

Short-term Rentals

Council Work Session

December 11, 2018



Council Direction

- ❑ “Short-term Rental”(STR) – means lodging for less than 30 consecutive days in residential premises.
- ❑ All STRs (home-shared/owner-occupied/investor-owned vacation rentals) follow the same approval process.
- ❑ Require a Specific Use Permit (SUP) approval to allow ‘Short Term Rental’ use in residential property.

Council Direction (contd.) on October 30, 2018

- ❑ Create a Specific Use Permit (SUP) process to allow ‘Short Term Rental’ use in residential property.
 - The initial SUP will be valid for two years.
 - The SUP will be accompanied with an Operational License, which may be revoked if the STR is not operating per the **established standards**.

- ❑ Create a SUP annual renewal process.
 - This will be an administrative process, if the application conditions remains the same as the initial SUP and no citations.
 - If the above does not hold good, that SUP will have to be renewed following the same process as the initial SUP.

Steps taken to **establish standards** for STRs, since October 30, 2018

Utilized criteria that were discussed at previous Council meetings, as base standards for the following meetings

- Meetings with ASTRA (Arlington Short Term Rental Alliance)
- Meetings with homeowner groups
- Meeting with Arlington Board of Realtors
- Online Survey – 359 responses
- 11/19 - Public Open House – 60 signed in
- 11/20 - Facilitated meeting between ASTRA and homeowner group
- 11/30 – Meeting with homeowner group
- 12/3 – Meeting with ASTRA and their legal counsel

SUP Application (DRAFT available) – Documents Required

1. Property Owner signed and notarized application and fee
2. Proposed Host Rules
 - Include instructions for trash disposal; noise restrictions, specifying City's requirements; restriction of using it as a banquet space; parking instructions; posted fire evacuation routes
3. A. Is this your homestead? (Principal Residence)
Staff verifies on TAD records.
B. Will the premises be **simultaneously occupied by the owner and any short-term rental guest(s)** during the length of a short-term rental stay? Staff verifies with Driver's License.
C. If response is 'No', do you **or your designated operator** reside within a 30-minute driving time of the subject property?
Staff verifies with Driver's License.
4. Site Layout and Floor Plan. Staff verifies the maximum occupancy, based on standards
5. Operational License Form, with all supporting documentation and certification.

SUP Application Fee - considerations

Definitions

- **Short-term Rental.** A house or building, or portions thereof, used for lodging accommodations to transient occupants for a period of less than thirty (30) consecutive days.
 - Initial SUP application fee (valid for two years) = \$1,000
 - SUP annual renewal fee (if administratively processed after the first two years) = \$300
- **Home-shared STR** means an owner-occupied residence that is simultaneously occupied by the owner and a short-term tenant occupant.

Operational License Form – Documents Required

1. Proof showing that the property owner has registered with the City of Arlington as a STR and will be paying HOT tax if starting new.

If it is an existing STR, and has not paid HOT tax, they will need to pay all back-payment before the License can be issued. (Staff would need to verify with Consultant)

2. 24-hour emergency phone number to be posted on door.
3. General Liability or Short-Term Rental Insurance of \$1,000,000
4. Life-Safety Self-Certification Verification Form (DRAFT available)
5. Consent to reasonable life-safety City inspections, and on basis of neighborhood complaints

- No fee. Applied with the SUP.
- Non-transferable
- If Operational License is revoked, that property owner cannot operate a STR even though the SUP is valid.

STANDARDS that both parties have agreed to:

TRASH – follow the rules of the neighborhood.

Host rules include instructions on how to store trash in bins inside fenced area, until trash pick-up day for that neighborhood.

Property owner takes responsibility, if instructions are not followed.

NOISE – follow Texas Penal Code 42.01(c)(2)

(2) a noise is presumed to be unreasonable if the noise exceeds a decibel level of 85 after the person making the noise receives notice from a magistrate or peace officer that the noise is a public nuisance.

Cannot be used as a ‘Banquet Hall’... where guests, who are not staying for the night, are also invited for that private function.

Banquet Hall

An establishment that is leased on a temporary basis before the day of the event by individuals or groups who reserve the facility to accommodate private functions, including, but not limited to, banquets, weddings, anniversaries, receptions, business and organizational meetings, and other similar functions, to which the general public is not admitted and for which no admission charge is imposed. Such establishments may include kitchen facilities for the preparation of food or catering of food and areas for dancing, dining, and other entertainment activities that customarily occur in association with banquets, weddings, or receptions.

Another item that both parties have agreed on:

- ❑ Preference for accepting SUP application of the STR owners who have been paying Hotel Occupancy Tax (HOT) as of October 16, 2018:
 - The first two weeks, after the ordinance is effective, may be opened for SUP application ONLY to the STR owners who have been paying HOT as of October 16, 2018.
 - After the first two weeks, the application process is opened to all “for the next 45 days, in order to allow operating STRs to apply following the established process. After that grace period, City will take enforcement action on the STRs that have not applied for the SUP. The ones that have applied within that timeframe will be able to operate until a decision is made on their SUP case. If the SUP is denied, the applicant will need to cancel all bookings and shut their operation right away” ... per Council direction on 11/27)

STANDARDS that both parties differ slightly in their opinions:

OCCUPANCY

Proposed Standard	ASTRA position	Homeowners position
2/BR + 2	✓	✓
Maximum 12 per unit	Finds it “arbitrary” Wants large lot exception	“to fit into the neighborhood”

Council Direction on 11/27:

Occupancy shall be limited to two persons per bedroom plus two more guests, with a maximum of 12 persons per unit.

The alteration of the maximum limit shall be considered ONLY on a case-by-case basis, based on factors such as, but not limited to location of the subject site, lot size, home size, setbacks & buffers from the other surrounding homes.

STANDARDS that both parties differ slightly in their opinions:

❑ PARKING

Proposed Standard	ASTRA position	Homeowners position
Inside private property (all-weather surface)	✓	✓
+ maximum 2 on street, inside the side lot lines (if HOA allows overnight parking on street)	Unlimited, inside lot lines	✓
(no RVs, no living in vehicles)	✓	✓

Council Direction on 11/27:

Parking for short-term rental guests shall be provided inside private property on all-weather surface. No RVs or buses are allowed, and no living in the vehicle is allowed.

On-street parking shall be considered ONLY as an exception on a case-by-case basis, when the applicant demonstrates that there is no parking space available on site to accommodate guests.

STANDARDS that both parties differ slightly in their opinions:

❑ OPERATIONAL LICENSE REVOCATION CRITERIA

Proposed Standard	ASTRA position	Homeowners position
<u>One</u> Notice of Violation and then a Citation	<u>Three</u> Notice of Violations and three Citations “three strikes and you’re out” * <i>Concerned with frivolous complaints</i>	<u>Two</u> Notice of Violations and two Citations * <i>Homeowners want rigid enforcement</i>

Council Direction on 11/27:

With the second citation, the operational license shall be revoked.

STANDARDS that both parties differ largely in their opinions:

❑ MAXIMUM DENSITY ON A BLOCK FACE

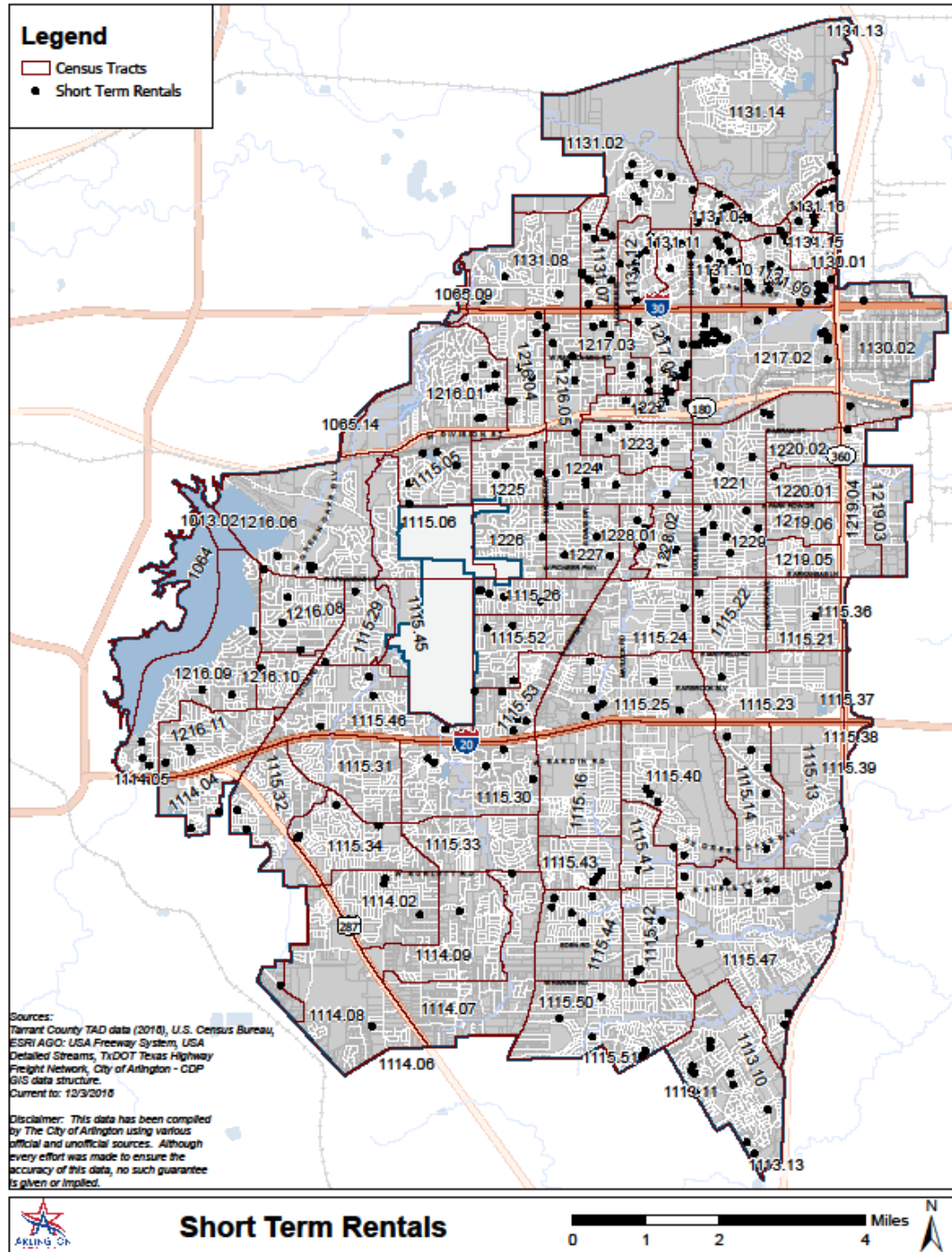
Proposed Standard	ASTRA position	Homeowners position
On a case-by-case basis through SUP approval	12.5% of block face (Similar to San Antonio)	<ul style="list-style-type: none">• Do not agree with 12.5%• Need to see visual representation of what that means in an existing neighborhood

Council Direction on 11/27:

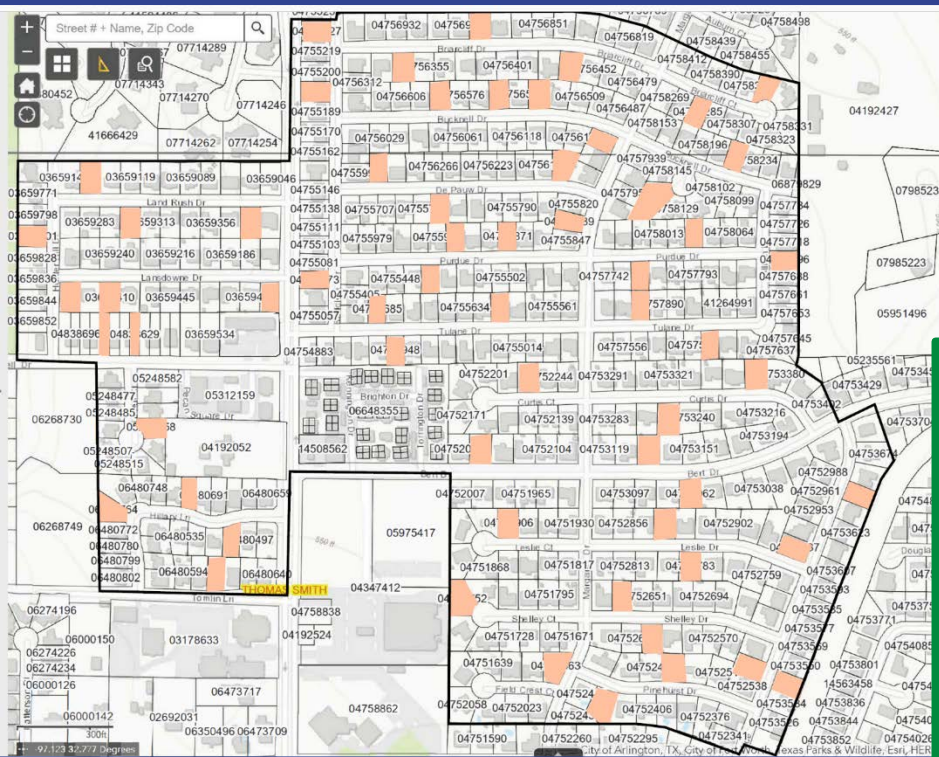
Not decided yet. Council would like to see a map with the existing (known addresses) STRs in Arlington, with census tracts.

- i. Should there be a cap on the number of STRs in a Census Tract?
- ii. Should a minimum distance be required property line to property line between STRs? Would there be any exceptions in the EDO?

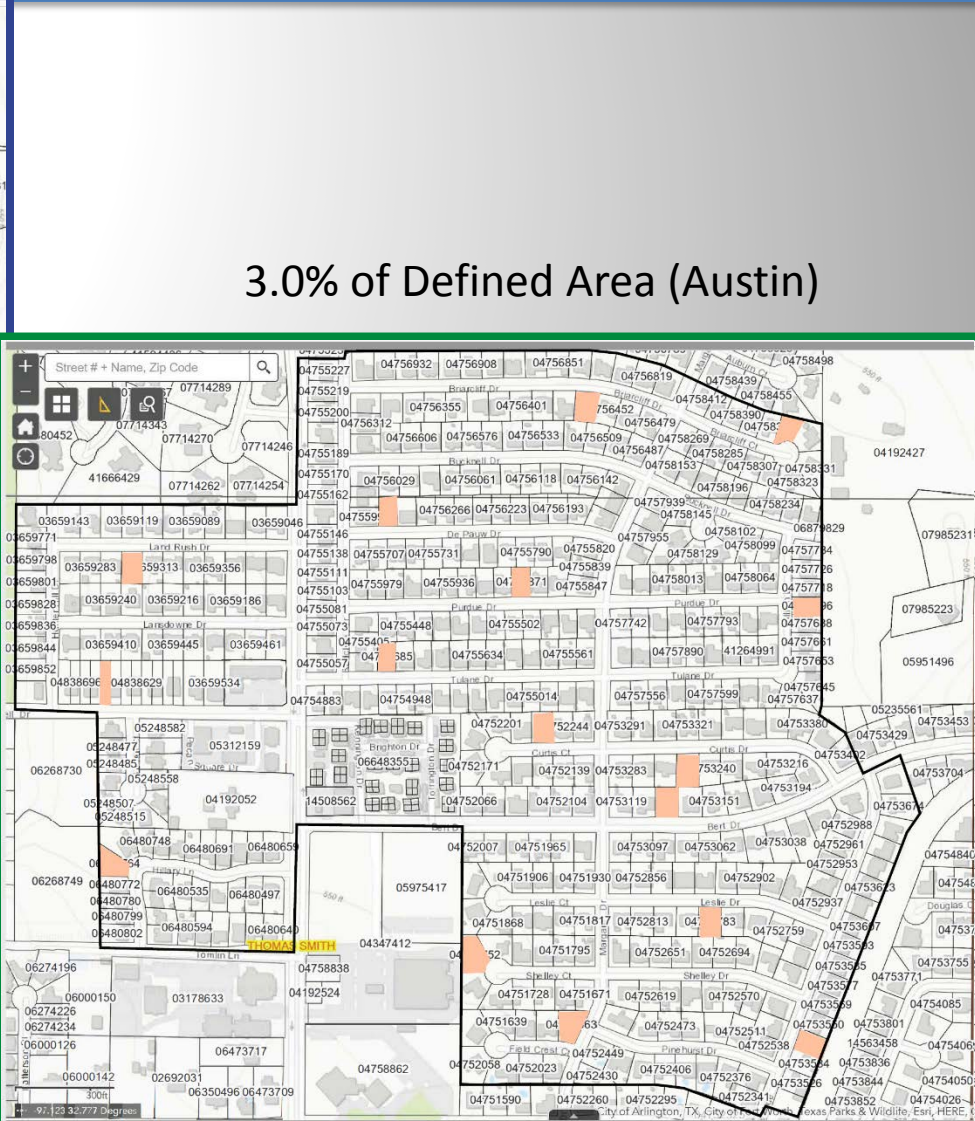
STR Density - Census Tracts



Density Options



12.5% of Block Face (San Antonio)

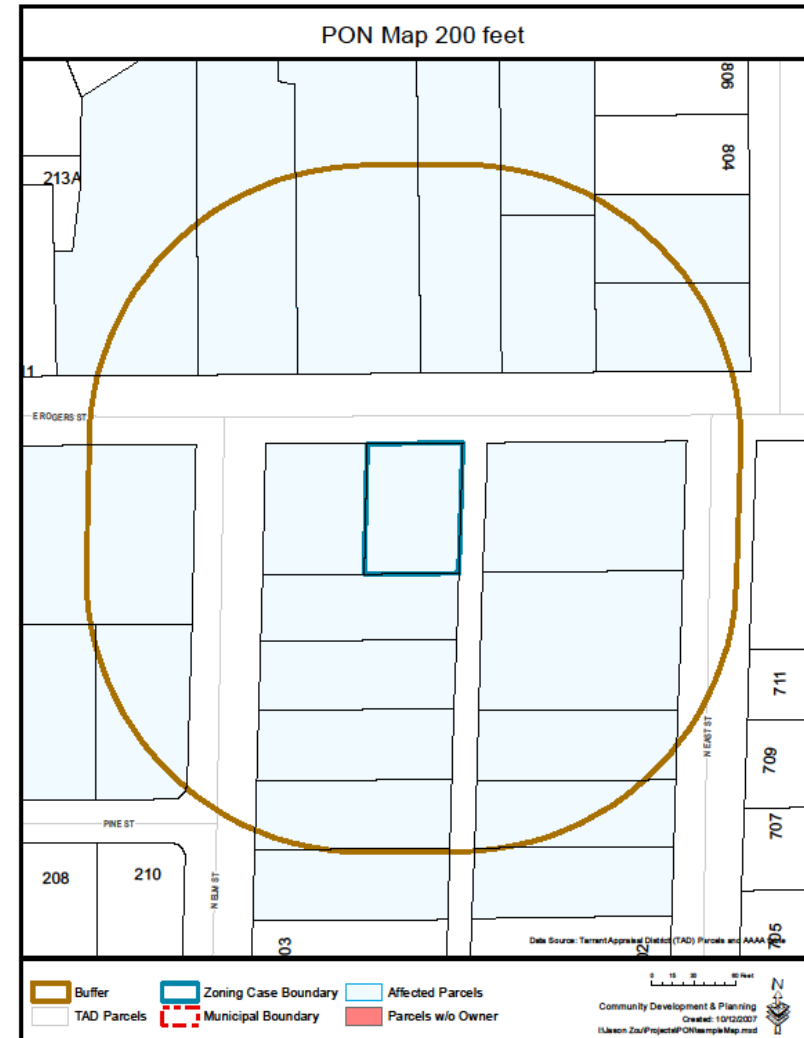


3.0% of Defined Area (Austin)

SUP Notification Area – Required by State Law (similar to 'Bed & Breakfast' use in residential zoning districts)

- ❑ Texas Local Government Code requires the following notification for a Zoning/SUP case:
 - Media Notice to Star Telegram notifying the P&Z public hearing date and City Council public hearing date
 - Post a physical sign at the subject site
 - Mail out notification to all property owners within 200 feet of the subject site.
- ❑ Additionally, City of Arlington emails courtesy notification to all registered HOAs within one mile

200-foot radius (23 properties)



Courtesy Mail Notification Area

Other Notification Tools

600-foot radius (133 properties)



- A new webpage with the P&Z and CC dates for each application can be updated at the same time when the Property Owner Notifications are mailed.
- The case information packet for P&Z and CC meetings shall include a saturation map showing all the STR applications in process, approved, or denied, and with their expiration dates.

SUP Decision – UDC Criteria

F. Criteria

1. The Planning and Zoning Commission and City Council shall base their decision on their findings of the extent to which the proposed use:
 - a. Complies with the general criteria of Section 10.3.8;
 - b. Complements or is compatible with the surrounding uses and community facilities; and
 - c. Contributes to, enhances, or promotes the welfare of the area and adjacent properties.

2. An ordinance approving a specific use permit may impose development standards and safeguards over and above those contained in these regulations. The City Council may, in the interest of the public welfare and to ensure compliance with this Code, establish reasonable conditions on the operation, location, arrangement, type, and manner of construction of any use for which a permit is authorized. Consideration is given based on the existing conditions and location with regard to the welfare and protection of adjacent property from noise, vibration, dust, dirt, smoke, fumes, gas, odor, explosion, glare, offensive view, traffic, or other undesirable or hazardous conditions.



Questions

