



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: PO-2020-18, **Version:** 2

An Ordinance Of The City Of Hollywood, Florida, Amending Chapter 119 Of The Code Of Ordinance Entitled "Vacation Rental License Program"; Amending Various Provisions Of That Program, Including Expanding Applicability To The Entire City And Discontinuing Issuance Of Conditional Licenses.

Quality of Life & Strong Neighborhoods

Staff Recommends: The Approval of the Attached Ordinance.

Explanation:

During First Reading several changes and clarifications were requested. Since then staff has met with the interested public, including residents and the Realtor Association, to better understand their concerns and determine the appropriate way of addressing their concerns.

Staff has either incorporated the Commissions' and publics' changes or met with them to clarify why the change was not incorporated. In general, changes to the Ordinance between First and Second Reading include:

Removed the term Conditional License:

- New geographic area has until April 1st to register with the City and is allowed to operate in good faith until license is issued. No extensions.

- Existing geographic area has until March 1st to comply with the new requirements including posting of new information required, noise machine, etc.

(Staggered implementation dates allow for public outreach and fair realistic enforcement)

City Application:

- Added a section indicating the maximum number of occupants.

- Acknowledge that noise detection device data shall be retained for 180 days and made available to the City upon request, and place a sign stating there is a noise device and the property is subject to the noise ordinance.

- Acknowledge that the lease shall identify, by name, all occupants and include a copy of the ordinance in the lease.

- A certificate of insurance demonstrating insurance coverage to cover liability for injury or harm to

occupants and other invitees, etc.

Duration of License and Inspections:

-Annual renewal inspection is required and if inspection is not conducted after three attempts the license will be revoked.

-Initial inspection will be conducted after a sworn statement stating that all requirements are met is signed and, clarified that if the inspection is not conducted after three attempts the license will be revoked and a new application and fees will be required.

-Clarified that there are other applicable City regulations that shall be adhered to.

-Should there be two of the same violations in 12 months the license shall be revoked.

-Clarified that any Action Plan implemented shall be successfully completed.

Solid Waste: If maximum occupancy is more than eight then at least one additional trash container is required.

Posting of Information:

-Maximum Occupancy: based on (i) a minimum of 70 square feet per bedroom for one occupant, (ii) when there is more than one occupant per bedroom, a minimum of 50 square feet for each occupant, and (iii) an absolute maximum of four occupants per bedroom. (With the exception of no. iii, this mirrors Broward County's Housing standards.)

-Noise: Limited to the City Noise Ordinance and noise monitoring device alerting the owner/representative and tenant on premise.

-Noise: There shall be a prominently posted notice in the back yard area stating unreasonably loud noise is prohibited, (ii) the City's noise ordinance must be fully complied with, and (iii) the property is monitored by a noise level detection device.

-Solid Waste: location of pick-up and storage shall be identified, in addition to day/time.

Advertising and Commercial Use:

-Only advertising and use as a vacation rental is permissible. All other advertising or use as a commercial or non-residential activity is unlawful and a serious offense, as such the maximum penalty allowed by law will be sought (see detailed list in Section 119.38 for seven examples).

-Reference and use of the word "party" is no longer used; instead the impacts associated to the word "party" are described.

-All signs shall comply with the Zoning Code.

Penalties and Enforcement:

-Citations/enforcement may be issued to any combination of the property owner, representative or tenant and held liable and fined as such.

-Operation without a license, as a first offense, shall not exceed the greater of \$1,000 per day and

the maximum allowed by law. A second offense will result in the loss of license for one year.

-Should there be two of the same violations in 12 months the license shall be revoked.

-Clarified both use or advertising during suspension or revocation shall be subject to the maximum penalties for each day the property is so used or advertised as such.

Meetings with the Community and Realtor Association are continuing to take place and Staff is working diligently to evaluate concerns, if any, raised by the public.

In addition to these changes, the Building Division and their Contractor have begun doing inspections for outstanding applications and I.T. has updated Treasury's computer program software to be interactive, which better helps Staff evaluate problem vacation rental properties. Reports can now be generated and there is drilldown capability allowing for quick review of violation details associated with a given property and this information can be accessed by Staff of any department 24/7.

On January 11, 2021, Senate Bill 522 was filed and shortly after companion House Bill 219 was filled. These Bills prevent cities from requiring local inspections or licenses for vacation rentals. Additionally, all rules and regulations for residences must be uniform regardless of how the property is used. Should these Bills, or a similar form of it be passed, municipal home rule will be heavily impacted. In addition to the aforementioned regulations the Bills, as proposed, eliminate enforcement of home rules which were adopted after 2011. Staff along with our lobbyist are monitoring these Bills and associated impacts.

The proposed ordinance may not address each concern raised by the various groups or individuals, however, Staff has worked closely with the City Attorney's Office to put forward an Ordinance that does not regulate frequency, duration or prohibition of vacation rentals, while also protecting property rights and helping to maintain quality of life for all impacted.

Although an individual regulation may not violate the State's preemptions, there could possibly be a tipping point when evaluating the totality of vacation rental laws a municipality enacts.

Although there are local cities with stricter regulations than Staff's proposal, with the limited case law, the State's preemptions and pending Senate/House Bills, staff's proposal is fair, equitable and is recommended for City Commission approval on January 20th.

Staff will provide any additional updates at the meeting, as need be.

Attached:

Proposed Ordinance

Existing Regulations

SB 522 Filled January 11, 2021

First Reading:

Chapter 119 of the Code of Ordinances establishes procedures and regulation for the City's Vacation Rentals. The rental of single-family homes, commonly known as Vacation Rentals, has become an increasingly popular way of lodging. Prior to this trend, travelers commonly stayed overnight in hotels and motels. The majority of these less trendy accommodations are usually located outside of residential neighborhoods. As such, there is generally a higher "tolerance level" toward ancillary impacts that may affect adjacent properties, and also management is always onsite to immediately

address any concerns.

These ancillary impacts are something stable residential communities have struggled with for some time, causing a deterioration in the quality of life. Ancillary impacts include, but are not limited to, parking, trash, noise, over occupancy and non-permitted renovations. The City previously adopted/amended regulations for Vacation Rentals.

Florida statutes preempt to the State any regulation of Vacation Rentals that prohibits Vacation Rentals or regulates the frequency or duration of rental of Vacation Rentals. The City Commission tasked staff with reviewing the State's preemptions and reevaluating the City's Code to better address impacts Vacation Rentals have on the community.

Vacation Rentals are generally classified as any house/unit/condominium or dwelling that is also a Transient Public Lodging Establishment. Transient Public Lodging Establishments are rented to guests more than three times a year for periods of less than 30 days or advertised to the public as a place regularly rented. (see attached Ordinance for specific definitions)

Currently, 243 Vacation Rentals are licensed in single-family and multi-family zoned areas (current physical boundary(s) of regulated area). New properties are registering daily on numerous vacation rental websites and it is estimated that there could be more than 4,000 vacation rentals Citywide that have not obtained and/or will be required to obtain a City License.

In an effort to minimize negative impacts and maintain the quality of life for surrounding property owners, it is necessary for all Vacation Rentals Citywide to be licensed. Requiring this will ensure property owners and managers are aware of City ordinances and are properly identified including contact numbers, in the event a complaint is received, and that all properties are inspected to ensure the safety of tenants.

Based on inspections of vacation rental properties completed, over 50% have had unpermitted electrical, plumbing, mechanical, or structural work that is often completed by unlicensed contractors. This creates unsafe housing conditions.

Based on these findings, staff recommends the following changes to the Vacation Rental Ordinance:

- Expands the physical boundary of the ordinance Citywide;
- Creates a Conditional License, which will be issued while the application, including while inspection (s) are processing;
- Establishes timeframes for the Conditional Licenses and procedures and penalties for non-compliance. After a grace period, properties that do not register will be issued an administrative citation and/or be scheduled for a hearing in front of the City's Special Magistrate;
- Progressive discipline for properties which violate the ordinance;
- All vacation rentals will be required to be licensed and inspected for safety;
- See attached ordinance for comprehensive changes.

Implementing the proposed ordinance changes includes the following steps:

1. Second reading of the proposed ordinance will have a companion resolution for applicable fees;
2. If necessary an existing third party vendor will assist with the anticipated increase of required Building Inspections and a companion resolution may be presented at second reading; and
3. In March, following a 60 day voluntary compliance period, staff will evaluate the need to use a Third Party Administrator (TPA) to assist with compliance and property identification. TPA's offer computer program solutions, for registration, compliance monitoring, 24/7 phone hotline and address identification. Fees are charged per unit and based on the specific solution needed. Following the voluntary compliance period when unregistered Vacation Rentals obtain licenses, staff will be able to better assess if any, all or only a portion of TPA solutions are needed in a fiscally responsible manner.

Staff recommends the Ordinance changes to address common problems, disturbances, and other non-compliance by vacation rental owners and tenants. This Ordinance change is necessary to ensure the quality of life for surrounding properties.

Fiscal Impact:

Approval of this Ordinance will expand the physical boundary of the Vacation Rental License program and thereby increase the number of properties that will be required to register for the program. Additional revenues as well as additional expenditures are anticipated as a result of the Ordinance change. Additional information will be provided as the different steps are implemented.

Recommended for inclusion on the agenda by:

John Chidsey, Code Manager, Division of Code Compliance
Andria Wingett, Assistant Director, Department of Development Services
Shiv Newaldass, Director, Department of Development Services
Gus Zambrano, Assistant City Manager for Sustainable Development
Adam Reichbach, Assistant City Manager for Finance and Administration