

# Short-Term Rentals



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**September 2022:** In advance of sunset, Planning Commission deliberates STR regulations and forwards recommendation to Council

# Sunset Provision

## **Sunset provision in Ordinance 6427 as adopted by City Council on April 20, 2021:**

- Section 2: Sunset Clause determined that the ordinance and all amendments shall automatically sunset, be repealed, terminated, and become void 20 months after the passage and approval of the ordinance, unless prior to that date the City Council amends the ordinance to sunset, repeal and terminate the sunset provision.
- 20 months is December 20, 2022



# Definitions

- **Short-term rental**
- **Short-term rental, Type 1**
- **Short-term rental, Type 2**

# Type 2 Short-Term Rental Data Business Licenses

Total Housing Units in Fayetteville per 2020 U.S. Census:  
**43,795**

Total Type 2 STRs allowed by citywide density cap: **875**

Total Type 2 STR business licenses as of 10-4-22: **323**

Total Type 2 STRs Applied to 2% Citywide Density Cap as  
of 10-4-22: **276 or 0.6% of Housing Units**

# Type 2 Short-Term Rental Data Business Licenses

- 211 ownership entities have a single Type 2 STR business license
- 37 entities have the remaining 112 (35%) Type 2 STR business licenses.
- Of those 37 entities, 21 each have two Type 2 STR business licenses.

# Type 2 Short-Term Rental Business Licenses by Zoning District

Hotel/Motel Use Allowed by Right

| C2 | C3 | DC | MSC | UT | <u>Total</u> |
|----|----|----|-----|----|--------------|
| 2  | 0  | 1  | 49  | 1  | <u>53</u>    |

Contributes to Citywide Density Cap

| CPZD | CS | DG | NC | NS-G | NS-L | R-A | RI-12 | RI-U | RMF-6 | RMF-24 | RMF-40 | R-O | RPZD | RSF-4 | RSF-7 | RSF-8 | RSF-18 | <u>Total</u> |
|------|----|----|----|------|------|-----|-------|------|-------|--------|--------|-----|------|-------|-------|-------|--------|--------------|
| 1    | 4  | 15 | 34 | 1    | 2    | 3   | 4     | 6    | 1     | 67     | 15     | 2   | 13   | 93    | 1     | 5     | 3      | <u>270</u>   |

# Type 2 Short-Term Rental CUP Applications by Zoning District

| CS | DG | RI-12 | RMF-18 | RMF-24 | RMF-40 | NC | RPZD | RSF-4 | MSC* | <u>Total</u> |
|----|----|-------|--------|--------|--------|----|------|-------|------|--------------|
| 1  | 3  | 2     | 1      | 11     | 2      | 9  | 6    | 22    | 5    | <u>62</u>    |

\*Hotel/Motel use allowed by right in the MSC Zoning District

# Proposed Ordinance Changes

## **Title XI – Business Regulations:**

- Remove conditional use permit requirement
- Delete language describing the 12-month start-up period as it no longer applies
- Text cleanup (e.g. re-numbering sections)

# Proposed Ordinance Changes

## **Title XV – Unified Development Code**

- Move short-term rentals from Use Conditions to Supplemental Zoning Regulations And Specialized Development Regulations
- Change Type 2 STR definition to remove conditional use permit
- Delete language describing the 12-month start-up period as it no longer applies
- Text cleanup (e.g. re-numbering sections)

# Public Comments

- **Parking**
- **Safety**
- **Trash/overflowing trash at end of weekend/trash carts not being put away**
- **Too many STRs within a neighborhood**
- **Too many long-term residents in a rental**
- **Property vacancy**
- **Increasing housing costs**
- **Like allowing hotels in neighborhoods**



# Recommendation

- Staff and Planning Commission recommend approval
  - Vote 6-2-0
- Planning Commission provided additional recommendations via memo dated 9/26/22
  - Notification requirement for the type 2 STR business license
  - Limits by zoning district, for number of occupants, a density cap on a geographic basis rather than citywide basis