



August 30, 2019

Mayor Pamela S. Hemminger
Town of Chapel Hill
405 M.L.K. Jr Blvd
Chapel Hill, NC 27514

Dear Mayor Hemminger,

Thank you for the work that you, your staff and council put in on behalf of the citizens and stakeholders of Chapel Hill and the greater community.

I am contacting you on behalf of the Orange Chatham Association of REALTORS (OCHAR) regarding the policy discussion and potential for a town ordinance regarding short term rental (“STR”) properties in the community.

The Orange Chatham Association of REALTORS is in favor of regulation on short term rentals (STRs) that are in accordance with the Vacation Rental Act SL 2019-73.

In addition, we are in favor of STR payment of occupancy taxes and related fees that would create a level playing field and contribute to travel and tourism revenue for the community.

We also support projects that contribute to the economic development, vitality and quality of life of downtown Chapel Hill such as the proposed new hotel on West Rosemary Street.

We also agree with Aaron Nelson, the president of the [Chapel Hill-Carrboro Chamber of Commerce](#) that “there is demand for additional hotel rooms in downtown for visitors who want the downtown experience.”

That said, given the new state law (Vacation Rental Act SL 2019-73) and the current laws, regulations and ordinances in Chapel Hill, we respectfully oppose new local

regulations that would be a potential infringement on the rights of local property owners, the normal practice of real estate and the flexibility of choice and opportunity in the local marketplace.

We oppose the regulation of STRs in any manner different than regulations on long term rentals and any such regulation should be consistent and fair.

In addition, STRs are a residential use of property and should be allowed under current residential zoning.

Effectively, this means no bans, no caps, no geographic exclusions, no registrations, no additional fees, no additional inspections or safety standards, no distinction between whole house or individual rooms, and no distinction between owner on or off premises.

Thus the application of any regulations on STRs should be consistent with long term rentals.

From a regulatory standpoint, the issues with STR guests (noise/parking) should be handled through existing noise and parking regulations and/or appropriate amendments to the current local regulations.

In addition, if a community and/or neighborhood wants to regulate STRs in its specific community said regulation should be handled democratically through the particular homeowners association and its covenants and bylaws as opposed to a generalized new ordinance from local government.

Furthermore the ability to utilize a short term rental is beneficial to property owners and a component of the normal business practice of real estate.

For example, if a buyer occupies a home before the close of escrow or a seller stays in a home for a period after the close of escrow, this situation could technically be a short term rental (STR). In addition, when a lease expires and a tenant converts to a day to day, week to week or month to month tenancy that could also be construed as technically a short term rental (STR). (These examples are also components of the normal BAR Association approved contracts that are utilized in the practice of residential real estate across the state.)

Finally, the fear expressed by local hoteliers regarding the availability of rooms offered by STRs is akin to the power companies fear of distributive solar options in the marketplace.

Simply put the local marketplace is large and healthy enough to accommodate hotels and STRs as STRs provide a variety of different options and experiences for the consumer that are inclusive, welcoming and representative of the quality of life that our community offers.

The STR marketplace is a positive option for property owners and visitors alike and are needed to augment the inventory of rooms available to stay short term in our community.

In conclusion, STRs allow individual property owners the ability to earn income; they encourage properties to be inviting and well maintained; they boost the local economy with added tax revenue; they create jobs for locally owned small businesses; and the guests generally support local businesses with their spending on food, entertainment and other retail options while visiting Chapel Hill.

We appreciate your service and look forward to meeting with you and other members of the council to discuss this issue.

Respectfully,

Randy Cox, 2019 President

Frank Niwinski, Government Affairs Committee Chair

Randy Voller, Government Affairs Committee Chair

Cc: Cub S Berrian, CEO