring 2022	<ul style="list-style-type: none">• Check-in with Town Council
Summer 2022 – Fall 2022	<ul style="list-style-type: none">• STR operators submit permits• Staff processes applications
December 23, 2022	<ul style="list-style-type: none">• Deadline for compliance

Recommendation

- Adopt the Resolution of Consistency (R-16)
- Enact Ordinance A (O-16)
- Adopt the Resolution amending the budget to include STR fee (R-16.1)

Text Amendment Background

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

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 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.