



## CONSIDER ENDORSING A PUBLIC ENGAGEMENT PROCESS AND CREATE A TASK FORCE FOR A TEXT AMENDMENT ADDRESSING SHORT TERM RENTALS (STR)

### STAFF REPORT

TOWN OF CHAPEL HILL PLANNING DEPARTMENT  
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#### BUSINESS MEETING DATE

September 11, 2019

#### STAFF'S RECOMMENDATION

That the Council adopt a resolution endorsing a public engagement process and creating a task force for a text amendment addressing Short Term Rentals (STRs).

#### ITEM OVERVIEW

The Town Council requested that staff develop STR regulations that reflect input from community stakeholders. Staff developed a proposed public engagement strategy for consideration.

#### DECISION POINTS

1. Endorse staff's proposed public engagement process.
2. Approve composition, role, and process to appoint members to the task force.
3. Appoint stakeholders to the task force at the October 2, 2019 meeting.

#### PROJECT OVERVIEW AND BACKGROUND

An STR is some or all of a residential unit rented for 30 days or less. There are currently over 300 STRs in Chapel Hill. Staff provided an overview of this topic to the Town Council Committee on Economic Sustainability on [June 7, 2019](#)<sup>1</sup>. On [June 12, 2019](#)<sup>2</sup>, Council received a petition on the topic of STRs.

The current Land Use Management Ordinance (LUMO) predates the rise of STRs. The Land Use Management Ordinance (LUMO) currently permits STRs under these existing land use definitions:

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

On [June 19, 2019](#)<sup>3</sup>, the Council authorized the Town Manager to develop updated standards with input from community stakeholders. In response, staff proposes the following public engagement strategy:

- Create a task force of eleven members that will provide recommendations to the Council.
- Survey the public.
- Host an open house in September to begin the project.
- Schedule meetings with the task force for input on proposed ordinance goals and provisions.
- Hold a second public information meeting to gather input on the draft text amendments.

Staff has partnered with Rebecca Badgett of the UNC School of Government to help draft an ordinance based on community feedback.

At the June 19, 2019 meeting, the Council also asked staff to not enforce the current regulations due to the pending text amendments. Based on a proposed timeline, we anticipate that the Council could enact an ordinance in the spring of 2020. Once an ordinance is adopted, staff could then implement an education campaign informing STR operators and stakeholders of the new ordinance's provisions. Staff would also explore opportunities for using software that would aid in enforcing the regulations provided in the new ordinance.

#### CREATION OF A TASK FORCE

The Council stated their interest in receiving community input on STR regulations. Staff recommends appointing a task force to meet regularly and discuss key topics related to STRs. If approved, staff would share progress updates from the task force with Council throughout the process.

Staff recommends that the Council appoint advisory board champions and community members to serve on the task force. The group should represent the different stakeholder interests such as STR operators, hoteliers, as well as other members of the community. Council could consider the following methods for appointing members:

- Advisory board champions reviewing the community members' applications and forwarding a recommendation to Council.

<sup>1</sup> <https://www.townofchapelhill.org/home/showdocument?id=43031>

<sup>2</sup> <https://chapelhill.legistar.com/View.ashx?M=F&ID=7306654&GUID=5BAABE66-6F2E-4458-9F12-C2FE2F1F209E>

<sup>3</sup> <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3985501&GUID=BFA3AA22-D1D1-4D51-9285-1C4FE6B2FF99>

- Council Committee on Advisory Boards and Commissions reviewing the community members’ applications and forwarding a recommendation to Council.

Staff recommends that the Council consider the composition of task force members as outlined below:

<b>Interest</b>	<b>Membership</b>	<b>Seats</b>
<i>Advisory Board Champions:</i>		
Community Design Commission (CDC)	Chair or Member designated by Commission	1
Historic District Commission (HDC)	Chair or Member designated by Commission	1
Housing Advisory Board (HAB)	Chair or Member designated by Board	1
Planning Commission	Chair or Member designated by Commission	1
Transportation and Connectivity Advisory Board (T-CAB)	Chair or Member designated by Board	1
<i>Community Members:</i>		
Short Term Rental Operator or Advocate	Member appointed by Town Council	2
Hotel Operator or someone knowledgeable about lodging	Member appointed by Town Council	2
Community members at-large	Member appointed by Town Council	2
<b>Total Number of Members:</b>		<b>11</b>

If the structure is approved by the Council, staff would post the application for Task Force membership online on September 12, 2019, and extend invitations to interested community members to apply. The final composition of the task force could be approved by Council on October 2, 2019.

**PROPOSED CHARGE OF THE TASK FORCE**

1. Identify goals of developing an effective STR ordinance for staff to share with the Council on November 18, 2019.
2. Attend regularly scheduled meetings where staff and guest speakers will present qualitative and quantitative information to help guide larger discussions on themes related to STR regulations.
3. Actively participate in meetings to review and deliberate on themes related to STRs. Work with staff to identify topics needing further discussion as needed.
4. Identify impacts of possible STR regulations on various stakeholder groups as presented by staff. Seek a balanced approach to regulating STRs in a way that reflects the views of multiple stakeholder groups.
5. Develop a set of final recommendations for STR regulations that can be translated by staff and presented to the Council for consideration and enactment in spring 2020.

**ATTACHMENT**

1. Draft Staff Presentation
2. Resolution
3. Proposed Public Engagement Schedule