

# Short-Term Rentals

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November 14, 2016



## PURPOSE OF WORKSHOP

- Discuss the growing popularity of short-term rentals.
- Explain current City and State Regulations.
- Explore how other communities are accommodating short-term rentals.



- At least 300 STR's listed across multiple online platforms.
  - Mostly concentrated in the Traditional City, Metrowest and Baldwin Park.
- Difficult to determine actual STR numbers.
  - Limited data readily available from online platforms.
  - Units cross-listed on multiple platforms.
  - Frequency of bookings per unit.
  - Booking success rate per unit.
- County Comptroller collects bed tax through agreements with online platforms. May cause confusion as to legality of use.
- Most HOA's have a standard CC&R that limits rentals to periods of no less than 6 months.

## HOW DOES THE CITY REGULATE?

- Short Term Rentals (Vacation Rentals) are generally lease periods of 30 days or less.
- The City's consolidated Land Development Code (1991) classifies uses less than 30-day as the following:
  - Commercial Dwelling Unit
  - Hotel/Motel
  - Bed and Breakfast

## HOW DOES THE CITY REGULATE?

Zoning	Licensing
Commercial Dwelling Unit: Occupancies between 7 and 30 days.	
<ul style="list-style-type: none"> <li>• Permitted: O-3, MU-1, MU-2, AC-N, AC-1, AC-2 and AC-3.</li> <li>• Conditional Use: MXD-2, O-1, O-2.</li> <li>• Prohibited: All residential districts.</li> </ul>	BTR required.
Hotel/Motel: Occupancies less than 7 consecutive days.	
<ul style="list-style-type: none"> <li>• Permitted: MU-1, MU-2, AC-2, AC-3</li> <li>• Conditional Use: AC-1, I-C, I-P</li> <li>• Prohibited: All residential districts.</li> </ul>	BTR required. State lodging regulations.
Bed & Breakfast: Owner must live on site.	
<ul style="list-style-type: none"> <li>• Permitted: all O, MU and AC districts (8 units max./building site).</li> <li>• Conditional Use: R-2B, R-3A, R-3B, R-3C, R-3D, MXD-1, MXD-2 (2 units max./building site).</li> </ul>	BTR required. State lodging regulations.

### Commercial Dwelling Unit:

“A room or rooms connected together and constituting a separate independent unit, for an occupancy period of no less than seven (7) consecutive days and no more than twenty-nine (29) consecutive days, and containing independent cooking and sleeping facilities.”

- Permitted: O-3, MU-1, MU-2, AC-N, AC-1, AC-2 and AC-3.
- Conditional Use: MXD-2, O-1, O-2
- Prohibited: All residential districts. (R-1 through R-3D)
- Other Requirements:
  - Buildings and site designed in accordance with multi-family development standards.
  - Business Tax Receipt (BTR).

### Hotel/Motel:

“An establishment consisting of a group of attached or detached lodging units having bathrooms and designed primarily for transient automobile oriented tourists.”

- Generally intended for stays less than 7 days.
- Permitted: MU-1, MU-2, AC-2, AC-3.
- Conditional Use: AC-1, I-C, I-P
- Prohibited: All residential districts.
- Other Requirements:
  - Business Tax Receipt (BTR).
  - Other state lodging requirements.



### Bed & Breakfast:

“An accessory use in which a room(s) or lodging unit(s) and “continental” breakfast service only is provided to guest clients, for length of stay ranging from one night to seasonal, by the owner of the principal structure living on site.”

- Permitted: all O, MU and AC districts (8 units max./building site).
- Conditional Use: R-2B, R-3A, R-3B, R-3C, R-3D, MXD-1, MXD-2 (2 units max./building site).
- Other Requirements:
  - Must be owner occupied.
  - 1200 ft separation from other Bed & Breakfast uses.
  - Max. 25% of gross habitable floor area or 500 square feet.
  - Business Tax Receipt (BTR).
  - Other state transient lodging requirements would apply.

- Complaint basis.
- 15 different properties cited in the past 6 months.
  - Most have come into compliance.
  - 2 properties have running fines totaling \$5,050.00 to date.
- Complaints include:
  - Listing found on online platform.
  - Parking concerns.
  - Not properly licensed.
  - Illegal use in residential neighborhood.
  - New “guests” daily/weekly.

2011 – removes the ability of local governments to prohibit and/or regulate transient vacation rentals.

*“A local law, ordinance, or regulation may not restrict the use of vacation rentals, prohibit vacation rentals, or regulate vacation rentals based solely on their classification, use, or occupancy. **This paragraph does not apply to any local law, ordinance, or regulation adopted on or before June 1, 2011.**”*

2014 (SB 356) – reinstates local government ability to regulate vacation rentals, with restrictions.

*“A local law, ordinance, or regulation may not prohibit vacation rentals or regulate the duration or frequency of rental of vacation rentals. **This paragraph does not apply to any local law, ordinance, or regulation adopted on or before June 1, 2011.**”*

## **Implications:**

- Confusion on what exactly can be regulated.
- Could “grandfathering” be put at risk with new rules?
- What constitutes a prohibition if new standards are proposed?

## **Conclusions:**

- We can keep the current regulations.
- We can de-regulate short term rentals.
- We could test passing new performance standards (parking, noise, hours of operation, trash, etc.) but possibly jeopardize our “grandfathered” status.

## Existing Grandfathered Regulations:

Orange County	<ul style="list-style-type: none"> <li>• Permitted only in the R-3 transient rental district (less than 4.1% of the County).</li> </ul>
Jacksonville	<ul style="list-style-type: none"> <li>• Prohibited in residential zoning districts.</li> </ul>
Key West	<ul style="list-style-type: none"> <li>• Entire unit permitted.</li> <li>• Limited to certain zoning districts.</li> <li>• Licensing required.</li> </ul>
Miami Beach	<ul style="list-style-type: none"> <li>• Prohibited in single family homes.</li> <li>• Limited to certain zoning districts.</li> </ul>
St. Petersburg	<ul style="list-style-type: none"> <li>• Prohibited.</li> </ul>

### Recent Ordinances:

Ft. Lauderdale	2015 – Licensing and registration ordinance aimed at minimizing negative impacts.
Hollywood	2015 – Safety and operational requirements, parking standards, inspections & registration.
Flagler County	2015 – Occupancy limits, parking standards, registration requirements, other life, health and safety requirements.
Panama City Beach	2015 – Sets occupancy limits, registration requirements and enforcement rules.

### ➤ Prohibit.

- Atlanta
- Oklahoma City

### ➤ Limit to certain zoning districts.

- Savannah
- Austin
- New Orleans
- New York

### ➤ Limit to “hosted units” only.

- Los Angeles
- Chicago
- San Francisco
- Denver
- Portland

### ➤ Limit frequency and duration.

- New York
- New Orleans
- San Francisco

- Commercial use in residential neighborhoods.
- Reduction of long-term rental housing stock.
- Nuisance complaints.
  - Noise
  - Parking
  - Trash
  - Late Hours
  - Traffic
- Nonpayment of BTR's.
- Lack of oversight/management.
- Difficult to regulate.
- Loss of permanent neighbor.
- Loss of residential unit in a market where 45% of the population is rent burdened (pays greater than 30% of income on rent).



- Encourages participation in the Sharing Economy.
- Allows tourists the opportunity to experience the Main Street Districts, Traditional City and other unique areas of the City not typically visited.
- Offers potential for enhanced cultural exchange in “hosted” units.
- Provides extra source of income for homeowners and long term renters.
- Could provide a temporary housing option for residents with emergent needs for accommodations.

- Protect our “grandfathered” status.
- Seek legislative clarifications from the State on the pre-emption.
- Continue to enforce existing regulations on a citizen complaint basis.

# Questions?

<http://cityoforlando.net/shorttermrentals>

