



SHORT-TERM RENTAL OF RESIDENTIAL PROPERTY

City Council
August 21, 2018

PURPOSE



- To provide a follow-up related to Council policy objective recommendations and consideration of a proposed draft ordinance



TODAY'S AGENDA



- Follow-Up To Questions Posed By Council On 8/7/18
- Consideration of Proposed Draft Ordinance
- Next Steps

FOLLOW-UP QUESTIONS



- Can we reference or provide a tie back to the UDC as to what is allowable in a residentially zoned district?
- Can we reference or provide a tie back to the Taxation Chapter as it relates to transitory housing?
- Can we currently enforce provisions of the UDC to regulate STRs?

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Regulatory Mechanism

Establish a clear definition and regulations via a “stand-alone” ordinance

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Restrictions

- §2.01 Definitions – Types of STRs

Type I STR (home-sharing) means an owner-occupied residence that is simultaneously occupied by the owner and a short-term rental occupant.

Type II STR (home rental) means an owner-occupied residence, or portion thereof, that is used as a Short-term Rental.

Type III STR (transient-vacation rental) means premises that are used as a Short-term Rental and that is not the owner-occupied primary residence of its owner.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Restrictions

- §3.01 Short-term rental regulations
 - A. It shall be unlawful for any owner or person to rent, lease, advertise, or otherwise permit or allow any residential premises to be operated or used as a Type II STR or Type III STR, unless said owner or person fully complies with all the requirements of this chapter.
 - B. It shall be unlawful for any occupant of a Type II STR or Type III STR to violate any of the regulations included in this chapter.
 - C. The failure to comply with the regulations set forth herein by either an owner or person in control of a premises used as a Type II STR or Type III STR, or an occupant thereof, may result in the revocation of a Short-term Rental Permit, criminal or civil penalties, or all of the above.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Caps

- §3.23 Caps

Staff will provide analysis of current STR market data and cap options, during the September 4, 2018 City Council Meeting

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Registration/Permitting

- §3.02 Permit required for Type II STR and Type III STR

In order to use premises as a Type II STR or Type III STR, an owner must have a valid, active permit from the Administrator prior to using, allowing the use of, or advertising the use of said premises as a Type II STR or Type III STR. An application, on a form developed by the Administrator, for a Short-term Rental Permit must be submitted annually and shall be reviewed and approved by the Administrator if all the requirements of this chapter are satisfied.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Registration/Permitting

- §3.07 Permit Fees

A fee established by resolution of the City Council will be charged to reimburse the City for all costs associated with the administration of this chapter.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Registration/Permitting

- §3.06 Safety device requirements

An owner must complete a Life-Safety Self-Certification Verification Form that satisfies the minimum health and safety requirements for the premises by verifying the number and locations of smoke and carbon monoxide alarms, fire extinguishers, and posted fire evacuation routes, as established by the Administrator. A new certificate must be completed with each annual Short-term Rental Permit application.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Registration/Permitting

- §3.08 Hotel occupancy taxes

It shall be unlawful for an owner of premises used for a short-term rental to fail to pay hotel occupancy taxes required under State law and the Taxation Chapter of the Arlington City Code.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Registration/Permitting

- §3.05 Proof of insurance required

It shall be unlawful for the owner of premises operating as a Type II STR or Type III STR to operate without commercial general liability insurance in the amount of one million (\$1,000,000) dollars. An owner must file a certificate of insurance with the Administrator at the time of application and must provide the Administrator with notice of cancelation of insurance within thirty (30) calendar days of the insurance policy being canceled.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Registration/Permitting

- §4.01 Revocation of Short-term Rental Permit
 - A. Grounds. Any permit issued hereunder may be revoked by the Administrator if the permit holder has:
 - (1) received more than two citations for violations of this chapter or any other provision of this Code of Ordinances within the preceding 12-month time period; or
 - (2) knowingly made a false statement in the application; or
 - (3) otherwise become disqualified for the issuance of a permit under the terms of this Article

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Registration/Permitting

- §3.21 Use of assigned permit number required

It shall be unlawful for an owner or person to advertise a Type II STR or Type III STR in any medium, including but not limited to newspaper, magazine, brochure, website, or mobile application without including the current permit number assigned by the Administrator

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.14 Parking restrictions
 - A. The maximum amount of motor vehicles allowed at a Type II STR or Type III STR shall be limited to the number of available off-street parking spaces.
 - B. It shall be unlawful for an owner or person to permit, allow or advise occupants to park more five (5) or more motor vehicles on the premises of a Type II STR or Type III STR.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.14 Parking restrictions (continued)
 - C. It shall be unlawful for an occupant of a Type II STR or Type III STR, or an owner thereof to allow an occupant, to park a vehicle on the premises of a Type II or Type III STR in violation of the Traffic and Motor Vehicles Chapter, the Nuisance Chapter, or any other provision of the City of Arlington Code of Ordinances.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.15 Physical conversion of premises prohibited
 - A. It shall be unlawful for an owner or person to remodel, renovate, enlarge or otherwise modify premises to add additional bedrooms for use as a Type II STR or Type III STR.
 - B. It shall be unlawful for an owner or person to pave or otherwise cover pervious soil to create additional on-premise parking for use by a short-term rental without prior approval from the Administrator.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.13 Restriction on number of occupants
 - A. It shall be unlawful for an owner or person to allow premises used as a Type II STR or Type III STR to be occupied by a number of occupants exceeding two (2) adults per bedroom, plus two (2) additional adults.
 - B. It shall be unlawful for an owner or person to advertise premises used as a Type II STR or Type III STR as being available for rent and to be occupied by a number of occupants exceeding two (2) adults per bedroom, plus two (2) additional adults.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.13 Restriction on number of occupants (continued)
 - C. It shall be unlawful for an owner or person to allow thirteen (13) or more persons (including children), to occupy a Type II STR or Type III STR at any one time, regardless of the number of bedrooms at the premises.
 - D. The visual observation of nine (9) or more persons by a city employee at the premises is prima facie evidence of and shall be probable cause to issue a citation for a violation of this section.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.03 Designation of local responsible party required

An owner must designate the name and contact information of a local responsible party who can be contacted regarding immediate concerns and complaints from the public. Said individual must be available twenty-four (24) hours per day to be reached in person or by phone while occupants are on the premises of a Type II STR or Type III STR. If contacted, a local responsible party must be able to and shall, if requested, be present at the premises within sixty (60) minutes of contact from Administrator, or his designee. A local responsible party must be authorized to make decisions regarding the premises and its occupants. The local responsible party is considered the owner's agent for accepting service of any citations for violations on the premises in accordance with Texas Local Government Code § 250.003, as amended.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.04 Notice to property owners living near a Type II STR or Type III STR

All property owners within a 200-foot radius of a premises, upon which a Short-term Rental Permit has been issued by the Administrator, shall be notified by the City. The notification must include information listing the local responsible party designated by the owner and how to contact him.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.20 Notice to occupants of Type II STRs and Type III STRs

An owner or person operating a Type II STR or Type III STR shall provide a notice of instructions to occupants staying at the premises on a form developed by the Administrator. The notice shall instruct the occupants as to all applicable city regulations pertaining to Type II and Type III STRs. These include, but are not limited to, occupancy restrictions, limits on parking, trash pickup, prohibitions on special events, limits on amplified sound, posted fire evacuation routes and curfew times.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.19 Special events prohibited

Special event means a banquet, wedding, reception, bachelor or bachelorette party, concert, or any similar activity that would assemble more persons or occupants than are permitted to occupy the premises of a Type II STR or Type III STR under Section 3.13 of this Chapter.

It shall be unlawful for an owner or occupant of a Type II STR or Type III STR to conduct, advertise, or promote a Special Event, or allow the conducting, advertising, or promotion of a Special Event to be held on the premises.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.17 On premise curfew requirements

It shall be unlawful for occupants or persons on the premises of a Type II STR or Type III STR to congregate outdoors between the hours of 10:00 p.m. and 9:00 a.m.

PROPOSED DRAFT ORDINANCE LANGUAGE



Policy Objective: Additional Requirements

- §3.16 Sound equipment restrictions

It shall be unlawful for an owner or occupant of a Type II STR or Type III STR to use or allow the use of amplified sound equipment that produces sound audible beyond the property line of the premises between the hours of 10:00 p.m. and 9:00 a.m.

PROPOSED DRAFT ORDINANCE LANGUAGE



Other Considerations Not Previously Discussed

- §3.09 Record-keeping for all short-term rental premises
 - Occupant records (e.g. name/address; cost of rental; length of rental; fees charged by third-party booking agency)
 - Copy of written agreement between owner and occupant
 - Copy of HOT incurred and paid to City

PROPOSED DRAFT ORDINANCE LANGUAGE



Other Considerations Not Previously Discussed

- §3.10 Permit nontransferable

A Short-term Rental Permit is non-transferable and shall not be assigned or transferred to another person or entity. Any attempt to transfer a permit or attempt to use another person's permit may be grounds for revocation of said permit.

PROPOSED DRAFT ORDINANCE LANGUAGE



Other Considerations Not Previously Discussed

- §3.11 No more than one Type III STR per owner

No owner shall be allowed to operate, or permit the operation of, two (2) or more Type III STRs, and no new permit shall be authorized while another permit in the owner's name is still active or is pending revocation.

PROPOSED DRAFT ORDINANCE LANGUAGE



Other Considerations Not Previously Discussed

- §3.12 Misuse of business entities prohibited

Only one Type III STR may be permitted per property owner or affiliates of the owner. In the case of an owner that is a business organization, trust, or other entity, no person or entity affiliated with said business organization, trust, or other entity as an organizer, officer, member, manager, shareholder, trustee, beneficiary, partner, equity owner or investor shall be allowed to register or operate an additional short-term rental at a different property address in the city on behalf of the business organization, trust, or other entity.

PROPOSED DRAFT ORDINANCE LANGUAGE



Other Considerations Not Previously Discussed

- §3.18 Trash pickup requirements

It shall be unlawful for an owner or occupant of a Type II STR or Type III STR to place, or allow to be placed, garbage or trash curbside at the premises on a day not scheduled for collection by the designated City collector or in a manner otherwise in violation of the Health and Sanitation Chapter § 2.02 of the Code of Ordinances of the City of Arlington, as amended.

PROPOSED DRAFT ORDINANCE LANGUAGE



Other Considerations Not Previously Discussed

- §3.22 Use of unauthorized permit number prohibited

It shall be unlawful for an owner or person to rent, advertise, or promote or allow the rental, advertisement, or promotion of a Type II STR or Type III STR using a permit number not assigned to the owner or person.

NEXT STEPS



- Staff will provide analysis of current STR market data and cap options, during the September 4, 2018 City Council Meeting



Questions