

Anya Grahn

From: Mark Losey
Sent: Thursday, January 16, 2020 8:21 AM
To: Anya Grahn; Becky McDonnell
Cc: Info - CAPA
Subject: Fw: Short Term rental task force

Good Morning,

This STR email came in via info@ last night. Could you respond to this resident and copy info@, too, so we have more information?

Thank you

Mark

External email: Don't click links or attachments from unknown senders. To check or report forward to reportspam@townofchapelhill.org Dear Friends, I was at the meeting today for the first hour. I would like to make some comments:

1. The committee is getting confused about whether a short term rental is a business or not. They were talking about an investor owned home for rent.

If this is not a business, I can't understand what is. How is that different from a tourist home or a motel? (Its smaller, that is all.) 2. The committee is concerned with caps on investor owned properties. I think a cap is a good idea. But another important issue is how close one of these rental homes are from other homes. If you have sunk your money into a home for your family and there is no one in a rental home to supervise noise levels, I, as a homeowner/neighbor, would be very upset if I got a noisy group that disturbed the enjoyment of my home.

3. I'd like to see caps on occupancy. The committee was talking about 2 people per bedroom plus 4. How did this formula come to be? This seems illogical and dangerous. Where would people be put? On bunk beds in a hallway? In the dining room ? This is a recipe for a party house. I am hoping we would not permit that in any residential neighborhood.

4. I am still waiting to hear about enforcement. How is the town willing to respond if neighbors complain? How can they enforce compliance? How ARE you enforcing compliance now?

Thanks for hearing me out.

Best,
Janice

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Janice Woychik, MSW
Broker, REALTOR



Anya Grahn

From: Eric Plow

Subject: Short Term Rental Task Force communication

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TO: Anya Grahn, Short Term Rental Task Force, Rebecca Badgett, Mayor and Town Council, Jim Huegerich, Ralph Karpinos, Viviana Jordan, Alexa Nota

In response to Anya Grahn's recent report on the short-term rental task force, I found that the recent January 15 short-term rental task force meeting was very interesting. The hotel industry pushed hard for restrictions on STR's, while most everyone else on the task force pushed back equally as hard.

One of the most reasonable suggestions that I heard was made by a member of the town planning commission when asked what his thoughts were. He stated that if it were up to him, regulations should only be considered after more accurate information and statistics are gathered on the impact of STR's over the next 2-3 years (which are lacking at this time).

Here are my comments:

COMMENT # 1, taskforce focus

The charge to the taskforce was to consider "investor-owned" short-term rentals. This was misleading, and attorneys quickly pointed out that to zone property by the nature of its owner is unlawful. A replacement charge was never clarified.

I have confirmed that the true issue facing the Town is not problems associated with short-term rentals, but a threat by hotel owners to sue the Town over enforcement of zoning ordinances. One source of this was Mayor Hemminger, and I thank her for this clarification.

It does not appear that this has been made clear to the taskforce as a whole, and this is no doubt a reason that the discussion has been unfocused. This does lead to the conclusion that the taskforce is the public-input cover for a possible kowtow to the hotels, when the Town has legitimate alternatives, which leads to my next comments.

COMMENT #2 regarding the classification Business vs. Residential:

One member stated that investor-owned STR's should be classified as "businesses" and only allowed in commercially zoned areas. The reasoning given was that they are in existence to earn money. Most everyone disagreed.

This is an effort to eliminate short-term rentals, since most are residential property, in residential zones.

There are thousands of investor-owned long-term rentals in Chapel Hill. They are also in existence to earn money. Using this reasoning, all apartment complexes are investor-owned businesses that are in violation of zoning since they are located in residential areas.

Just as it is inappropriate and unlawful to classify businesses on the nature of the owner, it is inappropriate and unlawful to classify residential rentals of any length as "businesses" such as banks, medical offices, insurance agencies, etc., for zoning purposes, since the purpose of residential zoning is to provide protections for residential use as opposed to other uses. Residential rentals are residential, and a classification as business will be arbitrary and capricious. The town has no legitimate governmental interest in zoning residential rental property as a business or residential based on length of stay.

COMMENT #3 regarding task force recommendations:

The council and planning department made great efforts to include all "stake-holders" in the composition of the group. It is important to include numbers of members agreeing or disagreeing on various positions, particularly when such positions are diametrically opposed. In the last meeting, a vociferous small group objected to including the numbers because their wishes were dismissed by most task force members. The numbers should be reported since this is important and valuable information if the community's input is to be considered.

COMMENT #4 regarding outside investors:

There was also the concern that outside investors would swoop in and buy up tracts of low-income housing and turn them into STR's. This may be true for large cities such as San Francisco and New York City that have tourist traffic 365 days/year. There is simply not enough STR demand to make this a profitable enterprise by outside investors. STR's fill up only on football and graduation weekends. To make STR's investable by outside investors, STR's would need to maintain a very high occupancy rate, which from my 20 years of personal experience is not going to happen. STR's are not going to have any effect on the availability of low-income housing. People interested in short-term rentals do not look for that type of housing for that purpose.

COMMENT #5 regarding safety requirements and caps:

Regardless of viewpoints on the underlying issue, all appear to agree that safety requirements and adherence to fire codes should be in place for ALL rentals and enforced UNIFORMLY by whatever method the town chooses.

In the discussion of defining a cap or proximity distance for STR's, it is unclear what problem this is designed to solve, other than to eliminate STR'S under the hotel threat. By way of analogy, this would be comparable to limiting the number of patients a health clinic could see per day, as well as how many days of the year they could be open. Or limiting the distance between hotels. (There are three hotels within a couple of blocks downtown, all housing hundreds of short-term renters.)

The taskforce is trying to find solutions to solve problems that either don't exist or are not being defined, which are being fueled by unsubstantiated fears of what "might happen". Don't forget Las Vegas. Does it follow that hotels should be restricted to two stories in height?

In the rare instance of problematic short-term renters, they will be gone shortly, due to the short term of the rental. I have done 20 years of STR's and never had a problem or complaint. Long-term renters who create problems may take weeks or months to evict, and often landlords are reluctant to being eviction proceedings because of the resulting income loss.

Keep in mind that Airbnb (which supplies the vast majority of short-term renters) quickly blacklists owners or guests that cause problems by their double-blind review process. Furthermore, the police department informed me that there are already methods which they can employ to deal with

continued problematic rentals (either short-term or long-term). To the best of my knowledge, this has never occurred.

RECOMMENDATIONS:

SUGGESTION # 1:

Wait two years and see what problems are caused by STRs, if any. That is the easiest, fairest, and most effective way to deal with this issue.

SUGGESTION # 2:

A civil fine to the owner of a rental property (either short- or long-term) based on the frequency of justified police interventions or other violations. The fine could be doubled for a second violation within an N-month period, etc.

I say “justified” because we don’t want neighbors to call police simply because they don’t like a rental in their neighborhood. This suggestion would empower neighborhoods with a way of dealing with a legitimate nuisance. Give the owner a chance to appeal, and maybe one free pass, but if the appeal is denied and the owner doesn’t pay the fine, put a civil lien on the house, and if not paid, then foreclose on the property.

SUGGESTION # 3:

I recently suggested, and once again repeat, that anyone currently doing short-term rentals, especially in multi-family neighborhoods where rentals are predominant, should be grandfathered or granted a non-conforming use permit if any zoning changes are instituted. By natural attrition, grandfathered hosts will dwindle as time goes by.

Anyone proposing to start short-term rentals on a particular property for the first time after April 30, 2020 should apply for a special use permit for that property, which could be approved or denied based on the type of neighborhood, potential parking issues, number of bedrooms, maximum number of occupants allowed, etc.

Anya Grahn

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As a local business owner and a host for STR in Chapel Hill, I am in support of fair and reasonable regulations that will not inhibit local residents for operating a small business STR. It is important to consider that the vast majority of STR owners are very responsible in running their business, without the need for unfair regulations and interference. Do let let the exceptions be the guide to implementing unfair regulations.

Sincerely,
Paul

Paul Meade, M.Sc., MPH.
President |
Thought Leader Select | Chapel Hill, North Carolina

Adjunct Professor, and Lecturer. Univ. of North Carolina, Gillings School of Global Public Health

Celebrating over 14 years of powering sophisticated medical engagement worldwide
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Anya Grahn

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Dear Anya Grahn,

I am writing in reference to the work that is currently being done to analyze the need for regulating short term rentals. I understand that the town is considering banning short term rentals that are operated by hosts that do not live directly on the property. My understanding is that there have been few complaints by neighbors that these properties are creating a nuisance and it seems that the town is trying to solve a problem by this that has not yet proved to be a real problem. I have found in my own experience that short term renters are providing a valuable service to visitors to our community and are filling an important need. I also feel like as a homeowner, I should be able to do what I like with my property as long as I am operating it in a safe manner and not creating a disturbance for my neighbors. I fully support common sense regulations that make sure these properties are safe, but there seems to be no real reason to ban them other than to satisfy the needs of local hotel operators. I would implore you to be very careful in how you approach this and the rules you make. It would not be a good idea to exclude small local entrepreneurs from this burgeoning market.

Best Regards,
Jennifer Cantwell Wood