



Short-Term Rentals

Brevard City Council

April 18, 2016



The City of
Brevard
North Carolina

Outline

- Timeline
- Survey Results
- Public Input Session
- Other Agencies' Input
- Occupancy Taxes
- Draft Ordinance



Timeline

- **August 17** – City Council formally requests information on short-term rentals
- **September 21** – Staff presents basic information to Council
- **October 7** – Staff meets with TDA & Chamber
- **October 19** – Online survey goes live
- **October 20** – Staff presents to Planning Board
- **November 5** – Public Input meeting
- **November 17** – Staff presents public input results and ordinance framework to Planning Board
- **January 29, 2016** – Planning Board reviewed draft ordinance
- **February 16, 2016** – Planning Board reviewed draft ordinance with changes from January review
- **March 15, 2016** – Planning Board recommended approval of draft ordinance with minor modifications
- **April 18, 2016** – City Council presentation



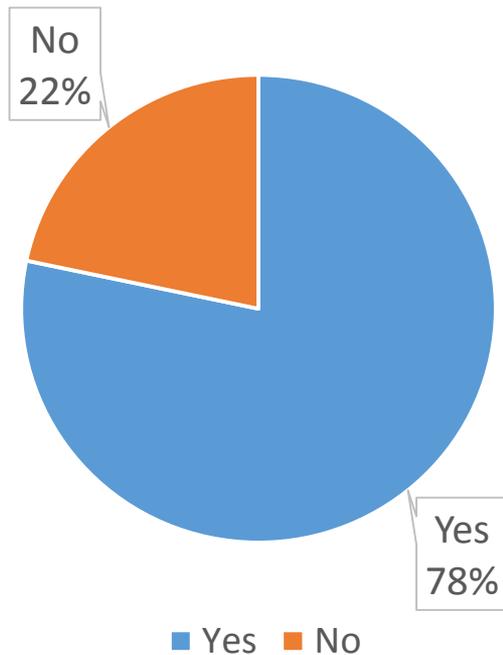
Survey

- October 19th – November 19th
- 199 responses

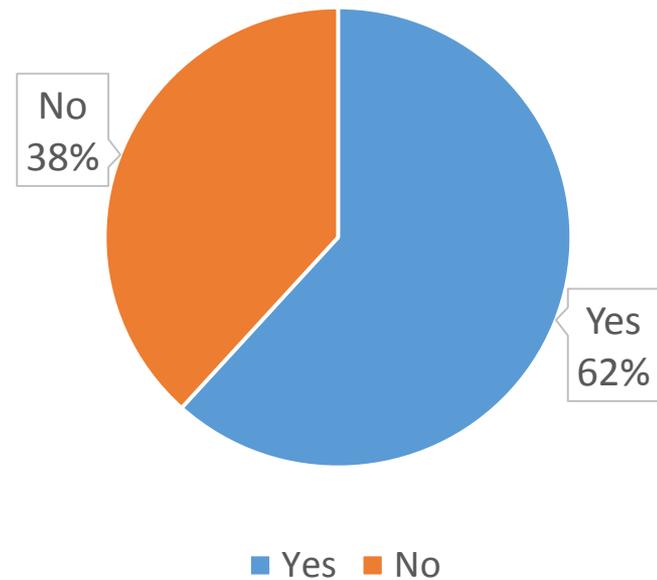


Survey – Personal Information

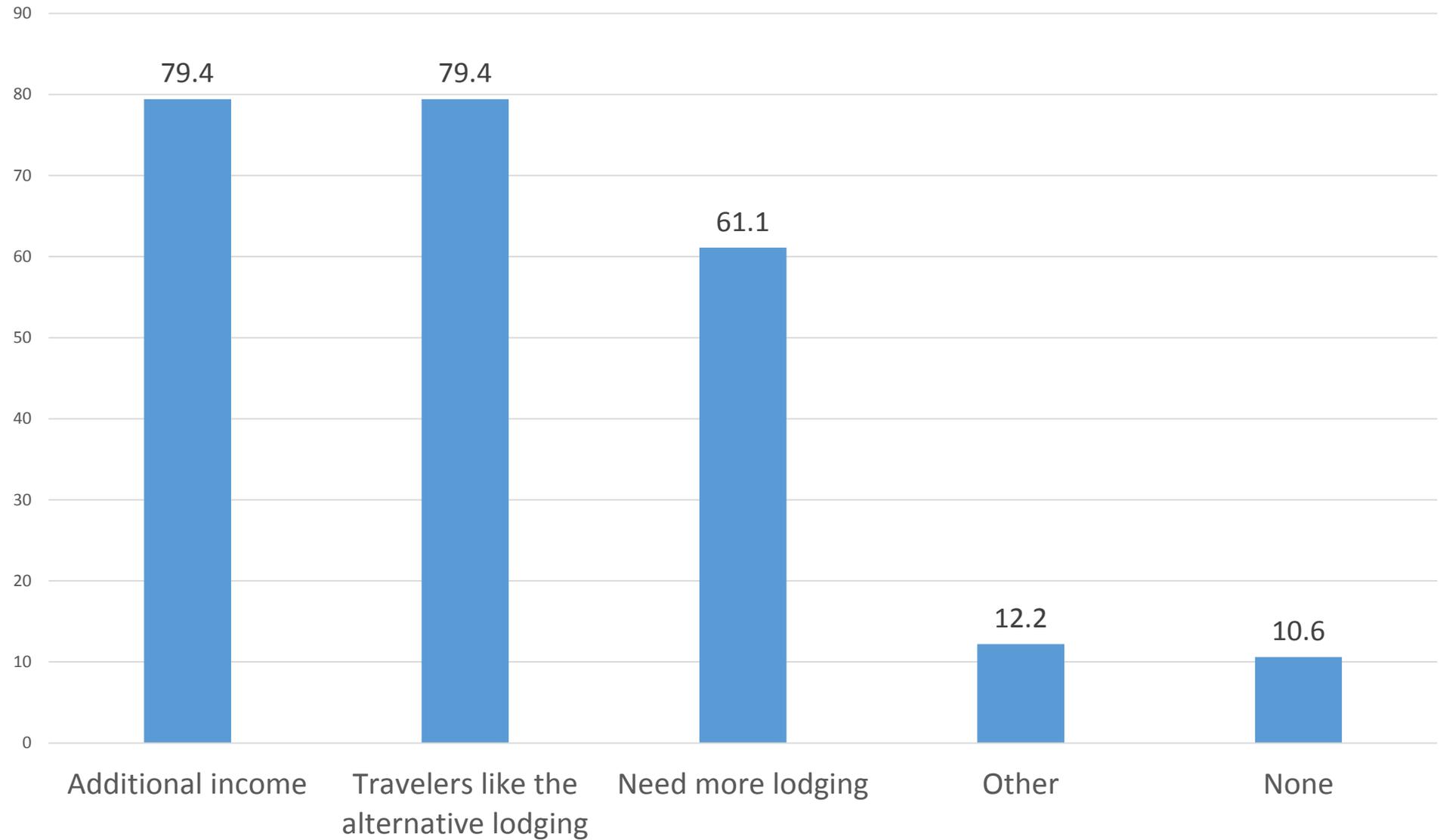
Do you reside or own property in city or ETJ?



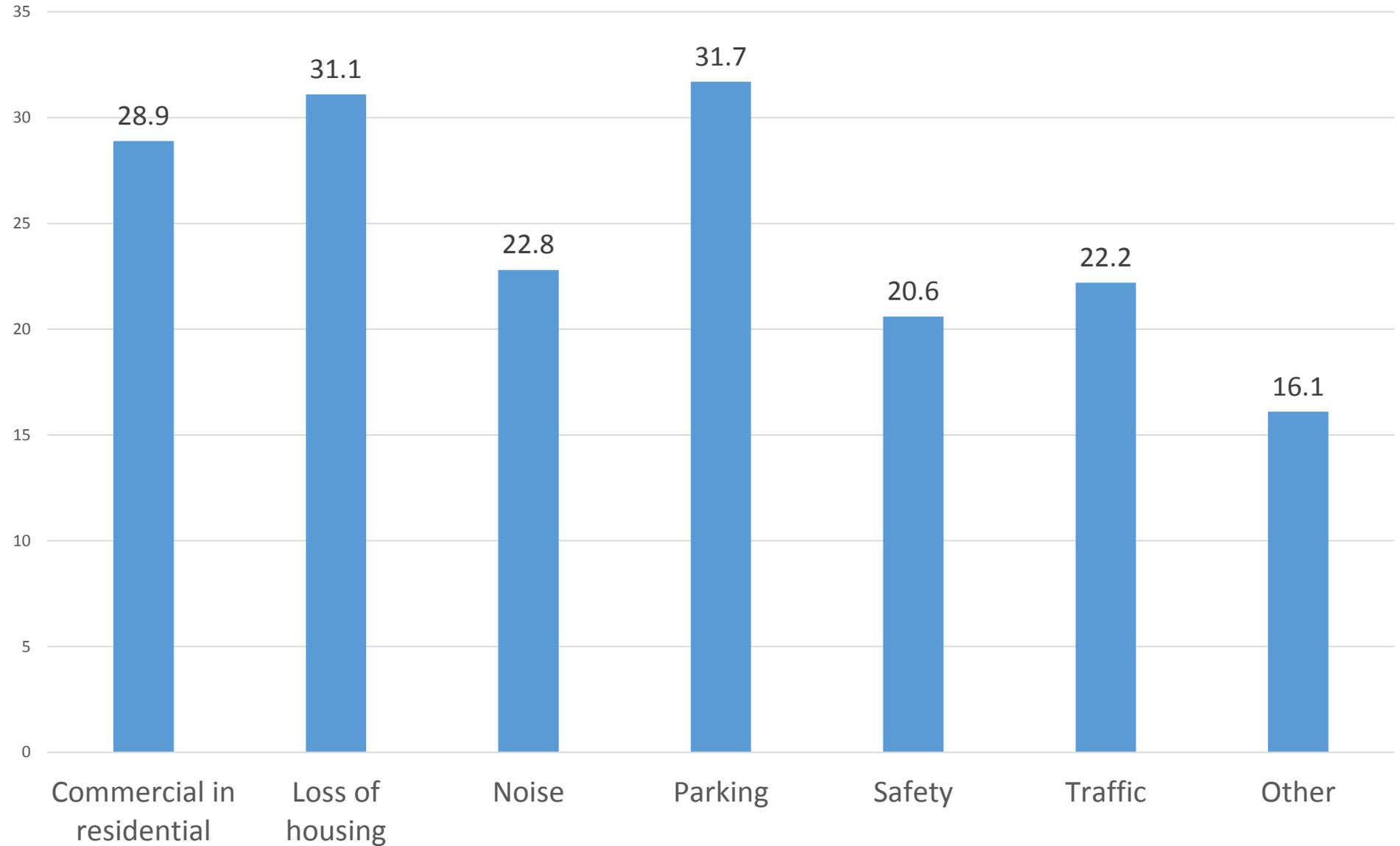
Currently or considering operating a rental?



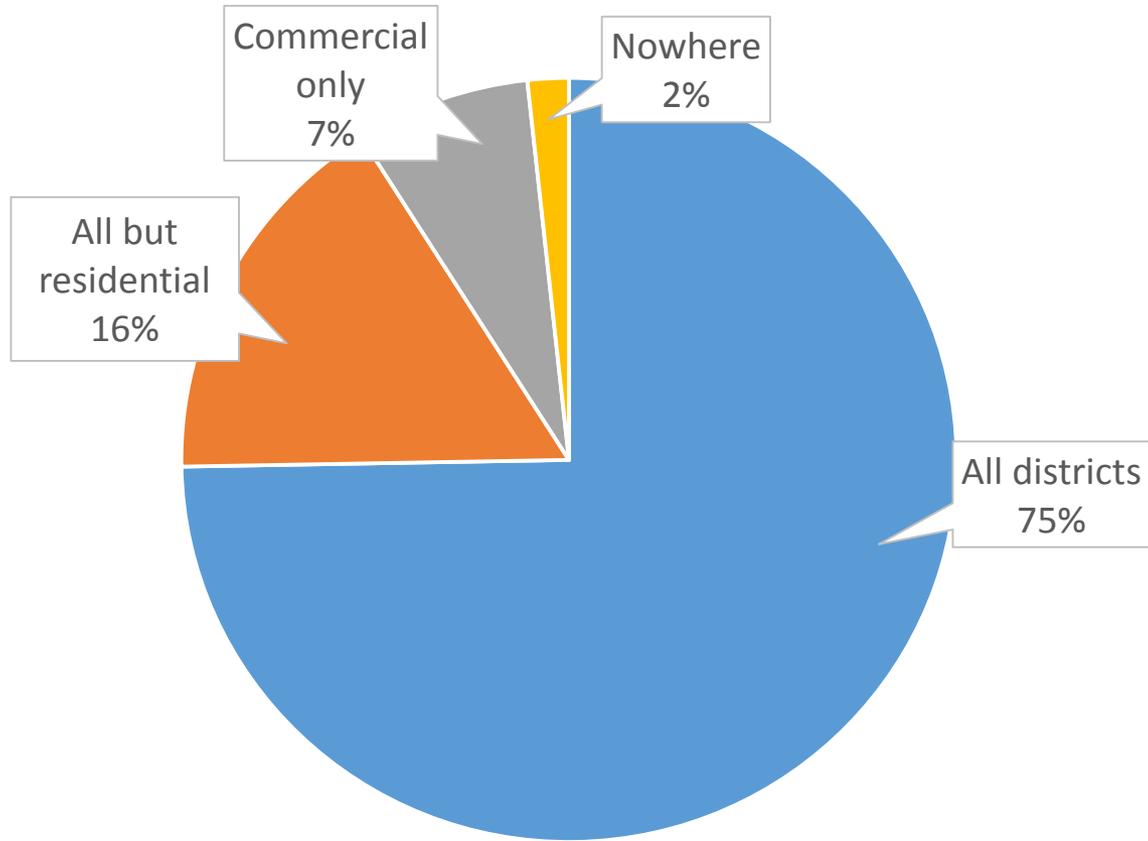
Potential Highlights



Potential Concerns



Location



- All districts
- All but residential
- Commercial only
- Nowhere



Public Input Session

- Thursday, November 5th at County Library
- Approximately 40 in attendance
- Vocal opinions across the spectrum
 - Why?
 - People already operating and STR
 - Self-regulating
 - Guest contract
 - Income for the City
 - Density of rentals is a concern
 - STR's should be treated as B&B's
 - Economic impact goes beyond occupancy taxes; improved buildings, new residents, sales tax from local establishments
 - Concerned about decreasing property values
 - “Ambassador” for Brevard



Taxes

Occupancy + Sales



Occupancy Tax

- Special legislation required from General Assembly
- Transylvania County has enabling legislation
 - Rate can be “up to 6%” per enabling legislation
 - Current rate is 5%
- City of Brevard does not have enabling legislation
- Airbnb.com automatically collects occupancy and sales taxes in North Carolina



Occupancy Tax

- Typically applied to any lodging property that also pays sales tax, including hotels, bed and breakfasts, cabins, condominiums, and rental homes for short-term stays.
- Usually not applied to campgrounds and RV parks.
- Does not apply if accommodation supplied to the same person for 90 or more continuous days.



Occupancy Tax

- Where does the money go?
 - Transylvania Tourism Development Authority
 - By law, at least 2/3 must be used to promote **travel and tourism**; remainder for **tourism-related expenditures**
 - 100% remains at local level – state gets none
 - City of Brevard receives no occupancy tax revenue
- Fiscal Year 14-15 collection of \$543,271



Taxes on Lodging in Brevard

Occupancy tax = 5%

Sales tax = 6.75%

Total tax collected on lodging = 11.75%



Other Agencies

Brevard Police

Brevard Fire & County Fire Marshal

Health Department



Brevard Police Department

- Rely on existing noise ordinance for complaints
- Concerned about visitors parking on non-parking streets
- Suggested maximum occupancy limits



Fire Department & Fire Marshal



Health Department

- **Does not** regulate short-term rentals (less than 1 week) with **four or fewer rental units**.
- **Does not** regulate long term rentals (1 week or longer) regardless of the number of rental units, without food service.
- “Rental units” are rooms, cabins, or houses.



Health Department

- **Does** regulate:
 - Short term rentals (less than 1 week) for facilities that only provide lodging (no food) and have five or more rental units.
 - Any Bed & Breakfast Home or Inn that rents any number of rooms and provides any meals as part of the fee to stay overnight.



Ordinance Background



Background – Key Ideas

- Separation of whole-house and part-of-house rentals
- Preserve residential character
 - Undistinguishable from other traditional residential uses
 - Prevent commercial intrusion into neighborhoods
- Basic level of safety for renters and harmony with neighbors



Framework

- Amend and clarify “Bed & Breakfast” and “Rooming and Boarding House” definitions
- Create Short-Term Rental House (whole house) use category
 - Special Use Permit in: GR, RMX, NMX, & DMX
 - Permitted with Standards in: CMX & IC
 - Not permitted in GI
- Create Homestay (part of a house or accessory DU) use category
 - Special Use Permit in: GR
 - Permitted with Standards in: RMX, NMX, DMX, & IC
 - Not permitted in: CMX or GI
- Exception for incidental rentals if the total rental period is under 14 days per year



Impacted Chapters

- Chapter 2 – District Provisions
- Chapter 3 – Additional Use Standards
- Chapter 10 – Parking Standards
- Chapter 19 – Definitions



Chapter 2 – District Provisions

	GR	RMX	NMX	DMX	CMX	IC	GI
Lodging							
Bed and Breakfast Home	PS	PS	PS	PS	PS	PS	–
Bed and Breakfast Inn	SUP	PS	PS	PS	PS	PS	–
Accessory Rental Cottage/Cabin	PS	PS	PS	–	–	–	–
Hotels/Motels/Inns	–	–	–	P	P	P	–
Rooming or Boarding House	–	–	P	P	P	P	–
Recreational Vehicle Park	–	–	–	–	–	–	–
<u>Short-Term Rental (Host-Absent)</u>	<u>SUP</u>	<u>SUP</u>	<u>SUP</u>	<u>SUP</u>	<u>PS</u>	<u>PS</u>	<u>=</u>
<u>Homestay (Host-Present)</u>	<u>SUP</u>	<u>PS</u>	<u>PS</u>	<u>PS</u>	<u>=</u>	<u>PS</u>	<u>=</u>



Chapter 3 – Additional Use Standards

3.34 – Short-Term Rentals and Homestays

A. Operational requirements

1. Occupancy: Overnight occupancy shall not exceed two persons per bedroom plus two additional persons. The number of “bedrooms” used in calculating occupancy limits shall be taken from the property’s application. For example: a two bedroom rental would have an occupancy limit of 6 (2 x 2 bedrooms = 4 + 2 additional = 6 total).
2. Signs: No signs permitted.
3. Parking: Off-street parking shall be provided as required by Chapter 10 of this ordinance. Parking shall be located on the same lot on which the rental units are located. Homestays in GR districts shall require guest parking to be located to the rear or side of the principal structure and to be screened with a Type A buffer in accordance with Chapter 8 of this ordinance.
4. Lighting: Exterior lighting shall be residential in nature and shall not be directed towards adjacent properties.



Chapter 3 – Additional Use Standards

B. Permits required

1. The owner, or authorized agent thereof, of any property upon which a Homestay or Short-Term Rental proposes to operate shall secure a permit from the City of Brevard Planning & Zoning Department.
2. The application shall designate a “Primary Contact” which is to be a local responsible party who is available by phone 24-hours per day while the property is being rented.

C. Violations: Any act constituting a violation of these standards shall subject the owner to enforcement procedures as set forth in Chapter 18 of this ordinance.

D. Duration of permit:

1. Short-Term Rental and Homestay permits are temporary, and shall not establish a vested right to renewal. Short-Term Rental and Homestay permits shall be valid for a period of one year from the date upon which approval is granted.
2. Annual renewal applications shall be filed 30 days prior to expiration of the current permit.



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Chapter 3 – Additional Use Standards

3. Applicants shall apply for renewal of Short-Term Rental or Homestay permits. Applications for renewal shall include a written report demonstrating compliance with the previously approved permit.
4. The approving authority may deny a request for permit renewal and require the applicant to terminate the Short-Term Rental or Homestay upon a determination that the Short-Term Rental or Homestay operated in violation of a requirement of this section or other applicable condition or requirement; or, that the Short-Term Rental or Homestay has generated unanticipated effects that are detrimental to the residential character of the neighborhood in which the Short-Term Rental or Homestay is located.

E. Exemptions: The following activities shall not be considered as a Short-Term Rental or Homestay use and the requirements of this subsection shall not apply to them.

1. Incidental residential vacation rentals, defined to mean no more than two such rentals in any calendar year where the total number of nights rented does not exceed 14.
2. Rentals of property in any permitted hotel, motel, inn, rooming or boarding house, or bed and breakfast establishment.



Chapter 10 – Parking Standards

Use Type	Required Parking Spaces
Residential (All types)	2 spaces
Residential Accessory Dwelling Unit	1 space
Retail Uses	1 per 500 square feet
Office Uses	1 per 500 square feet
Theaters	1 per 3 seats
Restaurants	1 per 4 seats
Manufacturing/Warehousing/Light Assembly	.25 per 1,000 square feet of non-office space
Bed and Breakfast Inns/Hotels/Motels/ Short-Term Rental/Homestays	1 per bed room or suite
Civic Uses (Assembly Uses Only)	1 per 4 seats (If benches or pews are used then the standard shall be measured as 1 per 6 feet)

Chapter 10 – Parking Standards

10.5.G – Location of off-street parking

G. Location of off-street parking:

1. Off-street parking shall not be permitted within any public right-of-way.
2. Off-street parking shall not be permitted within any front yard setback area.
3. Except for properties located in the Corridor Mixed Use (CMX) zoning district, off-street parking shall not be permitted between any principal structure and the street upon which such structure fronts. Where a structure fronts upon two or more streets, parking may be permitted between the principal structure and the adjacent street of lesser classification when parking cannot reasonably be placed in another location.
4. The following uses and parking types shall be exempt from Sections 10.5(G.2) and 10.5(G.3) above:
 - a. Single-family and duplex residential structures in GR, RMX and NMX districts, [including those used for Short-Term Rental uses](#), except those which are subject to Chapter 2, Section 2.3(E.2).
 - b. Handicapped parking spaces as required by the North Carolina Accessibility Code or other federal, state, or local regulations.
 - c. Bicycle parking spaces required by this Ordinance.
 - d. Existing non-residential and multi-family development undergoing significant or substantial improvement or change of use as defined in Chapter 19 of this Ordinance, provided that all newly created parking spaces associated with such redevelopment shall conform with Sections 10.5(G.2) and 10.5(G.3) unless the approving authority deems that compliance would be impractical due to existing site constraints.



Chapter 19 - Definitions

Chapter 19 – Definitions

Bed and breakfast establishments: Establishments primarily engaged in providing short-term lodging and the service of the breakfast meal in facilities known as bed and breakfast inns and bed and breakfast homes. These establishments provide short-term lodging in private homes or small buildings converted for this purpose. Bed and breakfast establishments are characterized by a highly personalized service and meet the following requirements:

1. They do not serve food or drink to the general public for pay;
2. They serve only the breakfast meal, and that meal is served only to overnight guests of the business;
3. They include the price of breakfast in the room rate; and
4. They serve as the permanent residence of the owner or the manager of the business.

Homestay: A private, owner-occupied single-family residence that offers one or more guest rooms for overnight accommodations which are rented for periods of less than 30 days for compensation, so long as the lodging use is subordinate to the main residential use of the building. The key distinction of a Homestay from a Short-Term Rental is that the host is present in a Homestay.

Rooming or boarding house: Short or long-term accommodations that serve a specific group or membership such as a dormitory, fraternity or sorority house, youth or adult hostel, or similar **tourist** accommodations, or single room occupancy units that provide a number of related services including, but not limited to housekeeping, meals, and laundry services; excludes hotels, motels, inns, bed and breakfasts, homestays, and short-term rentals.

Short-Term Rental: A private residential property that is rented for periods of less than 30 days for compensation in which the owner does not reside in the home being rented. The key distinction of a Short-Term Rental from a Homestay is that the host is absent in a Short-Term Rental.



Permit Process

1. Homestay (host present)
 - i. \$200 application fee
 - ii. Staff-level review
 - iii. One week

2. Short-Term Rental (host absent)
 - i. \$200 application fee
 - ii. Board of Adjustment review
 - iii. Six weeks



Special Use Permit Process

1. The use meets all requirements and specifications of the ordinance and any adopted land use plans and is in harmony with the general purpose and intent and preserves its spirit; and
2. The proposed use or structure will, if developed according to the plan submitted and approved, be visually and functionally compatible to the surrounding area; and
3. The proposed use or structure will not be injurious to the public health, safety, and welfare, and will not be detrimental to the value of adjoining property and associated uses.



Special Use Permit Process (cont.)

“The burden is on the applicant to present sufficient evidence to allow the Board to make a finding that the required standards will be met. The burden is on an opponent to the permit to present evidence that a general standard will not be met.

If insufficient evidence is presented that the required standards will be met, the permit must be denied. If uncontradicted evidence is presented that all of the standards will be met, the board must issue the permit.”

Owens, D. W. (2013). Introduction to Zoning and Development Regulation (Fourth ed.). Chapel Hill, NC: University of North Carolina.



Additional Considerations

1. Separation requirements
2. Minimum size (square feet)
3. Location (zoning district)
4. Total number of units in town
5. Minimum or maximum number of nights per stay
6. Vehicle registration
7. Affordable housing rentals



Moving Forward

- Review ordinance, highlight changes
- Schedule public hearing
- Additional review by the Planning Board

