



SHORT-TERM RESIDENTIAL RENTALS

1st Public Meeting

June 12, 2014

AGENDA

- What is a short-term residential rental?
- Why are we here?
- What are the current lodging uses?
- Proposed Short-term residential rental process
 - Zoning text amendment
 - Certificate process
- Comments & Feedback



GROWING MARKET

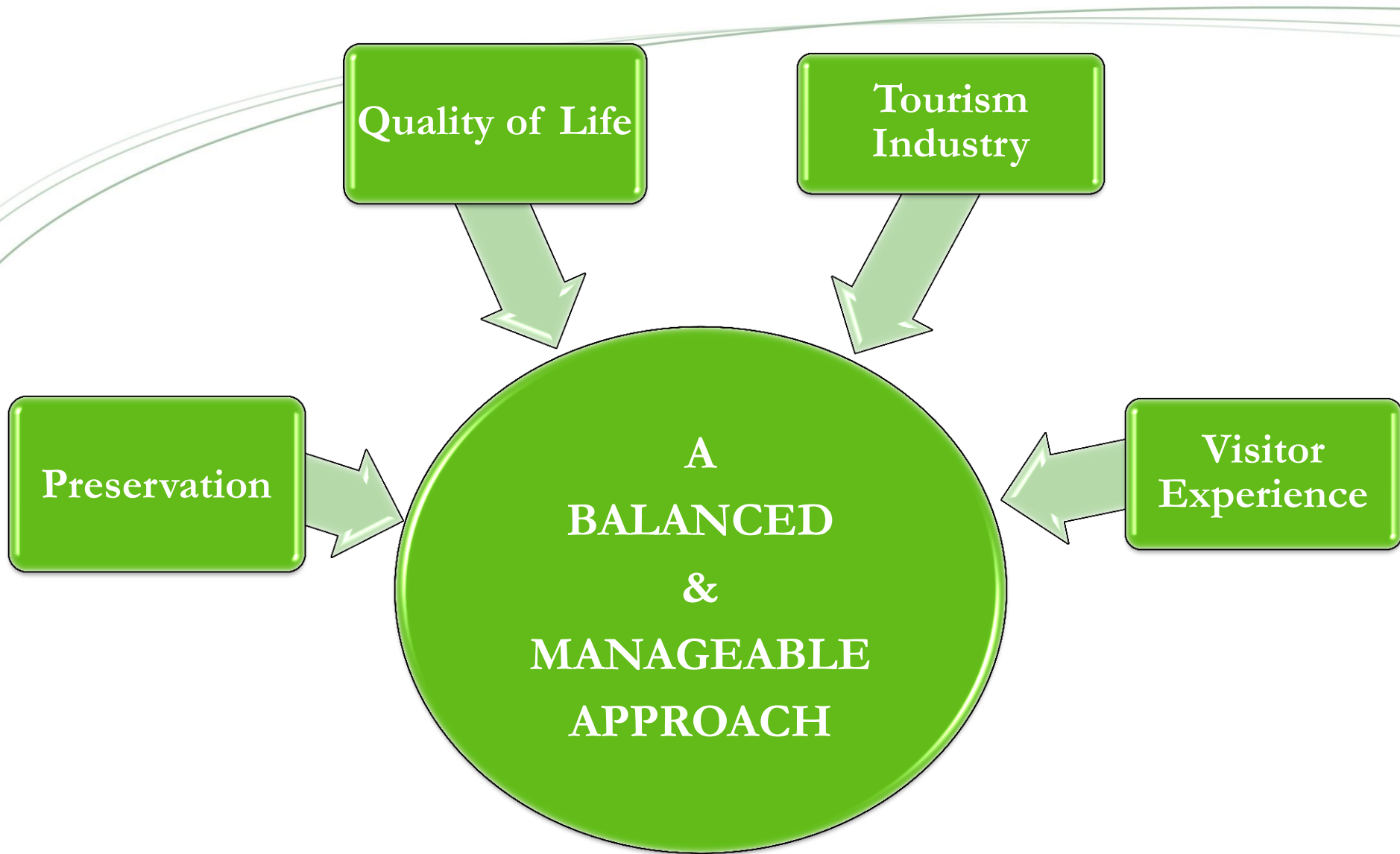
- In 2012, 12% of American adults stayed in vacation rentals, spending \$23 billion *PhoCusWright, 2013*
- Over 52% of surveyed individuals plan to stay in a vacation rental in 2014, up from 44% in 2013 *TripAdvisor, 2014*
- Owners generate an average of \$27,360 per year in rental income *HomeAway, 2014*



LOCAL CONCERNS

- Zoning
- Life & safety
- Fairness with taxing
- Quality of life
- City Code violations





ENFORCEMENT

ENFORCEMENT	NUMBER OF CASES
Number of Complaints	18
Total Properties Found in Violation	73
Compliance	40
In Court	12
Pending Zoning Board of Appeals/Text Amendment	4
Pending Court Summons	17

Since May 2013



EXISTING DEFINITIONS

- Types of lodging for transient guests—those persons staying for more than 30 consecutive days
- Inns
 - Rental of individual bedrooms
 - Meals may be served to guests
 - Maximum of 15 bedrooms/suites
- Bed and Breakfast Guest Units
 - Rental of one bedroom within an owner occupied dwelling unit
 - Breakfast may be served to guests



PROPOSED DEFINITION

Short-term Residential Rental

- Entire residential dwelling unit is rented for lodging
- Rental does not more than 30 consecutive days
- May or may not have an on-site manager
- Includes all housing types
- Does not include group living or other lodging uses



PROCESS

MPC

Zoning
Amendment

- Location
- Parking
- Occupancy
- Short-term Residential Rental Certificate

CITY

Proposed
ordinance

- Short-term Residential rental certificate
- Code compliance verification form
- Regulations
- Revenue

A
BALANCED
&
MANAGEABLE
APPROACH



PROPOSED ZONING DISTRICTS

- Districts that are underlined are districts where inns are not presently permitted.
 - **Business & Industrial Districts (Use 9b)**
 - B-C; BC-1; B-G; B-H; B-B; R-B-C (by-right)
 - **Conservation & Residential Districts (Use 14)**
 - RIP; RIP-A; RIP-A-1; RIP-B; RIP-B-1; RIP-C; RIP-D; I-P; R-D (by-right)
 - **Victorian District (Use 6)**
 - 1-B; 2-B; 3-B (by-right)
 - 1-R; 2-R; 3-R (special use)
 - **Mid-City District**
 - TC-1; TC-2, TN-2 (matter-of-right)
 - **Other Districts**
 - PUD-MXU



PROPOSED ZONING CONDITIONS

- No more than 2 adults per bedroom plus 2 adults for each rental unit
- No change in the outside appearance of the dwelling unit or premises, or other visible evidence of the conduct of short-term rental
- Parking:
 - Studio-up to 3 bedrooms: The requirement for the type of dwelling unit.
 - 4+ bedrooms: The requirement for the type of dwelling unit, plus 1 space for each 2 additional bedrooms
- Short-term Residential Rental Certificate



SHORT-TERM RESIDENTIAL RENTAL (STRR) CERTIFICATE

- Proposed ordinance outlines the following:
 - Must secure an annual business tax certificate
 - Submit certificate application
 - Owner's name & proof of ownership
 - Address of unit
 - 24-hr contact information for rental agent
 - Location of parking
 - Use will not disrupt enjoyment of neighborhood



APPLICATION PROCESS FOR CERTIFICATE

- Proposed ordinance outlines the following:
 - Owner's Code Compliance Verification Form
 - Primary Exit
 - Emergency Escape and Rescue Openings
 - Smoke Alarms
 - Fire Extinguishers
 - Provide sample agreement between owner & occupant
 - Abide by City ordinances, state and federal law
 - Unlawful for noise to exceed limits set forth in the City's noise ordinance
 - Violations of agreement may result in termination of rental agreement
- Proof of ownership & insurance
- Publish STRR certificate number in marketing material



STRR AGENT

- Proposed ordinance outlines the following:
 - Availability to handle problems
 - Appear on premises within 2 hours following notification from the City of issues related to occupancy of property
 - Monitor rental unit
 - When agent changes, City must be notified
 - 1 agent for property at any given time



STRR UNIT

- Proposed ordinance outlines the following:
 - STRR Certificate must be posted
 - STRR Certificate includes:
 - Name, address, phone number of agent
 - Maximum occupancy of unit
 - Maximum number of vehicles
 - Business tax certificate number
 - Property maintained and inspected to ensure compliance with applicable codes



REGULATION PROCEDURES & APPEALS

- Proposed ordinance outlines the following:
 - Owner notified when nuisance behavior of occupant and/or conduct of rental agent generates a citation
 - When 3 code violations received on a property within a period of 12 months, the City may revoke the STRR certificate for 12 months
 - When this occurs citations for code violations and other violation of the City Code heard by a STRR staff board
 - Staff board issues written finding for each alleged infraction, specifically identifying each founded accusation
 - Appeals heard by the City Manager



REVENUE

- Proposed ordinance outlines the following:
 - Requirement to:
 - Secure annual business tax certificate
 - Remit monthly hotel-motel & state sales taxes
 - Fine system:
 - 1st violation: \$500.00
 - 2nd violation within the preceding 12 months: \$1,500.00
 - 3rd violation within the preceding 12 months: \$5,000.00
 - 4th or more violations within the preceding 12 months: \$7,500.00.
 - In addition to or in lieu of the foregoing, the City may seek injunctive relief.



CURRENT & PROPOSED PROCESSES

REQUIREMENT	FREQUENCY	CURRENT	PROPOSED
Appropriate zoning district	One-time	Yes	Yes
Code Compliance Verification Form	One-time	No	Yes
Protection of the Neighborhood Quality of Life	Ongoing	No	Yes
Business Tax Certificate	Annual	Yes	Yes
Hotel/Motel Tax	Monthly	Yes	Yes
Short-term rental certificate	Annual	No	Yes

Please note, if ownership changes, processes will need to be re-established.





COMMENTS & FEEDBACK

