



Short Term Rentals (STRs)

STR Task Force

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Background

1. Citizen Complaints
2. Code Enforcement
3. Engage with Partners/Stakeholder
4. Petition from Hoteliers
5. Town Council direction to develop an ordinance



Short Term Rentals (STRs): Growing Trend

Rapid Expansion of the Sharing Economy:

Travelers:

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

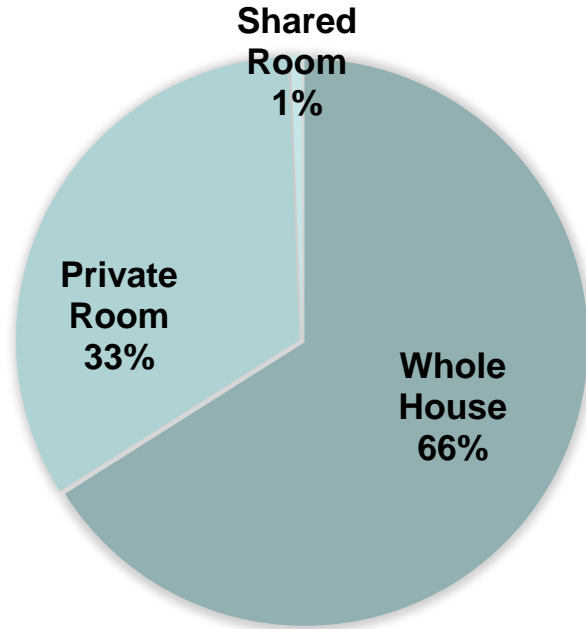
Operators:

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



Understanding Chapel Hill's STR Market

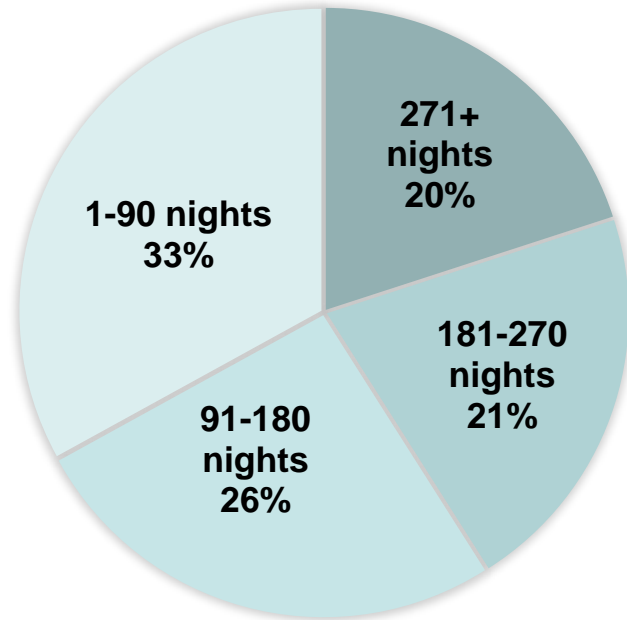
RENTAL TYPE



What we've learned:

- +300 STRs currently
- \$5 million in revenue in 2018
- Approximately 40% increase in room nights, 2017 to 2018
- 95% listed on Airbnb

AVAILABLE NIGHTS



- 60% of STRs are available less than half of the year
- Only 20% are available year-round
- *Note: AirDNA qualifies “full time” rental as more than 180 available nights/year*

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: Proposed Timeframe

Short Term (Ongoing):

1. Outreach, Education & Enforcement

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

Currently:

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 (STRs): Next Steps



In June, Council adopted Resolution R-6 authorizing the Town Manager to:

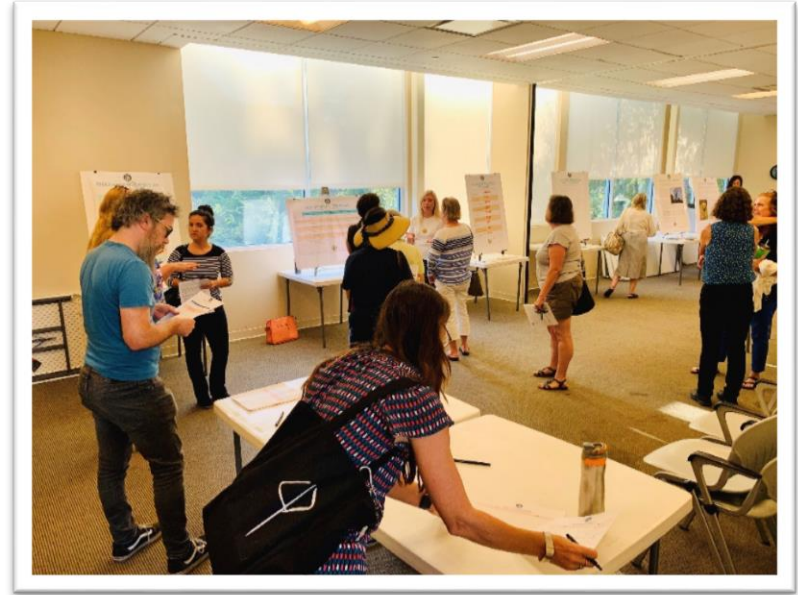
1. Develop updated STR standards with input from community stakeholders
2. Conduct appropriate enforcement efforts in the short-term
3. Conduct education campaign prior to implementation of new regulations
4. Explore possible enforcement assistance from third party vendors

Community Engagement Feedback:

September 23rd Open House:

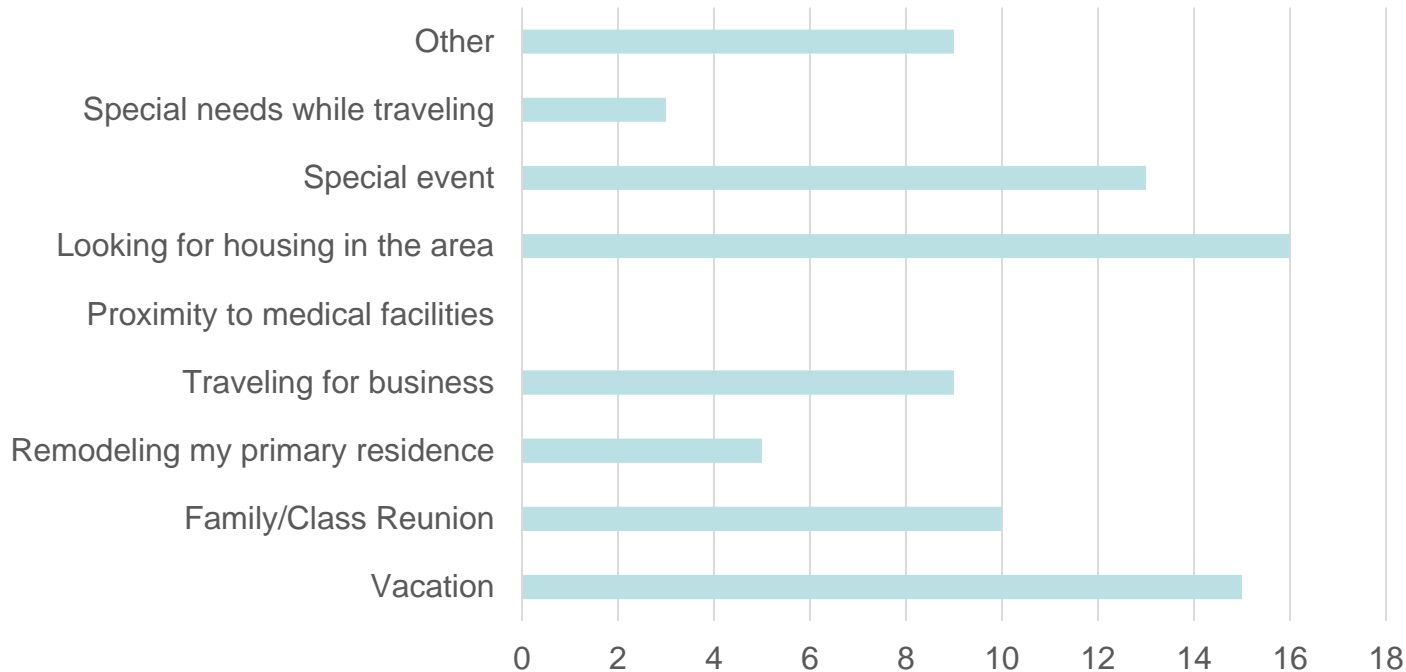
Some things we heard:

- Interest in reasonable restrictions and decisions based on data
- Concerns that STRs were a commercial use, not a residential use
- Market demand for STRs
- Some wanted to see no regulations, others thought STRs should only be allowed as homestays



Community Engagement Feedback:

What was the occasion for which you stayed in a STR?

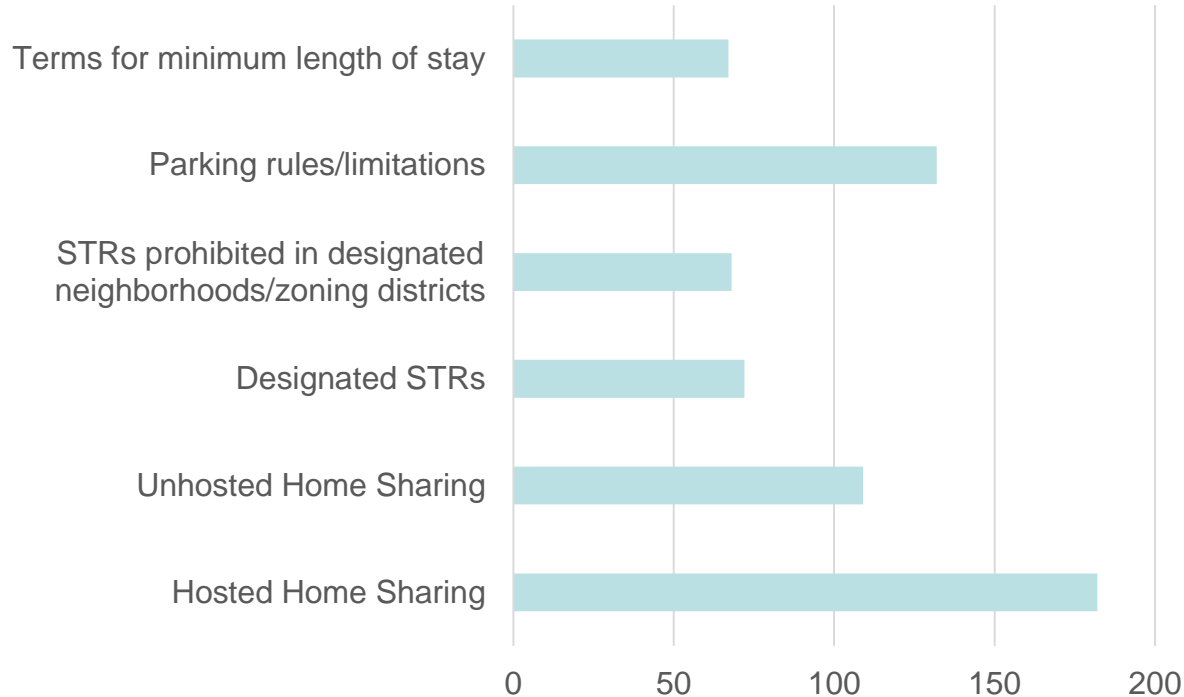


Survey Results:

- 378 survey participants (thus far)
- 55 survey participants answered this question

Community Engagement Feedback:

Which of the following would you support?



Survey Results:

- 378 survey participants (thus far)
- 207 survey participants answered this question

More survey results to be shared at a later date

Steps to Developing an Ordinance:



Developing updated standards

Council direction for the task force:

- Develop regulations for whole-house, investor-owned rentals (dedicated STRs)
- Noise, parking, and garbage will be addressed by Code Enforcement and Police Department
- Provide feedback on enforcement strategies

Potential regulations to consider going forward:

- Occupancy Caps
- Designated Responsible Party
- Insurance
- Health & Safety Inspections
- Permit approval expirations
- Limitations on number of permits issued
- Duration
- Prohibition of special events
- Signs



Where we're headed:

Advisory Board meetings
(August & September)

Town Council appointments Task Force members

Task Force meetings
(Ongoing from October through February)

Check-in with Town Council
(Tentatively scheduled November 18th)

Advisory Board Check-ins on ordinance provisions

Drafting ordinance

Public information meeting

Planning Commission review and recommendation to Town Council

Town Council hearing and consideration



Discussion & Feedback