**TOWN COUNCIL PUBLIC MEETING MINUTES**
**THURSDAY, JUNE 27, 2019 AT 6:00 P.M.**

**COUNCIL MEMBERS PRESENT:** Rennie Brantz-Mayor, Loretta Clawson-Mayor Pro-Tem, Marshall Ashcraft, Sam Furgiuele, Connie Ulmer, and Lynne Mason

**TOWN STAFF PRESENT:** John Ward-Town Manager, Jimmy Isaacs-Fire Chief, Jane Shook-Director of Planning and Inspections, Marty Little-Senior Planner, Christy Turner-Senior Planner, Stacey Miller-Building Inspections Supervisor, Darrell Pulliam-Building Inspector and Brenda Henson-Administrative Support Specialist

**OTHERS PRESENT:** Allison Meade-Town Attorney

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**CALL TO ORDER**

Mayor Brantz called the public meeting with Town Council, held at 1500 Blowing Rock Road, to order at 6:19 p.m. and welcomed those in attendance.

Mayor Brantz asked the Town Manager, John Ward to provide a summary of the reason for the public meeting this evening.

Mr. Ward stated that at the June 18, 2019 Town Council meeting there was a proposed draft ordinance regarding amortization of nonconformities in neighborhoods.

With regards to short-term rentals, Mr. Ward stated this was a national issue with many single-family neighborhoods being lost to vacation rentals. Mr. Ward noted that the Town primarily received two types of complaints and they were noise and the transient nature of vehicles in neighborhoods. He stated the Town had seen an increase in complaints about possible drug sale activity due to the frequent traffic at homes that often turn out to be short-term rentals.

Mr. Ward stated that Town Council wished to hear from the community of both of these topics before moving forward.

Ms. Meade added that, in the Town's current zoning ordinance, short-term rentals were illegal in most zoning districts, including R1 Single-family Residential, but noted that the Town was currently not actively enforcing against short-term rentals, such as Airbnb and others. Ms. Meade stated there were different types of rental situations including renting a portion of a home where the owner also lived, or renting an entire home where the owner was absent. She encouraged speakers to speak to their type of rental situation and offer any suggestions or feedback that could be useful to Council when they consider whether or not to allow short-term rentals.

Mayor Brantz asked Ms. Meade if there was anything she would like to add about the amortization topic. Ms. Meade explained that amortization meant certain uses would be discontinued even if they had been going on for some time in the past. She provided an example: if a single-family home had been renting an accessory apartment that was unlawful in its zoning district, that unlawful accessory use would have to be discontinued. Ms. Meade stated there had also been some conversation by Council about phasing out multi-family structures that were built in single-family neighborhoods, but wished to assure everyone that Council would not be pursuing that idea at this time. She stated that the amortization being considered at this time would only be for buildings that were originally built as single-family homes. Ms. Meade explained that up until a couple of years ago there was no time limitation on a town's ability to enforce its zoning regulations so if there was a violation happening or an illegal non-conformity that the Town had been unaware of and had found out about, no matter how long it had been happening, the Town could enforce the regulations. Ms. Meade stated that the law got changed several years ago by the State legislature and now there was a statute of limitations of 5 or 7 years. She stated that even if the Town knew nothing about the zoning violation, it could not go back and enforce the regulations on a use that had been happening past the statute of limitations.

**SHORT-TERM AND HOMESTAY RENTAL PROPERTIES WITHIN RESIDENTIAL ZONING DISTRICTS**

Mayor Brantz asked that each speaker try to keep their comments under 3 minutes in an effort to allow everyone an opportunity to speak.

The first speaker was Carol Norris. She stated she had been a resident of the Town for 50 years and did not have a short-term rental. Ms. Norris felt there was no reason a short-term rental would not work if the property owner was in town but expressed concern with short-term rentals where the owner was out of town.

The second speaker was Liz Bowman of 227 North Water Street. She stated her home was a duplex before she bought it and she had been doing Airbnb for 7 years. Ms. Bowman noted that her guests spent money downtown and she maintained her property beautifully and relied on the money she got.

The third speaker was Carol Quintero. She stated she had owned and operated a short-term rental in town for 4 years. Ms. Quintero urged Council to allow Airbnb's to continue adding that they bring money to the area.

The fourth speaker was Caleb Drown. He stated he had lived in Boone for 1 ½ years and had stayed at a short-term rental for 1 ½ months until his family got settled. Mr. Drown stated he now has his own short-term rental.

The fifth speaker was Berkeley Brown who stated he had planned to do a short-term rental. He noted it was expensive to live in Boone and felt short-term rentals could help offset costs. Mr. Brown suggested looking at models in North Carolina that were already working.

The sixth speaker was Pace Cooper, a resident of Boone for 27 years. He stated he had a short-term rental and had received no complaints or damage. Mr. Cooper stated he paid 6% occupancy tax and sales tax that Airbnb remits.

The seventh speaker was Cheryl Claassen. She stated she had an owner-occupied short-term rental. Ms. Claassen stated this was a good affordable housing option, noting it was cheaper to stay in a short-term rental for two nights than to stay one night in a hotel. She noted the added income helped people pay mortgages and the money stayed local. Ms. Claassen felt short-term rentals were largely being done by women. She noted that, while technically illegal, the Town still accepted occupancy tax money from Airbnb. Ms. Claassen felt short-term rentals were an experiment in trust.

The eighth speaker was Kenneth Beam. He stated he lived on Poplar Hill beside a short-term rental and it was a disaster. Mr. Beam noted there was property damage, trash, parties, people on his property, and his dog was attacked by one of the tenant's dogs. He stated he bought his house in an area zoned for single family homes so this type of thing would not happen but thought he might have to sell his property. Mr. Beam stated the Town needed to enforce its zoning ordinance.

The ninth speaker was Kevin Pearce of 300 Grand Boulevard. He stated he would like to have the opportunity to do a short-term rental and felt that short-term rentals were not the biggest threat to neighborhoods.

The tenth speaker was Benjamin Ray. He stated he had lived in town for 15 years and felt that short-term rentals provided a personal connection with the area. Mr. Ray stated he had multiple short-term rental properties and felt regulations should allow them.

The eleventh speaker was Serena Jones. She stated she had been operating a short-term rental for a year and felt there was value in allowing people to connect in this way. Ms. Jones noted there could always be some bad situations but felt the good outweighed the bad.

The twelfth speaker was Linda Rigell of Windy Drive. Ms. Rigell stated the house next door to her had deteriorated significantly and when it sold the new owner started operating a short-term rental and the property was now much better.

The thirteenth speaker was Jasmine Shoshanna. She stated she had been operating a short-term rental for 3 years and had never had a bad experience. Ms. Shoshanna noted she had rented to hikers, mothers visiting ASU, and various types of visitors. She loved short-term rentals.

The fourteenth speaker was Jordan Sellers. He stated he had an owner-occupied short-term rental downtown and he could not make a living without it.

The fifteenth speaker was Steve Rigell of Windy Drive. Mr. Rigell stated he had lived in Boone for 30 years and felt short-term rentals worked because of the relationships. He stated that short-term rentals with absentee ownership was just a transaction.

The sixteenth speaker was Ed Midgett of 212 Water Street. He stated he lived across the street from a short-term rental and it was nothing but positive. Mr. Midgett felt absentee owners did not have an emotional investment.

The seventeenth speaker was Catherine McClennon of Gragg Street. She stated she has had approximately 200 guests in a year and felt there should not be restrictions on meeting other people from the planet.

The eighteenth speaker was John Langston. Mr. Langston asked how many Town Council members had stayed in a short-term rental. Council Members Mason and Furgiuele indicated they had. Mr. Langston asked if they had a positive experience. Council Member Furgiuele replied that short-term rentals were currently illegal in Boone.

The nineteenth speaker was Carly Cosalito. She stated she was an absentee owner and had had amazing experiences with short-term rentals. Ms. Cosalito relayed that her parents lived in Deep Gap and took care of the house for her. She stated if short-term rentals were not allowed to continue, she would have to sell her house.

The twentieth speaker was Rob Holton. Mr. Holton stated he managed approximately 600 rental units and felt Council needed to consider if they wanted to allow short-term rentals in other zoning districts when making a decision on this topic.

The twenty-first speaker was Wright Tilley with the Tourism Development Authority. Mr. Tilley felt the Airbnb model was the better short-term rental model because Airbnb collected tax on the front end and that tax goes to the State who sends it back to the municipality. He stated that short-term rentals play into the product as a whole, noting that 30-31% of occupancy tax comes from short-term rentals in Watauga County. Mr. Tilley suggested some type of identifying factor that could be placed at homes so people would know they were short-term rentals.

With no further comments, Mayor Brantz announced the next topic for public comment.

**AMORTIZATION OF NON-CONFORMING USES IN LOW DENSITY RESIDENTIAL DISTRICTS**

The first speaker was Frank "Ham" Wilson. He stated that legal non-conforming uses without interruption were vested rights and property owners were dependent upon those uses. Mr. Wilson felt amortization took away vested rights without compensation. He proposed that legal non-conforming uses be identified and a zoning classification created for them. Mr. Wilson stated this was a wonderful place to live and urged Council not to micromanage or choke citizens by their regulations.

The second speaker was Stephen Berndt of 860 Hunting Hills. He stated he applauded and endorsed Mr. Wilson's comments. Mr. Berndt stated it was unfair to change the uses that have been used for decades. He noted that people relied on the income from renters and Council needed to get serious about national trends. Mr. Berndt asked that Council not pursue amortization.

The third speaker was John Langston. He noted that ASU had a student population of about 19,000 and that was rising. Mr. Langston stated the town was already having a housing crunch and needed to do more to ease the housing burden, not restrict it. He suggested converting vacant mixed-use commercial space into apartments to help ease the housing burden.

The fourth speaker was Ron Henries, Chairman of the Watauga County Board of Education. Mr. Henries noted there was about 900 students in Hardin Park School and about 300 of them had free or reduced lunches because their families could not afford to pay for them. He asked that the Town not further reduce their income opportunities.

The fifth speaker was Harold Tilley of 747 Market Hills Drive who spoke about occupancy violations and non-conforming uses.

The sixth speaker was Maggie Tilley. She stated there was a broader issue of economic development as it related to affordable housing. Ms. Tilley stated she opened another office in Asheville simply because an affordable, non-student option was not available in Boone. She felt existing legal non-conforming properties should be grandfathered.

The seventh speaker was Trevor Gagnon of Gragg Street. He stated he owned three houses and felt legal con-conformities should be exempt from amortization. Mr. Gagnon stated people who follow the law should not be penalized.

The eighth speaker was Linda Rigell of Windy Drive. She stated she had lived in Boone for 30 years and there was a mix of R3 and R1 on her street. Ms. Rigell noted that the yards become parking lots and she wanted to prevent her neighborhood from being trashed. She stated it was very obvious which houses were rented to college students.

The ninth speaker was Steve Rigell. He stated whatever the Town decided to do, they should enforce it. Mr. Rigell stated he would like to see the Town get its act together and do some serious enforcing instead of relying on neighbors to complain.

The tenth speaker was Benjamin Ray. He felt that taking away reasonable, nicer places to rent that were not around students was a disservice. Mr. Ray asked how many houses in the Town were legal non-conforming uses. Council Member Furgiuele replied that the Town did not have that type of information.

The eleventh speaker was Jack "Danny" Slade of 284 West King Street. He stated he had owned that property since 1988 and it was an apartment when he bought it. Mr. Slade stated the investment was his retirement and he thought this idea was ludicrous. He noted that he had paid taxes for 31 years and kept the apartment up and it was a shame that Council was entertaining this idea.

The twelfth speaker was Richard Randall of 142 Blanwood Drive. Mr. Randall stated he supported amortization of illegal non-conformities. He noted that single family home owners have also paid taxes in this town and suggested a surcharge to properties who use their property as something other than what it was supposed to be. Mr. Randall stated the 6% tax revenue might be nice for the town but the costs were passed along to others.

The thirteenth speaker was Carol Norris of Woodland Drive. Ms. Norris noted that her property backed up to Windy Drive and she needed the income from rental property as a disabled widow.

The fourteenth speaker was Elizabeth Kivette of Hillcrest Circle. She stated her house was built as a three-unit dwelling and felt amortization would be a taking without compensation. Ms. Kivette stated this would be a removal of citizen's legal property rights.

The fifteenth speaker was Penny Laine. Ms. Laine stated she lived in the county but bought a house 21 years ago on Castle Heights which was a legal non-conforming use. She felt if the Town did not have records proving the use, she would have to go back to the previous owner's word.

The sixteenth speaker was Ari Bargil. He note that he was an attorney that represented properties against the government. He stated that amortization in Boone would be unconstitutional. Mr. Bargil stated that amortization was controversial and barred in some towns and the trend was for additional property rights. He felt distinguishing between legal and illegal non-conformities would be difficult.

The seventeenth speaker was Michael Krenn. He stated he had lived on Blanwood Drive for 20 years and bought the house because it was in an R1 neighborhood. Mr. Krenn felt he now lived in an R1 neighborhood on paper only and stated any home in an R1 district that was not single-family was non-conforming. Mr. Krenn stated if people wanted to rent their house in an R1 district then they should rent it to a family. He felt that R1 neighborhoods were constantly infringed upon with no protection.

The eighteenth speaker was Edie Tugman of Cherry Drive. She stated she lived on a one-lane street and felt that private property owners had rights. Ms. Tugman offered to volunteer to help determine which properties were legal and illegal non-conformities.

The nineteenth speaker was Stuart "Sonny" Tugman. He stated people who live in an R1 district expect to have single-family homes in their neighborhood. Mr. Tugman suggested having a paralegal do research at the tax office and make a list of properties being used as residences. Council Member Furgiuele stated the General Assembly made a law that the Town could not enforce its ordinance if the use had been taking place for more than 5-7 years.

The twentieth speaker was Ned Fowler with Northwest Regional Housing Authority. Mr. Fowler noted there were housing problems in Boone with affordability and availability and stated this area had the lease affordable housing stock of the areas they serve. He asked that Council consider the consequences of amortization to those less fortunate like the elderly and disabled.

The twenty-first speaker was Denise Carroll. Ms. Carroll stated she owned a four-unit apartment building on Green Street that should be grandfathered and not subject to amortization.

The twenty-second speaker was Rob Holton. He suggested allowing legal non-conformities in R1 and R2 districts to rezone in order to come into compliance but noted he was still against amortization. Mr. Holton stated he managed four properties at the beginning of Windy Drive and he has tried to keep them maintained. Council Member Furgiuele stated the idea was to get as many people to be in compliance as possible and noted the current requirement of a 180-day period of discontinuance was hard to determine. Council Member Furgiuele stated he proposed amortization because of the change by the General Assembly and a desire to protect low density neighborhoods.

Ms. Tugman noted that in the 1930's houses were built with one or two apartments and asked if they were destroyed would they be allowed to build the same thing back in an R1 district. Council Member Furgiuele replied that if the home was destroyed by an act of God it could be built back to its original state.

With no further public comment, Mayor Brantz thanked everyone for coming out and for caring about the community.

Council Member Furgiuele announced that there were numerous committees of the Town that needed volunteers. He noted these committees helped to inform the decisions of the Town and urged those in attendance to consider applying to serve on a Town committee.

**ADJOURNMENT**

Mayor Brantz adjourned the public meeting at 9:11 p.m.

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**Rennie Brantz, Mayor** **Brenda Henson, Admin. Support Specialist**