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SEPTEMBER 2020

# Short-Term Rental (STR) Open House

Chapel Hill Planning Department

# Short-Term Rental (STR) Open House

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## Background

A second public open house was scheduled for March 16, 2020; however, due to the COVID-19 pandemic, the Town was forced to cancel this event. Staff adapted the proposed open house into an online survey that was made available in early summer 2020. The survey provided the community an opportunity to weigh in on possible ordinance provisions and provide additional comments.

# Short-Term Rental (STR) Virtual Open House

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## Results



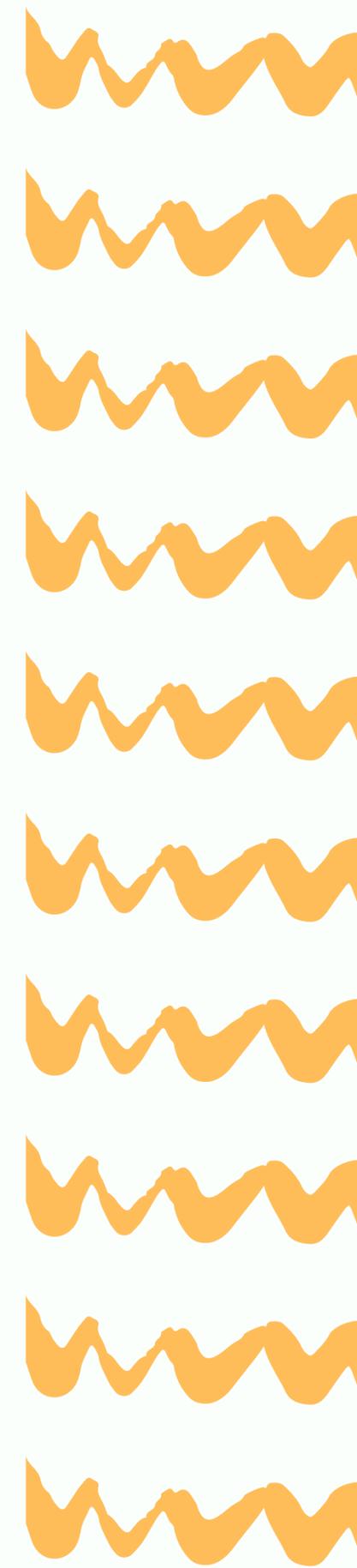
121 responses

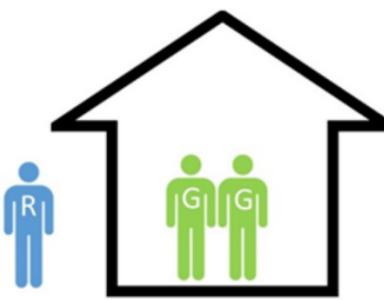


Survey open  
May 29, 2020- June 28, 2020



5 parts, 7 questions



|                                     | Hosted STR   | Unhosted STR   | Dedicated STR  |
|-------------------------------------|--|--|--|
|                                     |   |   |   |
| <b>Proposed Definition</b>          | Nightly rental of room(s) or accessory apartment within a private, resident-occupied residential dwelling unit to transients on a nightly basis for compensation for a duration not to exceed 30 consecutive days and where the use is subordinate to and incidental to the main residential use of the dwelling unit. | Nightly rental of a principal dwelling unit to transients for compensation for a duration not to exceed 30 consecutive days. A principal residential dwelling unit shall be occupied by the resident domiciled at that location for the majority of the calendar year. | Nightly rental of a residential dwelling unit or accessory structure that is not used a principal residential dwelling unit to transients for compensation for a duration not to exceed 30 consecutive days. |
| <b>Designated Responsible Party</b> | Not required- Primary resident will be on site with guests.  | Requires Designated Responsible Party, available by phone 24/7 and able to respond on-site within 2 hours.   | Requires Designated Responsible Party, available by phone 24/7 and able to respond on-site within 2 hours.   |
| <b>Safety Checklist</b>             | Required at registration and permit renewal.   | Required at registration and permit renewal.   | Required at registration and permit renewal.   |
| <b>Possible Zoning Districts</b>    | Allowed anywhere residential uses are permitted.   | Allowed anywhere residential uses are permitted.   | TBD  |
| <b>STR Permit</b>                   | Required annual STR permit.  | Required annual STR permit.  | Required annual STR permit.  |

*The survey asked for feedback on this chart.*

# Types of STRs

## Sample Community Feedback

*I do not agree with having them in neighborhoods at all. I do not want to live next to a hotel!*

*Dedicated STRs should be required to abide by the same (or very similar) rules as any hotel would be required to abide by both in terms of safety requirements, employment requirements (i.e. hiring cleaning/maintenance) and zoning requirements.*

*Many families desire a whole house whole apartment rental as opposed to hotel room, and the town will lose occupancy taxes. Owners should be able to use their residential property for residential uses as long as renters do not create disturbances.*

# OPERATIONAL STANDARDS & REQUIREMENTS

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## ***Hosted STRs***

Primary resident is on-site with guests

*Unlimited number of days/calendar year*



## ***Unhosted STRs***

Primary resident is not on-site with guest

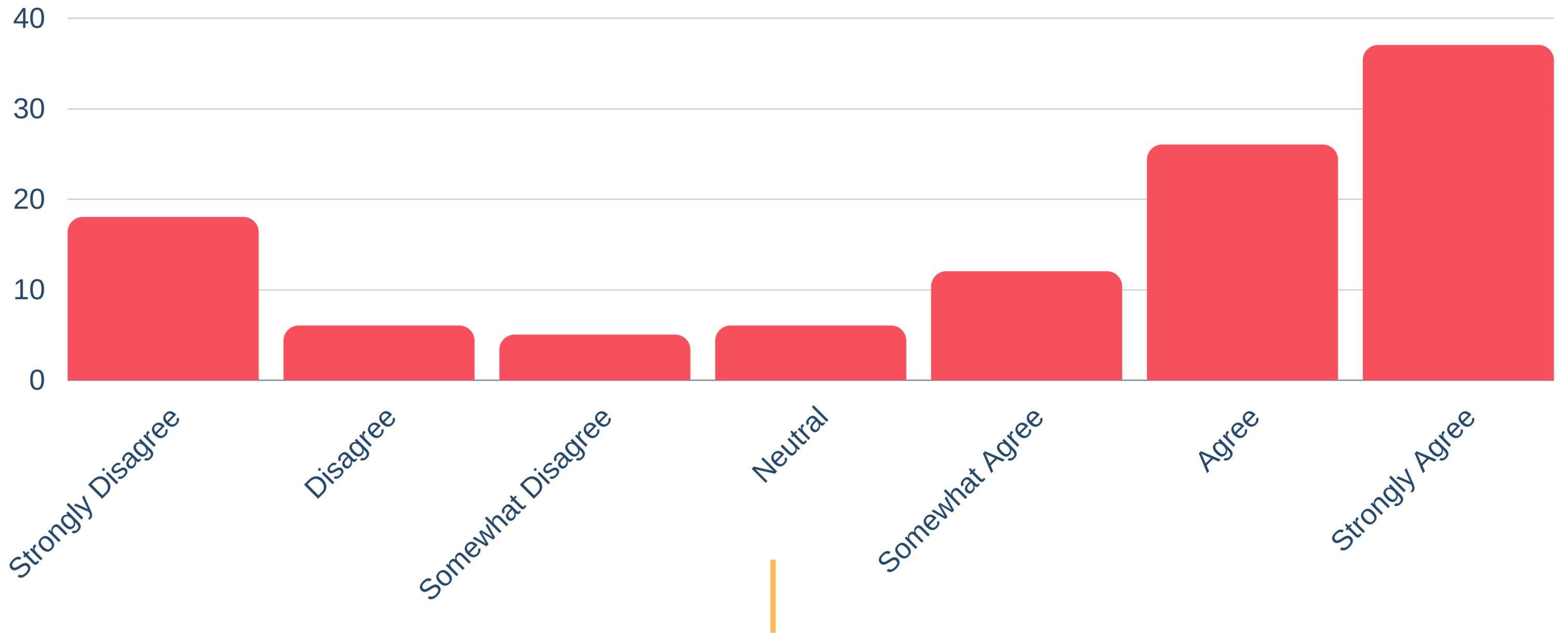
*Available to guest up to 90 days/calendar year*



## ***Dedicated STRs***

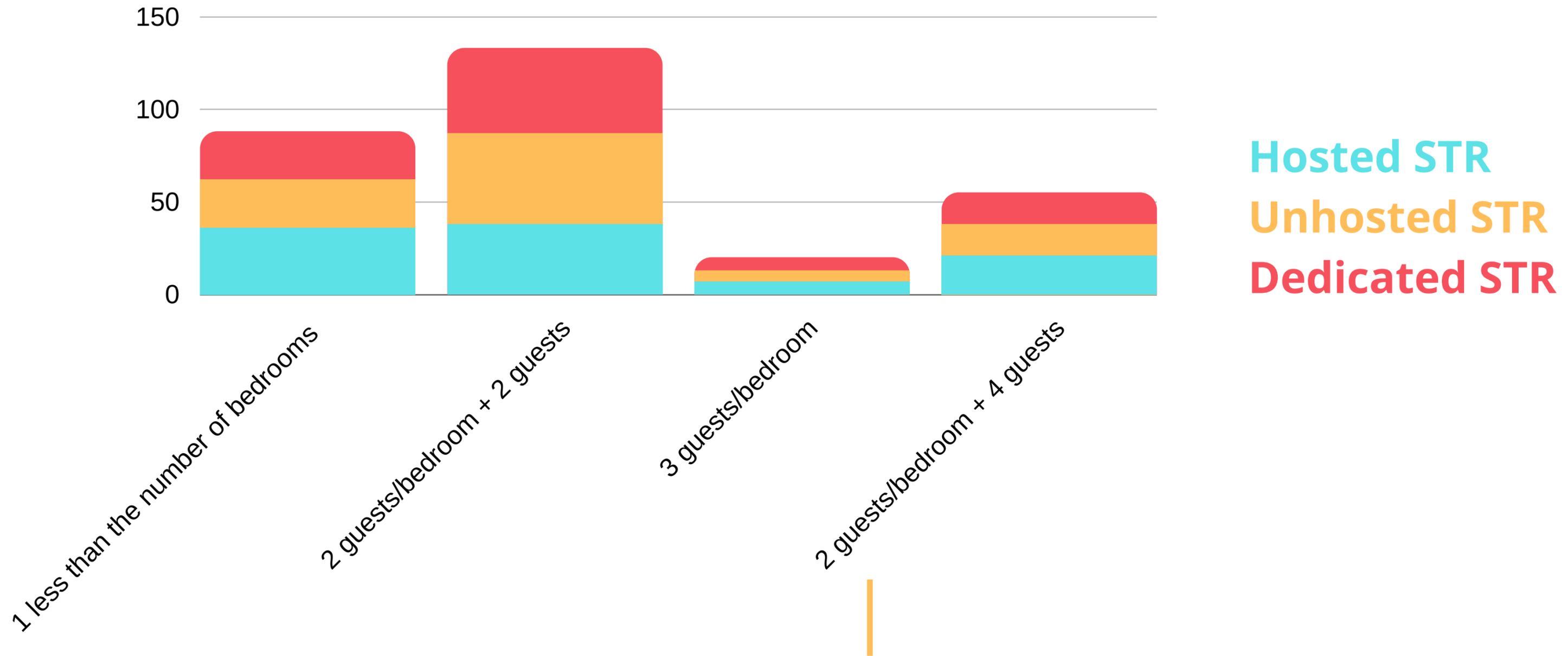
There is no primary resident; dwelling unit is only used for STR

*Available to guests unlimited number of days/calendar year.*



*Identify the degree to which you agree or disagree with this statement: There should be an occupancy cap on the number of guests permitted to stay in a STR.*

## **Operational Standards & Requirements**



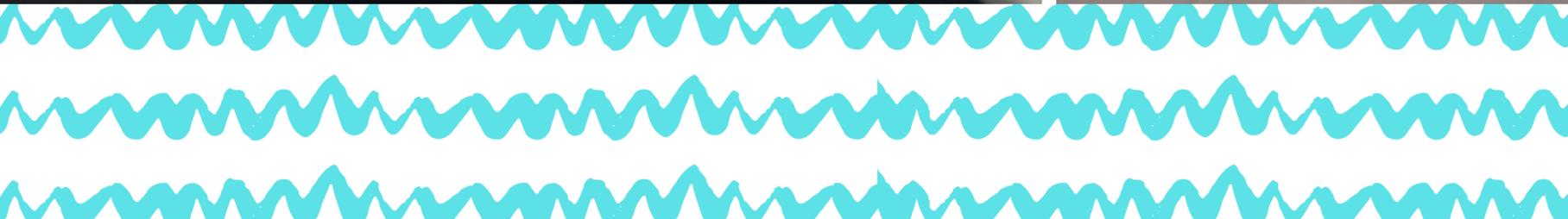
*What should the occupancy cap be for different types of STRs?*

# Operational Standards & Requirements

The survey proposed that the STR permit application include a safety-checklist that would require:

- Wall-mounted fire extinguishers
- Smoke detectors with a minimum of one (1) per level and per bedroom
- Carbon monoxide detectors, with a minimum of one(1) per level
- Standard deadbolt locks
- Exit doors and windows are easily opened in an emergency and all levels have safe egress
- Property address that is easily visible from the street at all times
- 911 address is posted within the STR and easily visible to guests
- Designated Responsible Party’s contact information is easily visible to guests

# Safety Checklist



# Additional Safety Features

When asked if there were additional regulations that survey respondents would or would not include, the comments focused on items such as:

- Food preparation
- Parking limitations
- Special events
- Administrating the propgram
- Notice requirements
- Age of renters
- Limitations on the number of STRs



# Safety Features

## Sample Community Feedback

*Clear prohibition against house parties, loud noise, and on-street parking.*

*I am a STR property owner and have all these in place already, so I think they are reasonable.*

*These additional restrictions unfairly discriminate against STR hosts and will negatively affect hosts' ability to earn gig economy income. STR rentals should not be regulated any differently from normal mid/long term rentals*

# Additional Operational Requirements

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The survey proposed the following:

Short-Term Rental (STR) permit  
Minimum parking requirements

Signs

Minimum rental age

Minimum rental duration

Food preparation

No special events allowed

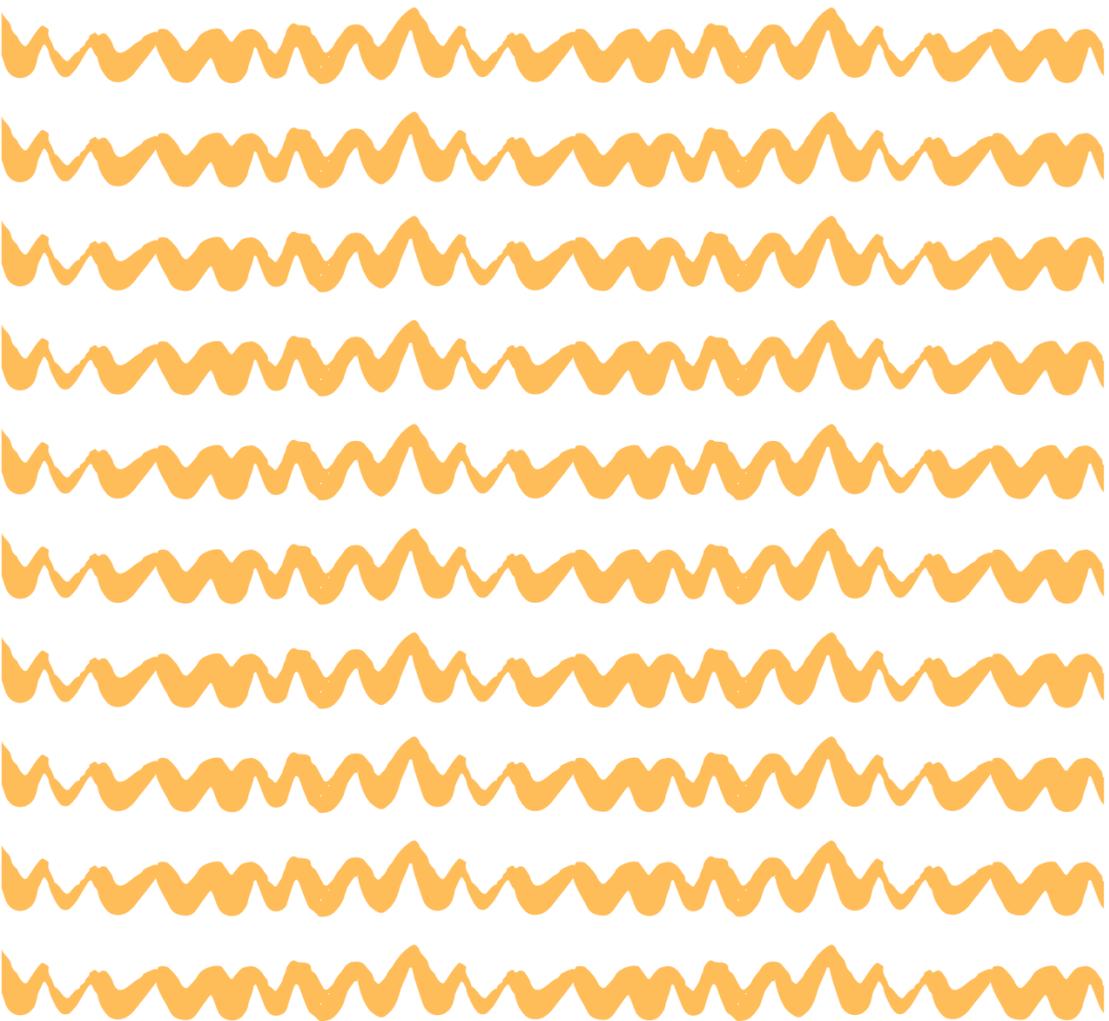
Limiting the number of STRs

Notice to neighbors

Occupancy tax

Three strikes, you're out policy

# SAMPLE COMMUNITY FEEDBACK



- None of these additional operation requirements are necessary. None of these regulations serve the community. Instead, they serve hotels.
- Neighbors more than 100 feet should be notified and HOA committees for the neighborhood.
- Please do not over-restrict property owners so that short term rentals remain affordable and accessible to the many learners/payers attracted to programs at our universities and businesses.
- The above additional operational requirements are onerous, unnecessary and unfair to the property owner and should not be implemented.
- All safety regulations for STR's should be applied and enforced equally for ALL rentals regardless of length.

# WHERE SHOULD DEDICATED STRS BE PERMITTED?



## ***Commercial Areas***

Areas characterized by commercial office activities, services, and retail sales such as motels and hotels, and stores. These areas may have few single-family residences but are more likely to have multi-family residential buildings with over 7 units. Includes areas such as Downtown, Blue Hill Form District, and village centers.



## ***Residential Areas***

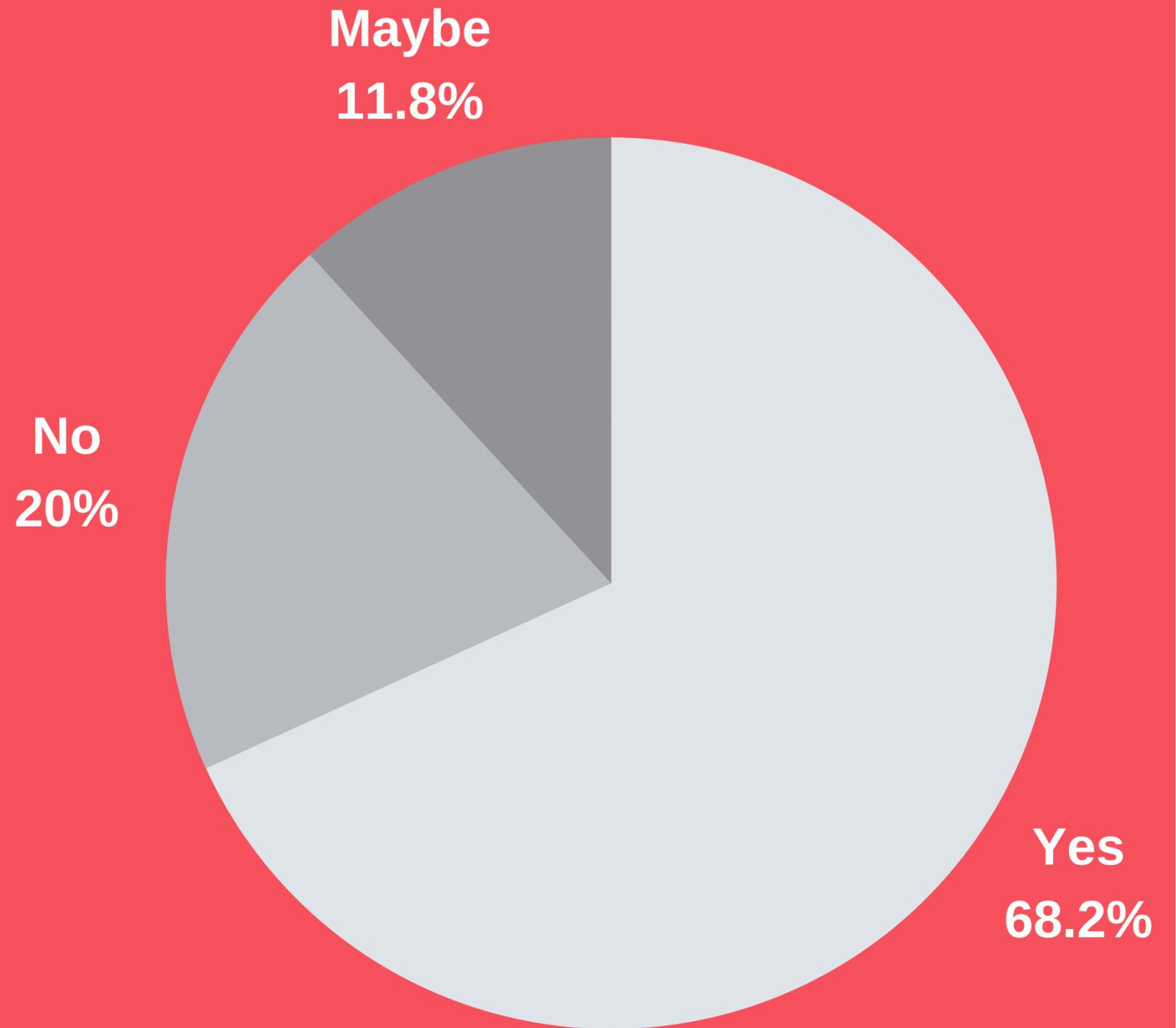
Areas characterized by single-family, two-family, or multi-family residential buildings containing up to 7 units. These areas may also include uses such as places of worship, schools, and childcare facilities.



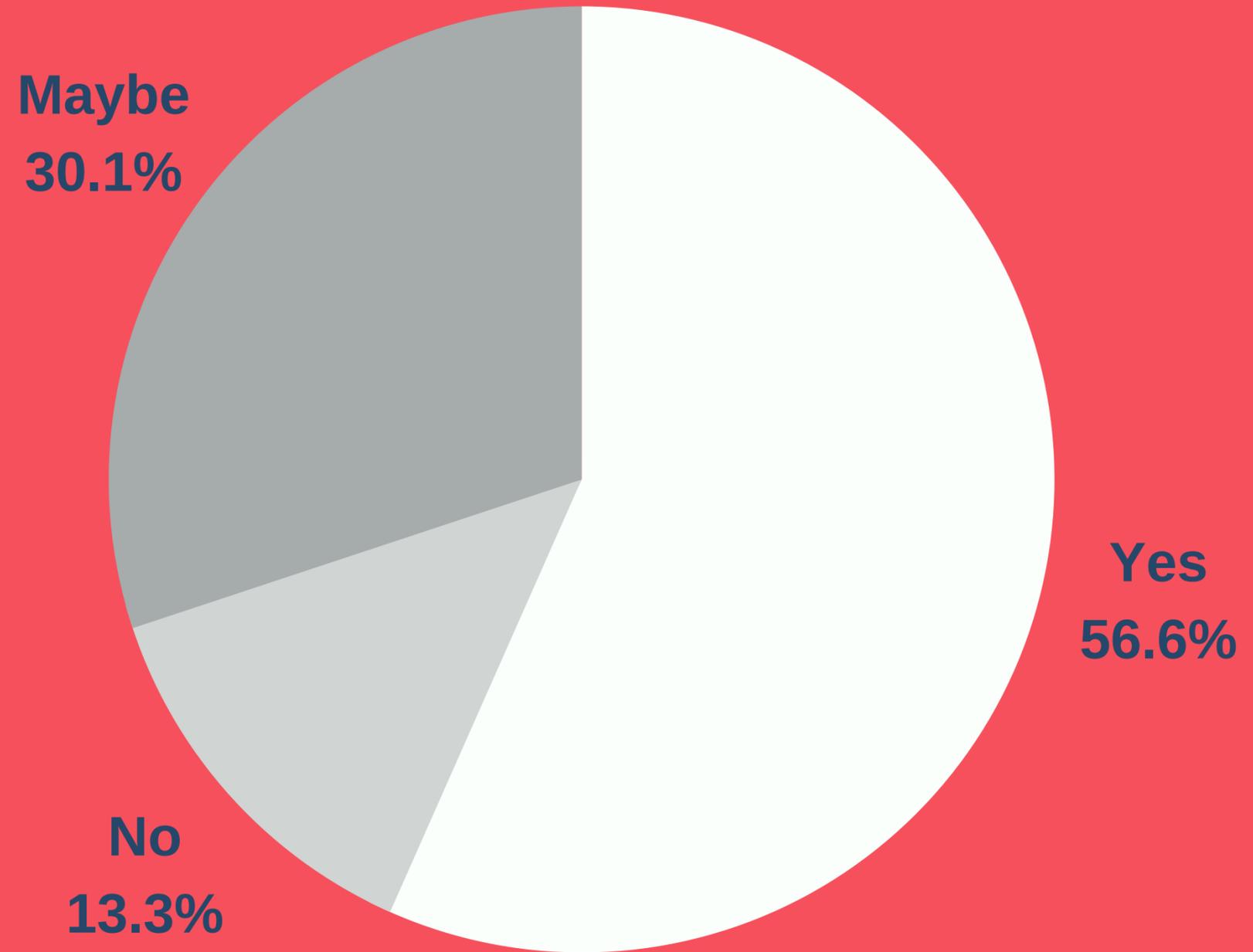
## ***UNC Property***

These areas are owned by UNC and STRs will not be permitted in these zones.

# Should dedicated STRs be allowed in commercial zoning districts?



# Should dedicated STRs be allowed in residential zoning districts?



# SAMPLE COMMUNITY FEEDBACK

Dedicated STRs should not be allowed in Chapel Hill. If allowed, they should be limited to the same districts as hotels and bed & breakfasts.

I am not in favor of dedicated STRs in residential neighborhoods. It can destroy the character and cohesiveness of a neighborhood. I am okay with hosted or unhosted STRs in a neighborhood.

They should be limited in number and TAXED to remove the incentive to turn houses into hotels.

As a user of STRs, there are benefits of both commercial areas and residential areas when traveling so I think they should be allowed both places.

I think the market will dictate how many dedicated STRs can survive in our small town. I would not be concerned, given our density, that neighborhoods will become overrun with them. We are more likely to be overrun with long term student rentals.



# Project Overview

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*In 2019, Town Council directed staff to develop STR regulations based on community input. Following an initial public open house in September 2019, the Town Council appointed a 13-member task force to discuss potential ordinance provisions. Two surveys have also been made available to receive community input on this topic.*

The nightly rental of a housing unit to guests for compensation for 30 days or less. STRs can be either room(s) in a dwelling unit or a whole unit rental.

## What is a Short-Term Rental?



## What is a Short-Term Rental?



These are often advertised through web hosting platforms such as AirBNB, VRBO, and Homeaway.

Rentals for more than 30 days are long-term rentals. These can take the form of month-to-month leases, annual leases, or any other lease with a term of over 30 days.

# Three Types of STRs



**Hosted Rental**  
(AKA Homeshare or Homestay)

- Rental of a spare bedroom or accessory dwelling unit
- Primary resident is on site during the guests' stay



**Unhosted Rental**

- Rental of a whole unit or an accessory dwelling unit
- Primary resident is not on site with the guest



**Dedicated Rental**

- Rental of a whole unit, which may include an accessory dwelling unit
- There is no primary resident because the site is only used for STRs



# What We've Learned

**Much like the public comment we have received on this topic, Open House Survey participants demonstrated various positions about Short-Term Rentals (STRs). Those involved in these discussions have very strong positions supporting and opposing STRs. The feedback received demonstrates the contentiousness of this issue.**



# Sample Community Feedback



I love being able to rent a house with a yard in a neighborhood for my vacations. I would hate to lose this option because people assume this would be a bad thing for their property value.

I recently moved from a city deeply impacted by short term rentals. Community was negatively impacted by the proliferation of these rentals. Crime skyrocketed. Care of property plummeted. I encourage great care be taken in this plan.

I feel that it's important to allow people who own homes and apartments to rent them to visitors and guests through services like Airbnb and Booking.com. Doing so brings economic benefits to local businesses and individuals.

An STR comes with all of the concerns that any full time business has and should be located in commercial zones. These are no different than tiny hotels.

Dedicated STRs would destroy the fabric of a residential neighborhood and further exacerbate the town's lack of affordable housing. Dedicated STRs should never be allowed in a residential area. In commercial areas, they should be regulated like hotels.

# What We've Heard

The Town began engaging the public on this topic in summer 2019. In fall 2019, the Town launched a survey to determine key stakeholder interests related to STRs. Staff has compared the results of the fall 2019 and summer 2020 surveys to better understand community positions on this topic.



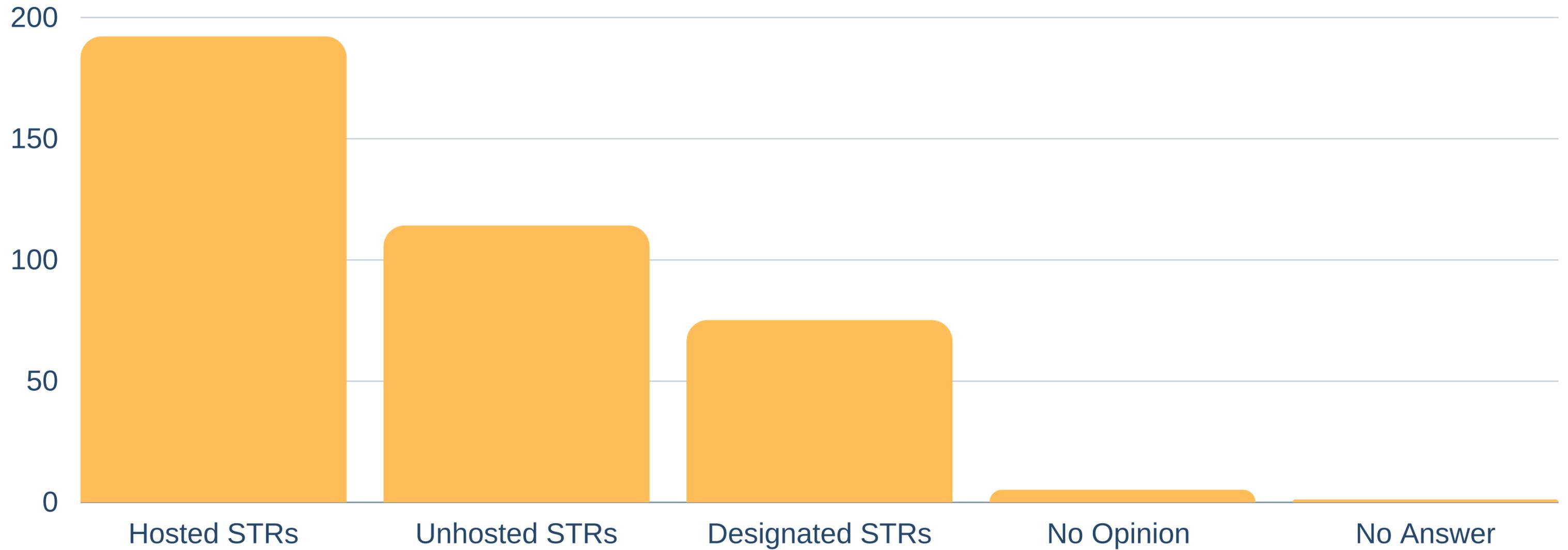
**Comparing Survey Results**

## Common Themes



Many of the themes uncovered by the initial survey in 2019 continued to be of interest in the Open House Survey in 2020. These include:

- Parking demands
- Neighborhood character
- Additional noise
- Commercial activity in residential neighborhoods
- Maintenance of rental properties



*By career type*

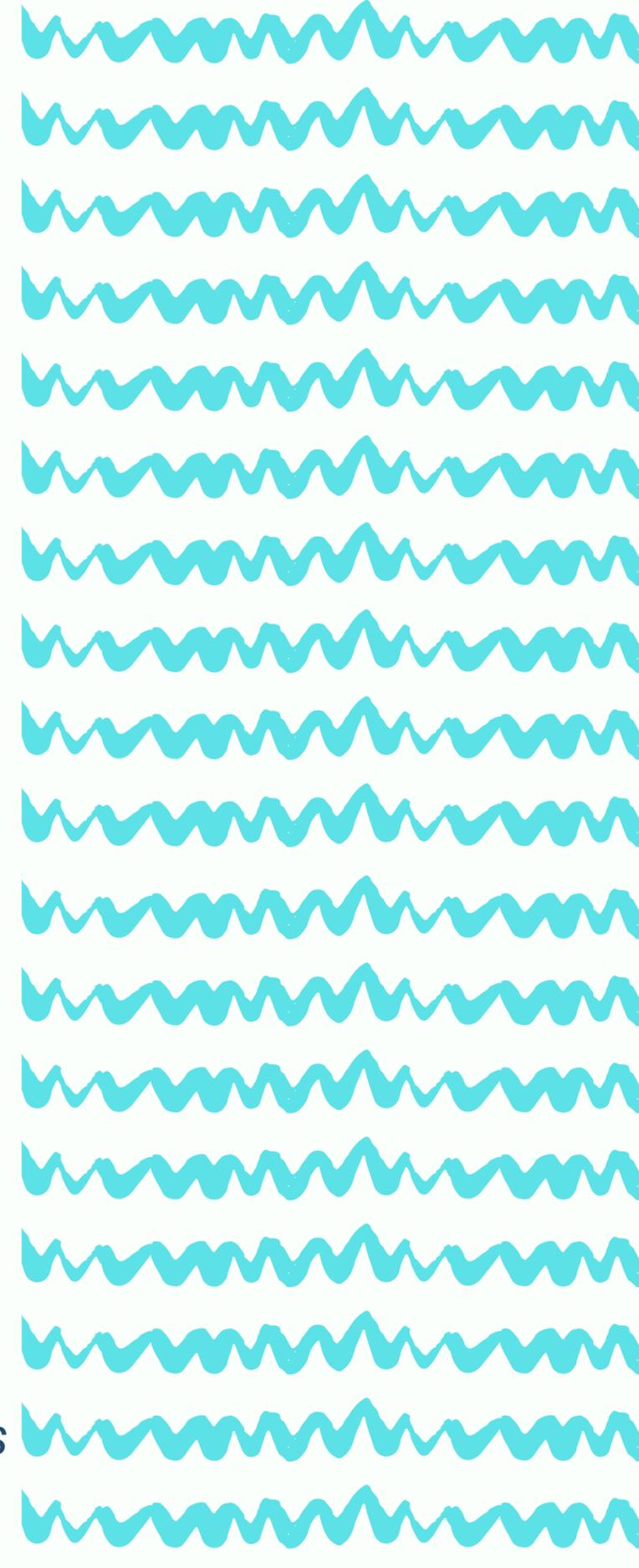
*The 2019 STR survey also asked which types of STRs respondents supported.*

# Support for Types of STRs

# 2020 OPEN HOUSE SURVEY SAMPLE COMMUNITY FEEDBACK

The Open House Survey further demonstrated that most participants did not object to hosted STRs; however, there was more concern for unhosted and designated STRs. Opinions varied:

- *Hosted and Unhosted STRs seem reasonable. Like good ways to make more use of housing available already and to help some folks afford their houses, or their vacation. The third category is bad because it will encourage vultures to buy up houses for this.*
- *Hosted and dedicated STRs should be permitted to operate anywhere that residential uses are permitted.*
- *Dedicated STRs (especially as they are defined in these documents) should be NO DIFFERENT FROM HOSTED STRs.*
- *I am not in favor of dedicated STRs in residential neighborhoods. It can destroy the character and cohesiveness of a neighborhood. I am okay with hosted or unhosted STRs in a neighborhood*





# Next Steps

*Based on the community input received, staff will continue to work with Town Council and the community to develop a Short-Term Rental (STR) Ordinance.*



# GET INVOLVED



*Visit the Town's STR webpage*

<https://chplan.us/ChapelHillSTRs>



*Sign-up to be included on email notifications*

Email Planner Anya Grahn at  
[agrahn@townofchapelhill.org](mailto:agrahn@townofchapelhill.org)



*Attend advisory board, Town Council, and public information meetings*

Watch the Town calendar and project webpage for upcoming meeting dates