



Town of Chapel Hill SHORT TERM RENTAL (STR) TASK FORCE

Wednesday, December 11, 2019, 4:30 p.m.-6:30 p.m.
Chapel Hill Public Library, Meeting Room B
100 Library Drive, Chapel Hill, NC 27514

1. Opening at 4:30 PM

a. Roll Call

STR Task Force Members: Anthony Carey, Shelley De Fosset, Jamine Ifedi, Nathan Ligo, Alexa Nota, Sally Persing, John Quintero, Mary Stowe, James Parrott

Town Staff: Tom DiBenedetto, Anya Grahn, Judy Johnson, Jim Huegerich, Corey Liles

UNC School of Government: Rebecca Badgett

b. Action Minutes

Stowe moved, Nota seconded, to approve the November 6, 2019 action minutes as amended to state “many task force members wanted to preserve homeowner or investor rights.” The motion passed unanimously.

2. Old Business

Staff liaison Anya Grahn reviewed the topics covered in the last meeting and provided an overview of the homework assignment the Task Force had completed prior to the meeting. She also reviewed the STR survey results.

3. New Business

a. Regulating STRs

Rebecca Badgett, UNC School of Government, presented a summary of municipal STR regulations. She explained that STRs could only be regulated through zoning laws and that any operational standards had to be tied to zoning. She reviewed possible ordinance provisions, including occupancy caps and designated responsible parties. She explained the difficulties in the town requiring proof of liability insurance as standard residential homeowner’s insurance policies did not cover STRs. She spoke to safety inspections and safety checklists, as required by other municipalities. She also explained that the North Carolina Vacation Rental Act sought to protect the rights of renters, homeowners, and rental agreements, but that local government was not a party to the act.

b. Health & Safety Requirements

Tom DiBenedetto, Town of Chapel Hill Office of Community Safety, provided an overview of health and safety regulations as required under the Building and Fire Codes. He described what was required by the Residential and Commercial Building Codes for single-family and multi-family dwelling units. He explained that the building codes limited occupancy based on the structural design of the building. He also spoke to the

difficulty of the Inspections and Fire Departments conducting health and safety inspections of residential properties due to their limited jurisdiction.

Judy Johnson, Interim Planning Director, answered questions about zoning regulations and permitting. She explained annual permits were required for other zoning uses, such as food trucks. She also reiterated that the Town's zoning code currently allows no more than four (4) unrelated people to live on a site. She discussed enforcement of zoning provisions, including administrative warrants to inspect properties when there is firsthand knowledge of a zoning violation.

c. Developing STR Regulations for Chapel Hill

Huegerich asked the Task Force to consider operational standards for Chapel Hill. The group discussed requirements for occupancy caps; some were supportive of limiting the number to two guests per bedroom plus four guests while others sought to limit the occupancy by providing 200 square feet per person, similar to Commercial Building Code requirements. The Task Force believed that at a minimum the STR permit application should include a disclaimer regarding insurance requirements for STRs; some Task Force members thought the Town should require proof of insurance as a good business practice while others thought it was not necessary. The Task Force largely agreed that the street address of the property should be visible at all times. The Task Force was also divided about requiring health and safety inspections, and many wanted more detail as to what a safety checklist would include; some believed self-inspections were sufficient, others wanted an initial inspection and possible future periodic inspections, and a few believed inspections should be done on a complaint-basis. The majority of the Task Force was supportive of having a designated responsible party that would be able to respond to complaints or concerns; however, the members asked that this be better defined.

4. Public Comment

Some members of the public argued that STRs should be treated the same as long-term rentals. They argued that a variety of lodging options were needed to meet visitors' needs. One STR operator reasoned that existing STRs should be considered a non-conforming use and that the new regulations should not impact their operations.

Others argued that STRs would detract from the residential character of their neighborhoods. They believed STRs created greater demands for housing that would lead to gentrification, increased housing prices, and the loss of permanent residents. They worried about Unhosted STRs and asked that the Task Force consider rights of adjacent homeowners. One mentioned concerns for commercial uses in residential zones. Another expressed concern for the number of STR operators serving on the Task Force.

5. Adjournment at 6:35pm