



**CONSIDER AN APPLICATION FOR LAND USE MANAGEMENT ORDINANCE TEXT AMENDMENT: SECTION 3.11 REGARDING BLUE HILL FORM DISTRICT USE**

**SUMMARY REPORT**

TOWN OF CHAPEL HILL PLANNING DEPARTMENT  
Colleen Willger, Director  
Judy Johnson, Assistant Director  
Becky McDonnell, Planner II

<b>REGULAR MEETING DATE</b> June 16, 2021	<b>PUBLIC HEARING DATE</b> May 26, 2021
<b>AMENDMENT REQUEST</b> Amend the Permitted Uses table for the Blue Hill Form District to refine the residential uses to include Short-Term Rentals, and also include the definition of Short-Term Rentals in the Use Categories definitions section. This Amendment would permit Short-Term Rentals within the Blue Hill Form District as residential uses and not to be used to fulfil a commercial component of a project.	
<b>UPDATES SINCE THE MAY 26 PUBLIC HEARING</b> The Ordinance has been updated for consistency with the proposed Land Use Management Text Amendment to Section 6.27 Short-Term Rentals.	
<b>TOWN MANAGER’S RECOMMENDATION</b> I have reviewed and discussed key issues with Town staff. Based on the information in the record to date, I believe the Council could make the findings required to approve the proposal, and therefore should adopt the Resolution of Consistency and enact Ordinance A.	
<b>PROCESS</b> The item before the Council is for approval of a Land Use Management Ordinance Text Amendment. The Council must consider whether one or more of the <b>three findings</b> for enactment of the Land Use Management Ordinance Text Amendment applies:  1. To correct a manifest error in the chapter; or 2. Because of changed or changing conditions in a particular area or in the jurisdiction generally; or 3. To achieve the purposes of the Comprehensive Plan.	<b>OVERVIEW</b>  • The Blue Hill Form District was created in July 2014 and contains regulations and definitions that are distinct from the regulations and definitions in parallel sections of the Land Use Management Ordinance. • The use requirements for mixed-use buildings in Section 3.11 need further refinement to reflect a distinction of residential and commercial uses within the district. • The text amendment would update the relevant sections of the Land Use Management Ordinance to include Short-Term Rentals as a new residential use.
<b>DECISION POINTS</b> Tonight’s proposal is to amend the Blue Hill Form District (Section 3.11) of the Land Use Management Ordinance including the following changes:  Permitted Uses • Section 3.11.3.4 Permitted Use Table - update the section to include Short-Term Rental as a permitted residential use only within the Blue Hill zoning districts; • Section 3.11.3.5 Use Categories - update the section to include the definition of Short-Term Rental in the residential uses category;	
<b>ATTACHMENTS</b>	1. Summary of Proposed Changes 2. Draft Staff Presentation 3. Resolution A, Resolution of Consistency (For proposed Land Use Management Ordinance amendment) 4. Ordinance A (Enactment of Land Use Management Ordinance Text Amendment Proposal) 5. Resolution B (Deny Land Use Management Ordinance Text Amendment Proposal)



## **PROPOSED CHANGES: TEXT AMENDMENTS TO THE LAND USE MANAGEMENT ORDINANCE ARTICLE 3**

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The following is a summary of the proposed text amendment to amend the LUMO to include changes to the Blue Hill District use categories:

**1. Amend the 3.11.3.4, Permitted Use Table, to include Primary Residence Short-Term Rental and Dedicated Short-Term Rental**

This amendment will modify the use table to specifically allow primary residence and dedicated STRs in the Blue Hill zoning districts.

**2. Amend Section 3.11.3.5 Use Categories to include Primary Residence Short-Term Rental and Dedicated Short-Term Rental as residential uses.**

This amendment will modify the use categories to allow short-term rentals, either primary residence or dedicated rentals, as a residential use within the Blue Hill District.