

North Carolina Zoning Authority & Short-Term Rentals

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Regulation and Taxation of Short-Term Rentals Workshop

January 9, 2019



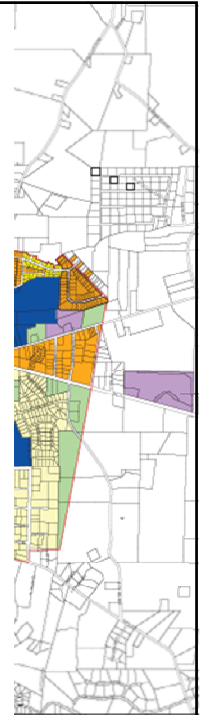
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Outline

- Zoning Basics
- New Legislative Restraints
- Zoning and STR



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Zoning Ordinance = Map + Text

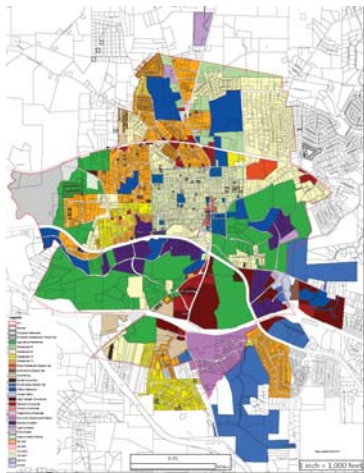


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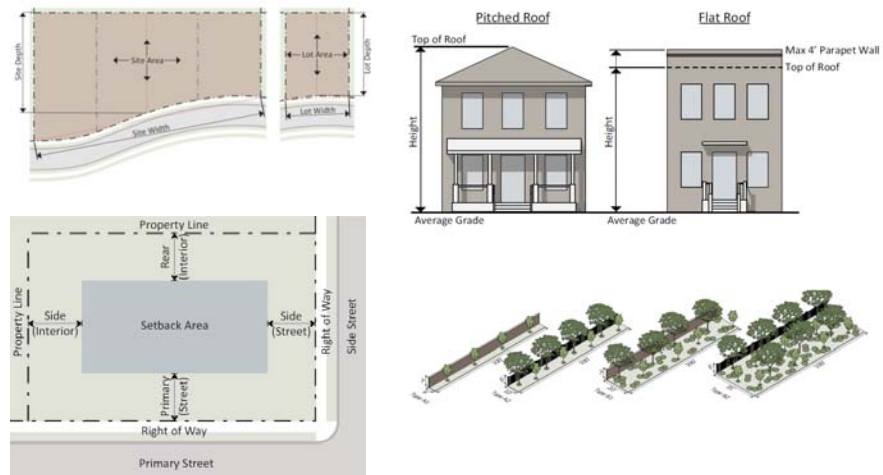
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Zoning...Use

S.1.5 TABLE: USE TABLE FOR RESIDENTIAL DISTRICTS												
P = Permitted by Right SLP = Permitted with a Special Use Permit C = Permitted with a Conditional Use Permit												
	AR	R-40	R-20	R-15	R-10	R-5	MD	SLP	MSU	MSU2	MSU3	PWC
Adult Day Care												
Adult Use												
Artisan Studio												
Bank & Financial Institution												
Bar												
Bed and Breakfast Facility	C	C										
Botanical Garden & Arboretum	P											
Building/Trade Contractor's office												
Cemetery												
Cemetery, Faith Based	SLP	SLP	SL									
Child Day Care	C	C										
Church, Place of worship	C	C										
Club or Lodge												
Community Center	P/C	P/C	P									
Detention Facility												
Drive-up Window												
Dry Cleaning or Laundry Plant												
Dwelling: Accessory	P	P										
Dwelling: Attached (1-4 units)	P	P										
Dwelling: Attached (5-19 units)	C	C										
Dwelling: Attached (20+ units)	SLP	SLP	SL									
Dwelling: Mobile Home A	P	P										
Dwelling: Mobile Home B												
Dwelling: Mobile Home C												
Dwelling: Single-family	P	P										
Event Center												
Extended Care Facility	SLP	SLP	SL									
Family Care Home	P	P										
Family Child Care Home												
Farm, Bona Fide	P	P										
Farmers Market	P/C	P/C										
Flex Space												
Funeral Home												
Gallery/Museum												
Greenhouses/Nursery	P											
Hospital	C	C	C									
Health Care Facility												
Health/Fitness Club												
Homeless Shelter												
Hotels & Motels												
Junkyard/Outside Storage of Junked or Wrecked Motor Vehicles												
Kennels, Boarding												
Library												
Mail Order Houses												
Manufacturing Complex												
Meeting Facility												
Mobile Home Park												
Motor Vehicle Fuel Station												
Motor Vehicle Maintenance, & Service												
Motor Vehicle Repair												
Motor Vehicle Sales & Rentals												
Nightclub												
Non-residential uses in historic												
Offices not providing direct												
Offices providing direct services to												
Outlet sales												
Park, Athletic or Community	C	C	C									
Park, Cultural or Natural	P	P	P									
Park, Neighborhood	P	P	P									
Parking as Principal Use, Surface or												
Structure												
Performance Facility												
Personal service business												
Personal Vehicle Sales												
Petroleum Products (storage &												
distribution)												
Processing Facility												
Public Safety Services	P	P	P									
Public Utilities	SLP	SLP	SLP									
Recreational Facilities												
Recycling Materials Collections												
Center												
Research Facility												
Restaurant A												
Restaurant B												
Restaurant C												
Retail sales/rentals of goods with												
outside display/storage of												
merchandise												
Retail sales/rentals of goods within												
wholly enclosed structure												
Rooming/Board house												
School: Art & Music												
School: Dance, Martial Arts												
School: Elementary, Middle &												
Secondary	C	C	C	C	C	C						
School: Higher Education												
School: Vocational												
Storage & Warehousing: Inside												
building, excluding explosives &												
hazardous wastes												
Storage & Warehousing: Outside												
Storage & Warehousing: Self												
Telecommunication Tower, 200' or												
taller	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP
Telecommunication Tower, less	C	C	C	C	C	C	C	C	C	C	C	C
than 200' tall												
Transit Passenger Terminal												
Transmission Lines	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP	SLP
Vehicle Restoration												
Veterinarian/Animal Hospital												
Wholesale sales, indoor												
Wholesale sales, with outdoor												
storage/display												

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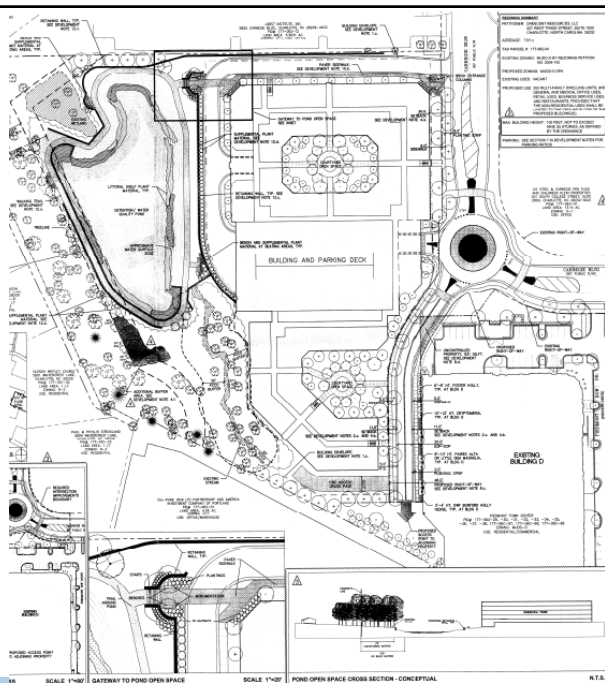
Development Standards



Raleigh Unified Dev. Ordinance, Adopted Feb. 18, 2013

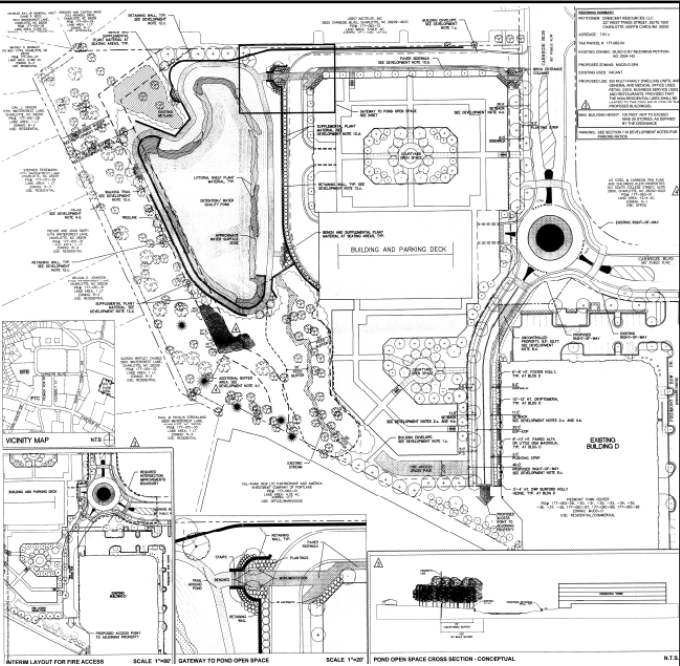
Approvals

- Legislative Approvals
 - Rezoning/Conditional Zoning
 - Development Agreement
- Quasi-Judicial Approvals
 - Special Use Permit
 - Certificate of Appropriateness
 - Variance



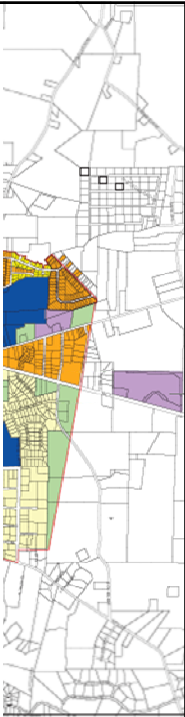
Approvals

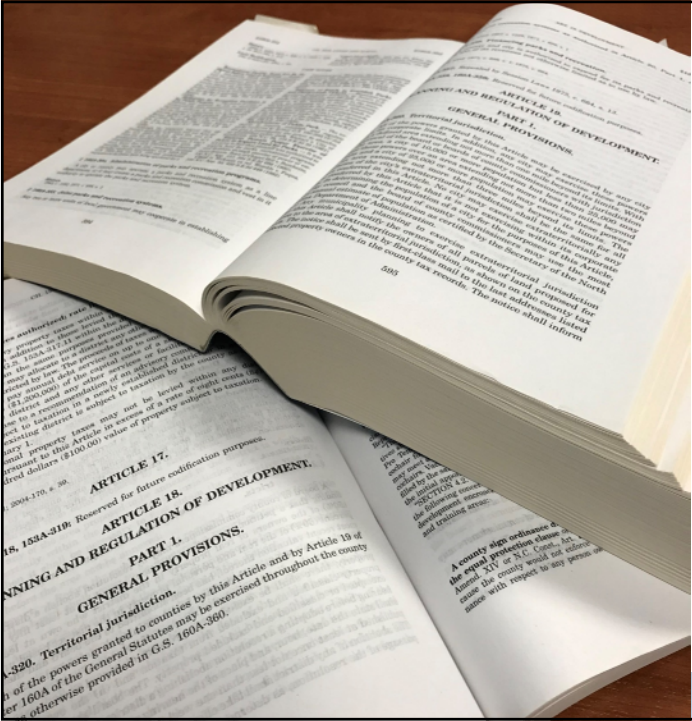
- Administrative Approvals
 - Site Plan Approval
 - Zoning Compliance Permit
 - Home Occupancy Permit
 - Temporary Use Permit



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STRs are subject
to limits on
residential
inspections,
permitting, and
registration

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S.L. 2019-73 (S.B. 483)

Properties subject to the Vacation Rental Act are subject to the limitations on periodic inspections and rental-permitting requirements in G.S. 160A-424 and 153A-36

Vacation Rental Act, G.S. 42A

vacation rental: “[t]he rental of residential property for vacation, leisure, or recreation purposes for fewer than 90 days by a person who has a place of permanent residence to which he or she intends to return.”

residential property: “[a]n apartment, condominium, single-family home, townhouse, cottage, or other property that is devoted to residential use or occupancy by one or more persons for a definite or indefinite period.”

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Residential Rental Property Inspections, Permits, and Registration

- Arose from inspections and registration for rental properties
- Focused on housing code regulation and enforcement
- Chapter 160D recodifies to Article 12 (Housing Code); clarifying language to limit to building permits and housing permits

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Periodic Inspections (160A-424 and 153A-364)

- Limited authority for periodic inspections of residential property
 - when reasonable cause to do so, may make periodic inspections “for unsafe, unsanitary, or otherwise hazardous and unlawful conditions”
 - in accordance with the fire-prevention code
 - in accordance with specific requirements for periodic inspections in designated blighted areas

Permitting and fees (160A-424 and 153A-364)

- may not require registration of rental property with the local government or obtain a permit or permission to lease or rent residential property
- may not require enrollment in a governmental program in order to obtain a certificate of occupancy
- may not levy a tax or fee that is not also levied against other commercial and residential properties

Permitting and fees (160A-424 and 153A-364)

- may not make a violation of a rental-registration ordinance punishable as a criminal offense, and
- may not require an owner or manager of rental residential property to submit to an inspection before receiving a utility service from the local government.



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Plainly some new limits

. . . but zoning remains



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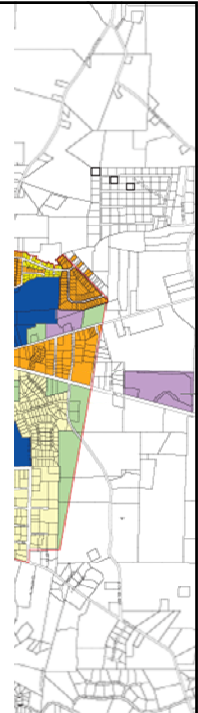
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More Detail


- Adam Lovelady & David Owens, *2019 North Carolina Legislation Related to Planning and Development Regulation*, P&Z Law Bulletin No. 28, September 2019
- Rebecca Badgett, "Regulation of Short-Term Rentals and the Effect of S.L. 2019-73," *Coates' Canons* blog, September 9, 2019
- Tyler Mulligan, *Residential Rental Property Inspections, Permits, and Registration: Changes for 2017*, CED Bulletin No. 9, Mar. 2017)

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Define a land use

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Limit to certain zoning districts

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Establish development standards

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Require a permit

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