



Short Term Rentals (STRs)

Town Council
June 19, 2019



Staff recommends that the Council adopt resolution R-6 authorizing the Town Manager to:

- 1) Develop updated STR standards with input from community stakeholders
- 2) Conduct appropriate enforcement efforts in short-term
- 3) Conduct education campaign prior to implementation of new regulations
- 4) Explore possible enforcement assistance from third party vendors

Rapid expansion of the sharing economy

Travelers:

- Online booking; competitive pricing
- New options for accommodations
- Growing interest in lifestyle travel

Operators:

- New income generating opportunity
- Leveraging an underutilized asset
- Sharing over consuming

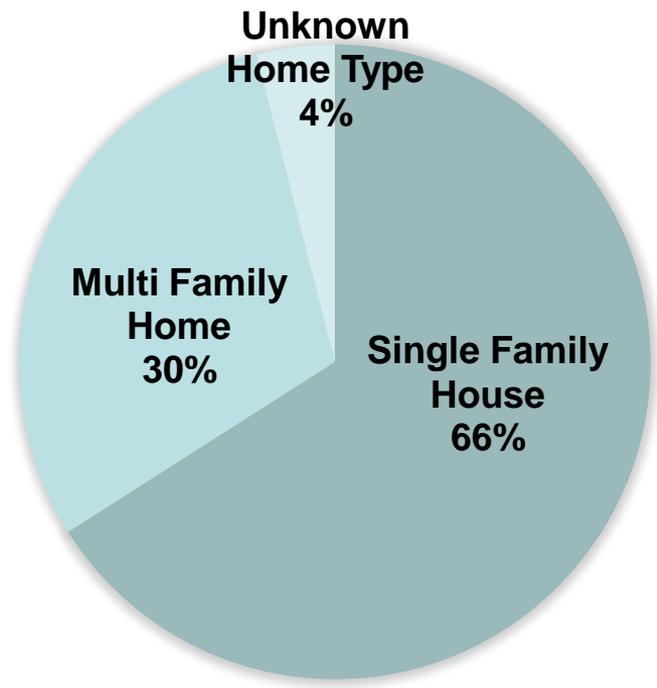
What we've learned:

- +300 STRs currently
- \$5 million in revenue in 2018
- Approx. 40% increase in room nights, 2017 to 2018

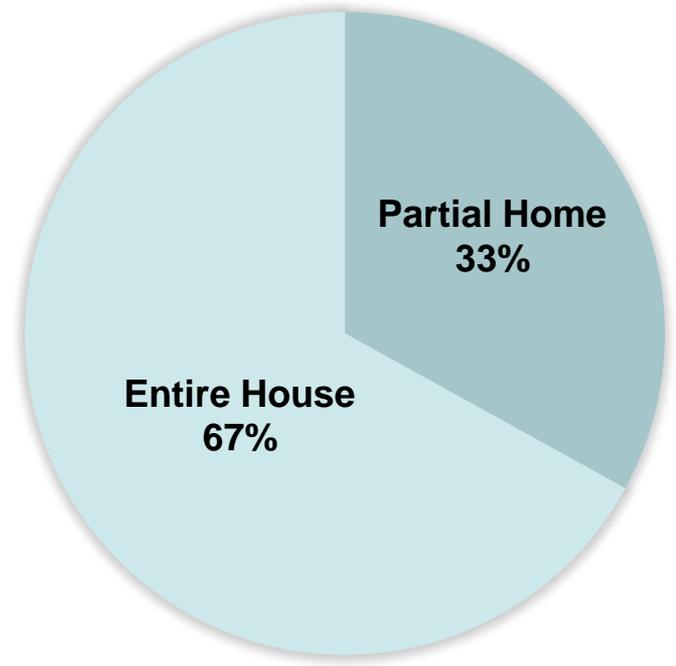
Short Term Rentals: Key Issues

- Current LUMO regulations predate rise of STRs
- Health & safety concerns
- Potential missed occupancy tax revenue
- Community benefits and impacts
- Limited staff capacity for enforcement

Listing Type



Unit Type

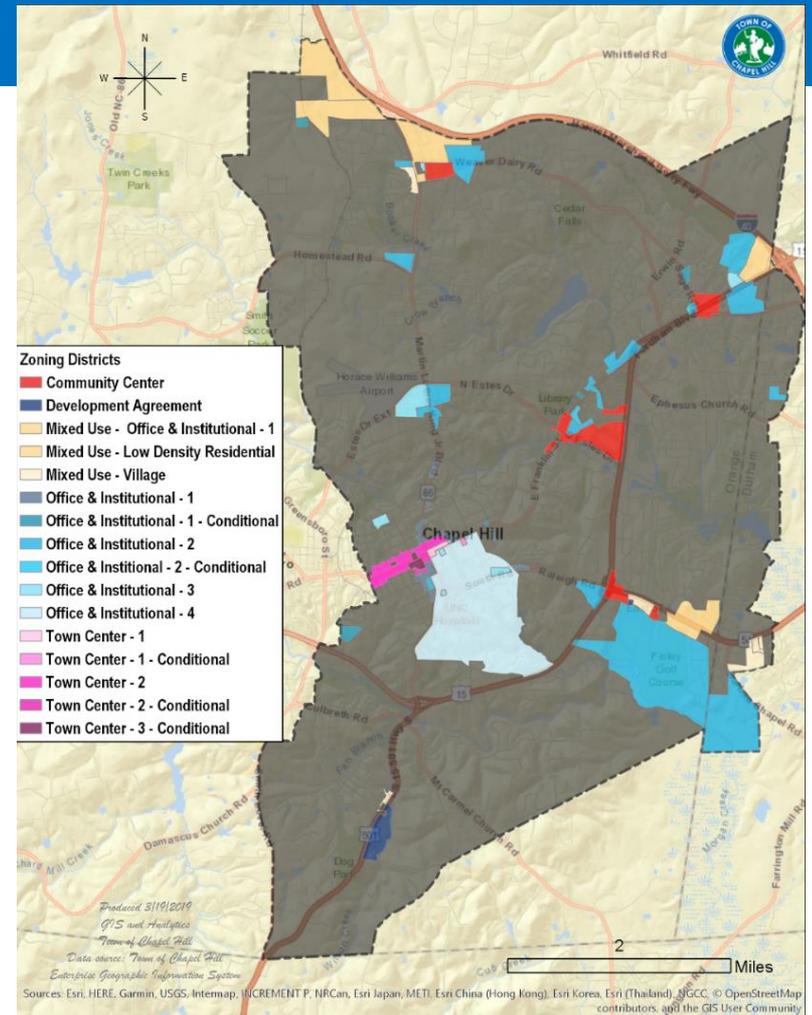


Short Term Rentals: Terms



- Short-Term Rental
 - Hosted
 - Unhosted
 - Dedicated Vacation Rental
- Home Occupation
- Tourist Home
- Overnight Lodging

Zoning Districts Permitting Tourist Home



Short Term Rentals: Feedback to Date

Neighbors:

- Parking
- Noise
- Strangers in the neighborhood

Hoteliers:

- Level playing field
- Impacts to business

STR Operators:

- Customer demand for this option
- Customer reviews help ensure appropriate use
- STR revenue is important source of personal income

Staff:

- Health and safety
- Occupancy tax revenue

Short Term Rentals: Enforcement Resources

- Limited staff capacity
 - One zoning compliance officer for town
- Third-party vendors:
 - Can help identify STRs
 - Can assist with selected enforcement activities
 - \$5,000-\$25,000/year
 - Additional staff time still required

Short Term Rentals: Preliminary Timeframe for Staff Approach

Short Term:

1. Outreach, Education & Enforcement

- Create webpage
- Inform STR operators of applicable regulations
- Inform property owners of complaints
- Other?

Next 6-12 Months:

2. Ordinance Update

- Engage community stakeholders and receive input
- Identify key goals
- Check in with Council
- Draft updated standards
- Present for Advisory Board review and Town Council review and approval

3-6 Months After New Ord:

3. Education & Enforcement

- Conduct education campaign on new ordinance
- Enforce new standards

Short Term Rentals: Legislative Update

- NCLM reports possibility of state STR legislation
- Could preempt local governments from establishing jurisdiction-specific STR regulations
- No specific bill filed on this topic; language could be included in other legislation

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Discussion & Feedback

Short Term Rentals: Degrees of Enforcement

