

Anya Grahn

Subject: Re: Short Term Rentals

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Anya -

Thanks so much for forwarding me the STR information so quickly. I've passed it onto my tenant and have asked her to share it with her neighbor on the other side.

Briefly, the issues I would like the Task Force to be aware of are as follows -

The safety of residents and how carefully (if at all) the STR guests are vetted.

Noise and trash that are likely to be generated in greater quantity from short term renters rather than by a long term renter or owner.

Parking problems. Previously my tenant could almost always park directly in front of her home. Now she rarely can, which is both an inconvenience and potential safety risk, particularly given the transient nature of short term renters.

The difference between an owner-occupied STR and an unhosted one. The problems I've described are more more likely to occur when, as in this case, the owner lives elsewhere and is not affected by them.

The potential loss of both a renter and property value for me. I would feel obligated reveal the presence of an STR to to any future renter or buyer and doubt anyone would want to live in my property with an STR next door.

I hope to be able to attend the December 11 Task Force Meeting. Can you tell me if I need to register to attend/ speak or need to know anything else before the meeting. If you are there I'd love to say hello and thank you for your help in person.

Cynthia A. Connolly
Sent from my iPad

On Nov 20, 2019, at 11:43 AM, Anya Grahn <agrahn@townofchapelhill.org> wrote:

Cynthia,

It was great to talk to you today and learn a bit more about the Short Term Rental (STR) in your neighborhood. As we discussed, the Town is currently working on developing a STR ordinance. The Council has appointed a STR Task Force that meets regularly to discuss different topics related to STRs. You can read more about this on the Town's STR webpage (<https://www.townofchapelhill.org/town-hall/departments-services/short-term-rentals>). The

community is welcome to attend these meetings and share their thoughts on this topic or they may send me a letter or email that I can share with the Task Force about their thoughts on dedicated STRs.

While the Town is not enforcing against the use of STRs while we work on the ordinance, you can still contact us to report nuisances. Please see this webpage for more information:
<https://www.townofchapelhill.org/town-hall/departments-services/a-z-services/good-neighbors>.

Finally, I have talked to our Inspections and Code Enforcement Officers about the number of people staying in the two-bedroom unit. The Town does require that no more than four unrelated people live in a unit, but this rule does not apply to STR guests. Similarly, the Building Code only addresses occupancy from a design standpoint. Occupancy from a design standpoint assists in determining live and dead loads, egress components such as distances to exits etc.

Please let me know if you have any additional questions.

Anya Grahn, Senior Planner

Long-Range Planning Division | Planning Department
405 Martin Luther King Jr Blvd. | Chapel Hill NC 27514

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t: 919-969-5059 | agrahn@townofchapelhill.org

Anya Grahn

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Revised below

Subject: RE: Task force

Anya, thank you for your prompt response. We appreciate it.

I understood those dates from the article in today's Daily Tar Heel, Nov 13. Perhaps I've misunderstood it and am glad the process continues.

On the valuation of adjacent property, specific appraisals of adjacent property may be unavailable to the task force, but appraisers or real estate professionals might have an opinion as to whether a negative value adjustment could occur in the future due to neighboring short term rentals. I hope that is not the case, perhaps it increases valuation.

Maybe it's a question for an academic in the Business School or City Planning.

Feel free to convey my concerns. Thank you for working on it and for listening.

Greg Warwick, AIA
500 Highgrove Dr.
27516

Subject: RE: Task force

Greg and Nancy,

Thank you so much for your email, and I'm sorry that this is the first you are hearing of the Town's efforts to develop a Short Term Rental (STR) ordinance. It's not too late and there are still ways for you to be involved.

As a bit of background, we have been working on this topic for some time. In June 2019, Town Council directed staff to develop an ordinance to address STRs and we received a [petition](#) from hoteliers and neighborhood residents around that time. In September, the Town Council approved staff's proposed public engagement program to move forward on creating an ordinance. As part of that, they created the STR Task Force that is comprised of STR operators and advocates, hoteliers, and community members at large.

The Town Council has charged the Task Force with making recommendations on regulations for STRs. They asked that the Task Force not look at parking, garbage, and noise as these are issues that our Code Enforcement and Police Departments are currently looking into on a town wide basis.

Information from these past meetings as well as upcoming meetings is available on the Town's STR [webpage](#).

1. We have not found research specific to Chapel Hill and the impact of STRs on property values in our community.
2. The STR Task Force's last meeting was November 6th, but they will be meeting through January. We anticipate presenting Town Council with a draft ordinance in March 2020. I'm not sure where you ran across the September to November 6th dates. No regulations have been adopted at this time because we are still working through the topic with the Task Force.

All are welcome to attend the Task Force meetings, and we do save a few minutes at the end for public comment. As stated in the article, Celie Richardson is an attorney representing Eric Plow who does STRs in Chapel Hill. I'm not aware of any counsel specific to other homeowners or HOAs.

I hope that helps and please let me know if you have any questions.

Anya Grahn, Senior Planner

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Subject: Task force

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Anya, I live in Southern Village now for 19 years and recently have noticed multiple Air B&B's or equivalent across the Street. Or so it seems. I don't understand why we did not know of your task force or survey. But I did catch the article in the Daily Tarheel just today.

I do have input regarding Short term rentals:

1 Are you considering impact to adjacent property values and the CH tax base in allowing these businesses in residential neighborhoods?

This is my concern.

Parking on the street and in front of my house on Highgrove is affected. But as long as no house parties are allowed by the guests.

we would have no problem, save the impact on appraised value.

I would suggest you task force consult several local appraisers for their opinions on neighborhood impact on values.

2 I also wonder why this work is taking place so fast. September to Nov 6?

The article says the rental business has counsel, could you tell me is representing SV or other home owners?

Thanks

Greg Warwick
500 Highgrove Drive
27516

Anya Grahn

Subject: Articles re Short-Term Rentals-- Grahn/Chapel Hill

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Ms. Grahn-

I might strongly encourage you to refer the Task Force on Short Term Rentals to the following 2 recent and informative articles re the issue of Airbnb vs the residents of Jersey City, NJ. Jersey City has become an Airbnb haven for visitors to NY City that restrict Airbnb rentals.

According to the articles:

Beyond quality-of-life complaints, noise, trash and safety concerns many residents worried that Airbnb was being used to remove entire swaths of apartments from the rental market, potentially raising rents in a city already grappling with the pressures of displacement. The ordinance (now passed) would target the main source of residents' ire: large-scale operators renting out dozens of apartments on Airbnb to tourists.

Regards,
Harvey Krasny

~~~~~  
NY Times. Nov 5, 2019

Airbnb Suffered a Big Defeat in Jersey City. Here's What That Means.

Restrictions approved by voters on Tuesday followed concerns over rising rents. They were a rebuke of Airbnb as it prepares to go public.

<https://www.nytimes.com/2019/11/05/nyregion/airbnb-jersey-city-election-results.html>

NY Times, Oct 30, 2019

Where a \$5 Million War Rages Between Airbnb and the Hotel Industry

<https://www.nytimes.com/2019/10/30/nyregion/jersey-city-airbnb-vote.html>

**Anya Grahn**

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**Subject:** Fwd: Fwd: Short term rentals and regulation

just fyi

----- Forwarded Message -----

**Subject:** Fwd: Short term rentals and regulation

**Date:** Wed, 6 Nov 2019 10:45:35 -0500

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----- Forwarded Message -----

Hi All,

Here is a new news article on how one city voted to manage short term rentals.

<https://www.nytimes.com/2019/11/05/nyregion/airbnb-jersey-city-election-results.html>

Linda Carol Davis

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Hi Anay,

I will be unable to attend the meeting on the 11th but do have some thoughts.

Please consider that I own a home in Maine that I do rent via VRBO and also I own a home in Mill Race, in Chapel Hill, where we have had some abuse of the short term rental situation. Our neighbors are also close to each other in this community.

I do think we need a fire safety inspection as they do in Maine, and I think it should be updated regularly. Maine collects a 9% fee on all short term rental accommodations (less than a month).

I rent my entire house in Maine and I am not there to supervise but I do have a caretaker that can be called for emergencies. My property is an entire acre and my neighbors do not see my house. (Each parcel is an acre minimum.) Renting has helped me maintain my possession of this home for my own pleasure during the summer or a part of it when I do come up to Maine, until, hopefully, I will spend more time there.

Here in Mill Race, a neighbor (not close to me) rented their entire home out repeatedly. It caused annoyance to another set of neighbors on each side since our homes were so close and the noise levels were high. Visitors came to the area to enjoy themselves and when they went outside they disturbed the home-owning neighbors around them. Our permanent neighbor (who was renting this property) was nowhere to be found to complain to or contain the situation.

We thought we had an HOA that forbade this situation but it was drafted close to 20 year ago when STRs were not on the horizon. Two attorneys read the document differently. Further, we thought we had zoning in the area that forbade this but our neighbor who rented his home ignored this and it seemed the city had no means of enforcement. We were just entering a situation where we might have had to go to court with all that expense. Getting an HOA covenants changed was a big deal, difficult and costly. We modernized the Mill Race covenants, ultimately, to allow 3 month rentals or longer, once a year. We understood that our neighborhood, close to the university, might have academic personnel who might need to take a sabbatical and this change would allow for that and also for rentals in times of economic situations where a quick sale of a house was not going to happen.

From a home-owners view point and a real estate agents' view point, I'd want to know that my community is or is not friendly to STRs. I might choose or not choose to live in an area where I had young children, for example, and had an active STR nearby. But as a real estate agent, I have used a contract that allows the short term rental of a home that a buyer is going to take possession of but has not yet bought. Real estate contracts must conform to your changes.

From a public safety point of view, I look out for my neighbors. There is a sense of community if you know who is in your neighborhood. When unknown people, however friendly, appear in your neighborhood, it changes it. In Maine, entire neighborhoods were "hollowed out" so that the resident owners had no one to go to for a cup of sugar or to help each other with a flat tire. Public safety and satisfaction decreases when you don't know your neighbors and actually don't have a neighbor for a part of the year. (Particularly in neighborhoods that have homes close to each other.)

On the subject of vetting: One might say, well, these renters are rated by the homeowner so each renter has been vetted and has a history of vetting. Please be aware that the homeowner gets to rate the visitor before the visitor rates the homeowner. Could that have an impact on the owner's published rating? It will. How many owners

will overlook small problems in order to maintain a good published rating? Thus, using ratings as a method of vetting STR renters is flawed. Further, what does one do with a seemingly nice renter without a history of prior vetting?

Also on the topic of STR business model, there is enormous pressure from Air B&B to immediately confirm a reservation. In VRBO. I have resisted this immediate booking pressure but the company has been bought out by Air B&B. I don't know now long owners such as myself can resist this immediate booking procedure. It makes sense from a business point of view (renters love it) but I want to research the person and talk to them, thin reassurance as that might be, before renting my home. I really have no idea who is coming into my home or community. If were a burglar or sexual predator, STRs would be dandy platform for my plans simply to case a neighborhood.

In summary, I'd like to see regulations on STRs for safety and for closeness to neighbors (not close). I think we should be able to tax rentals. I also think there needs to be some way that the city can protect HOAs who are older from having to update each and every one of them. Zoning is a good solution but there has to be some enforcement method. STRs are great for families traveling or people who need a kitchen close by but they have an impact on a neighborhood that is not positive.

Thank you for your attention in reading this long letter,

Best,

Janice Woychik

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Janice Woychik, MSW  
Broker, REALTOR  
Residential Real Estate

**Anya Grahn**

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Hi Anya,

In preparing for tomorrow's meeting, I found some information on long-term rental health and safety requirements worth sharing with the task force:

- [Orange County Tenants Rights](#)
- [NC General Statutes re: fit premises](#) (referenced in the tenants rights doc above) - **§ 42-42. Landlord to provide fit premises** starts on p. 21

Thanks!

Alexa

I've been an Air BnB host for almost four years with 67 total rentals in that time. With regards to safety features in my home, I already have four fire extinguishers throughout the house and I have 3 Nest CO/smoke detectors that are WiFi connected. I receive alerts in real time if they are triggered. I also have 4 outdoor WiFi connected security cameras, one on each side of the house, and a burglar alarm. Except for the burglar alarm, these are all upgrades I've made since I became an AirBnB host, at an expense of well over \$1000. I also have a safety brochure in my welcome packet that explains all of the aforementioned. I added these safety features because ABnB highly encourages them, they are noted in my listing, and I wanted my home to be more desirable than others, so market forces also played a role.

As for occupancy caps, it seems that if something like that were being considered, it should be set according to the number of available sleeping areas. For instance, in my home I have 5 bedrooms with 4 queen beds and a twin, so I cap my occupancy at 9 guests - 2 per queen bedroom and 1 for the twin. This is very strictly enforced by stern warnings prior to arrival and by monitoring guests upon arrival. The impression that some would have you believe is that my home would be a prime location for groups of young people looking for a party house, but that's far from the norm for me. My typical guest is a large family of limited means looking for a place where their entire extended family can stay for several days at a reasonable cost. The occasions are typically reunions, holidays, the state fair (since Raleigh made STRs all but illegal), and ball games. My most recent guests were the family of a UNC student, staying over Thanksgiving weekend. They included the student's Mom & Dad, two sisters with their significant others, and the student, 7 people total. They prepared and ate their thanksgiving dinner in my home and were able to have their family together in a situation that would not otherwise have been possible.

For most of my guests, if AirBnB wasn't an option, I have no doubt that they wouldn't just rent a hotel, they wouldn't come to Chapel Hill at all.

## Anya Grahn

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From: Eric Plow

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Here it is, thanks.

I have no problem with reasonable safety requirements for STR's. But I find it very interesting that at the December 11 meeting, the hoteliers were the ones who expressed great concern about the health and safety of people who are not renting rooms in their hotel. I, for one, am not expressing concerns about the health and safety of people staying in Chapel Hill hotels. That's between the hotel and their guests. Read between the lines as to what the hotels' real motivation is! Again, it's not a bad thing, but rather odd.

Furthermore, I suspect STR operators provide much better housing units than many LTR operators. STR operators live and die by online reviews submitted by their guests, and someone who provides substandard housing will soon have a vacancy rate of 100%. And no STR operator wants to expose themselves to a lawsuit.

There was also some discussion about requiring fees from STR operators to cover the costs of safety inspections. I also don't object to reasonable fees. But what seems to be forgotten is that the town collects 3% of all rental payments, and that is in ADDITION to the normal property taxes each owner has to pay every year. That money should be earmarked towards inspections of short term rentals (should the town decide to do this), and not simply added to the general fund for other purposes. In any event, and most importantly, any regulations aimed towards STR's should also apply and be enforced in identical manner for the thousands of LTR's in Chapel Hill, which I guarantee cause more problems than STR's as far as noise and parking. There is no difference between ensuring safety for individuals renting, whether short-term or long-term. To only require inspections of short-term rentals without requiring them for long term rentals could put the town on very shaky legal ground. The good news is that the extremely rare short-term renter who causes a problem will be gone in a few days. LTR's are here to stay for at least a year or more, and to get rid of them requires a long eviction process.