



Questions & Answers (Q&A)

Follow-up from April 19, 2021 Public Information Meeting (PIM) on Short-Term Rental (STR) Draft Ordinance

STR Definitions




1. How do you define Short-Term Rental?

A Short-Term Rental (STR) is the rental of a residential dwelling unit or accessory dwelling unit (ADU) for a fee for fewer than thirty (30) consecutive days.

A long-term rental is the rental of a residential dwelling unit(s) for a fee for thirty days or more.

2. Could you please make a distinction between hosted and non-hosted STRs?

Staff has identified the following types of STRs and defined them below:

TYPES OF SHORT-TERM RENTALS (STRS)		
Primary Residence STR:		Dedicated STR
		
Hosted STRs	Unhosted STRs	Dedicated STR
<ul style="list-style-type: none"> Primary Resident (R) is on-site with guests (G) Nightly rental of spare bedroom or ADU 	<ul style="list-style-type: none"> Primary Resident (R) is not on-site with guests (G) Nightly rental of principal dwelling unit or ADU on the same lot as resident-occupied dwelling 	<ul style="list-style-type: none"> No resident on-site. Only used for STR Nightly rental of a dwelling unit or ADU on a site not used as a primary residence
PROPOSED DEFINITIONS		
<p><u>Primary Residence:</u> the dwelling unit or dwelling unit with an accessory apartment on a property in which the host resides a majority of the year (219 days or 60 percent or more of the time).</p> <p><u>Primary Residence Short Term Rentals:</u> the rental of a primary residence that is rented wholly or partly for a fee for fewer than thirty (30) consecutive days to transient guests. No simultaneous rental contracts are permitted when the host is not on-site.</p>		<p><u>Dedicated Short-Term Rental:</u> the rental of a residential dwelling unit(s) on a property that is not used as a primary residence and is rented in its entirety to one party of transient guests at a time for a fee for fewer than thirty (30) consecutive days. No simultaneous rental contracts are permitted.</p>

3. What again is ADU?

An Accessory Dwelling Unit (ADU) is a residential dwelling unit located on the same lot as a single-family dwelling unit, either within the same building as the single-family dwelling unit or in a detached building.

The Land Use Management Ordinance (LUMO) currently allows ADUs as:

- Accessory apartment to a single-family dwelling unit
- Duplex unit on a shared lot (duplex units on separate lots would not be considered an ADU)

4. Could you please describe the difference between short term rentals and the student rentals that rent for a semester?

Short-term rentals are those rentals that are less than 30 days. Student rentals may have month-to-month or semester-long leases that are 30 days or more.

5. We live half of the year in Chapel Hill and half of the year in Boston. When we are in Boston, we rent our home with a minimum stay of 1 month. From what I read, this proposal would not apply to us. Is this correct?

You are correct. This ordinance is only regulating rentals that are less than 30 days.

STR Permits

6. Does this proposal apply to unincorporated Chapel Hill which is where our home is located?

This ordinance would amend the Town of Chapel Hill's Land Use Management Ordinance (LUMO) that governs the Town's planning jurisdiction. If your property is located within the Town's jurisdictional boundary, these regulations would apply to you. Please see the [Town's Interactive Map](#)¹ to determine if your property is within the Town's jurisdictional boundary.

Draft Ordinance Development

7. Do we know what the neighboring rules are for the places that are near us?

Staff has been working with Rebecca Badgett, attorney with UNC School of Government, to develop the draft ordinance. Rebecca has closely followed the development of STRs throughout the state as well as the nation.

For more information about other North Carolina STR ordinances, please see the following:

- March 17, 2021 Council Work Session – [Background Information and Data](#)²
- March 5, 2021 Council Committee on Economic Sustainability (CCES) – [Short-Term Rental Memo + Exhibits](#)³
- December 11, 2019 Short Term Rental Task Force – [Homework Assignment](#)⁴ (Includes table comparing different STR ordinances throughout the state)

¹<https://townofchapelhill.maps.arcgis.com/apps/webappviewer/index.html?id=7c0b17839ad142178172ac4cc82e13b6>

²<https://chapelhill.legistar.com/View.ashx?M=F&ID=9242358&GUID=440F7E8C-F549-4F2A-833C-3B82065AC296>

³www.townofchapelhill.org/home/showpublisheddocument/48378/637503644082200000

⁴<https://www.townofchapelhill.org/home/showdocument?id=44661>

Permitting

8. Do you require a STR permit outside of Town limits?

The proposed regulations would only apply to those properties within the Town of Chapel Hill's jurisdictional boundaries. Please see the [Town's Interactive Map](#)⁵ to determine if your property is within the Town's jurisdictional boundary.

9. Never been aware of an STR permit. Is that something we should be applying for?

Presently, STRs are not permitted under the Town's Land Use Management Ordinance except as:

- Home Occupation
- Tourist Home
- Overnight Lodging (Blue Hill District Only)

There is not currently a STR permit available as STRs are not permitted. Some hosted STRs meeting the definition of a home occupation have received a Home Occupation Permit; however, staff will work with these operators to convert them to a STR permit when the ordinance is adopted.

10. If we do not apply for a STR permit now and in a couple of years decide we will take renters for two-week stays, will waiting limit our ability to get a STR permit if we would need one?

The proposed draft ordinance serves as a first step to developing a STR pilot program. In it, short-term rentals are defined as the rental of any dwelling unit of less than 30 days. The proposed regulations require annual renewal of a STR permit for both dedicated and primary residence STRs. Staff recognizes that additional amendments may be made to this ordinance following its adoption as we learn more about STRs.

11. In residential areas, general use zoning districts - any number of rental units allowed per zoning district? Is it wide open and allowed as long as you follow the rules?

As proposed, the ordinance would permit primary residence STRs in all zones that allow residential uses. There is no cap proposed on the number of primary residence STRs permitted.

Dedicated STRs would be permitted only in mixed use and commercial zoning districts; they would not be permitted in residential zoning districts. The ordinance proposes a 3% cap on the number of dedicated STRs permitted in multi-family dwelling units.

12. Will there be a grandfather clause for existing STRs?

"Grandfathering" is a method of allowing legal nonconforming uses to continue even after new restrictions are enacted that restrict the use. As STRs are currently not a lawful and permitted use in Chapel Hill, they do not become a legal nonconforming use following adoption of regulations. The Town Council has the ability to prohibit existing STRs in the ordinance.

Staff has heard an interest from the community and Council in considering how the proposed ordinance would impact existing STRs. Staff is working on developing a policy that would provide an amortization or "sunsetting" of STRs that do not meet the ordinance.

As previously stated, the proposed ordinance is the first step to creating a pilot program for STRs. Staff recognizes that additional amendments may be required following its adoption.

⁵<https://townofchapelhill.maps.arcgis.com/apps/webappviewer/index.html?id=7c0b17839ad142178172ac4cc82e13b6>

Operational Requirements

13. Isn't it four unrelated people the rule for student housing? Wouldn't that be a better way to control 'party house' instead?

The Land Use Management Ordinance currently states that any dwelling unit occupied by more than four (4) persons who are not related by blood, adoption, marriage, or domestic partnership is a rooming house.

The STR Task Force recommended an occupancy limit of two guests per bedroom plus four additional guests.

14. When there are too many automobiles or occupants for a property, parking in no parking zones, parking on the grass—What is the avenue for policing that? How will that be enforced?

STRs shall follow the same parking requirements as other uses. The draft ordinance states that adequate on-site parking is required. There is no minimum number of parking spaces required for single family houses; however, the LUMO does have parking requirements for duplex and multi-family dwellings. For more information about parking on residential property, please see the Town's [Good Neighbors](#)⁶ page as well as [Park on the Hill](#)⁷.

15. Will there be limits on number of nights per year that you would be allowed to rent - for any of the categories?

A STR permit will be required for those renting out their dwelling unit(s) for more than 14 days per year. This is based on North Carolina [General Statutes 105-164.4F\(e\)\(1\)](#)⁸ that exempts accommodations rented for fewer than 15 days in a calendar year to pay occupancy taxes.

A primary residence STR requires that the resident resides on the property a majority of the year (219 days or 60 percent or more of the time). As such, a STR operator applying for a primary residence STR for their single-family home would be limited to offering unhosted rentals no more than 146 days per year; however, the operator can offer hosted rentals an unlimited number of nights per year.

16. How does mixed use fit in? We have renters on off days but when there aren't people in our rental there is a gap. What happens then?

Under the proposed ordinance, dedicated STRs would be permitted in mixed use and commercial zoning districts. STR operators would apply for a STR permit for those units that are used as a dedicated STR between long-term leases.

Enforcement

17. Will the owner be notified as part of due process if the town receives a complaint? What rises to the level of a complaint for the purposes of the three-strike rule?

Yes, Code Enforcement and/or the Police Department will contact the STR operator and property owner as part of their investigation to validate the complaint and/or issue a Notice of Violation. Any property that receives three (3) separate violations related to the STR property within a rolling 12-

⁶ <https://www.townofchapelhill.org/residents/a-z-services/good-neighbors>

⁷ <https://www.parkonthehill.com/>

⁸ https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.4F.pdf

month period may have their STR permit revoked. [If a STR guest has a party that results in a noise violation and three neighbors complain, that would be considered one (1) violation.]

18. Would you please say a bit more about enforcement? How should a resident proceed if a neighbor is operating an unpermitted Dedicated STR in a residential zone?

Staff is hoping to contract with an enforcement software company to help us issue STR permits and ensure operators comply with the STR ordinance.

Currently, the Town's Code Enforcement is complaint-based. Once an ordinance is in place, a STR permit will be required for all STRs operating in residential zones. A neighbor concerned about the illegal operation of a dedicated STR in a residential zone may contact the Town's Code Enforcement department to file a formal complaint. Code enforcement will then investigate the complaint and issue a Notice of Violation if they find that a violation exists.

Residents can file a formal complaint if they believe a neighbor is creating a nuisance. Please see the Town's [Good Neighbor](#)⁹ page for more information.

Sharing Feedback with Decision-Makers

19. How will this feedback be shared and taken into consideration?

Staff will make amendments to the draft ordinance based on the community input received at the Public Information Meeting on April 19, 2021. Staff will also provide a summary of the feedback as well as links to the meeting materials in the Planning Commission and Town Council staff reports. Information will continue to be shared on the [project webpage](#)¹⁰.

20. Is Task Force being ignored? Has Council considered it? What's happened with task force's work and how is it factored into decisions?

No, the work the STR Task force has not been forgotten and has informed the draft ordinance. The Council charged the STR Task Force with considering possible regulations for Dedicated STRs, and the group developed a set of final findings that reflect the diverse viewpoints of the different stakeholder groups. The [STR Taskforce's Final Findings](#)¹¹ were shared with the Town Council on [June 26, 2020](#)¹² and the Town Council has dissolved the Task Force.

The STR Task Force's findings and input, as well as that of the community and Town Council have been considered and incorporated into the draft ordinance.

21. Would the Town Council want a survey done in the community and tally up how many people are living in neighborhoods where there are rentals and how they feel about it? Would seeing numbers help and inform Council in making a decision?

The Council may find a survey helpful. Staff has conducted two surveys over the past two years to learn more about the different viewpoints of stakeholders as well as the types of regulations the community would entertain. These survey results are available on the Town's [project webpage](#).

⁹ <https://www.townofchapelhill.org/residents/a-z-services/good-neighbors>

¹⁰ <https://chplan.us/ChapelHillSTRs>

¹¹ <https://chapelhill.legistar.com/View.ashx?M=F&ID=8610379&GUID=479FEF12-6216-4A09-A63E-F09BEEC8D756>

¹² <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4569907&GUID=3243B43C-A063-46AB-8885-7BC99D867FC1>

22. Can you please send out those slides?

The staff presentation, video recording, and emails from the public related to the Public Information Meeting are available online on the [project webpage](#).

For Additional Information

Please visit the project webpage at <https://chplan.us/ChapelHillSTRs> or contact Senior Planner Anya Grahn at agrahn@townofchapelhill.org.