Fiscal Analysis: Inlet Hazard Area Boundary Update & Rule Amendments

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Inlet Hazard Area Boundary Update & Rule Amendments

Current:
- 1979 IHA boundaries

- Adjacent OEA setbacks applied in IHAs

- New Construction
  - Residential 4 units or less
  - Commercial < 5,000 sqft.

- Only 1 commercial or residential unit per 15,000 sqft. of land area

Amended:
- 2019 IHA boundaries

- IHA setbacks calculated

- New Construction
  - Only structures 5,000 sqft. or less (*existing grandfather rules apply*)

- Only 1 unit per 15,000 sqft. of land area
- IHA boundaries & Setbacks evaluated 1 every 5 years

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Inlet Area Statistical Summary:

- **425 lots** submerged or on dry/wet-sand beach

- **750 structures** within existing IHAs
  - **307** will be removed from Ocean Hazard Areas

- **931 structures** within updated IHAs (increase of 181)
  - **219 structures** not currently inside OHA
  - **737 (79.6%) of structures** – no change in setback req.
  - **137 (14.7%) of structures** – will have increased setback req.
  - **57 (6.1%) of structures** – will have decreased setback req.
  - **113 vacant lots** (46% not enough land to meet setback)
    - **3,000 sqft.** average structure size adjacent to vacant lots

15A NCAC 07H. 0312: Fiscal Analysis Summary

- **Amended Rules do not prohibit development**
  - 5,000 sqft. limit applies to new construction
  - 1 unit per 15,000 sqft of land area
  - <u>Existing</u> grandfathering rules & conditions still apply
  - 15A NCAC 07H .0104(a) – application of 2,000 sqft. structure limit

- **National Flood Insurance Program:**
  - OHA, OEA, and IHAs are not factors in calculating flood insurance premiums
  - Continued erosion rate updates = 50 CRS points

- **Influence on Structure Value:**
  - For property adjacent to the ocean, isolating evidence is difficult.
  - "Risk" overshadowed by amenities and buyer's motivation

DEQ

Recommendation:

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- The Department and OSBM have approved the fiscal analysis

- Staff recommends approval for public hearing