

Ordinance 588-2024 Short-Term Rentals

Ordinance 588-2024 will regulate short-term rentals (STRs) as businesses through a licensing process

All STRs must be licensed.

This ordinance provides a **licensing procedure and regulations for the use and operation of short-term rentals (STRs) in residential neighborhoods**

- helps prevent negative impacts short-term rentals can have on stable neighborhoods and helps preserve the residential quality of the City's neighborhoods, as well as protects the health, safety and welfare of property owners, residents and transient guests

STRs are **allowed in residential districts, subject to a density limitation** of at least one or no more than 15% of the total residential units on the block or in a multi-unit building, whichever is greater. A variance is needed to exceed the density limit. Even with a variance, an STR must be licensed.

An **owner** of the property **or a tenant** with written authorization **may operate** the property as an STR.

An **operator** may be the owner or a designated local responsible party who will manage the STR.

All STRs must have a **local contact** designated to serve as the **local representative for the owner or operator**, who **responds to complaints and must be available at all times** while the STR is occupied and must be able to be present at the premises within 1 hour of receiving a call.

Specifics:

1. *"Short-term rental"* (STR) is the temporary rental of a dwelling unit by an owner, operator, or through a booking agent, to accommodate transient guests where the accommodation of any transient guest is for not more than 30 consecutive days.
2. *Regulated* as businesses through a licensing process.
3. *Zoning*: licensed STRs are first allowed in one-family districts.
4. *License required - application*: \$150 fee; (yearly renewal \$150); must provide name and number of *local contact* that is available at all times the property is used as an STR and who will be at the property within 1 hour if contacted; *proof of liability insurance* with limits not less than \$300,000; proof of *certificate of occupancy*; if a *tenant*, must provide *proof of possession that allows subleasing*; application goes to B&H, Health, Planning, Police and Fire for verification and approval; council members notified when an application is for an STR in their ward; license may be suspended or revoked in accordance with rules and regulations established by Commissioner of Licenses and

Assessments; the dwelling unit cannot be operated as an STR during an appeal of a suspension or revocation.

5. *Conditions of STR licenses*: cannot advertise, offer for rent, or complete reservations without a license; license must be displayed inside main entrance of STR; rental registration not needed; a dwelling unit operated as an STR is not eligible for tax abatement.

6. *Regulations and standards for STRs*: cannot rent for a period of more than 30 consecutive days; maximum number of people is 2 per bedroom plus 2 additional people; guests subject to Code parking requirements; bedrooms must have interior access to a bathroom; no bedrooms below grade unless it meets Code requirements; must have smoke and carbon monoxide detectors and fire extinguishers; excessive or unnecessary noise in violation of the Code, including Section 605.10, is prohibited; notice of trash/recycling regulations and days; guest must be provided the name and contact information of local contact with responsibility to take action to resolve complaints regarding condition, operation or maintenance of STR, and who will be at the property within 1 hour if contacted.

7. *Density limitation*: in a residential district, STRs are limited to at least one or no more than 15% of the total residential units on the block or in a multi-unit building, whichever is greater. Need variance to exceed density limit; ordinance sets forth factors for BZA to consider whether to allow variance.

8. *Variance exception*: short-term rentals are not subject to the density limitation if operated as limited lodging for at least one year prior to the effective date of ordinance and always in compliance with the Code, including Section 337.251 (limited lodging for fewer than 91 days/calendar year and to any particular lodger for not more than 30 consecutive days) and no recorded complaints. Still need license.

9. *Booking agents* are required to register and provide name, address, phone number of at least one person authorized to accept service of process on behalf of booking agent, manage collection and remittance of transient occupancy taxes and take remedial action to address any violation of owner's or operator's responsibilities under the Code.

10. *Discrimination prohibited*. Cannot decline to rent, impose different conditions, or advertise a preference, based on race, religion, color, sex, sexual orientation, gender identity or expression, national origin, age, disability, ethnic group or Vietnam-era or disabled veteran status.

11. *Rulemaking authority* given to Commissioner of Assessments & Licenses to carry out intent of chapter; provisions of the chapter are severable if any found invalid or unconstitutional.

11. *Civil penalties*: failure to obtain a license – fine of not more than the lesser of \$5,000 or 3 times the revenue generated by the STR for each violation; advertising without a license - \$1,000 per violation; completing a reservation without a license - \$1,000 per

offense; failure to display license - \$1,000 per violation; offering an STR in violation of regulations or standards - \$1,000 for 1st offense, \$3,000 for 2^d and subsequent offense; operation without a variance - fine of not more than the lesser of \$5,000 or 3 times the revenue generated by the STR for each violation; booking agent failure to register - \$1,500 each year of non-compliance. Civil penalties are in addition to and not in lieu of any other civil or criminal penalties that may be charged under the Code; Commissioner of A&L, Directors of B&H and Safety or their designees have authority to charge these civil penalties.

12. *Transient occupancy tax.* Amends Chapter 193 to clarify that STRs are subject to the transient occupancy tax.

13. The enactment, amendments and repeal of the code sections in the ordinance *take effect 60 days after passage.*

Rev. 8/1/24