Purpose:

Review 1st draft key elements and gauge support and recommendations from established short-term rental (STR) focus group.

Discussion and Consensus for Support of Ordinance Key Elements

1. **Location:** STRs would be allowed by right in all zoning districts where residential swellings are allowed. A permanent Resident does not have to live in the STR dwelling.

   **Consensus:**
   - Yes (8)
   - No (1) everything should require a conditional use permit

   **Discussion Notes:**
   - Like that it doesn’t differentiate between STR & LTR such that it allows dual purpose
   - Against all STRs because of human trafficking
   - No interaction with owner on STRs allows these crime problems to expand in STRs
   - Grace period on density grandfathered the unit in
   - Need proof that it has been rented out previously to be grandfathered in
     - In favor of enforcement by web
   - Does not like the density limitation in certain areas like the entertainment district
   - Need to be concerned with the housing stock

   *Draft Code revision: [Ensure that the Density cap does not apply in areas where the underlying zoning allows hotels/motels as a use by right.]*

2. **Occupancy:** Maximum of 2 people per bedroom plus 2, with a maximum of 8 people regardless of the number of bedrooms

   **Consensus:**
   - Yes (8)
   - No (1) consider raising limit to 10 to support STRs with four and five bedrooms

   **Discussion Notes:**
   - Some current STRs have 5 bedrooms so cap of 8 people puts them at risk
   - Concerns about enforcement
   - Occupancy should be a maximum of 10 people because of more four-bedroom homes
   - Opposed to increasing the occupancy (above 8)

   [Public communication is needed about what is required in an occupancy inspection for all existing STR owners.]
3. **Permit:** A business license must be obtained prior to operation

Consensus: Yes (9)  
No (0)

Discussion Notes:
- Business license should require designated contact person
- Fees could be increased; risk of non-STR property owners consuming limited licenses in a neighborhood

4. **Inspection:** Prior to approval of a business license the rental unit must pass a safety inspection conducted by the Fayetteville Building Safety Division. This would be a standard residential occupancy inspection which covers items including but not limited to...fire alarm, fire extinguisher, fire egress, and other safety items like porch railings.

Consensus: Yes (9)  
No (0)

Discussion Notes:
- Inspect a couple times/yr. to make more restrictive and deter bad actors
- No insurance requirement; should be required
- No ADA requirements; provides easier operating requirements compared to hotels
- City inspection requirements made easily available
- Requiring an inspection for STRs is a violation of property rights because long term rentals do not require an inspection  
  o It is their permanent home, it is different from a short-term rental, it is a totally different use of the property
- People ought to have insurance for their rentals

*Draft code revision [Need code to require insurance]*

5. **Grace Period:** 6 months for existing STRs to obtain inspection and business license.

Consensus: Yes (8)  
No (1) disagree on principle; grace period could be perceived as unfair because it brings non-conforming owners into compliance

Discussion Notes:
- Impact on current STR; qualify for grace period only if no complaints have been levied
- Conceptual issue with granting (grandfathering) exclusivity when STRs are currently operating illegally
- Consider clean slate, i.e. no grace period; first come, first awarded; post density limits apply for conditional use permit
- Does not like grandfathering in any of the short-term rentals
- Good actors would be grandfathered vs. clean slate where everyone has to comply from the start
- Existing short-term rentals should be allowed a business license without consideration of density cap; new short-term rentals have to comply
*Draft code revision: [need to clarify that the grace period will allow all existing STRs to be grandfathered in with proof of their operation prior to the adoption of the STR code; all new STRs will need to comply with all provisions of the code]*

6. **Special Events:** No parties or special events allowed in STRs by right.

Consensus: Yes (9)
No (0)

Discussion Notes:
- All agree

7. **Parking:** No more parking allowed than a standard residential dwelling.

Consensus: Yes (9)
No (0)

Discussion Notes:
- All agree

8. **Density Limitations:** No more than one STR per eight residential dwellings on a given street block. No STRs on a street block with less than four dwellings. No more than two dwelling units in a multi-family complex can be STRs. No more than one dwelling unit in an individual duplex, triplex, or quad-plex can be an STR.

Consensus: Yes (9)
No (0)

Discussion Notes:
- Code compliance – how will it be monitored
- Density limitation is difficult
- Clarify zoning for density; code needs to be specific
- Noncompliance fees/penalties should be enough to deter bad actors
- Like the density cap
- Likes the density cap because it keeps residential, residential use and keeps commercial hotel use in commercial areas
- Prefer not to have the density cap and get everybody licensed and let it go for a year and see where the density is located
- Does not have a problem with the density cap but also described scenarios where more people should be allowed in larger homes
- STR owner discussed that this is necessary, but that angry neighbors could obtain permits to keep
9. **Fees:** STRs would only be subject to the typical business license and occupancy inspection fees.

**Consensus:**
- Yes (9)
- No (0)

**Discussion Notes:**
- All agree
- Side discussion that fees need to be raised

10. **Exceptions:** If an applicant requests an exception to the STR performance criteria, such as density or occupancy, it requires a conditional use permit requiring Planning and Commission approval.

**Consensus:**
- Yes (9)
- No (0)

**Discussion Notes:**
- All agree

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**General Discussion**

- Recommendation to pass ordinance and assess in 1 yr.
- Noted: STRs may be owned by investors and conglomerates
- Hospitality Tax
  - Research VRBO hospitality tax remit
  - Airbnb collects and remits currently
  - Vrbo sent notification they will begin collecting and remitting hospitality tax as well
- With ordinance, conglomerates will come into the neighborhoods

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**Enforcement**

- We should not be expecting neighbors to rat on their neighbors through a complaint-based system
- STR operators need to give neighbors their contact information for who is managing the STR
- Human trafficking – hotel staff is trained and vigilant; who will monitor the issue for STRs

[Human trafficking, prostitution, drug dealing issues that were reported as being exacerbated through STRs will need to be handled through police and other crime prevention, not the STR ordinance]

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**Rvs, Trailers, Other Non-Dwellings as STRs**

*Draft code revision: [need to clarify that STRs are only permitted in a permanent residential dwelling; except in locations where a non-permanent dwelling such as an airstream trailer is retrofitted to meet building code requirements as a hotel in a commercial zoning district]*