# Checking Inn

Regulating Peer-to-peer Short Term Rentals
Rebecca Badgett

# 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 shortterm 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: Fulltime 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

Gather
 Analyze
 Data

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

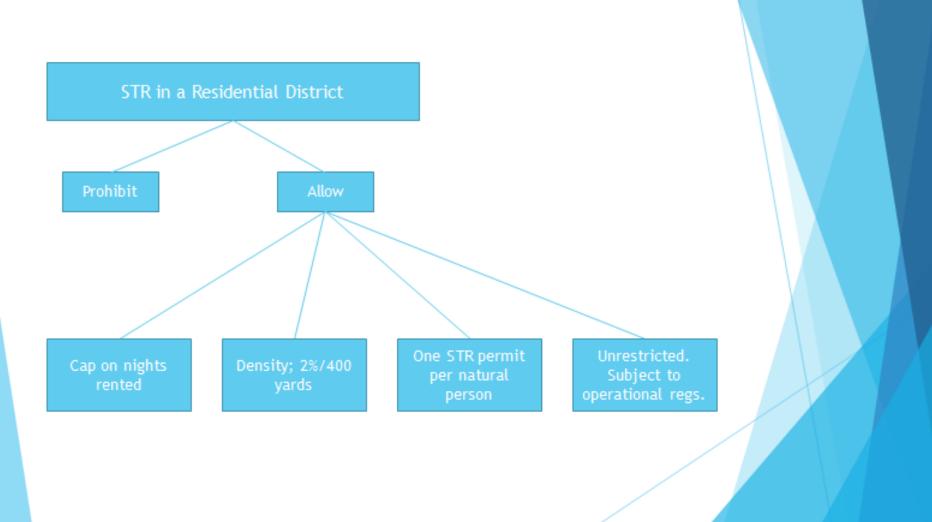
### **Geographic Regulations**

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



# 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

