



TOWN OF CHAPEL HILL

Town Council Meeting Agenda

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

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, March 17, 2021 6:30 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_ZsEea_7vQd-QTogjI2OaKg

After registering, you will receive a confirmation email containing information about joining the webinar in listen-only mode. Phone: 301-715-8592, Meeting ID: 897 5131 1566

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

OPENING

ROLL CALL

AGENDA ITEMS

1. Orange County Transit Plan and Proposed Commuter Rail Update. [\[21-0197\]](#)

PRESENTER: Brian M. Litchfield, Transit Director
Jay Heikes, Senior Transportation Planner, GoTriangle

The purpose of this item is for the Council to provide direction on priorities for the Orange County Transit Plan Update.

2. Short-Term Rental (STR) Regulations Discussion. [\[21-0198\]](#)

PRESENTER: Anya Grahm, Senior Planner

Rebecca Badgett, UNC School of Government

The purpose of this item is to receive direction from Council on an ordinance for Short-Term Rentals (STRs).

3. Glen Lennox Master Plan Update.

[\[21-0199\]](#)

PRESENTER: Judy Johnson, Assistant Planning Director

The purpose of this item is for the Council to receive an update on the Glen Lennox Master Plan and provide feedback.

**REQUEST FOR CLOSED SESSION TO DISCUSS ECONOMIC DEVELOPMENT,
PROPERTY ACQUISITION, PERSONNEL, AND/OR LITIGATION MATTERS**



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Chapel Hill, NC 27514

Item Overview

Item #: 1., File #: [21-0197], Version: 1

Meeting Date: 3/17/2021

Orange County Transit Plan and Proposed Commuter Rail Update.

Contributor:

Brian Litchfield, Director
Nick Pittman, Transit Planning Manager
Jay Heikes, Senior Transportation Planner

Organization:

Chapel Hill Transit

GoTriangle

Overview: The [Orange County Transit Plan <https://gotriangle.org/sites/default/files/publications/orange-county-transit-plan_170424_app.pdf>](https://gotriangle.org/sites/default/files/publications/orange-county-transit-plan_170424_app.pdf) (the plan) was last updated and adopted in 2017. It contains a program of transit services and projects to be funded by local revenues for transit in Orange County through 2045.

The plan needs to be updated due to the discontinuation of the Durham-Orange Light Rail Transit project and the Interlocal Implementation Agreement for the Plan requires it to be updated every four (4) years.

The plan directs the spending of four dedicated revenue streams:

- Article 43: Half Cent Sales and Use Tax
- Article 50: Five Percent Vehicle Rental Tax for Regional Transit Authority
- Article 51: Thr ee Dollar increase to GoTriangle Regional Vehicle Registration Fee
- Article 52: Sev en Dollar County Vehicle Registration Fee

The revenue sources in the plan were expected to generate around \$8.5M in FY21 and \$8.9M in FY22. Orange County Transit Plan funding is critical to the annual operating budget of Chapel Hill Transit, providing around 10% of our annual operating budget (including the expansion of Sunday Service). It has helped meet vehicle replacement needs, fund bus stop improvements and provide the local match (\$14.1M) for the North South Bus Rapid Transit Project.

The Board of Orange County Commissioners approved a planning framework for updating the Transit Plan in 2019. They also developed a Policy Steering Committee to provide guidance on the vision and goals of the Transit Plan Update and help prioritize the types and quantities of service improvements and infrastructure investments that will best serve the communities they represent. The Committee includes:

- Barbara Foushee, Town of Carrboro Council Member
- Michael Parker, Town of Chapel Hill Mayor Pro Tem
- Mark Bell, Town of Hillsborough Commissioner
- Patty Philipps, City of Mebane Commissioner
- Mark Dorosin, Orange County Commissioner
- Sally Greene, Orange County Commissioner

The Policy Committee has met five (5) times. The agenda and some of the minutes are available at the following link: [<https://octransit2020.com/learn-more/policy-steering-committee/>](https://octransit2020.com/learn-more/policy-steering-committee/). The Committee is supported by Orange County staff and a Consultant Team. The County and the Consultant Team has released a Draft Regional Connections Opportunities Report ([<https://octransit2020.com/wp-content/uploads/2021/01/OC_RCO_review_draft.pdf>](https://octransit2020.com/wp-content/uploads/2021/01/OC_RCO_review_draft.pdf)) following the initial work of the committee and a public engagement effort that took place in October 2020.

The Proposed Commuter Rail project, as originally included in the Wake and Durham county plans, would run 37 miles along the North Carolina Railroad Corridor between Garner and West Durham with stops at downtown Raleigh, N.C. State, Cary, Morrisville and Research Triangle Park (

https://gotriangle.org/sites/default/files/commuter_rail_map.png). The original plans call for up to eight trips in each direction during peak hours with up to two trips each way during midday and evening hours, for a total of 20 weekday roundtrips. A project team that includes Durham County, Wake County, Orange County, Johnston County, CAMPO, DCHC, the North Carolina Railroad Company, NCDOT, the Research Triangle Foundation and GoTriangle is working together on preliminary feasibility studies. Jay Heikes, a Senior Transportation Planner for GoTriangle, will provide a presentation updating the Council on the current status of the project.



Recommendation(s):

That the Council provide direction on priorities for the Orange County Transit Plan Update.

Transit staff has provided the County with the following overall priorities:

Regional Connectivity

Short Term:

- Maintain existing capital funding for NSBRT and identify options for transit plan investment in operating the route.
- Identify and prioritize investments in local and regional transit that increase connections and frequency between Orange County and Durham County along 15-501 (East-West BRT) and NC-54, providing convenient, safe and reliable service and crucial connectivity within and between jurisdictions.
- Identify and develop high-capacity transit service that connects Orange County and Durham County along 15-501, including service to UNC Health and UNC-Chapel Hill Campus, supporting regional economic well-being and higher-density development plans.
- Identify high-capacity transit service options that connect Orange, Durham, Wake and RTP.
- Evaluate options for improved coordination of regional demand response trips to improve service for customers and reduce the number of required transfers.

Mid Term:

- Identify options for the development of transit/transfer hubs in key regional corridors and areas, including near UNC Health, Eastowne area, South Road near Student Union and NC 86.
- Identify high-capacity transit options for extending NSBRT to Chatham County, including connections to Chatham Park.
- Identify high-capacity transit options for connections to RTP and Wake County rapid transit investments, in coordination with City of Durham and Durham County. Well-situated and well-designed transit hubs can significantly improve one of the most inconvenient parts of a transit trip for customers: the transfer experience. Transit hubs enable more connected transit route design and can more easily accommodate amenities for transit drivers and operations staff, help raise awareness of transit availability and may provide development opportunities.

Long Term:

- Identify corridors and key areas for the planning of new transit investments over the next 25 years and develop a long-range vision for transit connections in the Triangle and Triad.
- Identify opportunities for regional maintenance and training facilities.

Local Connectivity

Short Term:

- Identify Transit Plan funding for unfunded priorities in the adopted Chapel Hill Transit Short Range Transit Plan, priorities include improving frequency, strategically expanding weekend service and extending weekday hours of service - to improve access to jobs and community places and ensure transit is accessible, especially for those who depend on it the most.
- Continue to identify Transit Plan funding for bus shelter and bus improvements that prioritize transit customers, including curb-extensions at bus stops, bus shelters, walking routes and crossings, transit signal priority, dedicated bus lanes and queue jumps to ensure transit services are fully accessible to people of all ages and abilities. Including assistance in funding staff to better facilitate and implement these critical investments.
- Continue to identify Transit Plan funding for investments in replacement and expansion transit vehicles, with a priority on electric (non-diesel/gasoline) vehicles, consistent with Chapel Hill, Carrboro and University Sustainability Plans.
- Identify funding to assist with same-day demand response trips for EZ rider customers - improving access and mobility for those who depend on it the most.

Mid Term:

- Identify funding for solar power generation options currently under review by Chapel Hill Transit.
- Evaluate options for new park and ride facilities in the White Cross and Chatham County areas, consistent with the adopted Chapel Hill Transit Short Range Transit Plan.

Long Term:

- Identify key areas for the planning of new transit investments beyond 2030 and develop a long-range vision for local transit services in Orange County.

Fiscal Impact/Resources: The update to the Orange County Transit Plan could impact Chapel Hill Transit's annual operating budgets and the NSBRT project.



Attachments:

- Hyperlinked: [Orange County Transit Plan <https://gotriangle.org/sites/default/files/publications/orange-county-transit-plan_170424_app.pdf>](https://gotriangle.org/sites/default/files/publications/orange-county-transit-plan_170424_app.pdf)
- Hyperlinked: [March 2020 Adopted Short Range Transit Plan for Chapel Hill Transit <https://www.townofchapelhill.org/government/departments-services/transit/about-chapel-hill-transit/projects/short-range-transit-plan>](https://www.townofchapelhill.org/government/departments-services/transit/about-chapel-hill-transit/projects/short-range-transit-plan)
- Chapel Hill Transit Unfunded Service Improvements
- Chapel Hill Transit Capital Plan

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Brian M. Litchfield, Transit Director
Jay Heikes, Senior Transportation Planner, GoTriangle

The purpose of this item is for the Council to provide direction on priorities for the Orange County Transit Plan Update.

Unfunded Improvements

Route	Service Summary	Additional Revenue Hours (Annual)	Additional Peak Vehicles	Annual Operating Cost	Frequency: Peak	Frequency: Midday	Frequency: Night	Frequency: Weekend	Service Span
CL	Add weekend service.	1,300	0	\$130,000	20	30	60	60	6:30 AM - 10:00 PM (M-F) 8:00 AM - 9:00 PM (Sat) 8:00 AM - 7:00 PM (Sun)
CW	Improve midday service to 30 minutes.	1,500	0	\$150,000	20/30	30	60	60	7:00 AM - 9:00 PM (M-F) 8:30 AM - 6:30 PM (Sat-Sun)
D	Extend service to Patterson Place and provide Saturday service until 9 PM.	5,300	1	\$530,000	20	30	60	60	6:30 AM - 10:00 PM (M-F) 8:00 AM - 9:00 PM (Sat) 8:00 AM - 7:00 PM (Sun)
J	Improve morning peak service to every 10 minutes and offer 15-minute service until noon. Provide Saturday service until 11 PM and Sunday service until 9 PM.	3,200	2	\$320,000	10/15	15/20	40	40	6:30 AM - 12:00 AM (M-F) 8:00 AM - 11:00 PM (Sat) 8:00 AM - 9:00 PM (Sun)
NS	Improve morning peak service to every 6 minutes. Provide Saturday service until 11 PM and Sunday service until 9 PM.	2,300	3	\$230,000	6/10	15	30/40	40	5:30 AM - 11:30 PM (M-F) 8:00 AM - 11:00 PM (Sat) 8:00 AM - 9:00 PM (Sun)
New Service: West NC 54	New weekday peak-only service from White Cross to UNC-Chapel Hill.	1,500	1	\$150,000	70	-	-	-	6:30 AM - 9:30 AM; 3:30 PM - 6:30 PM (M-F)
New Service: Estes Drive Crosstown	New service connecting UNC-Chapel Hill, University Place, and Glen Lennox via Estes Drive.	12,900	3	\$1,290,000	30	30	30	45	6:30 AM - 8:30 PM (M-F) 8:00 AM - 7:00 PM (Sat-Sun)
Total from SRTP 2020				\$2,800,000					
EZ Rider	Same Day Customer Trips	6,240	3	\$624,000	-	-	-	-	6:30 AM - 10:00 PM (M-F) 8:00 AM - 7:00 PM (Sat) 8:00 AM - 7:00 PM (Sun)
On-Demand Service	Midday/Evening trips to/from service area with no bus routes	8,500	0	\$850,000	-	-	-	-	10:00 AM - 2:00 PM; 6:00 PM - 11:00 PM (M-F)
Senior Shuttle	Bi-Directional Service utilizing 2nd vehicle	2,205	1	\$220,500	60	60	60	-	8:00 AM - 7:00 PM
A	Improve weekday service to 30 minutes frequency	3,400	1	\$340,000	30	30	30	60	6:30 AM - 10:00 PM (M-F) 8:00 AM - 7:00 PM (Sat) 8:00 AM - 7:00 PM (Sun)
CL	Improve weekday peak service to 10 minutes frequency	9,000	3	\$900,000	10	30	60	-	6:30 AM - 10:00 PM
D	Improve weekday peak service to 10 minutes frequency	9,000	3	\$900,000	10	30	60	60	6:00 AM - 11:00 PM
F	Improve weekday service to 30 minutes frequency	7,400	1	\$740,000	30	30	30	-	6:30 AM - 10:00 PM (M-F)
F	Add Weekend service.	1,300	0	\$130,000	60	60	60	60	8:00 AM - 9:00 PM (Sat) 8:00 AM - 7:00 PM (Sun)
G	Extend evening service to 9:00 PM	750	0	\$75,000	60	60	60	-	7:00 AM - 9:00 PM (M-F)
HS	Add weekend service.	1,300	0	\$130,000	30	30	30	60	8:00 AM - 9:00 PM (Sat) 8:00 AM - 7:00 PM (Sun)
N	Improve weekday service to 30 minutes frequency	3,300	1	\$330,000	30	30	30	60	6:30 AM - 10:00 PM (M-F) 8:00 AM - 7:00 PM (Sat) 8:00 AM - 7:00 PM (Sun)
NS	Improve mid-day to 10 minutes frequency	3,750	3	\$375,000	7.5	10	40	40	5:30 AM - 11:30 PM (M-F) 8:00 AM - 11:00 PM (Sat) 8:00 AM - 9:00 PM (Sun)
T	Extend service to Fordham Boulevard. Improve peak service to 30 minutes.	4,000	1	\$400,000	30	60	30	-	7:00 AM - 6:00 PM (M-F)
New Service: Chatham Park	Express Service to/from Chatham Park and Campus (weekday only)	6,250	3	\$625,000	20	60	-	-	6:00 AM - 9:00 AM (M-F) 4:00 PM - 7:00 PM (M-F)

Improve Weekend Service	Improve weekend service on A, CM, CW, D, J, N, NS and NU (Saturday and Sunday) - increased frequency on existing routes	12,000	0	\$1,200,000	-	-	-	30	8:00 AM - 9:00 PM (Sat) 8:00 AM - 7:00 PM (Sun)
Improve Weekend Service	Improve weekend service on A, CM, CW, D, J, N, NS and NU 6:30pm - 11:30pm	5,600	0	\$560,000	-	-	-	60	6:30 PM - 11:30 PM (Sat) 6:30 PM - 11:30 PM (Sun)
Improve Weekday Service	Improve weekday service 7pm-11:30pm	5,000	0	\$500,000	-	-	30	-	7:00 PM - 11:30 PM (M-F)
Total Unfunded Improvements				\$11,699,500	Note: Cost figures are in 2020 dollars				



Chapel Hill Transit: Strategic and Financial Plan

Capital Plan

October 2016



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PREFERRED CAPITAL FUNDING PLAN

INTRODUCTION

CHT is a very successful system carrying more riders than any other transit agency in North Carolina, excluding the Charlotte Area Transit System. Much of the CHT's growth has occurred over the past decade, after deciding to operate as a fare-free system in 2002. Transit has been—and continues to be—a cornerstone of the community by providing efficient travel for the University of North Carolina-Chapel Hill (UNC-Chapel Hill) and accommodating growth at both the UNC-Chapel Hill campus and in the communities of Carrboro and Chapel Hill. The success at CHT also reflects a commitment to both transit and a multimodal transportation system by the Town of Chapel Hill as well as CHT's Partners, the Town of Carrboro and UNC-Chapel Hill.

Success, however, has come with struggles. Consistent with experience nationally, traditional funding sources for transit agencies are stagnating while the cost to operate service increases. At the same time, the demand and need for transit is growing as transit services are increasingly viewed as important tools to stimulate economic development, protect the environment, offer viable travel options, and, specific to the situation in Chapel Hill, are an integral part of the parking plan for the UNC-Chapel Hill campus.

Beyond these national trends, CHT is at a turning point as an agency and service. What began as a shuttle service to and from the UNC-Chapel Hill campus has grown into a much bigger system, reflecting growth not only at UNC-Chapel Hill but also the broader region. However, as the system has grown, investment in the agency's infrastructure has not kept pace—staffing and capital investment have lagged relative to ridership and relative to the useful life-cycle of the transit fleet. Limited capital and operating funds, as well as uncertainty surrounding future sources, will have significant negative impacts on the system if appropriate measures are not taken.

This Preferred Capital Funding Plan provides a roadmap for the future financial sustainability of the CHT's services given these unknowns¹. Financial sustainability underpins the plan, which includes three primary goals:

1. Updating the fleet and continually replacing old vehicles.
2. Investing in operators, mechanics, and supervisors.
3. Developing a transparent, predictable, and manageable funding formula for CHT partners.

The remainder of this section outlines the Preferred Capital Funding Plan, including general assumptions and projected expenses. Further, it outlines the implications of this plan for future contributions from UNC-Chapel Hill, Carrboro, and Chapel Hill.

¹ The Town of Chapel Hill and CHT Partners will continue to have flexibility to update this plan as circumstances dictate

ASSUMPTIONS

The nine assumptions below form the basis of the rest of the Preferred Capital Funding Plan.

1. **Cost-Efficient Fixed-Route Vehicles.** CHT will purchase the most economic vehicles possible: initially this will be 40-foot clean diesel very low emissions buses, at a base cost of roughly \$440,000 each and with a useful life of 15 years. CHT will conduct ongoing review and evaluation of evolving bus and alternative fuel technologies to guide future vehicle purchases.
2. **Vehicle Procurement.** Vehicle procurement will occur in concert with GoTriangle and GoDurham in accordance with federal guidelines and regulations.
3. **No Change in Service Levels.** Vehicle replacement needs reflect no changes in transit service levels. If service levels change (up or down), operating and capital shares would be impacted.
4. **Debt Finance.** Debt financing vehicles will carry 10-year terms at an estimated 1.8% interest, with yearly payments of roughly \$50,000-\$60,000 per vehicle².
5. **Inflation.** The Preferred Plan assumes a 2% annual inflation and operating cost increase; associated costs are anticipated to increase from approximately \$450,000 in FY 2018 to \$4.7 million in FY 2027.
6. **Fixed-Route Vehicle Acquisition.** In FY 2016, CHT will purchase approximately two transit vehicles and debt finance an additional 12. In FY 2017, CHT will purchase approximately six transit vehicles and debt finance an additional eight. Thereafter, CHT will acquire approximately six to seven vehicles annually, through a combination of debt financing and cash purchase. An early goal of vehicle acquisition will be to replace the oldest vehicles currently in the CHT fleet.
7. **Demand Response Vehicle Acquisition.** CHT will acquire approximately four demand response vans and light transit vehicles (LTVs) per year, at a total annual cost of approximately \$350,000. The base cost is \$44,000 for each van and \$67,200 for each LTV.
8. **Passenger Amenities and Facilities Maintenance.** The financial model assumes approximately \$300,000 per year for bus stop amenities and print information. Approximately \$800,000 per year is assumed for ongoing passenger amenity maintenance, park-and-ride maintenance, and building/facility maintenance.
9. **Partner Contribution Split.** The Preferred Plan assumes the current Partner contribution split—that is to say, the proportion of the total Partner contribution paid by UNC-Chapel Hill, Chapel Hill, and Carrboro in any given year—remains constant. A determination of the future split will occur as a result of conversations among the Partners.

² Depending on final interest rate and year of acquisition

VEHICLE ACQUISITION

In FY 2016, the Preferred Plan calls for the purchase of two transit vehicles and debt financing of an additional 14. In FY 2017, CHT will purchase approximately six transit vehicles and debt finance an additional eight. Thereafter, CHT will acquire approximately six to seven vehicles, primarily through debt financing; the plan also recommends certain vehicles be purchased with cash³. An early goal of vehicle acquisition will be to replace the oldest vehicles currently in the CHT fleet. Figure 1 presents the number of vehicles acquired through purchase and debt finance, as well as the average fleet age for CHT.

Figure 1 Vehicles Acquired and Average Fleet Age (Preferred Plan)

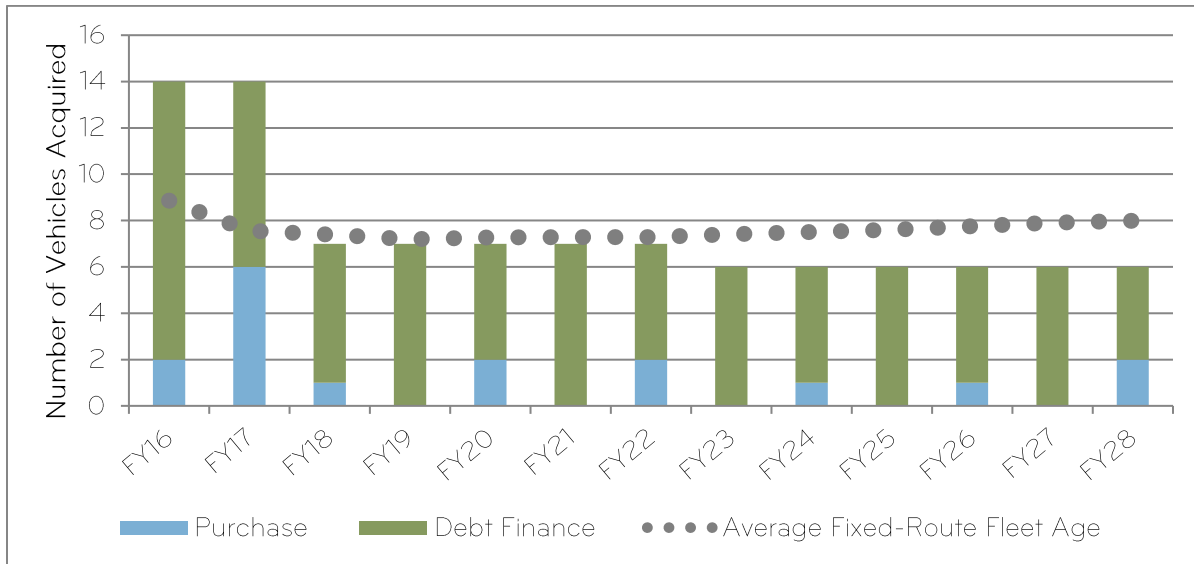
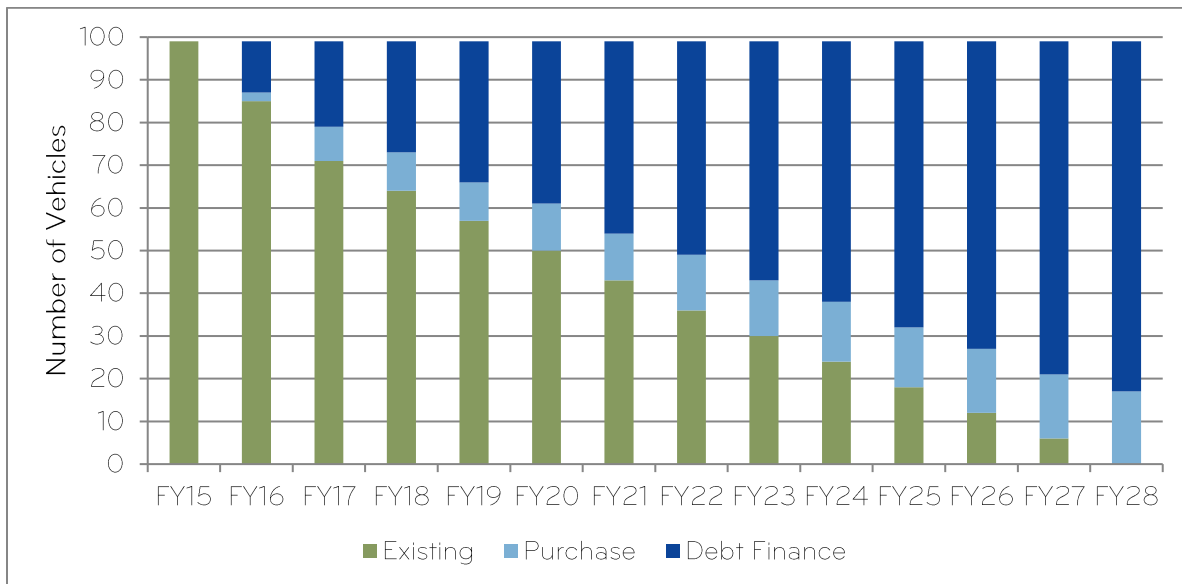


Figure 2 shows the cumulative fleet composition between the years in question. It illustrates how, under the Preferred Plan, the fleet becomes increasingly debt-financed between FY 2016 and FY 2028.

Figure 2 Fleet Composition Over Time (Preferred Plan)



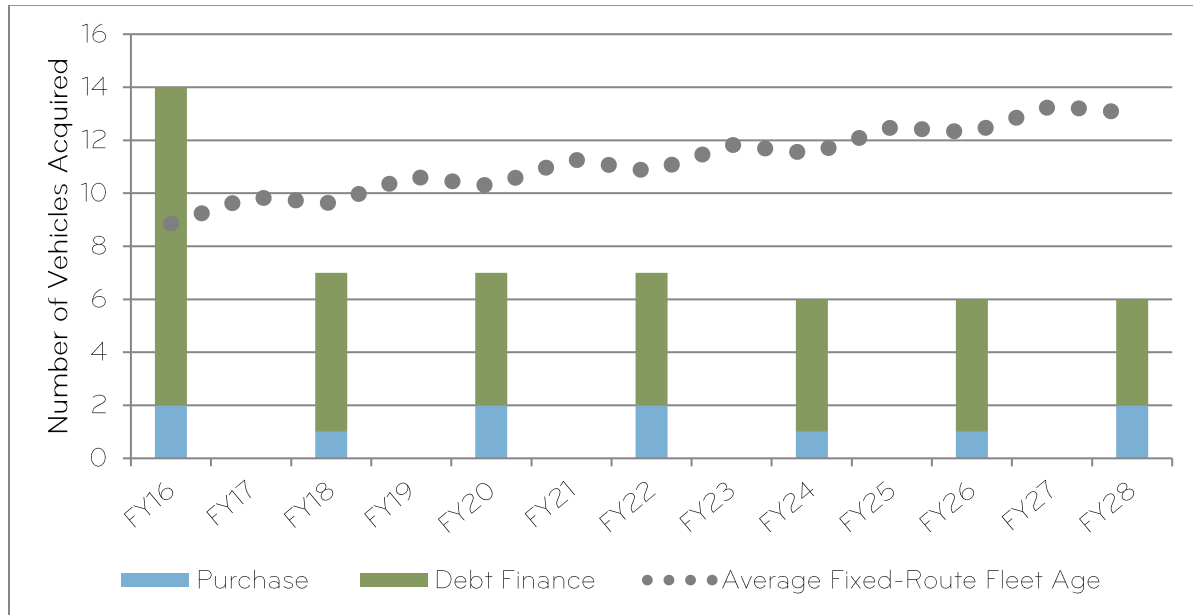
³ CHT will continue to pursue cash options whenever they are available

Illustrative Example: Impacts of Reduced Vehicle Purchases

This section illustrates the impact of a reduction in vehicle purchases. Instead of accounting for six to seven vehicle purchases yearly, it calls for this number of vehicle purchases every two years following FY 2016. The purpose of doing so is to show the impact in terms of fixed-route fleet age of purchasing approximately half of the vehicles required to maintain a consistent vehicle replacement plan.

In this case, CHT fleet age increases to 13.0 years by FY 2028 (instead of 8.0 years under the Preferred Plan) and is nearly two years older per average bus than today's fleet. Figure 3 shows the average fleet age and number of vehicles purchased each year assuming six-vehicle acquisition every two years (rather than yearly).

Figure 3 Average Fleet Age, Vehicles Purchase with Cash, and Vehicles Debt Financed (for Illustration Only)

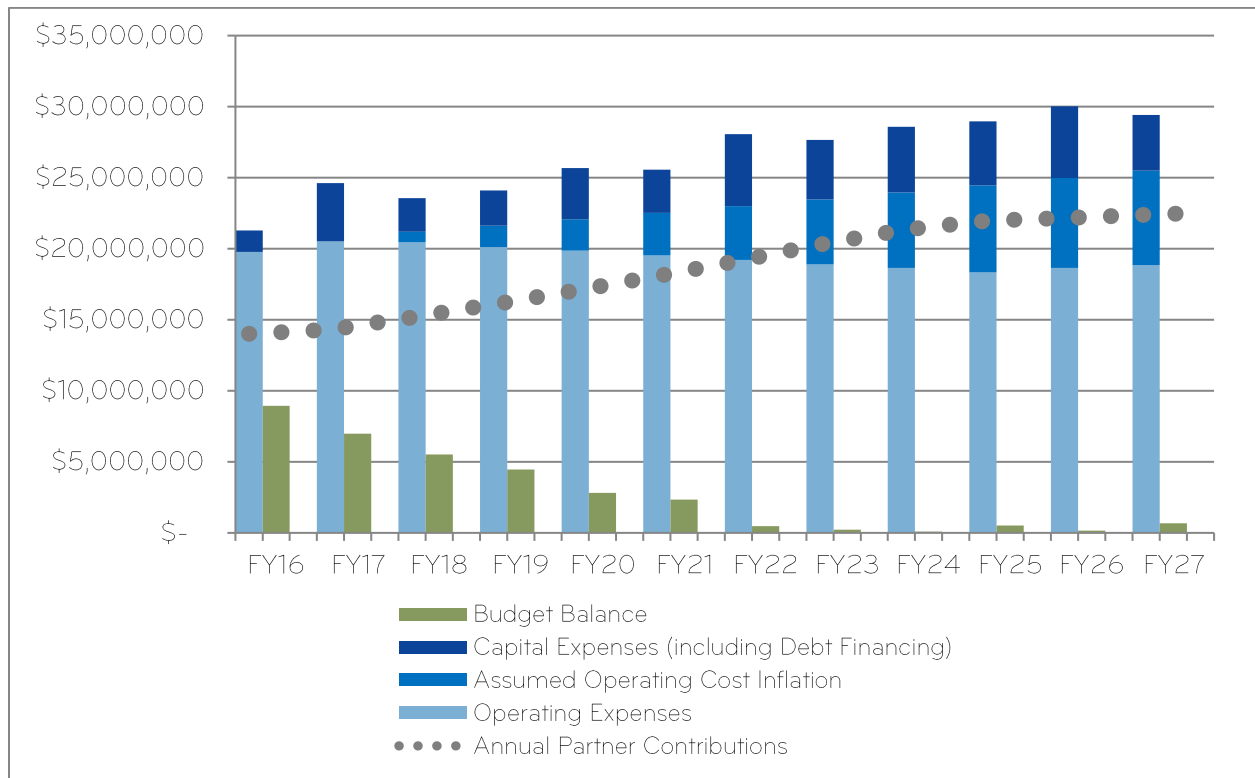


PROJECTED EXPENSES

Under the Preferred Plan, capital expenses will be roughly \$1.5 million in FY 2016 and increase to \$4.1 million in FY 2017⁴. Thereafter, capital expenses are anticipated to range from \$2.5 million in FY 2018 to \$5.1 million in FY 2024, before decreasing again to \$3.9 million in FY 2027. By contrast, operating expenses are expected to increase gradually between FY 2016 and FY 2027, due in large part to inflation⁵.

Figure 4 presents operating expenses (including the predicted effect of inflation), capital expenses, and budget balance between FY 2016 and FY 2027. Annual operating inflation costs are anticipated to increase from approximately \$450,000 in FY 2018 to \$4.7 million in FY 2027. Total annual Partner contributions range from approximately \$14 million in FY 2016 to \$22.4 million in FY 2027.

Figure 4 Operating Expenses, Capital Expenses, and Budget Balance (Preferred Plan)



⁴ CHT budgeted \$967,000 in FY 2017 for debt finance payments. This amount is assumed to carry through the rest of the model; Partner contribution increases account for debt financing payments above \$967,000.

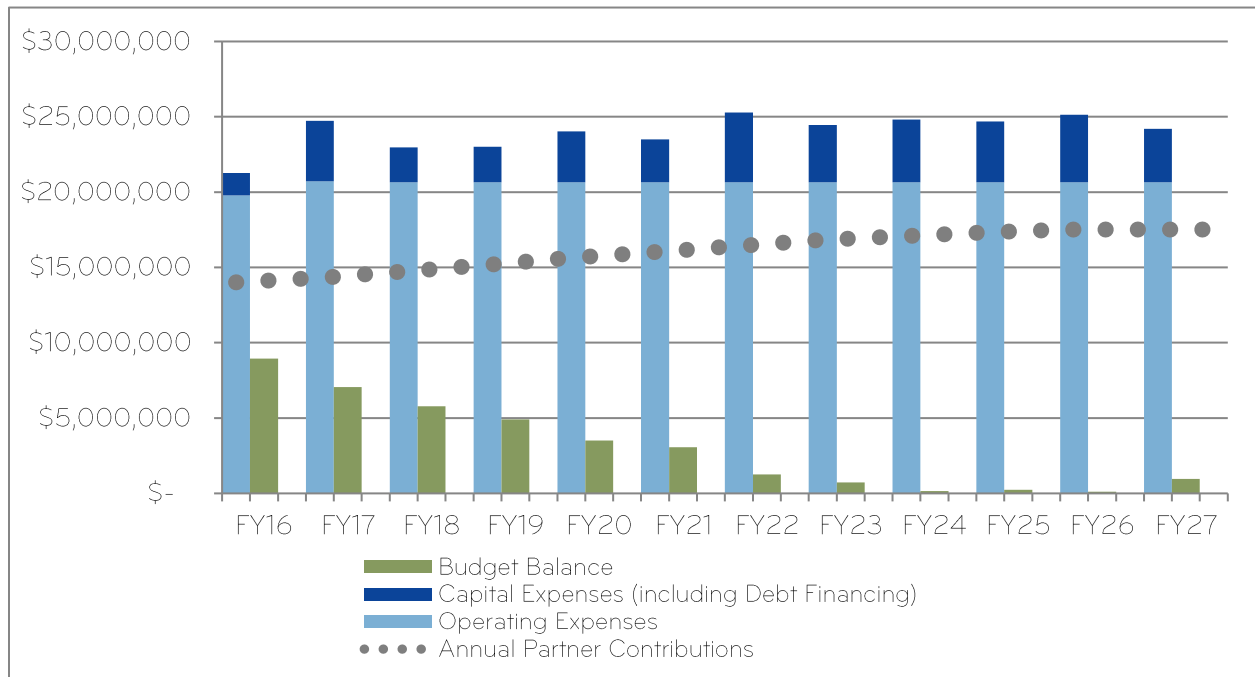
⁵ Inflation is assumed to be 2% per year

Illustrative Example: Impacts of 0% Inflationary Factor

In this illustrative example, annual inflationary expenses and operating cost increases are estimated at 0%⁶. Without inflation, annual capital expenses range from approximately \$1.5 million in FY 2016 to \$3.5 million in FY 2027. In this illustrative example, operating expenses increase to approximately \$20.6 million in FY 2018 and remain at that level until FY 2027.

Figure 5 presents operating expenses (without the predicted effect of inflation), capital expenses, and budget balance between FY 2016 and FY 2027. To keep CHT's budget balance above \$0, total annual Partner contributions would increase by a range of 0.0% and 3.0% from FY 2018 through FY 2027. Total annual Partner contributions in this illustrative example start at approximately \$14 million in FY 2016 and increase to \$17.5 million in FY 2027.

Figure 5 Operating Expenses, Capital Expenses, and Budget Balance (for Illustration Only)



⁶ Rather than 2% assumed in the Preferred Plan

PREFERRED PLAN PARTNER CONTRIBUTIONS

The Preferred Plan requires continued contributions from UNC–Chapel Hill, Chapel Hill, and Carrboro. It assumes that contributions will increase between 1.0% and 6.0% between FY 2018 and FY 2027. However, the current Partner contribution split—that is to say, the proportion of the total Partner contribution paid by the three organizations in any given year—will remain approximately constant. A determination of the future split will occur as a result of conversations among the Partners. Figure 6 presents the change in Partner contributions between FY 2016 and FY 2027.

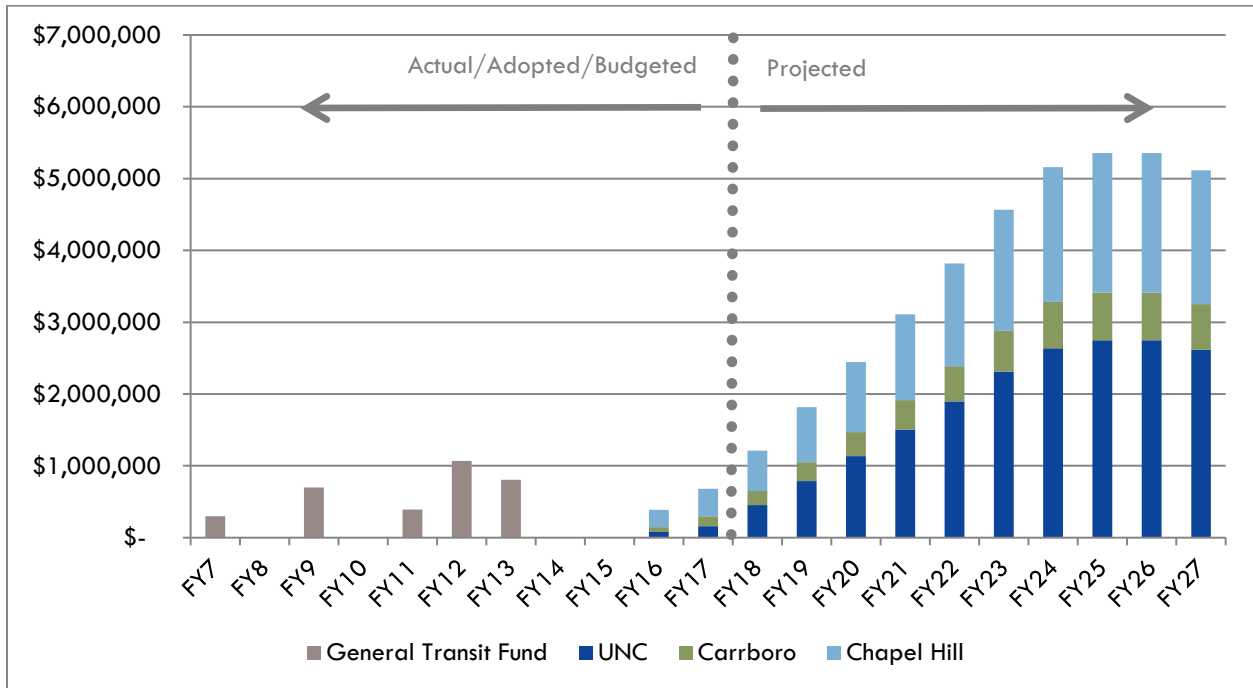
Figure 6 Preferred Plan Total Partner Contributions (FY 2016–FY 2027)

	Contribution from UNC-Chapel Hill	Contribution from Carrboro	Contribution from Chapel Hill	Percent Increase
FY 16 (Adopted)	\$7,844,040	\$1,540,288	\$4,626,184	-
FY 17 (Budgeted)	\$7,923,860	\$1,611,003	\$4,770,592	2.1%
FY 18	\$8,400,000	\$1,708,000	\$5,057,000	6.0%
FY 19	\$8,904,000	\$1,811,000	\$5,361,000	6.0%
FY 20	\$9,438,000	\$1,919,000	\$5,682,000	6.0%
FY 21	\$10,004,000	\$2,034,000	\$6,023,000	6.0%
FY 22	\$10,604,000	\$2,156,000	\$6,385,000	6.0%
FY 23	\$11,241,000	\$2,286,000	\$6,768,000	6.0%
FY 24	\$11,803,000	\$2,400,000	\$7,106,000	5.0%
FY 25	\$12,157,000	\$2,472,000	\$7,319,000	3.0%
FY 26	\$12,278,000	\$2,497,000	\$7,392,000	1.0%
FY 27	\$12,401,000	\$2,522,000	\$7,466,000	1.0%

Note: These numbers are projected estimates based on model assumptions and assume no change to the relative proportion of the split in place in FY 17

Figure 7 highlights the recommended annual Partner contributions for capital purchases. This figure reveals the importance of an increase in Partner funding for CHT's financial sustainability and continued acquisition of vehicles.

Figure 7 Historic and Projected Total Partner Contributions for Capital (Preferred Plan)



PREFERRED CAPITAL FUNDING PLAN SUMMARY

The Preferred Capital Funding Plan allows CHT to remain financially sustainable while maintaining the current level of transit service and reflecting Partner preferences. Figure 8 presents a summary of the Preferred Plan elements.

Figure 8 Preferred Capital Funding Plan Summary

Topic	Summary
Assumptions	<ol style="list-style-type: none"> 1. In the near-term, CHT will purchase the most economic vehicles possible. 2. Vehicle procurement will occur in concert with GoTriangle and GoDurham. 3. Vehicle replacement needs reflect no changes in transit service levels. 4. Debt financing vehicles will carry 10-year terms at approximately 1.8% interest, with yearly payments of roughly \$50,000-\$60,000 per vehicle. 5. The Preferred Plan assumes a 2% annual inflation and operating cost increase; associated costs are anticipated to increase from approximately \$450,000 in FY 2018 to \$4.7 million in FY 2027. 6. In FY 2016, CHT will purchase approximately two transit vehicles and debt finance an additional 14. In FY 2017, CHT will purchase approximately six transit vehicles and debt finance an additional eight. Thereafter, CHT will acquire approximately six to seven vehicles annually through a combination of cash purchase and debt financing. An early goal of vehicle acquisition will be to replace the oldest vehicles currently in the CHT fleet. 7. CHT will acquire approximately four demand response vans and LTVs per year, at an annual cost of approximately \$350,000. 8. The financial model assumes approximately \$300,000 per year for bus stop amenities and print information, as well as approximately \$800,000 per year for ongoing passenger amenity maintenance, park-and-ride maintenance, and building/facility maintenance. 9. The current Partner contribution split is assumed to remain constant.
Projected Expenses	<ul style="list-style-type: none"> ▪ Under the Preferred Plan, capital expenses will be roughly \$1.5 million in FY 2016 and increase to \$4.1 million in FY 2017. Thereafter, capital expenses are anticipated to range from \$2.5 million in FY 2018 to \$5.1 million in FY 2024, before decreasing again to \$3.9 million in FY 2027. ▪ Operating expenses are expected to increase gradually between FY 2016 and FY 2027, due in large part to inflation.
Partner Contributions	<ul style="list-style-type: none"> ▪ Contributions will increase between 1.0% and 6.0% annually between FY 2017 and FY 2027.



Item Overview

Item #: 2., File #: [21-0198], Version: 1

Meeting Date: 3/17/2021

Short-Term Rental (STR) Regulations Discussion.

See Staff Memorandum on next page.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Anya Grahn, Senior Planner
Rebecca Badgett, UNC School of Government

The purpose of this item is to receive direction from Council on an ordinance for Short-Term Rentals (STRs).



To: Council Work Session
From: Colleen Willger, Planning Director
 Anya Grahn, Senior Planner
 Rebecca Badgett, UNC School of Government
Date: March 17, 2021
Subject: Short-Term Rental (STR) Regulations

OVERVIEW

An STR is the renting of all or part of a residential dwelling unit for a period of less than 30 days for compensation. Currently, the LUMO allows residents to rent their primary residence for up to 14 days per year without a permit; however, STRs are prohibited as they are not specifically addressed. STRs may be allowed under the following current LUMO definitions which do not fully describe this use:

- Home Occupation (allowed in most zoning districts)
- Tourist Home (allowed in non-residential zoning districts)
- Overnight Lodging (limited to the Blue Hill District)

DECISION POINTS:

- 1. Reaffirm that Council is interested in allowing Dedicated STRs**
- 2. Agreement with revised definitions that have joined Hosted and Unhosted short-term rentals (STRs) into a single definition and use category of Primary Residence STR.**
- 3. Consider placing a cap on the number of Dedicated STRs.**

STR PILOT PROGRAM

Council Question: Does Council want to allow Dedicated STRs?

Staff proposes launching a STR pilot program. A STR ordinance would be adopted requiring Primary Residence and Dedicated STRs to receive a zoning compliance permit for the proposed STR use. Staff will use the permits to collect data and observe trends. Staff can then share updates with the Town Council and revise the adopted ordinance, as necessary.

Staff have researched six (6) years of STR trends and data to determine an appropriate cap on the number of STRs. Staff finds:

- 334 Active Primary Residence and Dedicated STRs in existence in March 2020
- 235 Active Primary Residence and Dedicated STRs in existence in January 2021
 - Estimated 179 Whole-House STRs in January 2021, including:
 - Estimated 148 Whole-House STRs in Residential Zoning Districts
 - Estimated 29 Whole-House STRs in Non-Residential Zoning Districts
- 218 Active Primary Residence and Dedicated STRs in existence in March 2021¹

Placing a cap on the number of Dedicated STR permits specific to residential zoning districts.

In December, Staff and Rebecca Badgett, an attorney with the UNC School of Government, heard from Council there was an interest in implementing a cap on the number of Dedicated STRs permitted in each zoning district as well as a town-wide cap. Staff finds that it would be difficult to do a zoning district cap or town-wide cap due to implementation, recordkeeping, and permitting challenges. Staff recommends moving forward with a percentage cap for all Dedicated STRs in residential zoning districts. Homeowner Associations (HOAs) may choose to prohibit STRs outright within their communities.

Staff has found that most communities choose to either (1) allow or (2) prohibit Dedicated STRs in residential zoning districts. Some communities have set caps on the number of STR permits issued, such as [Wilmington's 2% cap](#)².

The cap would be based on the percentage of the total number of residential dwelling units that may

¹ See AirDNA, accessed 3/1/2021: <https://www.airdna.co/vacation-rental-data/app/us/north-carolina/chapel-hill/overview>

² <https://www.wilmingtonnc.gov/departments/planning-development-and-transportation/short-term-lodging>

be used as a Dedicated STR. The percentage of existing STRs can be used as a base for the cap; however, if the cap is based only on existing numbers, the Town would be grandfathering existing STRs and not permitting any new dedicated STRs. It would be more legally defensible to adopt a general cap that Council determines best preserves neighborhood character. As such, staff has considered the existing percentage of STRs and rounded each number up to the nearest half percentage to allow for some STR growth.

Based on the feedback from Council, the STR Task Force and the community, staff proposes:

1. **Allowing Dedicated STRs in all mixed-use and commercial zoning districts with no cap.**
 These areas have fewer single-family residences and provide many of the amenities and infrastructure that visitors need such as restaurants, shopping, and transit stops. Hotels and Tourist Homes are already an allowed use in many of these zoning districts, and there are no caps in place for these uses. In the Blue Hill District, overnight lodging is a permitted use.
2. **Placing a cap on the number of Dedicated STRs in residential zoning districts.** Staff has heard concerns from the Council, STR Task Force, and community members about non-primary resident-occupied properties and impacts of unsupervised guests in residential neighborhoods.

Council Question: What should the cap be for Dedicated STRs in residential zoning districts? (Each of the following is based on 22,767 existing residential addresses.)

- a. 0.5% (114 permits)
- b. 1% (228 permits)
- c. 1.5% (342 permits)
- d. 2% (455 permits)
- e. 2.5% (569 permits)
- f. 3% (683 permits)

The proposed pilot program would allow staff to collect data, including the precise locations of operating STRs. Staff would share this data with the Town Council and amendments can be made to the STR ordinance, as necessary, to address trends.

BACKGROUND--COUNCIL FEEDBACK:

Staff heard the following from Council at recent meetings:

<p>CCES Meeting October 2, 2020</p>	<ul style="list-style-type: none"> • Consider regulations for dedicated STRs separately from hosted and unhosted STRs, as dedicated STRs potentially have a greater negative impact on residential neighborhoods • STRs are a business that require regulation • Interest in safety standards
<p>Council Work Session December 2, 2020</p>	<ul style="list-style-type: none"> • Allow dedicated STRs with density limitations, such as a cap on the number of STRs allowed per zoning district, a cap on the number of permits issued town-wide, or proximity limitations • Difficulty in setting a specific cap based on neighborhood, zoning district, or town-wide as there could be unintended consequences to a cap • Ensuring the cap is not an arbitrary number • Concerns for STR impacts on primarily residential neighborhoods • Recognition that permitting will help staff collect data which could inform refinement of caps • Interest in allowing existing STRs to remain in operation
<p>CCES Meeting March 5, 2021</p>	<ul style="list-style-type: none"> • Interest in allowing dedicated STRs. • Concerns about enforcement of neighborhood caps and multi-family residential caps. • Special consideration for Blue Hill District and interest in seeing statistics specific to Blue Hill • Cap for multi-family dwelling units




TERMINOLOGY

WHAT IS A SHORT TERM RENTAL (STR)?

Staff is proposing the following definitions:

- **Primary Residence:** the dwelling unit or dwelling unit with an accessory apartment on a property in which the host resides a majority of the year (255 days or 70% or more of the time).
- **Primary Residence Short Term Rentals:** the rental of a primary residence that is rented wholly or partly for a fee for fewer than thirty (30) consecutive days to transient guests. (Staff previously used the terms Hosted STR and Unhosted STR to describe this scenario and this definition would encompass both scenarios.) No simultaneous rental contracts are permitted when the host is not on-site.
- **Dedicated Short Term Rental:** the rental of a residential dwelling unit(s) on a property that is not used as a primary residence and is rented in its entirety to one party of transient guests at a time for a fee for fewer than thirty (30) consecutive days. No simultaneous rental contracts are permitted.

Council Question: Are these definitions useful for establishing categories of STRs and developing different regulations for each?

Primary Residence STR		Dedicated STR
Hosted STR (AKA Homestay)	Unhosted STR	Dedicated STR
		
<ul style="list-style-type: none"> • Nightly rental of room(s) or an accessory apartment located on the same lot as a private, resident-occupied dwelling. • The use is subordinate to and incidental to the main residential use of the dwelling unit. • Resident is on-site with guests 	<ul style="list-style-type: none"> • Nightly rental of a principal residential dwelling unit or an accessory apartment located on the same site as a private, resident-occupied dwelling, for a maximum of 95 days per year. • A principal residential dwelling unit shall be occupied by the resident domiciled at that location for the majority of the calendar year. • Resident has vacated the site during the guests' stay 	<ul style="list-style-type: none"> • Nightly rental of a residential dwelling unit or accessory structure on a site that is not used as a principal residence. • There is no resident. The site is only used for STRs.
<p><u>Current LUMO Provisions:</u></p> <ul style="list-style-type: none"> • Home Occupation 	<p><u>Current LUMO Provisions:</u></p> <ul style="list-style-type: none"> • Tourist Home • Overnight Lodging (Blue Hill District only) 	<p><u>Current LUMO Provisions:</u></p> <ul style="list-style-type: none"> • Tourist Home • Overnight Lodging (Blue Hill District only)

WHAT DOES THIS MEAN FOR ACCESSORY DWELLING UNITS (ADUs)?

The LUMO currently allows for ADUs as either:

1. Accessory apartment either attached to or detached from the single-family dwelling unit.
2. Duplex, consisting of two physically attached dwelling units

Classification	Main House	Accessory Dwelling Unit (ADU)
Primary Residence STR	Occupied by resident for 270 or more days per year	Entirely rented out as a STR
	Rented out as a STR for 95 days or less per year to the same party renting the ADU	Entirely rented out as a STR
	Entirely rented out as a STR	Occupied by resident for 270 or more days per year
	Rented out as a STR for 95 days or less per year	Occupied by resident for 270 or more days per year
Dedicated STR	Rented out as a STR for more than 270 days per year	Entirely rented out as a STR
Prohibited	Entirely rented out as a STR to different party than ADU	Entirely rented out as a STR to different party than the main house

NEXT STEPS:

Staff has heard interest in adopting STR regulations by summer 2021. If Council provides clear guidance to staff at this meeting, staff would work towards the following schedule:

- March 24 – Call for Public Hearing
- April – Planning Commission review and recommendation to Town Council
- Early May –Town Council Public Hearing
- Late June – Town Council Action
- July through August – Education campaign, including health and safety recommendations, and developing STR application
- September – Implementation of a STR ordinance, including accepting applications and implementing enforcement software

ATTACHMENTS:

1. Draft Staff Presentation
2. Short-Term Rental Summary
3. Background Information and Data
4. STR Location Map
5. Health and Safety Checklist
6. Short Term Rental (STR) Task Force Findings



Key Considerations²⁴ for Short Term Rentals (STRs)

Town Council Work Session

March 17, 2021

Rebecca Badgett
UNC School of Government

Anya Grahn, Senior Planner
Planning Department

DRAFT






What staff has heard at Dec. 2 Work Session:

- Separate unhosted and hosted STRs from dedicated STRs
- STRs are a business that require regulation
- Capping the number of dedicated STRs
- Mitigating potential negative impacts of dedicated STRs on residential neighborhoods
- Interest in developing safety standards
- Interest in allowing existing STRs to remain in operation




DRAFT

Types of Short Term Rentals:

Primary Residence STR		Dedicated STR
		
Hosted STR	Unhosted STR	Dedicated STR
<ul style="list-style-type: none">• Primary Residence is on-site with guests• Nightly rental of spare bedroom or ADU	<ul style="list-style-type: none">• Primary Residence is not on-site with guests• Nightly rental of principal dwelling unit or ADU on the same lot as resident-occupied dwelling	<ul style="list-style-type: none">• No resident on-site.• Only used for STR• Nightly rental of a dwelling unit or ADU on a site not used as a primary residence

DRAFT

Current LUMO Provisions & STR Definitions:

Primary Residence STR		Dedicated STR
		
Hosted STR	Unhosted STR	Dedicated STR
<ul style="list-style-type: none"> Home Occupation 	<ul style="list-style-type: none"> Tourist Home Overnight Lodging (Blue Hill District Only) 	<ul style="list-style-type: none"> Tourist Home Overnight Lodging (Blue Hill District Only)

DRAFT

- **Primary Residence:** the dwelling unit or dwelling unit with an accessory apartment on a property in which the host resides a majority of the year (255 days or 70% or more of the time).
- **Primary Residence Short Term Rentals:** the rental of a primary residence that is rented wholly or partly for a fee for fewer than thirty (30) consecutive days to transient guests. (Staff previously used the terms Hosted STR and Unhosted STR to describe this scenario and this definition would encompass both scenarios.) No simultaneous rental contracts are permitted when the host is not on-site.
- **Dedicated Short Term Rental:** the rental of a residential dwelling unit(s) on a property that is not used as a primary residence and is rented in its entirety to one party of transient guests at a time for a fee for fewer than thirty (30) consecutive days. No simultaneous rental contracts are permitted.

- 334 Active STRs in March 2020 (pre-pandemic)
- 235 Active STRs in January 2021
 - 177 Whole-House STRs
 - 148 Whole-House STRs in Residential Zones
 - 29 Whole-house STRS in Non-residential zones
- 218 Active STRs in March 2021

DRAFT

- Allow Dedicated STRs in non-residential zoning districts
- Cap the number of Dedicated STRs in residential zones



DRAFT

Dedicated STR Cap in Residential Zoning Districts:

31

A. 0.5% (114 permits)

B. 1% (228 permits)

C. 1.5% (342 permits)

D. 2% (455 permits)

E. 2.5% (569 permits)

F. 3% (683 permits)



DRAFT

Next Steps & Opportunities for Input

32

Date	Action
March 24	Call for public hearing
Mid-April	Public Information Meeting
April	Planning Commission review and recommendation to Town Council
May	Town Council Public Hearing
June	Town Council Action
July through August	Education campaign on application process
September	Implementation of STR ordinance and accepting STR permit applications

DRAFT



Short-Term Rentals (STRs)

Project Timeline

- June 12, 2019:**
CHALT, Chamber for a Greater Chapel Hill-Carrboro, and local hoteliers submitted a petition asking that the Town of Chapel Hill regulate STRs.
- June 19, 2019:**
Council adopts resolution directing staff to develop updated standards for STRs with input from community stakeholders.
- September 11, 2019:**
Council adopts a resolution creating a charge for the STR Task Force focused on dedicated STRs.
- October 2019– February 2020:**
STR Task Force meets monthly to discuss topics related to STRs.
- February 5, 2020:**
STR Task Force completes their study and makes findings for the Town Council to consider.
- March 6, 2020:**
Council Committee on Economic Sustainability (CCES) meets to discuss STRs and receive update from staff on the work of the Task Force.
- June 17, 2020:**
Council dissolves the STR Task Force and directs staff to consider next steps.
- October 2, 2020:**
CCES meets to discuss STRs and possible ordinance provisions.
- December 2, 2020:**
Town Council meets during work session to discuss STRs. Council expresses interest in providing caps on the number of Dedicated STRs permitted in the community.

For more information, please visit: <https://chplan.us/ChapelHillSTRs>

What are STRs?

A short-term rental (STR) is the renting of all or part of a residential dwelling unit for a period of less than 30 days for compensation.

The emerging phenomenon in the number of STRs has significantly increased in the last five years with the support of websites such as Airbnb, Homeaway, and VRBO. The Town’s Land Use Management Ordinance (LUMO) predates the rise of STRs. It currently does not allow for this use, except under the definitions of Home Occupation, Tourist Home, and Overnight Lodging (in the Blue Hill District only).

Types of STRs:

Primary Residence STR		Dedicated STR
Hosted STR	Unhosted STR	Dedicated STR
<ul style="list-style-type: none"> Primary resident (R) is on-site with guests (G) Nightly rental of a spare bedroom or accessory dwelling unit 	<ul style="list-style-type: none"> Primary resident (R) is not on site with guests (G) and has vacated the site during the guests’ stay Nightly rental of a principal residential dwelling unit or an accessory apartment located on the same site as a private, resident-occupied dwelling 	<ul style="list-style-type: none"> There is no resident (R). The site is only used for STRs Nightly rental of a residential dwelling unit or accessory structure on a site that is not used as a primary residence
<p>Current LUMO Provisions:</p> <ul style="list-style-type: none"> Home Occupation 	<p>Current LUMO Provisions:</p> <ul style="list-style-type: none"> Tourist Home Overnight Lodging (Blue Hill District Only) 	<p>Current LUMO Provisions:</p> <ul style="list-style-type: none"> Tourist Home Overnight Lodging (Blue Hill District Only)

Proposed Definitions:

Primary Residence Short Term Rentals: the rental of a principal dwelling unit that is rented wholly or partly for a fee for fewer than thirty (30) consecutive days to transient guests.

Dedicated Short Term Rental: the whole-house rental of a residential dwelling unit that does not have a principal resident for a fee for fewer than thirty (30) consecutive days to tran-

Next Steps



- March 5: Town Council input at Council Committee on Economic Sustainability (CCES) meeting
- April: Public Information Meeting
- April: Planning Commission reviews ordinance
- May: Council reviews ordinance
- June: Possible Council action on ordinance

Exhibit 3 – Short-Term Rental (STR) Background & Data

University Towns and STRs

During the November 6, 2019 STR Task Force meeting, Rebecca Badgett, an attorney with the UNC School of Government provided an overview on how other university towns approach STR regulations. This table summarizes her findings and has been updated to reflect current conditions:

College Town	Number of undergrads enrolled	Primary Residence (Hosted STRs)	Dedicated STRs
Berkeley, CA ¹	31,870	Up to 90-days of unhosted rentals	Prohibited
Boulder, CO ²	29,624	Accessory Dwelling Units limited to 120 days/year	Prohibited
Chapel Hill, NC	19,117	TBD	TBD
Fort Collins, CO ³	26,559	Up to 90 days per year	Prohibited in high-density residential
Kansas City, MO ⁴	11,315	Up to 95 days of unhosted rental	Year-round STRs require approval from 55% of adjacent property owners
Lawrence, KS ⁵	27,619	Allowed. Owner is defined as residing in the unit for more than 270 days/year.	Prohibited in Single-Dwelling Residential zoning district
Madison, WI ⁶	33,456	Up to 30 days of unhosted rentals	Prohibited
Nashville, TN ⁷	23,290	Allowed	Not allowed in residential zones, but permitted in mixed-use and commercial zones

¹ <https://www.codepublishing.com/CA/Berkeley/?comp-Berkeley23C/Berkeley23C22/Berkeley23C22.html>

² <https://bouldercolorado.gov/plan-develop/short-term-rentals>

³ <https://www.fcgov.com/shorttermrentals/>

⁴ https://library.municode.com/mo/kansas_city/codes/zoning_and_development_code?nodeId=ZODECOKAMI_30_0_SERIESUSRE_88-321SHTERERE_88-321-01AP

⁵ https://lawrenceks-my.sharepoint.com/:b/g/personal/webmaster_lawrenceks_org/EV5_eoKv5_BFigH4i5qMuDwB_C1vDwll_khuhL96OF6Yrg

⁶ <https://www.cityofmadison.com/dpced/bi/regulations/3449/>

⁷ <https://www.nashville.gov/Codes-Administration/Short-Term-Rentals/Permit-Types.aspx>

Short-Term Rentals and Motels/Hotels

Staff has provided a brief summary of the similarity and differences between short-term rentals and motels/hotels.

Short-Term Rental	Motels/Hotels
<ul style="list-style-type: none"> Rental of all or part of a residential dwelling unit for compensation for 30 days or less Houses fall under residential building codes; multi-family units fall under commercial building codes. Responsible for paying occupancy tax. (Taxes are usually collected by hosting platform and remitted to the town) May be managed by a property owner or management company. Property owner sets the rental rate and duration. It may or may not be reflective of market demand. Emerged as part of shared economy, providing property owners an opportunity to rent unused space or housing units 	<ul style="list-style-type: none"> A building or group of buildings containing in combination ten (10) or more lodging units intended primarily for rent or lease to transients by the day or week, as distinguished from residence halls, in which occupancy is generally by residents rather than transients. Fall under commercial building codes. Health and safety codes apply Responsible for paying occupancy tax. Motel/hotel staff is typically on-site to manage and aid guests

Market Trends

Prior to the pandemic, the Chapel Hill community saw a significant growth in STRs. Since March 2020, the number of active STRs has decreased by 22.5%.

Many of the trends staff initially presented to Council about the makeup of STRs have remained consistent according to [AirDNA](#).

	Total Number of STRs	Rental Type	Rental Size
Jan. 2021	235	76% Entire House 24% Private Room	2.2 Bedrooms/ 5.4 guests on average
March 2020	334	71% Entire House 29% Private Room	2.1 Bedrooms/5.3 guests on average
July 2019	338	67% Entire House 33% Private Room	Data not collected
Averages	302	71% Entire House 29% Private Room	2.1 Bedrooms/5.3 guests on average

Short-Term Rentals & Zoning

We collected data on STRs from 2014 to January 1, 2021 to determine trends among STRs. We found:

- 873 total STRs during this period (not all listings were active simultaneously)
- 25,814 residential properties in total
- This equates to about 3.4% of residential units serving as STRs over a 6-year period

To protect their clients' identity, Airbnb provides the coordinates as an estimated longitude and latitude, not a specific address. In some cases, the coordinate location showed a STR where there were no residential addresses. Staff had to approximate the location of a STR by moving it to the closest residential address within a zoning district.

Short-Term Rentals by Zoning District

Staff has summarized the number of residential dwelling units and STRs that occur in each zoning district below. Staff then considered the number of residential dwelling units in zoning districts that were similar in the types of uses that they permitted, and these are shown in bold below. We found:

- Majority (83%) of STRs are located in the Residential (R-) zoning districts. The intent of these zoning districts is to provide residential development with access to major activity centers and transportation systems.
- Town Center (TC), Office/Institutional (OI), Community Commercial (CC) and Neighborhood Commercial (NC) have fewer residential dwelling units, but higher percentages of STRs within each zoning district. These districts offer more amenities to visitors, such as access to transit, restaurants, stores, and other commercial uses. Hotels are permitted in the TC-, CC, OI-3, and OI-4 zoning districts.

Zoning District	Residential Addresses	STRs	% STR
RESIDENTIAL ZONING DISTRICTS	22,929	738	3.2%
R-1	4,834	182	3.8%
R-1A	396	10	2.5%
R-2	4,867	159	3.3%
R-2A	63	0	0.0%
R-3	2,334	129	5.5%
R-4	4,809	134	2.8%
R-5	4,134	70	1.7%
R-6	190	6	3.2%
R-SS-CZD	457	7	1.5%
R-LD1	576	32	5.6%
R-LD5	107	6	5.6%
RT	32	0	0.0%
<i>Historic Rogers Road</i>			
HR-L	70	3	4.3%

HR-M	60	0	0.0%
NON-RESIDENTIAL ZONING DISTRICTS	2,885	135	4.68%
Neighborhood Commercial (NC)	145	9	6.2%
Community Commercial (CC)	9	9	100.0%
Office/Institutional Districts	223	35	15.7%
OI-1	48	8	16.7%
OI-2	171	27	15.8%
OI-3	4	0	0.0%
OI-4 (UNC Zoning District)	103	13	12.6%
Town Center	632	42	6.6%
TC-1	0	0	0.0%
TC-2	175	34	19.4%
TC-3	457	8	1.8%
MU-OI-1	476	4	0.8%
MU-R-1	41	1	2.4%
MU-V	334	12	3.6%
U-1	1	1	100.0%
Blue Hill Form Based Code Districts	912	9	1.0%
WR-3	180	1	0.6%
WR-7	5	1	20.0%
WX-5	163	3	1.8%
WX-7	564	4	0.7%
DA-1	8	0	0.0%
IND	0	0	0.0%
LI-CZD	1	0	0.0%
Total:	27,711	962	3.472%

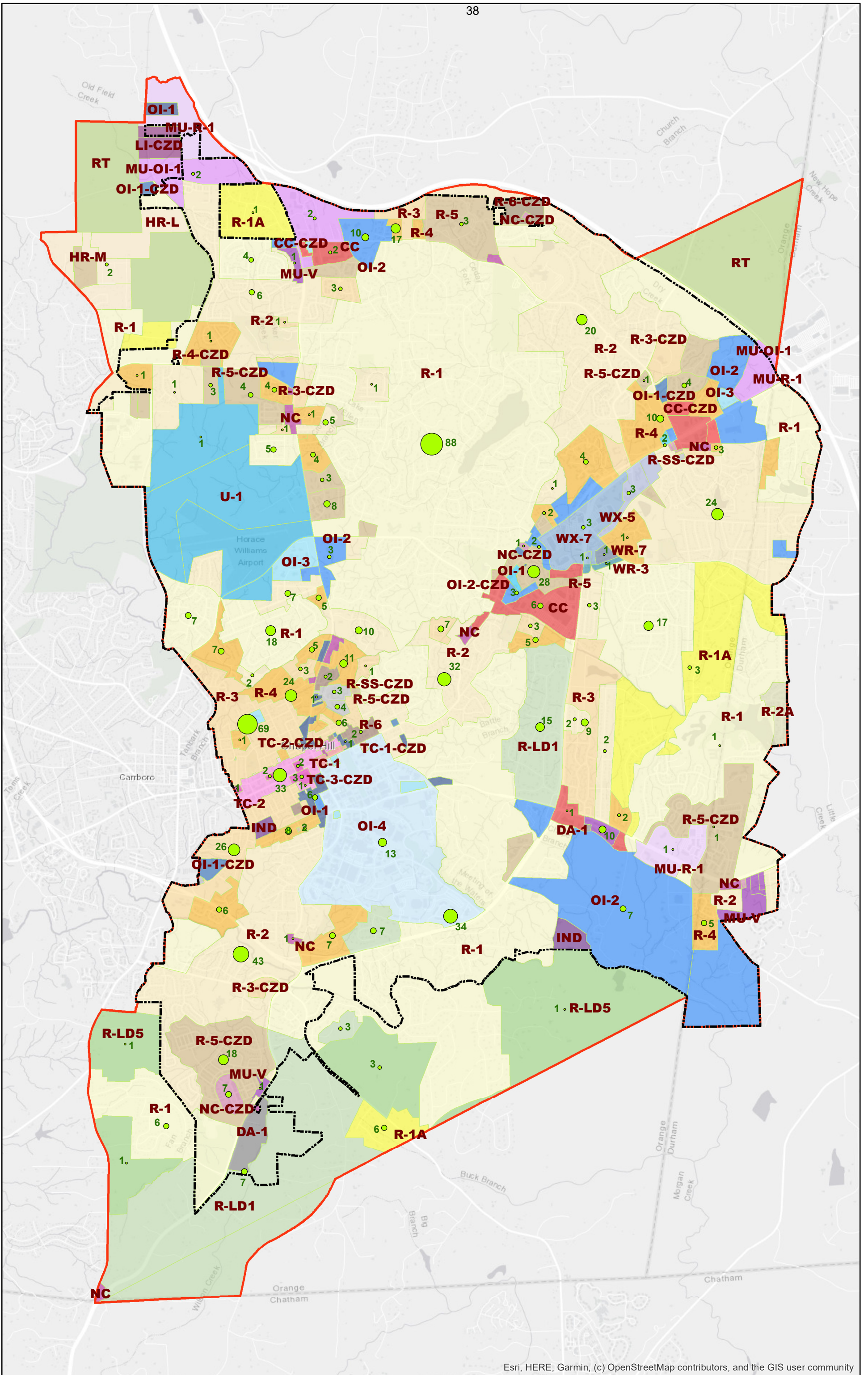


Exhibit 5 – Health & Safety Checklist

Staff proposes including a Health & Safety Checklist as part of the Zoning Compliance Permit. The Town would require applicants to perform a self-inspection of the short-term rental unit to ensure standards are met.

Provisions of the checklist:

1. Fire extinguishers
2. Smoke detectors
3. Carbon monoxide detectors
4. Standard deadbolt locks
5. Safe emergency egress
6. Visible property address
7. 911 address in the unit
8. Designated responsible party's contact information

Short Term Rental (STR) Task Force

Final Findings

The Short Term Rental (STR) Task Force completed their discussions on February 5, 2020. This document summarizes the Task Force's findings regarding regulations for dedicated STRs—those having no primary resident living in the dwelling.

Geographic & Quantitative Requirements

Where/in what zoning districts should dedicated STRs be permitted?

- Campus removed from discussion
- Some members believe dedicated STRs should be allowed anywhere residences are allowed, subject to the same guidelines as other residential uses
- Some members believe dedicated STRs should be allowed only in areas where overnight lodging is currently allowed, given the view that these function more like businesses than residences
- Some members believe dedicated STRs should not be allowed anywhere

How many dedicated STRs should be allowed to operate?

- All members believe the number of dedicated STR permits issued should be capped
- Some members believe dedicated STR permits issued should be capped as a percentage of total housing in each zoning district

Proximity

- Some members believe dedicated STR permits should also have a minimum proximity limitation (i.e. so many feet between STRs)
- Some members do not believe dedicated STR permits should have a minimum proximity limitation

Operational Requirements

Occupancy

- All task force members believe there should be an occupancy cap in dedicated STRs
- Some members believe dedicated STR occupancy should be capped at 2 guests per bedroom plus 4 guests (not restricted to sleeping only in bedrooms)
- Some members believe dedicated STR occupancy should capped per Fire Code

Designated Responsible Party

- All members believe dedicated STRs should be required to list a designated responsible party, who could be the owner of the property
- Some members believe the designated responsible party or their proxy should be available by phone 24/7 and available to respond on site within 2 hours in case of a nuisance issue or emergency

Signs

- All members believe dedicated STRs should not be allowed to post signs advertising its short-term rental use

Insurance

- All members believe dedicated STRs operators should sign an affidavit confirming they have short term rental specific insurance coverage at all times the property is rented

Health & Safety Standards

Should a Safety Standards Checklist be required?

- All members agree dedicated STRs should follow a safety standards checklist.
- Some members believe the safety standards checklist should be displayed to guests with the 911 address in a prominent location on the interior of the STR unit

What to include on a Safety Standards Checklist

- Wall-mounted fire extinguishers accessible from the kitchen area
 - Provide operable smoke detectors with a minimum of one smoke detector per level and per bedroom. Operator is to change batteries annually or upon receiving notice from tenant. (Unanimous agreement)
 - Some members believe dedicated STRs should follow fire department recommendations for fire extinguishers for residential/commercial properties.
- Provide a minimum one operable carbon monoxide alarm per level, either battery-operated or electrical. Operator is to change batteries annually or upon receiving notice from tenant. (Unanimous agreement)
- Use only standard deadbolt locks. No double-keyed deadbolt locks. (Unanimous agreement with wording change)
- Ensure exit doors and windows can be easily opened in an emergency and ensure all levels have safe egress. (Unanimous agreement.)
- Ensure property address is easily visible from the street day or night. (Unanimous agreement)
- Ensure 911 address is posted within the STR and is easily visible to guests. (Unanimous agreement)

Enforcement & Inspections

- Some members believe dedicated STRs should have an initial safety inspection by the Town upon application of a STR permit, followed by self-inspection and a signed affidavit at permit renewal
- Some members believe dedicated STR operators should complete a self-inspection with a signed affidavit at registration and at permit renewal. Safety inspections by the Town would be conducted on a complaint basis.

Grandfathering/Existing STRs:

- Some members believe existing dedicated STRs should be grandfathered from all new regulations.
- Some members believe existing dedicated STRs should be grandfathered into a new ordinance as long as they are in compliance with everything except Geographic & Quantitative requirements subject to a specified date to prevent problematic incentives.
- Some members believe dedicated STRs should not be grandfathered in and must come into compliance with Town ordinance.

Other:

All members agree real estate transactions, such as rent-back or lease-back, is not considered a STR.



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TOWN OF CHAPEL HILL

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

Item Overview

Item #: 3., File #: [21-0199], Version: 1

Meeting Date: 3/17/2021

Glen Lennox Master Plan Update.

Staff:

Colleen Willger, Director
Judy Johnson, Assistant Director

Department:

Planning

Overview: The Glen Lennox Master Plan Update will provide an update to Council on proposed changes to the Development Agreement.



Recommendation(s):

That the Council receive the update and provide feedback.



Attachments:

- Glen Lennox - Master Plan Update

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Judy Johnson, Assistant Planning Director

The purpose of this item is for the Council to receive an update on the Glen Lennox Master Plan and provide feedback.



GLEN LENNOX – MASTER PLAN UPDATE

3.17.2021

WE ARE COMMUNITY BUILDERS

We are setting out to build a neighborhood that is nostalgic yet forward-thinking.

We believe design focused on a vibrant outdoor gathering space will allow us to embrace and emphasize what makes us special: the natural beauty of North Carolina's woodlands, the walkable and bikeable proximity to Chapel Hill's Downtown and UNC, and the shared heritage of a collegial and aspiring atmosphere.





Legend

- | | | | |
|---|-------------|---|---------|
|  | Retail |  | Office |
|  | Hotel |  | Parking |
|  | Residential | | |
|  | Townhomes | | |

DEVELOPMENT AGREEMENT: GUIDING PRINCIPLES

Principle	<i>Action: Updated from the Prior Master Plan</i>
Preserve the Street Network	Adjusted the street grid within the core commercial zone of the neighborhood in order to enhance pedestrian and bicyclist safety.
Transition and Vary Density & Heights	Shifted density to the west to provide a gentle transition between GL and Oakwood.
Principle	<i>Action: Matured Design Intention</i>
Create and Maintain Public Open Space	Progressed open space plans with 2.6 acres of park space south of Lanark Rd.
Create an Effective Transportation Strategy	Connected bike paths throughout the site.
Encourage Community Sustainability	Reviewed stormwater management alternatives – permeable pavers on Hamilton.

Ongoing Principles

<i>Balance Development with Tree Preservation</i>	<i>Value the History of the Neighborhood</i>
<i>Provide Landscaped Buffers for Sensitive Neighbors</i>	<i>Preserve the Church of the Holy Family's Visibility & Accessibility</i>
<i>Keep a Portion of the Buildings</i>	<i>Encourage and Support Community Diversity</i>

Inspirational Imagery





THANK YOU