

Agenda Item: 4.a

Meeting Date: February 19, 2019

MEMORANDUM

To: City Commission

Date: 2019-02-15

From: Jennifer Bramley, City Manager

Subject: Vacation Rentals

Presenter(s): Lael Giebel, Assistant to the City Manager

Recommend: Staff requests consensus direction on the subject of the City's regulations regarding vacation rentals.

Epic Goal(s): Enhance community and employee relationship strategies that strengthen inclusiveness, respect, transparency and collaborative engagement.

Boards & Committees: N/A

Budget Impact: N/A

Past Action: On January 30, 2019, the Commission held a Listening Session pertaining to vacation rentals.

Next Action: Subject to City Commission discussion and direction.

Attachments: [Vacation rentals background.docx](#), [A. 103-14 zoning code.docx](#), [B. Ord 17-11 bed and breakfast cond. use.pdf](#), [C. Vacation Rental Maps.pdf](#), [D. Listening session report.docx](#), [E. Vacation Rental listening session PPT.pptx](#), [F. Listening Session sign-in sheets.pdf](#), [G. Listening Session comment cards.pdf](#), [H. Listening Session emails.pdf](#), [I. Host Compliance Data.pdf](#), [J. Pinellas County Info.pdf](#), [K. Visit St. Pete page 1.docx](#), [L. Visit St. Pete page 2.docx](#), [M. Article - Economic costs and benefits of airbnb.pdf](#), [N. Airbnb info.docx.pdf](#), [O. Summary of other](#)

[jurisdictions.xlsx](#), [P. Ord 2018-08 Indian Harbour.pdf](#), [Q. Ord 2018-01 Indian Rocks.pdf](#), [R. Ord 2015-13 Madeira Beach.docx](#), [S. Ords 2016-10 and 2016-31 North Bay Village.pdf](#), [T. Ord 2018-3 Orlando.pdf](#), [U. Seminole county.docx](#), [V. Ord 2018-05 Tamarac.pdf](#), [W. Tamarac app.pdf](#), [X. SS 509.032.docx](#), [Y. SB 356.pdf](#), [Z. Additional Information \(proposed Senate Bills\).pdf](#), [Aa. HOA Map.pdf](#), [Ab. Supplemental Information 2-18-19.pdf](#), [SUPPLEMENT for item 4 a Memorandum re Florida Legislative Updates re HOAs 2-18-19 \(Dunedin\).pdf](#),

Background:

The City of Dunedin currently allows vacation or short-term rentals in certain zone districts across the City (see Exhibits A, B, and C). According to Host Compliance, there are currently 293 vacation rentals in the City of Dunedin. As the vacation rental industry continues to expand, the Commission desired citizen feedback on whether to keep the existing regulations in place, add regulations, and/or expand the allowed zone districts. To that end, on January 30, 2019, the Commission held a Vacation Rentals Listening Session at the Hale Center. Approximately 210 – 220 people attended the Listening Session (see Exhibits D, G, and H for a summary of the Listening Session and citizen feedback).

As the City Commission is aware, there are many points of view as to the impact of short-term rentals on the community. Some of the benefits include net positive impact on the local economy; funds provided to the Pinellas County bed tax; it allows people to mitigate the rising cost of living; offers a diversity of vacation options; and a potential improvement to homes and/or neighborhoods. According to Visit St. Pete Clearwater, in the month of March, 2018, Dunedin collected \$62,592.17 in Bed Taxes; of that, an estimated \$17,713.58 came from short-term rentals such as Airbnb, VRBO, Homeaway, etc. Some of the negative impacts are neighborhoods losing the 'residential' feel; safety concerns; lack of ADA requirements; saturation of short-term rentals hiking up housing costs; removal of long-term rentals from the market; and neighborhood disruption due to such things as too many cars, and noise issues (see Exhibits J – N for more data on the positive and negative impacts).

In 2011, the Florida Legislature preempted cities and counties from prohibiting or regulating vacation rentals, unless such prohibition or regulations were adopted prior to June 1, 2011. The City of Dunedin's ordinance pertaining to vacation rentals was adopted December 16, 2010. The vacation rental preemption is set forth in §509.032(7), Florida Statutes (see Exhibit X). In 2014, SB 356 loosened the broad preemption on regulation of vacation rentals, but left in place language that prevents cities or counties from prohibiting vacation rentals or regulating their frequency or duration (see Exhibit Y).

Currently the City enforces code provisions pertaining to vacation rentals on a complaint basis given the level of discussion at the State level regarding this subject and the preemption thereof. Due to the level of citizen interest, and staff's awareness that investors are increasingly purchasing properties for use as short-term rentals in areas that do not allow that use, staff is now

requesting direction from the City Commission, specifically on the following three issues:

1. Should the City maintain the current zoning districts, or expand to other/all zoning districts. It should be noted that staff has been cautioned by City Attorney Trask that relaxing the code provision that prohibits short term rentals in residential neighborhoods may jeopardize the enforceability of that code provision in the future.
2. If the City maintains the current zoning districts, what regulations, such as parking, noise, registration, garbage, proof of insurance, ADA accessibility, etc. should be implemented (see Exhibits P – V for examples of what other jurisdictions are regulating).
3. If the City Commission chooses to enforce proactively the code as it pertains to Vacation Rentals, what is the time frame and form of the Enforcement Plan.

Staff is continuing to research the subject and may provide additional information before the City Commission Workshop.