

03-17-2021 Town Council Meeting Responses to Council Questions

ITEM #2: Short-Term Rental (STR) Regulations Discussion

Council Question:

If you have an entire apartment building used solely as STRs, what regulations would apply to it - STR, LTR, or does use not matter?

Staff Response:

Long-Term Rentals (LTRs) would be those rentals for 30-days or more; month-to-month leases would fall under this category. Under staff's current proposal, the number of STR permits available would be based on the cap for residential zoning districts as a whole; there would be no regulation specific to multi-family dwelling units (i.e. no more than 25% of units may be used as STRs).

Council Question:

I don't understand the logic of using the total number of STR's as the basis for setting a cap on dedicated-only STR's. If we don't know what % of the total is dedicated or not, couldn't we inadvertently allow far more than already exist?

Staff Response:

Yes, the cap could inadvertently allow for more dedicated STRs than currently exist. Staff had heard from Council that there was an interest in placing a cap on the number of dedicated STRs as these were more impactful to residential neighborhoods than primary residence STRs. As there is no way to determine the number of dedicated STRs in the community without a permitting system, staff suggested the proposed caps ranging from .5% to 3% based on the data provided. These statistics reflect all types of STRs, not just whole-house rentals.

Council Question:

Do you have the number of active primary residence and/or dedicated STRs broken down by area of town?

Staff Response:

There is currently not a way for us to distinguish between "primary residence" and "dedicated" STRs on AirDNA.

In Exhibit 3—STR Background and Data, staff provided a summary on the number of STRs in each zone from 2014 to 2021. Based on data collected, staff found that there was a total of 324 active STR listings in 2020. This reflects all types of STRs- hosted, unhosted, and dedicated STRs.

03-17-2021 Town Council Meeting Responses to Council Questions

The table below summarizes the approximate location of these STRs in each zoning district based on the geocoordinates provided by AirDNA. (As a reminder, Airbnb provides the coordinates as an estimated longitude and latitude, not a specific address to protect their clients' identity. 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.)

Zoning District	Residential Addresses	STRs	% STR
RESIDENTIAL ZONING DISTRICTS	22,929	271	1.18%
R-1	4,834	81	1.7%
R-1A	396	4	1.0%
R-2	4,867	65	1.3%
R-2A	63	0	0.0%
R-3	2,334	41	1.8%
R-4	4,809	46	1.0%
R-5	4,134	16	0.4%
R-6	190	4	2.1%
R-SS-CZD	457	2	0.4%
R-LD1	576	10	1.7%
R-LD5	107	2	1.9%
RT	32	0	0.0%
<i>Historic Rogers Road</i>			
HR-L	70	0	0.0%
HR-M	60	0	0.0%
NON-RESIDENTIAL ZONING DISTRICTS	2,885	53	1.8%
Neighborhood Commercial (NC)	145	6	4.1%
Community Commercial (CC)	9	6	66.7%
Office/Institutional Districts	223	13	5.8%
OI-1	48	6	12.5%
OI-2	171	7	4.1%
OI-3	4	0	0.0%
OI-4 (UNC Zoning District)	103	6	5.8%
Town Center	632	13	2.1%
TC-1	0	0	0.0%
TC-2	175	9	5.1%
TC-3	457	4	0.9%
MU-OI-1	476	0	0.0%
MU-R-1	41	0	0.0%
MU-V	334	3	0.9%

03-17-2021 Town Council Meeting Responses to Council Questions

Zoning District	Residential Addresses	STRs	% STR
U-1	1	1	100%
Blue Hill Form Based Code Districts	912	5	0.5%
WR-3	180	1	0.6%
WR-7	5	1	20.0%
WX-5	163	1	0.6%
WX-7	564	2	0.4%
DA-1	8	0	0.0%
IND	0	0	0.0%
LI-CZD	1	0	0.0%
TOTAL (ALL ZONING DISTRICTS):	25,814	324	1.3%

Council Question:

On p. 21, would the listed contemplated caps be for each residential zoning district or residential zoning districts in total?

Staff Response:

The proposed caps on page 21 would be for all zoning districts as a whole, not the individual zoning districts. Staff proposes that Council launch a pilot program so that staff may determine the actual location of operating STRs and determine trends. Staff can return to Council with this data in the future and amend the STR ordinance, as necessary, to address any concentrations of STRs in specific zoning districts or neighborhoods.

Council Question:

Has staff given any more thought to whether permits, in the pilot program, would be applied for and distributed in a lottery system, first-come/first-serve basis or via another method? If so, what is staff's assessment at this stage?

Staff Response:

Staff's recommendation would be that permits are issued on a first-come, first-serve basis; however, staff is interested in Council input.

Council Question:

Is there any way in which we can get a good idea of how many dedicated STRs we have (versus just whole house, which presumably contain a number of Primary Residence ones)?

Staff Response:

There is currently not a way for us to distinguish between "whole-house" and "dedicated" STRs

03-17-2021 Town Council Meeting
Responses to Council Questions

on AirDNA. Staff has provided analysis on the number of STRs that have existed over a six-year period from 2014 to 2021 (see Exhibit 3) as well as the number of STRs that existed in 2020 (above). Staff has used the data provided to estimate approximate caps.