



Key Considerations for Short Term Rentals (STRs)



Town Council Work Session

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Rebecca Badgett
UNC School of Government

Anya Grahn, Senior Planner
Planning Department




Decision Points

- Reaffirm the Council is interested in allowing Dedicated STRs
- Agreement with revised definitions that have separated Hosted and Unhosted STRs from Dedicated STRs
- Consider placing a cap on the number of Dedicated STRs




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

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

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)

Proposed Definitions:

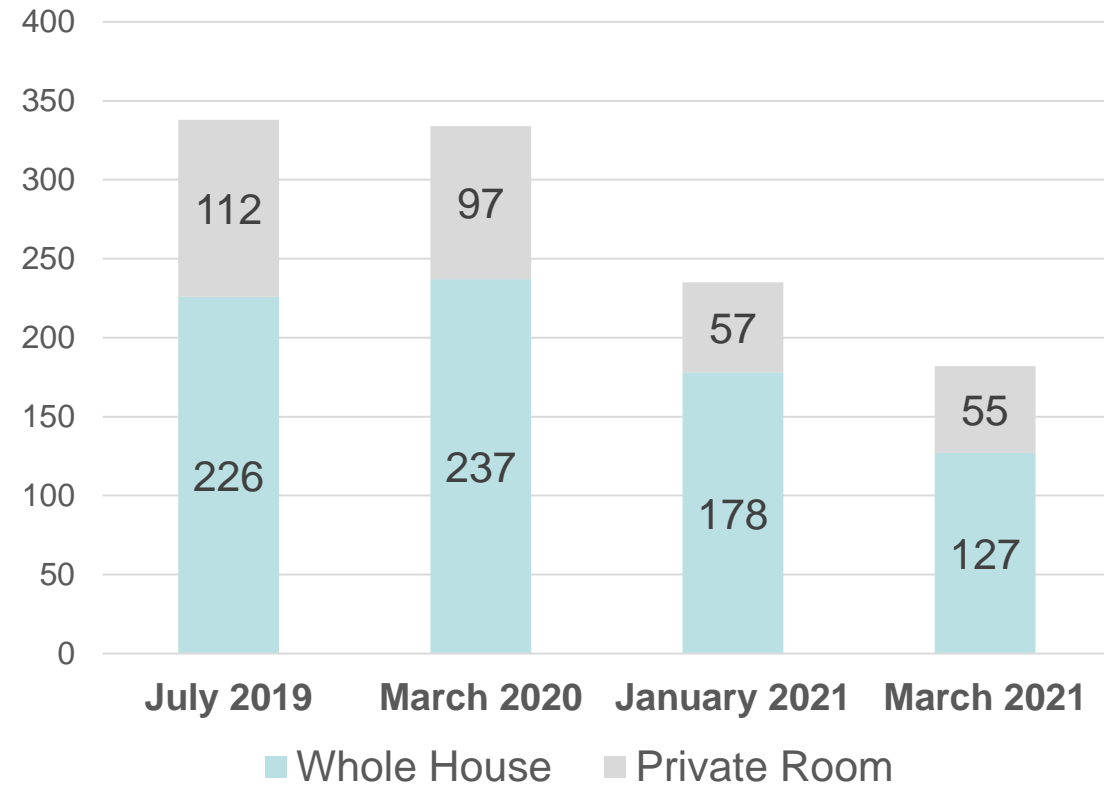
- **Primary Residence:** the dwelling unit or dwelling unit with an accessory apartment on a property in which the host resides a majority of the year (255 days or 70% or more of the time).
- **Primary Residence Short Term Rentals:** the rental of a primary residence that is rented wholly or partly for 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.

Proposed Definitions:

- **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.

STR Data & Trends:

Estimated Number of STRs



- Average of 71% Entire House Rentals
- Average 29% Private Room Rentals
- About 40% decrease in number of STRs since July 2019
- Currently estimated 0.7% of residential addresses used as STR

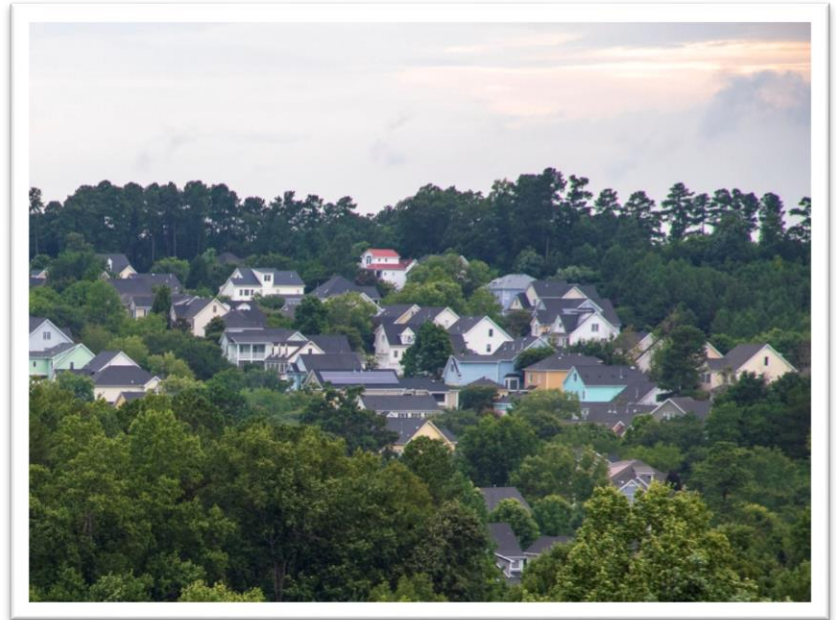
STR Pilot Program:

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



Dedicated STR Cap in Residential Zoning Districts:

- A. 0.25% to 0.5% (65-129 permits)
- B. 0.75% to 1% (193-258 permits)
- C. 1.5% to 2% (387-516 permits)
- D. 2.5% to 3.0% (645 -774 permits)



**** NOTE: Based on 25,814 total residential addresses in January 2021**

Caps for Multi-Family Housing Units:

Is Council interested in establishing a cap on the number of units in a Multi-Family Housing Units?

This would impact:

- A. Apartments
- B. Condominium Developments
- C. Townhouse Developments

Next Steps & Opportunities for Input

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

Additional Slides

STR Task Force Findings for Dedicated STRs

Agreement

- Number of STR permits should be capped
- Occupancy cap
- Designated responsible party
- Insurance
- No exterior signs
- Safety Standards Checklist

Ranges of Opinions

- Zoning and location of STRs
- Self inspection vs. safety inspection by the town
- Grandfathering existing STRs

Short Term Rentals (STRs): Background

Date	Milestone
June 2019	CHALT, Chamber, and local hoteliers submit a petition Council directs staff to develop STR standards
Sept. 2019	Council creates STR Task Force
Oct. 2019 – Feb. 2020	STR Task Force met monthly to discuss ordinance provisions
Feb. 2020	STR Task Force completes study and makes findings

Short Term Rentals (STRs): Background

Date	Milestone
March 2020	CCES meets to discuss next steps
May 2020 – June 2020	STR Virtual Open House Survey
June 17, 2020	Council dissolves task force
Oct. 2020	CCES meets to discuss next steps
Dec. 2020	Council work session
March 5, 2021	Staff provides update at CCES meeting

STR Task Force Findings for Dedicated STRs

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Additional Operational Requirements

Provisions

- STR permit
- Parking
- Signs
- Minimum rental age
- Minimum rental duration
- Notice
- Taxes
- Three strikes, you're out