

Update on Short Term Rentals (STRs)

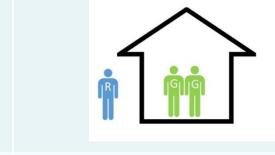


Presentation to Town Council

October 2, 2020

Anya Grahn, Senior Planner Planning Department

Types of Short Term Rentals: **Type 1: Hosted Rental Type 2: Unhosted Rental**





Type 3: Dedicated Rental

- Primary resident is on site with guests Rental of a spare
 - bedroom or accessory dwelling unit

Primary resident is not on site with guests Rental of an accessory dwelling unit (when owner is not on-site) or

Rental of dwelling unit and/or accessory dwelling unit (not part of primary residence)

- the whole unit **Current LUMO Provisions: Current LUMO Provisions:** Home Occupation
 - **Tourist Home**

- **Current LUMO Provisions:**
- **Tourist Home** Overnight Lodging Overnight Lodging

Short Term Rentals (STRs): Background

Milestone

Date

| | CHALT, Chamber, and local hoteliers submit a petition Council directs staff to develop STR standards |
|------------|--|
| | |
| Sept. 2019 | Council creates STR Task Force |

Feb. 2020 ordinance provisions

Town of Chapel Hill | 405 Martin Luther King Jr. Blvd. | www.townofchapelhill.org

Oct. 2019 – STR Task Force met monthly to discuss

Short Term Rentals (STRs): Background

Milestone

Date

May 2020 –

June 2020

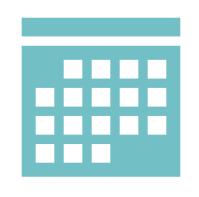
| Feb. 2020 | STR Task Force completes study and makes findings |
|------------|---|
| March 2020 | CCES meets to discuss next steps |
| | |

STR Virtual Open House Survey

June 17, 2020 Council dissolves task force

STR Survey



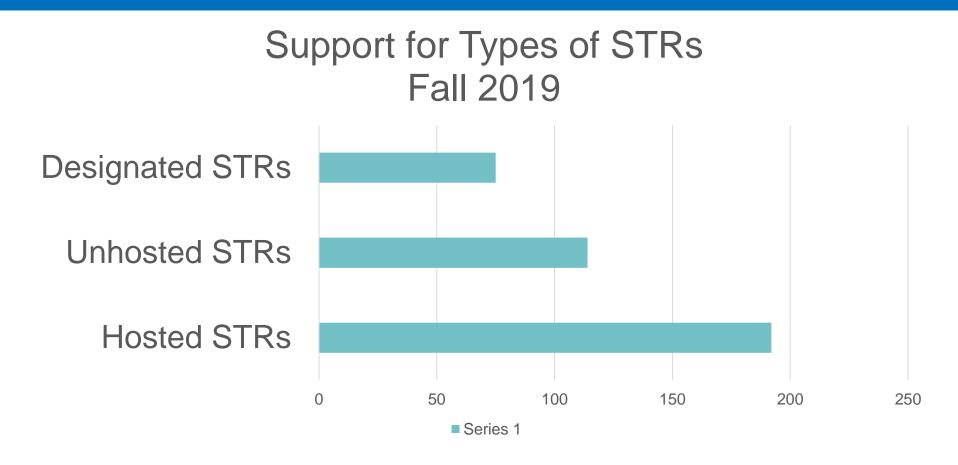




121 Responses

Survey Open May 29, 2020-June 28, 2020 5 Parts7 Questions

STR Survey Results



Moving Forward

1. STR Ordinance:

- Legalize <u>existing</u> STRs established prior to cutoff date
- Permit Hosted STRs
- Prohibit new STRs
- Establish:
 - Operational standards
 - Safety requirements
 - Three strikes, you're out



Moving Forward

2. Next 12 months:

- Prohibit <u>new</u> Unhosted & Dedicated STRs
- Hosted STRs allowed
- Collect data and observe trends
- Draft ordinance to regulate new STRS



Proposed Timeline

Date

lan 2021

| Jan. 2021 | Existing STRs submit permit applications |
|--------------------|---|
| Spring/Summer 2021 | No new STR permits acceptedIdentify trends |

Council adonts ordinance

Prepare recommendations to Council

Key Steps

Finalize draft ordinance

Proposed Timeline

| Date | Key Steps |
|-------------|--|
| Summer 2021 | Public Information MeetingAdvisory Board review |
| Fall 2021 | Council Public HearingCouncil Action |
| | |

Council Input Requested

Cutoff Date

Purpose

- Allow existing STRs to be 'grandfathered' in
- Prevent new STRs from developing until ordinance is adopted

Options

- a) March 6, 2020
- b) October 2, 2020
- c) January 2, 2021
- d) Other Council ideas

Council Input Requested





Council Input Requested

Occupancy Cap

Purpose

- Prevent nuisances
- Limit overcrowding
- Not intended to dictate sleeping arrangements

Options

- Does not include children under the age of 12
- 2 guests/bedroom + 2 guests
- 2 guests/bedroom + 4 guests

STRs Next Steps

Next Steps

Return to Council:

- 1. Regulations for existing STRs
- 2. Advisory Board review of draft ordinance

