

Regulating Short-Term Rentals

Rebecca Badgett

UNC School of Government

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Overview

- How are other cities regulating STRs?
- Where are short-term rentals allowed?
 - Residential
 - Mixed-Use
 - Commercial
- Are there other stipulations that apply?
 - Examples:
 - Cap on number of permits issued
 - Cap on number of nights rented
 - Density cap

Background on STR regulation

- Most cities have not adopted STR ordinances
 - Ann Arbor, MI; Athens, GA; Princeton, NJ
- Some cities have laws that prohibit STRs without defining short-term rentals as a land use
 - Example: Only single-family dwelling units allowed in residential zones. A dwelling unit is “a building providing complete living facilities, including permanent provisions for living, sleeping, eating, and cooling. This use shall not be deemed to include such transient occupancies as hotels, motels, rooming or boarding houses.”
- We are looking at cities that have chosen to regulate STRs

Cities that distinguish between primary residence STRs & dedicated STRs

- Berkley, CA
- Boulder, CO
- Fort Collins, CO
- Lawrence, KS
- Kansas City, MO
- Madison, WI
- Nashville, TN
- Seattle, WA

Chapel Hill

20,000 undergraduate students

332 Active Rentals

225 Whole-house

*not an exhaustive list



Berkley, CA

Primary Residence	Dedicated STR	Accessory Dwelling Units
<ul style="list-style-type: none">90-day cap when principal resident is not on-site.	<ul style="list-style-type: none">Prohibited	<p>Owner must reside in either the primary or accessory unit. Accessory dwellings built after 1/1/2017 cannot be STRs</p>

- 30,000 Undergraduates
- 948 Active Rentals
- 600 Whole-House



Boulder, CO

Primary Residence	Dedicated STR	Accessory Dwelling Units
<ul style="list-style-type: none">Allowed (up to 182 days)	<ul style="list-style-type: none">Prohibited	Owner must be on-site in either the primary or accessory unit.

- Principal residence is defined as the dwelling unit in which a person resides for more than one half of the year.
 - 30,000 Undergraduates
 - 1,285 Active Rentals
 - 900 Whole-House

Fort Collins, CO

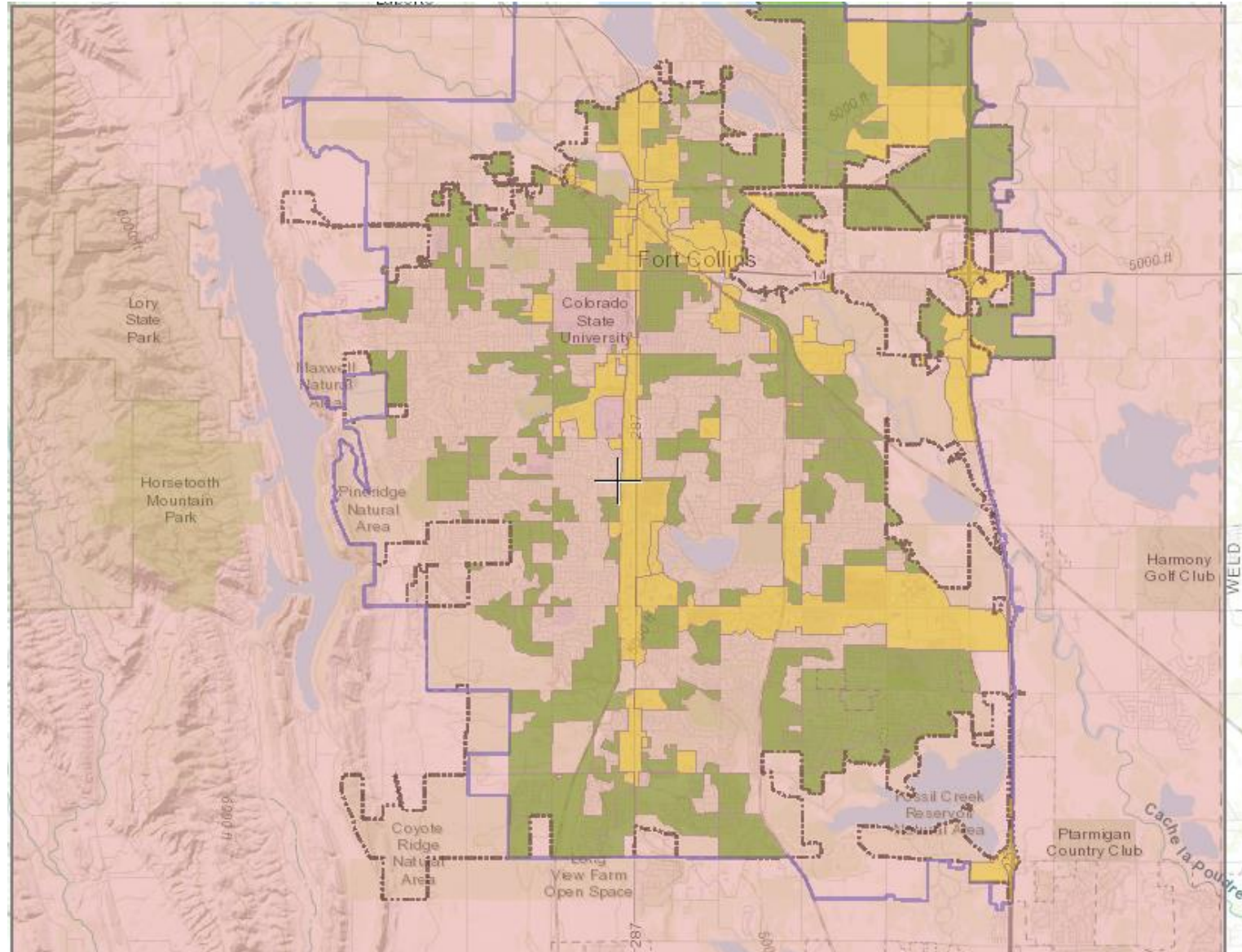
Primary Residence STR	Dedicated STR	Accessory Dwelling Units
<ul style="list-style-type: none"> Allowed up to 90-days May operate in most zones except high-density residential 	<ul style="list-style-type: none"> Allowed in districts such as low & medium density mixed use and anywhere that hotels, motels or B&B's are permitted. Prohibited in high-density residential. 	<p>Allowed. Accessory dwelling units or duplex units are considered Primary if located on the same property that is used as the primary residence.</p> <p>*May only rent one unit at a time.</p>

- Defines “primary” and “non-primary” STRs. Primary STRs are occupied by the property owner for at least 9 months. Non-primary STRs are dwelling units that are not occupied by the owner. The owner rents the entire house for less than 30 days

- 30,000 Undergraduates at University of Colorado
- 546 rentals
- 400 entire house

Yellow = Non-Primary & Primary STRs allowed

Green = Primary STR allowed



Kansas City, MO

- Owner-Occupied STR is a principal residential dwelling unit that is occupied by the resident for a cumulative minimum of 270 days per calendar year.
 - “Seasonal” (96 days or fewer), or
 - “Year-Round”
- 22,530 Undergrads at U. of MO
- 1,250 Active Rentals
- 900 Whole-House

Primary Residence STR	Dedicated STR	Accessory Dwelling Units
<ul style="list-style-type: none"> • Allowed up to 95 days per-year in most zoning districts • In two historic districts, owners must get a special use permit or be grandfathered in. 	<ul style="list-style-type: none"> • Allowed in most zones. The city requires that certain requirements are met. • Year-round STRs require approval from 55% of adjacent property owners • In a multifamily structure, only 1 unit, or 25% of all units, whichever is greater, can be an STR 	<p>Carriage houses located in a historic district may be approved as dedicated short-term rentals.</p> <p>No other accessory structures may be used as STRs. The STR must be in the principal building.</p>



Lawrence, Kansas

Primary Residence STR	Dedicated STR	Accessory Dwelling Units
<ul style="list-style-type: none">Allowed up to 182 days (half year)	<ul style="list-style-type: none">Prohibited. May apply for a special use permit	STRs allowed in accessory dwelling units provided the owner resides a majority of the time in either the accessory dwelling or the principal residence

- Owner Occupied STR shall mean any dwelling unit in which the owner resides for more than 182 days per calendar year (i.e. must be there for 183 days)
- 20,000 undergrads at U. of Kansas
- 104 Active Rentals
- 85 whole-house

Madison, WI

- STR: Rental of whole or partial residence to visitors for less than a month
- *Specifies that owners can only rent a property if it is a primary residence
- 32,000 undergrads @ U. of Wisconsin, Madison
- 509 Active Rentals
- 325 Whole-house

Primary Residence STR	Dedicated STR	Accessory Dwelling Units
<ul style="list-style-type: none">• 30-day cap on rental nights when the principal resident is off-site	<ul style="list-style-type: none">• Prohibited	<p>No accessory dwelling units as STRs</p> <p>“On any property containing multiple units, a host may operate a STR only from the unit which is their primary residence.” 30-day cap applies.</p>



Primary Residence STR	Dedicated STR	Accessory Dwelling Units
<ul style="list-style-type: none">Allowed	<ul style="list-style-type: none">Allowed in most mixed-use and commercial zones. Not allowed in R districts.Not owner-occupied permits will be issued in the following districts. MUN and MUN-A, MUL and MUL-A, MUG and MUG-A, MUI and MUI-A, OG, OR20 through OR40-A, ORI and ORI-A, CN and CN-A, CL and CL-A, CS and CS-A, CA, CF, DTC North, DTC zoning districts	Allowed. One permit per lot.

A black circle with a white border containing the text "Seattle, WA".

Seattle, WA

Primary Residence STR	Dedicated STR	Accessory Dwelling Units
<ul style="list-style-type: none">• Allowed	<ul style="list-style-type: none">• Limit of one non-primary STR	Allowed (provided owner is within the 2-per-person limit)

- Limit of two dwelling units that may be used as short-term rentals. If operating two dwelling units as STRs, one must be a primary residence. The other may be located in another dwelling unit.

Cities that only distinguish between Hosted and Whole-House Rentals

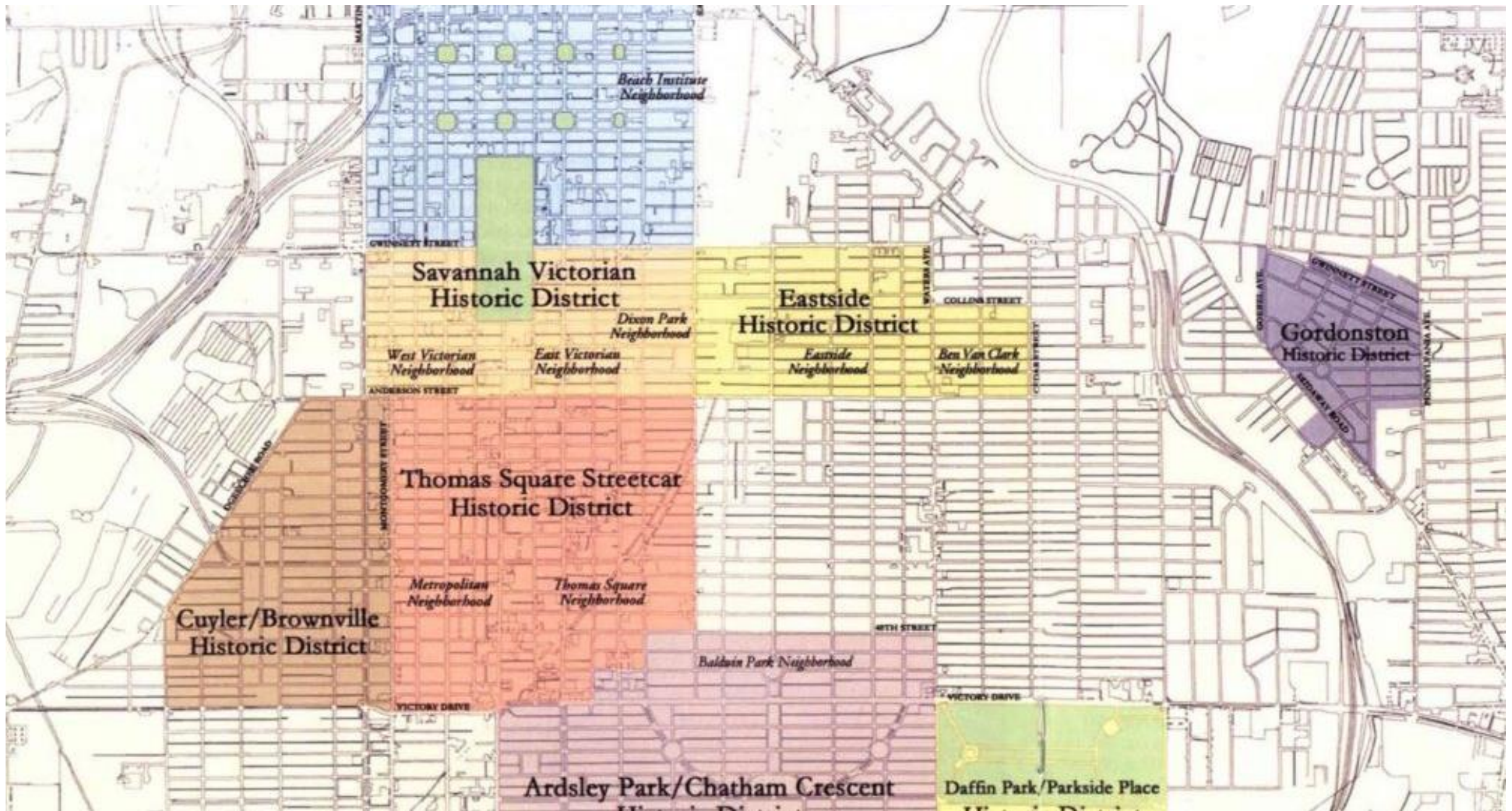
Charlottesville, VA

Savannah, GA

Wilmington, NC

Bloomington, IN

City	Hosted (owner remains on-site)	Whole-House STR	Accessory Dwelling Units
Charlottesville, VA	Allowed, up to 2 bedrooms	Prohibited, except in rural areas with 45-day cap	Prohibited
Savannah, GA	Prohibited	Limited to mixed-use zones with a 20% cap No cap in commercial districts	Mid-city district: One dwelling per parcel may be rented provided the other parcel is owner-occupied (owner is on-site).
Bloomington, IN *Requires permitting and inspection	Allowed	Allowed	Allowed
Wilmington, NC	Allowed	Allowed. 2% cap, 400 ft. separation requirement	Allowed. One dwelling per parcel eligible for whole-house permit



Summary

- Primary Residence STRs: Generally allowed in most cities. However, owners are capped as to how many nights per-year they can rent the dwelling.
- Dedicated STRs: We saw a variety of approaches to regulation
 - Prohibited
 - Allowed in mixed-use and commercial zones
 - Allowed in residential zones

*Sometimes additional requirements were imposed



Dedicated STR Summary

Allowed in residential zones:

- Kansas City (55% of neighbors must approve “year-round” STRs)
- Seattle (1 dedicated STR per person)
- Bloomington
- Wilmington (cap on permits and separation requirement)

Allowed in mixed-use and commercial zones:

- Fort Collins
- Nashville
- Savannah (20% cap)

Prohibited

- Berkley
- Boulder
- Lawrence, KS (special use permit required)
- Madison
- Charlottesville

Not regulated/allowed

- Ann Arbor, MI
- Athens, GA
- Princeton, NJ

Discussion Points

- Should Chapel Hill allow Dedicated STRs?
- If so, generally where should they be allowed? (residential zones, mixed-use, and/or commercial zones)
- Any other restrictions on location? If so, where will the restrictions apply--to all dedicated rentals or to only those in certain zones?
 - Cap on zoning permits issued
 - Density requirements (certain separation between units/or % of property per zone)
 - Cap on # of nights rented
- How should accessory structures be treated for dedicated STRs?
 - One permit per lot?
 - One rental group at a time, but either dwelling may be rented?
 - Other?