

Short Term Residential Rental Task Force

Recommendation – May 18, 2017

ORDINANCE NO. (xxx-2017)
TC-XX-17

AN ORDINANCE TO ESTABLISH REGULATIONS FOR SHORT TERM RESIDENTIAL LODGING FACILITIES

WHEREAS, The City of Raleigh Unified Development Ordinance does not contain regulations related to short term residential rentals; and

WHEREAS, Short term residential lodging facilities provide itinerant housing for travelers, guests and families in the City of Raleigh where the duration of the stay is less than 30 days; and

WHEREAS, Recent reports have indicated a shortage in lodging facilities in the city; and

WHEREAS, Reasonable regulations placed within the UDO can directly address any real or perceived impacts of short term residential lodging facilities;

WHEREAS, The regulations have been crafted to acknowledge the difference between home sharing, the initial intent of short term rentals, and true investment properties where the property owner has limited contact with the short term renters.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RALEIGH THAT:

Section 1. Section 6.1.4 of the Part 10A Raleigh Unified Development Ordinance, Allowed Principal Use Table, is hereby amended by adding: “Short Term Residential Lodging Facility” to the Specific Use column as a separate entry underneath the “Overnight Lodging, Except as Listed Below” heading. Under this new section heading, there will be three classifications listed: Type I, Type II and Type III. The Type I and Type II classifications will be shown as a Limited Use in the following zoning districts:

R-1, R-2, R-4, R-6, R-10, RX, OX, NX, CX, DX.

The Type III classification will be shown as a limited use in the following zoning districts:

RX, OX, NX, CX, DX.

Section 2. Section 6.2.2.B. of the Part 10A Raleigh Unified Development Ordinance, Boardinghouse, is hereby amended by insertion of the following underlined provisions and deleting the language shown with a strike-through:

B. Boardinghouse

1. Defined

A facility that contains individual rooms ~~without cooking facilities~~ that are rented to the general public to more than 4 unrelated persons for periods in excess of 30 days. Includes rooming house, ~~lodging house and tourist home~~.

2. Use Standards

- a. The facility was constructed originally as a detached house.
- b. The total number of individuals occupying a boardinghouse is limited to 6.
- c. In a Residential District, there is no exterior advertising except 1 unlit announcement sign not to exceed 2 square feet in area.
- d. No boardinghouse can be located within 1,200 feet of another boardinghouse (determined by a straight line from property line to property line).
- e. The minimum tenant rental period exceeds 30 days.
- f. Cooking facilities are not permitted in the rented rooms of the boardinghouse.
- g. The facility complies with the City's Housing Code, Article 11.6 of this UDO.

Section 3. Section 6.4.6 of the Part 10A Raleigh Unified Development Ordinance, Overnight Lodging, is hereby amended by inserting a new subsection "E", which reads:

E. Short Term Residential Lodging Facility

1. **Defined**

The rental of a single-, two- or multiunit dwelling to accommodate visitors, vacationers or travelers where the rental occurs for less than 30 days at a time. There are three types of short term rental lodging facilities. In certain types, a resident manager provides oversight for the operation of the short term rental and ensures that the applicable regulations are enforced.

2. **Use Standards Applicable to All Types**

- a. Every Short Term Residential Lodging Facility operator shall first apply for and procure a zoning permit for a Short Term Residential Lodging Facility from the City's Development Services Department. The zoning permit must be renewed annually.
- b. The zoning permit shall be accompanied by all submittal requirements, as listed on the City's application checklist. This shall include proof of a certificate of insurance or liability insurance. The insurance must remain valid and current for the duration of any short term residential lodging activities. Prior to the issuance of a zoning permit, the Development Services Department shall perform an inspection to ensure compliance with the applicable standards.
- c. The standards listed in section 11.6.3.D.3 and 11.6.3.E, with the exception of subsections 11.6.3.E.6 and E.7, shall be required for any type of short term residential lodging facility.
- d. The operator of the short term residential lodging facility must post contact information for the party responsible for the property, the property rules and must disclose whether or not the short term rental lodging facility has a wired

phone line. The posting can occur inside the property or on a digital medium, such as a website.

- e. The operator of the short term rental lodging facility shall maintain a registry of guests that includes their name, contact information and duration of stay. This information must be produced upon request of City staff.
- f. Each short term rental facility shall have a minimum amount of gross floor area per bedroom. There shall be at least 70 square feet for the first guest and an additional 50 square feet for each subsequent person.
- g. If a zoning permit has been granted by the city of Raleigh, mailed notice in accordance with section 10.2.1.C.1 must be provided. The notice shall include contact information for the property owner or resident manager and include contact information for the city of Raleigh.
- h. No short term rental facility bedroom can contain cooking facilities. This shall not pertain to “studio” units, where the bedroom, living area and kitchen are located in one room. For the purpose of this regulation, a “studio” unit cannot contain more than one bedroom.
- i. The short term residential lodging unit may have a separate entrance, or may be accessed through the primary dwelling.
- j. No exterior advertising is allowed.
- k. No short-term lodger shall remain in any short term residential lodging facility for longer than 30 consecutive days. Following the expiration of the 30 day period, no short-term lodger shall occupy the same dwelling without a gap of at least 7 consecutive calendar days.
- l. In residential zoning districts, short term residential lodging facility tenants may not utilize the premises for holding special events or gatherings.
- m. The premise cannot also be used for “Live-Work” or a “Day Care, Home”.

3. **Types of Short Term Rental Facilities**

There shall be three types of short term rental facilities: Type I, Type II and Type III. All types of short term rental facilities shall comply with the applicable use standards, in addition to the type-specific standards listed below.

- a. **Type I Short Term Residential Lodging Facility**
 - i. A Type I short term residential lodging facility must have a resident manager. The resident manager may be either the property owner of the Short Term Residential Lodging Facility or another person appointed by the property owner.
 - ii. This resident manager must be domiciled on the premise for at least 181 calendar days per year and must be present in the dwelling unit throughout the rental period. Proof of address of the resident manager and telephone number must accompany the application.
 - iii. There shall be a maximum of five total bedrooms permitted within a Type I short term residential lodging facility.
- b. **Type II Short Term Residential Lodging Facility**

- i. A Type II short term residential lodging facility must have a resident manager. The resident manager may be either the property owner of the short term residential lodging facility or another person appointed by the property owner.
 - ii. This resident manager must be domiciled on the premise for at least 181 calendar days per year. The resident manager is not required to be present in the dwelling unit during the rental period. Proof of address of the resident manager and telephone number must accompany the application.
 - iii. There shall be a maximum of five total bedrooms permitted within a Type II short term residential lodging facility.
 - iv. A Type II short term residential lodging facility can be located in a lawful detached accessory, such as above a detached garage.
- c. Type III Short Term Residential Lodging Facility
- i. A Type III short term residential lodging facility does not require a resident manager.
 - ii. Type III short term residential rentals are subject to the regulations in section 6.4.6.E.2.

3. Revocation of permit

The Development Services Director shall revoke the zoning permit for the short term residential lodging facility following a written determination that any resident of the facility, resident manager of the facility, the operator of the facility and/or their short term lodgers have been:

- a. Convicted of violating on the short term residential lodging facility premise a “Criminal Law two or more times within a 365 day period.” Criminal Law” means a conviction of any of the following:
 - i. Article 27 of Chapter 14 of the North Carolina General Statutes.
 - ii. Article 3 of Chapter 18B of the North Carolina General Statutes.
 - iii. N.C.G.S 14.71.1.
 - iv. N.C.G.S 14-292.
- b. Received within a 365 day period two or more “Verified Violations” of any combination of:
 - i. Any City Code zoning regulation on the short term residential lodging facility premise.
 - ii Any noise regulation on the short term residential lodging facility premise.
 - iii Any nuisance prohibited by City Code section 12-6002 on the short term residential lodging facility premise.
- c. Any combination of convictions and/or Verified Violations of two or more items from a. and b. above within a 365 day period.

A Verified Violation means a determination made by a Code City enforcement official or a judge, with notice of violation of the City Code, opportunity for respond to the noticed alleged failures and an order or other mandate issued to the owner or any other person imposing a sanction or requiring further actions to comply with the City Code, including, without any limitation, the payment of civil penalties or administrative fees, or implementation of corrective measures, or cessation of activities which are not authorized by the City Code, or conviction of a criminal Code offense for failure to comply with the Code provisions listed in this subsection. A verified violation that is appealed continues as a verified violation unless it is overturned on appeal. If the violation is reinstated on a further appeal, it resumes its status as a verified violation.

Once lawfully revoked, a new permit for a short term residential lodging facility cannot be issued or re-instated on the violating property and to the owner of the premise. Any appeal of this action shall be consistent with the provisions contained in section 10.2.11.

Section 4. Staff will create an application form for this use, or modify an existing application form to accommodate this use. The application form will require property owner consent, where the applicant is not the property owner. Upon adoption of this ordinance, the “Development Fee Schedule” will be amended to include an application fee of \$150.00 for any initial application for short term residential rental and a renewal fee of \$82.00 (the current fee for a zoning permit) for any subsequent renewal of a short term residential rental. These fees shall be automatically indexed each year in accordance with the Engineering News Record or Consumer Price Index.

Staff will also create a checklist to accompany the application. This checklist shall include the basic submittal requirements, such as a room/unit layout, a requirement for current, valid insurance and an acknowledgement that the applicant intends to comply with the applicable standards.

Section 5. After adoption of this ordinance, property owners that have Type III short term residential lodging facility located within a residential district, which exists on or before the adoption date of this ordinance, may request that the city of Raleigh recognize the use as a non-conformity. Within one year of the adoption date of this ordinance, the City Council may choose to re-examine the allowance of Type III short term residential lodging facilities within residential districts. This re-examination may include information gathered from those Type III rentals that existed prior to the adoption date of this ordinance.

Section 6. All laws and clauses of laws in conflict herewith are repealed to the extent of such conflict.

Section 7. If this ordinance or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given separate effect and to this end the provisions of this ordinance are declared to be severable.

Section 8. This text change has been reviewed by the Raleigh City Planning Commission.

Section 9. This ordinance has been adopted following a duly advertised public hearing of the Raleigh City Council.

Section 10. This ordinance has been provided to the North Carolina Capital Commission as required by law.

Section 11. This ordinance shall be enforced as provided in N.C.G.S. 160A-175 or as provided in the Raleigh City Code. All criminal sanctions shall be the maximum allowed by law notwithstanding the fifty dollar limit in N.C.G.S. §14-4(a) or similar limitations.

ADOPTED:

EFFECTIVE:

DISTRIBUTION:

Prepared by the Department of City Planning