

Checking Inn

Regulating Peer-to-peer Short Term Rentals
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Session Agenda

- Law and process for regulating short-term rentals





What is a Short-Term Rental?

- **Hosted:** An arrangement where the guest and host are co-occupants of a dwelling unit being used as a short-term rental. This means that the host remains on-site during the rental period.
- **Unhosted STR:** The entire dwelling unit is rented while the host is temporarily away from the property.
 - **Dedicated Vacation Rental/Investor-Owned:** Full-time short-term rental.

Legal Authority to Regulate Short-Term Lodging

For the purpose of promoting health, safety, morals, or the general welfare, a LG may adopt zoning and development regulation ordinances. §153A-340 (counties); §160A-381 (cities).

- From a zoning standpoint, there is a general belief that all lawful land uses have a place somewhere within a jurisdiction's boundaries.

NC Vacation Rental Act, Chapter 42

- The Act applies to tenants, landlords, and real estate brokers in North Carolina
- A *vacation rental* is defined as including a residential property rented for a period of less than 90 days for vacation, leisure, or recreation, by someone who has a permanent residence elsewhere
- Requires a written agreement detailing the rights and obligations of the parties, amount of rent, and process for expedited eviction
 - Landlord to provide fit premises: Requires smoke alarms and 1 carbon monoxide detector
 - Tenant is to maintain dwelling unit by keeping it clean and habitable
- Transfer of property: Reservations must be honored for 180 days

*Local government can impose more restrictive regulations or require compliance with the Act.

Three Steps to Regulation



1. Gather
& Analyze
Data

2. Define
Planning
Objectives

3. Draft
Ordinance

- STR Statistics
- Current Regulations

- Tourist Homes
- B&B's
- Home Occupation
- Hotels/Overnight Lodging

- Which type of STR does the local government intend to regulate?



Identify Key Stakeholders

Who?

- Who has an interest?
- Who will this impact?
- Who should be involved in the project?

How?

- How do we reach the stakeholders?
- How do we engage the community?



Identifying Planning Objectives

- Housing Availability/Affordability
- Preserving Neighborhood Character
- Economic Development
- Health & Safety
- Leveling the Regulatory Playing Field

Ordinance Drafting

Geographic Regulations

In which zoning districts may STRs operate

- Should whole-house rentals be allowed to operate in residential zones?

Operational Requirements

- What will be asked of the host

STR in a Residential District

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graph TD; A[STR in a Residential District] --> B[Prohibit]; A --> C[Allow]; C --> D[Cap on nights rented]; C --> E["Density; 2%/400 yards"]; C --> F["One STR permit per natural person"]; C --> G["Unrestricted. Subject to operational regs."];
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Prohibit

Allow

Cap on nights
rented

Density; 2%/400
yards

One STR permit
per natural
person

Unrestricted.
Subject to
operational regs.

Which Regulations Would You Support?

Issuing Zoning Permits

Occupancy Caps

Designated Responsible Party/Notice to Neighbors

Parking Restrictions

Health & Safety Inspections

Prohibit Special Events (weddings, fundraisers)

Enforcement

- Taskforce will make recommendations for the types of regulations to adopt
- Town will consider enforcement implications

