Pompano Beach Short-term Rentals

Research and Recommendations

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Introduction

Short-term Rentals, as defined in this report, are lodging establishments in dwelling units or condominiums that are rented for short periods of time, typically less than 30 days. These rentals are popular among travelers, particularly non-traditional travelers such as large families or those that desire more amenities than a traditional hotel typically provides, such as a kitchen or private pool. These rentals are alternatives to hotels and motels and increase transient rental capacity, alleviating pressure in destinations during popular travel times, when hotel rooms are filled. Short-term rentals also fill a market niche for transitional housing.

The City of Pompano Beach has received complaints related to short-term types of uses in traditionally residential areas, including short-term rentals and sober homes, or community residential homes. Though these complaints originate throughout the City, they are primarily concentrated east of Federal Highway and on the barrier island.

The City has already addressed short-term rentals with between one (1) and four (4) dwelling units with an ordinance, which was adopted in 2017¹. In this ordinance, short-term rentals with between one and four dwelling units in residential zoning districts are required to obtain a short-term rental permit, if they rent the unit for six (6) months or less. The ordinance does not address or regulate short-term rentals in condominiums, condo hotels, hotels, motels, timeshares, or bed and breakfasts. The application process includes a fee, supporting information (i.e. a Department of Business and Professional Regulation ("DBPR") license, registration with the Florida Department of Revenue and Broward County Tax Collector, etc.), and an inspection of the unit.

This report specifically addresses short-term rental of apartments with five (5) or more dwelling units. The City decided to review this segment of short-term rentals to investigate whether a problem existed where property owners were converting of apartment complexes into short-term rental units, particularly in older apartment complexes in areas east of Federal Highway and on the barrier island, where most complaints were registered. To allow time to investigate this issue further, the City adopted a moratorium on processing applications, development orders, and permits for the conversion of multi-family apartments with five (5) or more units to short-term rentals².

Purpose of this Report

This purpose of this report is to help the City:

- 1. investigate the location of structures with multiple short-term rental licenses
- 2. review the current state statutes related to this issue
- 3. analyze state issued permits
- 4. evaluate regulations in comparable cities, and
- 5. understand potential actions, which are included as recommendations

Recommendations

Based on the analysis in this report, the City may consider the following recommendations:

¹ Pompano Beach Ordinance 2017-50

² Pompano Beach Ordinance 2017-43

- 1. Monitor vacation rental bills in the Florida Senate, which have the potential to prohibit or preempt local governments from adopting short-term vacation rental ordinances.
- 2. Continue to monitor group vacation rentals
- 3. Conduct a legal analysis of the applicability related to group vacation rentals, including the applicability of state preemption and licensing requirements when a building can be permitted as multiple uses (i.e. timeshare, condo hotel, etc.).
- 4. Amend land development regulations definitions of short-term rental. Currently there are two inconsistent definitions in Chapters 153 and 155. It is recommended that the City delete the definition in Chapter 155.
- Continue to monitor percentage of Transient Apartment licenses and monitor and categorize complaints related to Transient Apartments to evaluate the quantity of complaints, severity of complaints, and developing trends.

NOTE: This report does not address or provide recommendations on community residences for people with disabilities. As noted in the report entitled "Pompano Beach, Florida: Principles to Guide Zoning for Community Residences," community residences for people with disabilities is a different land use than "transient public lodging establishment." Most notably, community residences for people with disabilities are not held out to the public as a place regularly rented to guests. Instead, each community residence houses people with a certain type of disability—not members of the general public. In Florida Statutes, a "vacation rental" is a "transient public lodging establishment," while a community residence is "a single housekeeping unit that seeks to emulate a biological family to achieve normalization and community integration of its occupants with disabilities." The City is preparing recommendations for community residences for people with disabilities as a separate effort.

Methodology

This report analyzes short-term rentals with five (5) or more dwelling units within the City of Pompano Beach and within similar cities ("cohort cities"). The cohort cities were selected based on their similarity to Pompano Beach in terms of their general location in southeast Florida and their most specific beach front or coastal locations. To provide context, these communities include a range of populations, both larger and smaller than Pompano Beach. Two communities from Palm Beach County were selected to provide a comparison between Broward and Palm Beach counties. The cohort cities include:

- 1. Deerfield Beach
- 2. Fort Lauderdale
- 3. Hollywood
- 4. West Palm Beach
- 5. Lake Worth

Analyses Performed

These cohort cities were analyzed in the following ways:

- 1. **Map Analysis** –City staff mapped short-term rental locations based on data collected from the Department of Business and Professional Regulations
- 2. **Cohort City License Comparison** Review and evaluate state short-term rental license data for multiple location governments

- 3. **Cohort City Definition and Process Comparison** Review and evaluate regulations and definitions for multiple local governments
- 4. **State of Florida Public Lodging regulation review** Collect and describe current state regulations that apply to public lodging
- 5. **State of Florida Public Lodging License Analysis** Collect, sort, and analyze DBPR public lodging licenses
- 6. **State of Florida Vacation Rental Regulation Review** Collect and describe current state regulations that apply to vacation rentals
- 7. **State of Florida Vacation Rental License Analysis** Collect, sort, and analyze DBPR vacation rental licenses
- 8. **Florida Building Code Certificate of Occupancy and Public Lodging Analysis** Review Florida Building Code and interview key City Staff for interpretation

Short-term Rental Analysis: Mapping

City staff mapped data points collected January 2018, which represent public lodging licenses awarded by the DBPR. To create these maps, Staff manipulated DBPR license data by isolating licenses with more than five (5) units. Staff's data analysis found the following quantities of multi-unit, short-term rental licenses in the city:

- 25 Transient Apartments
- 10 Hotel
- 19 Motel
- 15 Condominium (Group)
- 2 Dwelling (Group)
- 8 Dwelling (Collective)

Staff created maps showing these license locations. These maps are included in Appendix A. The maps show that most of these licenses are clustered on the barrier island.

Public Lodging Analysis: State Licensing Procedure

The State of Florida does not use the term short-term rentals. Instead short-term rentals are regulated as *public lodging establishments* and, more specifically, *transient public lodging establishments*. Public lodging establishments, as defined in Chapter 509, F.S., includes two sub-categories: *transient public lodging* and *non-transient public lodging*³. Transient public lodging generally means lodging regularly rented to guests for less than one month, but is more specifically defined as:

³ Section 509.013(4)(b), Florida Statutes (F.S.)

"Transient public lodging establishment" means any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings which is rented to guests more than three times in a calendar year for periods of less than 30 days or 1 calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests.⁴

For the purposes of licensure, several types of lodging are excluded from the definition of *transient* public lodging, including, but not limited to⁵:

- Any place renting four rental units or less, unless the rental units are advertised or held out to the public to be places that are regularly rented to transients.
- Any unit or group of units in a condominium, cooperative, or timeshare plan and any individually or collectively owned one-family, two-family, three-family, or four-family dwelling house or dwelling unit that is rented for periods of at least 30 days or 1 calendar month, whichever is less, and that is not advertised or held out to the public as a place regularly rented for periods of less than 1 calendar month, provided that no more than four rental units within a single complex of buildings are available for rent.⁶

These exclusions divide the licensing process into two processes: one for *transient public lodging* and one for a separate category called *vacation rentals*. Based on these definitions and exemptions, buildings with five (5) or more rental units that rent for less than 30 days use the transient public lodging license procedure.

Transient License Categories

Within the definition of public lodging establishments, Florida Statutes identify several types of establishments, or *license classifications*. The license classifications relate to specific regulations, procedures, and applications. The license classifications are⁷:

- Hotels
- Motels
- Non-Transient Apartments
- Transient Apartments
- Bed and Breakfast
- Vacation Rentals
- Timeshare

⁴ Id.

 $^{^{\}rm 5}$ For the complete list of exclusions, refer to Section 509.013(4)(b), F.S.

⁶ 61C-1.002(4)(a), Florida Administrative Code (F.A.C) clarifies that a vacation rental dwelling license will be issued for a single-family house, a townhouse, or a unit or group of units in a duplex, triplex, quadruplex, or other dwelling unit that has four or less units collectively. A vacation rental condominium license will be issued for a unit or group of units in a condominium or cooperative.

⁷ Pursuant to Section 509.013(4)(a), F.S., "license classifications of public lodging establishments, and the definitions therefor, are set out in s. <u>509.242</u>." This report section's bulleted list includes each of the license classifications from Section 509.242, F.S.; See also 61C-1.002(4)(a), F.A.C

As mentioned above, the DBPR uses two types of applications to process these license classifications: *public lodging licenses* and *vacation rental/timeshare licenses*. Table 1 includes information about each application type and its associated license classifications.

Table 1 - State of Florida Public Lodging Application Types and Associated License Classifications

Public lodging licenses utilize the form <u>DBPR HR-7027</u> and include the following license classifications:

- Hotels
- Motels
- Non-Transient Apartments
- Transient Apartments
- Bed and Breakfast

Vacation rental licenses utilize application form DBPR HR-7028 and include the following license classifications, which are discussed later in this document:

- Vacation rentals
- Time shares

Public Lodging License Process and Requirements

Applicants for public lodging licenses must complete the license application⁸ and pay a fee⁹. Applicants then schedule an opening inspection with the DBPR to inspect the unit(s) for compliance with sanitation and safety requirements.

Other governmental entities may also have permitting requirements. These requirements may include 10:

- County and Municipality Requirements (i.e. occupational license, zoning, building, etc.)
- Sales Tax Registration Number Florida Department of Revenue
- Federal Employer Identification Number U.S. Internal Revenue Service
- Alcoholic Beverage Application DBPR

Additional Requirements for Transient Apartments

Transient apartment licenses have specific requirements, in addition to the public lodging license requirements. Transient apartment applications must meet the following criteria:

- Unit must be one or more units in a single complex of buildings.
- The unit is rented more than 3 times in a calendar year and the rental periods are less than 30 days or 1 calendar month (whichever is less) – OR – the rental unit is advertised or held out to the public as a place regularly rented to guests.
- More than 25% of the units in the apartment building or complex are available for rent as transient occupancy – meaning the rental unit is not considered to be the renter's sole residence and the stay is only temporary¹¹

⁸ Public Lodging License Form - DBPR HR-7027

⁹ State of Florida Public Lodging Fee Calculator - http://www.myfloridalicense.com/dbpr/hr/licensing/lodgingfees.html

¹⁰ Additional License Information - http://www.myfloridalicense.com/dbpr/hr/licensing/Apply-License.html

 $^{^{11} \}underline{\text{http://www.myfloridalicense.com/DBPR/hotels-restaurants/\#1489433992517-3bf127b7-72ce}}$

Public Lodging License Analysis: Cohort City Comparison 12

The DBPR collects and publishes public lodging license and unit data. Both *license* and *unit* data were analyzed to determine if more public lodging licenses were issued in Pompano Beach than the cohort cities and to determine how many units were associated with these licenses. Figure 1 graphically describes the analysis of units and licenses. The associated data is provided in Tables 2 and 3. The analyses indicate that the City of Pompano Beach is generally consistent with cohort cities in terms of the number of licenses and units. Pompano Beach is ranked fourth of the six cities in terms of both number of public lodging licenses and the number of public lodging units.

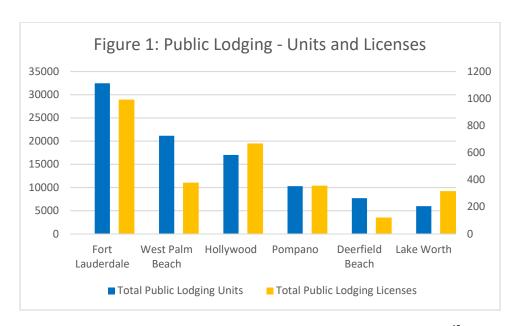


Table 2: Public Lodging Licenses by City - Transient Apartments, Motels, and Hotels 13

City	Transient	Motels	Hotels
	Apartments		
Pompano	25	19	10
Deerfield Beach	10	11	10
Fort Lauderdale	47	64	61
Hollywood	56	81	16
West Palm Beach	8	19	26
Lake Worth	10	21	2

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¹² Data Collected – January 3, 2018; DBPR, Licenses heading, District 2 (includes Broward, Martin, and Palm Beach Counties) http://www.myfloridalicense.com/dbpr/sto/file_download/public-records-lodging.html
¹³ Id.

Table 3: Public Lodging Units by City - Transient Apartments, Motels, and Hotels 14

City	Transiant	Motels	Hotolo
City	Transient	woters	Hotels
	Apartments		
Pompano	240	703	1,022
Deerfield Beach	101	290	1,214
Fort Lauderdale	944	2,552	10,854
Hollywood	560	1,628	3,177
West Palm	340	871	3,656
Beach			
Lake Worth	127	387	205

Vacation Rental Analysis: State Licensing Procedure

DBPR issues licenses for vacation rentals, which are transient public lodging establishments defined in s. 509.242(1)(c), FS, as:

any unit or group of units in a condominium or cooperative or any individually or collectively owned single-family, two-family, three-family or four-family house or dwelling unit that is also a transient public lodging establishment, but that is not a timeshare project.

The DPBR's vacation rental application includes two types of vacation rentals: condominiums and dwellings. Applicants apply for the condominium license when the vacation rental is in a condominium or cooperative (a building where the units are individually owned). An applicant applies for a dwelling vacation rental license when the unit is located within a single-family home, or a duplex, tri-plex, or quad-plex residential structure.¹⁵

For each license type there are three sub-categories, or *classifications*, that apply to both license types. These classifications are single, group, and collective. The single license classification applies to a single unit. The group license classification applies to multiple units in a single development. The collective license applies to multiple licenses in a district, which is a multicounty region¹⁶. Applications that include the collective license classification are limited to 75 units.

 $^{^{14}}$ Id

¹⁵ http://www.myfloridalicense.com/DBPR/hotels-restaurants/#1489433992517-3bf127b7-72ce; See also 61C-1.002(4)(a),

F.A.C - a vacation rental dwelling license will be issued for a single-family house, a townhouse, or a unit or group of units in a duplex, triplex, quadruplex, or other dwelling unit that has four or less units collectively. A vacation rental condominium license will be issued for a unit or group of units in a condominium or cooperative.

¹⁶ A district is a multi-county region established by the state. District 2, where Pompano Beach is located, is comprised of Broward, Palm Beach and Martin Counties.

Applicants who apply for a vacation rental are required to apply and pay an application fee. The state does not inspect the vacation rental unit initially or at regular intervals.¹⁷ The state will inspect the vacation rental unit if it receives a complaint¹⁸.

Condo Conversion Data¹⁹

Florida Statutes allow developers to convert existing, previously occupied improvements (i.e. units) to condominiums by complying with Part I of Chapter 718, F.S. ²⁰

Vacation Rental Analysis: Cohort City Comparison

The DBPR collects and publishes vacation rental license and unit data. Both *license* and *unit* data were analyzed to determine if more vacation rental licenses were issued in Pompano Beach than in the cohort cities. The analysis includes only condominium licenses, and not dwelling licenses, because the City already regulates structures with between one and four dwelling units. Table 4 quantifies the condominium vacation rental licenses, by classifications: group and collective. The analysis does not include condo single licenses. The analysis indicates that Pompano Beach has more group licenses than the cohort cities. Pompano Beach has fewer condo collective licenses than cohort cities.

Table 4: Vacation Rental Condo Licenses by City

City	Condo -	Condo -
	Group	Collective
Pompano	15	0
Deerfield Beach	5	0
Fort Lauderdale	12	7
Hollywood	7	5
West Palm Beach	3	4
Lake Worth ²¹	0	0

Vacation Rental, Condominium Group Licenses

Since Pompano Beach has more condominium group licenses than cohort cities, further analysis was conducted on this license classification. Figure 2 graphically depicts the number of condominium group licenses across all cohort cities. City of Pompano Beach has the highest number of condo group licenses with 15, followed by Ft. Lauderdale with 12, and Hollywood with seven (7). The DBPR issued approximately 42 percent more condo group licenses in Pompano Beach than Fort Lauderdale and 143 percent more than Hollywood.

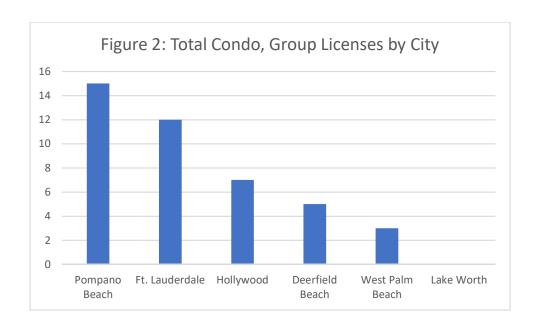
¹⁷ Section 509.032(2)(a), F.S. - Public lodging units classified as vacation rentals or timeshare projects are not subject to [the inspection] requirement but shall be made available to the division upon request.; See also 61C-1.002(3), Florida Administrative Code.

¹⁸ See 61C-1.002(4)(a)2.a. - For inspection purposes, the licensee or operator shall, upon request, meet the inspector at the site of a specified establishment with keys to the licensed house or unit being inspected.

¹⁹ http://www.myfloridalicense.com/dbpr/sto/file download/public-records-CTMH.html

²⁰ Section 718.402, F.S.

²¹ DBPR data indicated that no condominium licenses and units were issued in Lake Worth. This is inconsistent with previous data collection, which did indicate units in these categories.



Condominium Unit Analysis

Table 5, below, quantifies the total number of condominium vacation rental units and the total number of condominium units by classifications: group and collective. The table does not include condo single units. Like the license analysis, the unit analysis shows Pompano Beach has more condominium group units than the cohort cities. It also shows that the total number of condominium units in Pompano Beach is generally consistent with the cohort cities. Pompano Beach has fewer single and collective units than cohort cities.

Table 5: Condo Vacation Rental Units by City

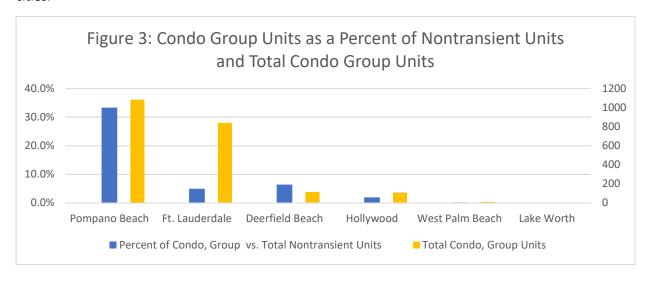
City	Condo -	Condo -
	Group	Collective
Pompano	1,083	0
Deerfield Beach	114	0
Fort Lauderdale	840	22
Hollywood	108	12
West Palm Beach	10	23
Lake Worth ²²	0	0

Group Condo Unit Analysis

Notably, the DBPR issued 243 more group condo units in Pompano Beach than Fort Lauderdale and the agency issued over 900 more group condo units in Pompano Beach than Deerfield, Hollywood, and West Palm Beach. Figure 3 graphically depicts condo group units as a percent of non-transient units and the total number of condo group units for each jurisdiction. This figure graphically demonstrates that a

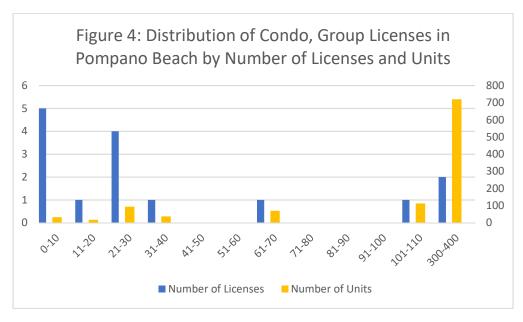
²² DBPR data indicated that no condominium licenses and units were issued in Lake Worth. This is inconsistent with previous data collection, which did indicate units in these categories.

disproportionate number of group condo units exist in Pompano Beach when compared with other cities.



As noted above, Pompano Beach has 15 condominium group licenses. All cohort city have fewer than 15 condominium group licenses. In absolute terms, this appears to be a low number of overall licenses. However, the number of condo group units differs greatly between Pompano Beach and cohort cities.

Figure 4 analyzes the number of units per license in Pompano Beach to understand the distribution of units per license. This analysis indicates the large number of condo group units is caused by a high number of units associated with many of the licenses. Two (2) licenses contain over 300 units each. These licenses are for *Palm Aire Resort and Spa* and *Sea Gardens Beach and Tennis Resort*. Seven (7) licenses contain between 21 and 110 units. Six (6) licenses contain between zero (0) and 20 units.



Analysis of Definitions: Cohort City Comparison

Some of the cohort cities have vacation rental ordinances that address the short-term rentals with five or more units. These regulations shed light on possibilities for Pompano Beach, should the City decide to make changes to existing legislation. The review compares the definitions of short-term rentals and notable sections of short-term or vacation rental sections. Follow-up interviews with select staff were conducted to verify findings.

Short-term Rental (or similar) Definitions

Appendix B includes definitions of short-term rentals or vacation rentals for each of the cohort cities. This definition is important because it establishes which types of units the City regulates. Cities that regulate five-or-more unit short-term or vacation rentals include:

- Ft. Lauderdale
- Deerfield Beach
- Wilton Manors
- Bal Harbor

Generally, there is a consensus that regulating condominium units and more units involves more effort for regulators both during the registration process and during the compliance process. If the City does not provide more funding and support, the result is an increased burden on existing staff resources.

Pompano Beach Definitions

Pompano Beach has two definitions related to short-term rentals: *Short Term Rental* and *Short-Term Rental Accommodations*, which are inconsistent with each other. The City recently updated the definition in Chapter 153. Currently, these definitions do not include buildings with more than five dwelling units.

2017 Florida Building Code: Certificate of Occupancy Analysis

In its code of ordinances, the City of Pompano Beach adopted the Florida Building Code²³ and currently uses the 2017 edition. The Florida Building Code ("FBC") requires the issuance of a certificate of occupancy²⁴ before the occupation of new buildings, additions, renovations, and remodeling²⁵.

The building's design and safety requirements and subsequent Certificate of Occupancy are tied to the FBC use category ("use category") under which the applicant originally applied. If a building's use changes, the use category also changes. Use categories each have specific FBC requirements; therefore,

²³ Pompano Beach Code Section 152.01(A)

²⁴ Florida Building Code Section 453.5.4 defines a certificate of occupancy as documentation issued by an authority having jurisdiction which indicates inspection and approval of completion of a construction project pursuant to the requirements of Florida law.

²⁵ Florida Building Code Section 123.3.7 provides guidance on when a building can be occupied. New buildings, additions, renovations, and remodeling shall not be occupied until the building has received a certificate of occupancy for compliance with codes that were in effect on the date of permit application.

a change of use could result in a building not meeting the requirements of the new use category. It is important for the City to review changes to the use of buildings to ensure that they meet appropriate FBC regulations and requirements.

Currently, the City of Pompano Beach does not regulate multifamily short-term housing (5+ units) differently than other multifamily rental property. Therefore, the City doesn't have a process for knowing whether an apartment building will be used for short-term rentals and whether the building has the appropriate certificate of occupancy.

In its applications, the City of Hollywood specifically requests applicants to indicate whether 10 or more people will stay in a unit. If the applicant selects yes, that response triggers a review of the certificate of occupancy use category and appropriate upgrades to the unit may be required to meet new FBC use category requirements.

2017 Florida Building Code: Public Lodging Establishment Analysis

The FBC establishes requirements for both Public Lodging Establishments and Transient Public Lodging Establishments. Requirements for public lodging establishments are provided in Section 455, F.B.C., and transient public lodging establishments are provided in Section 461, F.B.C.

Section 455: Public Lodging Establishment Requirements

The Florida Building Code requires that public lodging establishments²⁶ comply with minimum design and construction standards that relate to sanitation and safety. These improvements include:

- Public bathrooms for employees and guests
 - Except for resort condominiums²⁷, nontransient establishments, and resort dwellings²⁸
- Vermin Control
- Fire Safety (including specialized smoke detectors for the deaf should be available upon request)

- Electrical Wiring in good repair
- Heating and ventilation in good repair
- Gas appliances properly vented
- Bathrooms
- Ice bin drainage
- Locks

Section 461: Transient Public Lodging Establishment Requirements

The FBC also has one minimum standard related to transient public lodging or timeshares three (3) stories or more and for which the construction contract has been let after the code's effective date, and which meet certain interior corridor requirements. This standard states that the lodging shall be equipped with automatic sprinklers and must meet certain smoke detector requirements.

²⁶ Florida Building Code defines public lodging establishments with the same definition in Section 509.013, F.S.

²⁷ Resort Condominiums are units in *Group Condo Vacation Rental Licenses*

²⁸ Resort Dwellings are units in Single Condo Vacation Rental Licenses

Change of Use

FBC Section 310 governs residential uses of properties. The Residential Group includes the use of a building or structure, or a portion thereof, for sleeping purposes²⁹. As stated in the Certificate of Occupancy Analysis in the previous section, a change between the use codes listed below constitutes a change of use and requires a revised certificate of occupancy to ensure consistency with the Florida Building Code. One example of a change of use is an apartment building (Group Category R-2), which has five (5) or more units, converting to a boarding house with more than 10 occupants (i.e. 5 units x 2 people per unit) (Group Category R-1).

The list of residential group categories below includes all residential uses listed in the Florida Building Code.

Residential Group Categories

FBC Section 310.3 Residential Group R-1 includes occupancies containing *sleeping units* where the occupants are primarily *transient* in nature, including:

- Boarding houses (transient) with more than 10 occupants
- Congregate living facilities (transient) with more than 10 occupants
- Hotels (transient)
- Motels (transient)

FBC Section 310.4 Residential Group R-2 includes occupancies containing *sleeping units* or more than two dwelling units where the occupants are primarily *permanent* in nature, including:

- Apartment houses
- Boarding houses (nontransient) with more than 16 occupants
- Congregate living facilities (nontransient) with more than 16 occupants
- Convents
- Dormitories
- Fraternities and sororities
- Hotels (nontransient)
- Live/work units
- Monasteries
- Motels (nontransient)
- Vacation timeshare properties

FBC Section 310.5 Residential Group R-3 includes occupancies where the occupants are primarily permanent in nature and not classified as Group R-1, R-2, R-4 or I, including:

- Buildings that do not contain more than two dwelling units
- Boarding houses (nontransient) with 16 or fewer occupants
- Boarding houses (transient) with 10 or fewer occupants
- Care facilities that provide accommodations for five or fewer persons receiving care
- Congregate living facilities (nontransient) with 16 or fewer occupants

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²⁹ Florida Building Code Section 310.1 Residential Group R.

- Congregate living facilities (transient) with 10 or fewer occupants
- Lodging houses with five or fewer guest rooms

Florida Legislative Update

Florida legislators have proposed several bills related to vacation rentals. If these bills pass as currently drafted, they would preempt all regulation and licensing of vacation rentals to the State. The City of Pompano Beach would be stripped of its power to regulate and enforce regulations and licensing requirements for Vacation Rentals. The existing short-term rental ordinance would be null and void for vacation rentals. Summaries of these bills from the Florida League of Cities 2018 legislative update are provided below³⁰:

HB 773 (La Rosa) prohibits cities from establishing ordinances specific to short-term vacation rentals. Instead, the law would require that all residential properties be treated the same, regardless of whether the property is being used as a rental or not. HB 773 would allow cities with vacation prohibits cities from establishing ordinances specific to short-term vacation rentals. Instead, the law would require that all residential properties be treated the same, regardless of whether the property is being used as a rental or not. HB 773 would allow cities with vacation rental ordinances in place prior to June 1, 2011, to amend their ordinance, but only if the amendment makes the regulation of vacation rentals less restrictive. HB 773 is in its first committee of reference, the House Government Accountability Committee.

SB 1400 (Steube), titled the Florida Vacation Rental Act, preempts all regulation of vacation rentals to the state. The bill:

- Creates a section preempting all licensing of vacation rentals to the state.
- Requires a state license application to contain the operator's emergency contact number.
- Allows a temporary state license to be issued and allows vacation rental to begin use while the
 application is pending.
- Allows the Division of Hotels and Restaurants to fine, suspend or revoke the license of any
 vacation rental when the advertisement for the vacation rental does not display the vacation
 rental license number.
- Regulates multiple unit vacation rentals. When five or more vacation rentals in multifamily
 dwellings are under common ownership and are rented out more than 180 days per year, such
 rental is subject to additional requirements, including biannual inspections.
- Defines a vacation rental as any unit in a condominium or cooperative or any individually or collectively owned single-family, two-family, three-family, or four-family house or dwelling unit that is rented to guests for periods of less than 180 days but that is not a timeshare project.
- Requires the division to make the vacation rental license information available to the public, and allows local governments to use this license information for informational purposes only.
- Grandfathers local ordinances adopted on or before June 1, 2011.
- Sets maximum occupancy limits for vacation rentals.

³⁰ http://floridaleagueofcities.com/docs/default-source/Advocacy/Issue-Briefs-Talking-Points/2018-ib---short-term-rentals.pdf

Options

Based on the analysis in this report, the City may consider the following options:

- 1. Monitor vacation rental bills in the Florida Senate, which have the potential to prohibit or preempt local governments from adopting short-term vacation rental ordinances.
- 2. Continue to monitor group vacation rentals. If a problem is identified through monitoring, the Commission may consider adopting permitting requirements, particularly in instances where most condo units in a building are used for vacation rentals and are contained within a Group Vacation Rental license. In the past, the City Commission has expressed concern with regulating vacation rentals within condominium buildings because most condominiums are governed by Home Owners Associations that have rules governing occupancy and that monitor adherence to those rules.

Prior to deciding on additional short-term rental requirements, the City may consider conducting a legal analysis of statutory requirements related to group vacation rentals, particularly related to issues of state preemption of vacation rentals and other specific licensing requirements and regulations related to other building uses, such as timeshares or condo hotels. Please note, the passage of either HB 773 or SB 1400 would render any new regulations null and void.

- 3. Amend land development regulations definitions of short-term rental. Currently there are two inconsistent definitions in Chapters 153 and 155. It is recommended that the City delete the definition in Chapter 155.
- 4. Continue to monitor percentage of Transient Apartment licenses and monitor and categorize complaints related to Transient Apartments to evaluate the quantity of complaints, severity of complaints, and developing trends.
- 5. Amend the land development regulations to:
 - a. Add transient rental apartment buildings as use in the Pompano Beach zoning code. The City may create regulations and consider adding this use as a special exception anywhere multi-family development is permitted. The City may consider updating regulations to ensure new transient apartment buildings are subject to the rental housing ordinance. This process would ensure that new transient apartments have the appropriate certificate of occupancy classification. Existing buildings with transient apartment licenses could be considered *lawful special exceptions* and would not be required to obtain special exception approval, pursuant to the existing code.
 - b. Amend Chapter 153 to apply to any new transient rental apartment buildings. This update would allow City Staff to verify occupancy classification.
 - c. Address other issues identified during continuing data collection and complaint monitoring. Identify and consider updating other code sections where improvements would address complaints.

Recommendations

The following options are recommended. Justifications are provided below each recommendation.

1. Monitor vacation rental bills in the Florida Senate, which have the potential to prohibit or preempt local governments from adopting short-term vacation rental ordinances.

Justification: The Florida Legislature is currently reviewing several bills related to vacation rentals. HB 773 would essentially prohibit local governments from establishing ordinances specific to short-term vacation rentals. SB 1400 would preempt all regulation of vacation rentals to the state. If passed as currently drafted, these state regulations would mean that any existing and/or new regulations on vacation rentals would be null and void.

2. Continue to monitor group vacation rentals

Justification: This report provides data on group vacation rentals and shows that more group rental licenses and units exist in Pompano Beach than in other similar cities. Monitoring licenses and units would allow the City to evaluate trends and decide if additional action is needed.

3. Conduct a legal analysis of the applicability related to group vacation rentals, including the applicability of state preemption and licensing requirements when a building can be permitted as multiple uses (i.e. timeshare, condo hotel, etc.).

Justification: At least one group vacation rental is also being marketed as a timeshare. The definition of vacation rentals specifically excludes timeshares. A legal analysis of the Florida Statutes is recommended to better understand rules and regulations related to building licensing, particularly to understand the licensing and rules governing the licensing of a building as a group vacation rental, though it also operates as a timeshares and/or condo hotel, which each have different regulations in the Florida Statutes.

4. Amend land development regulations definitions of short-term rental. Currently there are two inconsistent definitions in Chapters 153 and 155. It is recommended that the City delete the definition in Chapter 155.

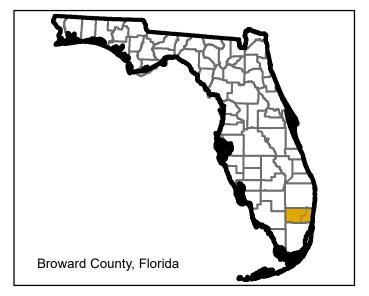
Justification: These definitions are inconsistent. The definition in Chapter 153 was recently amended. Removing the definition in Chapter 155 is a simple fix that will clarify the code.

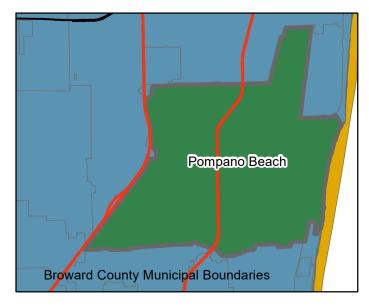
 Continue to monitor percentage of Transient Apartment licenses and monitor and categorize complaints related to Transient Apartments to evaluate the quantity of complaints, severity of complaints, and developing trends.

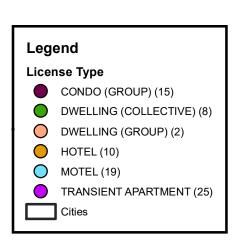
Justification: The analysis in this report does not reveal issues with transient apartment licenses. Therefore, it is advised that the City build on the information in this report and continue to monitor the number of licenses and units associated with transient apartments (i.e. Public Lodging Licenses classified as Transient Apartments ("TAPT")). Furthermore, the City should collect and categorize complaint information associated with TAPT licenses to support any potential future regulations associated with these uses.

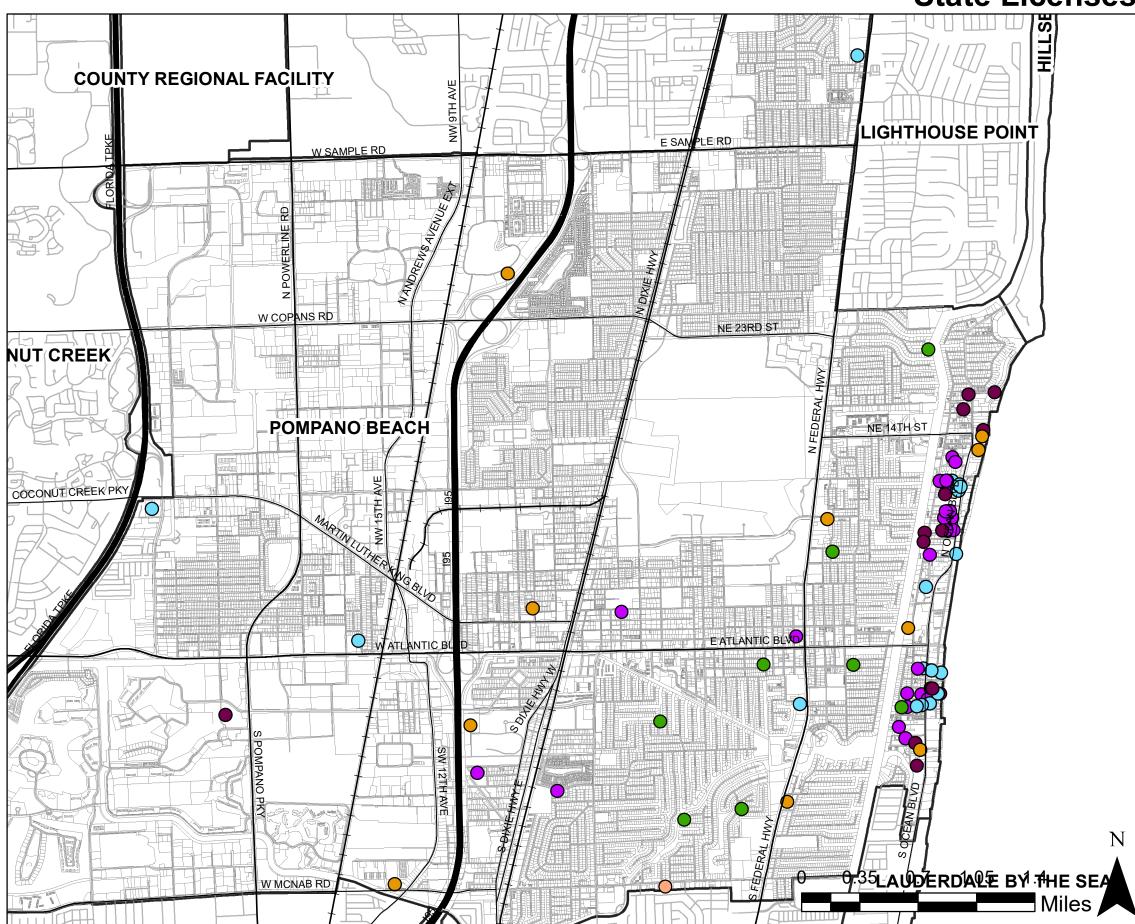
Appendix A – Short-term Rental Maps



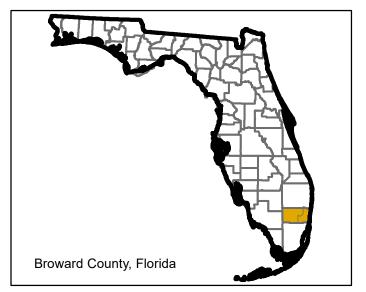


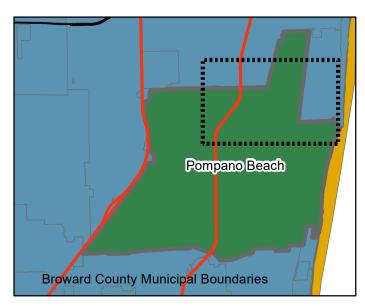


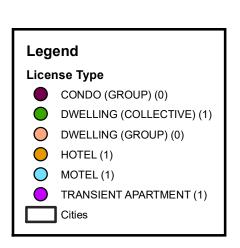


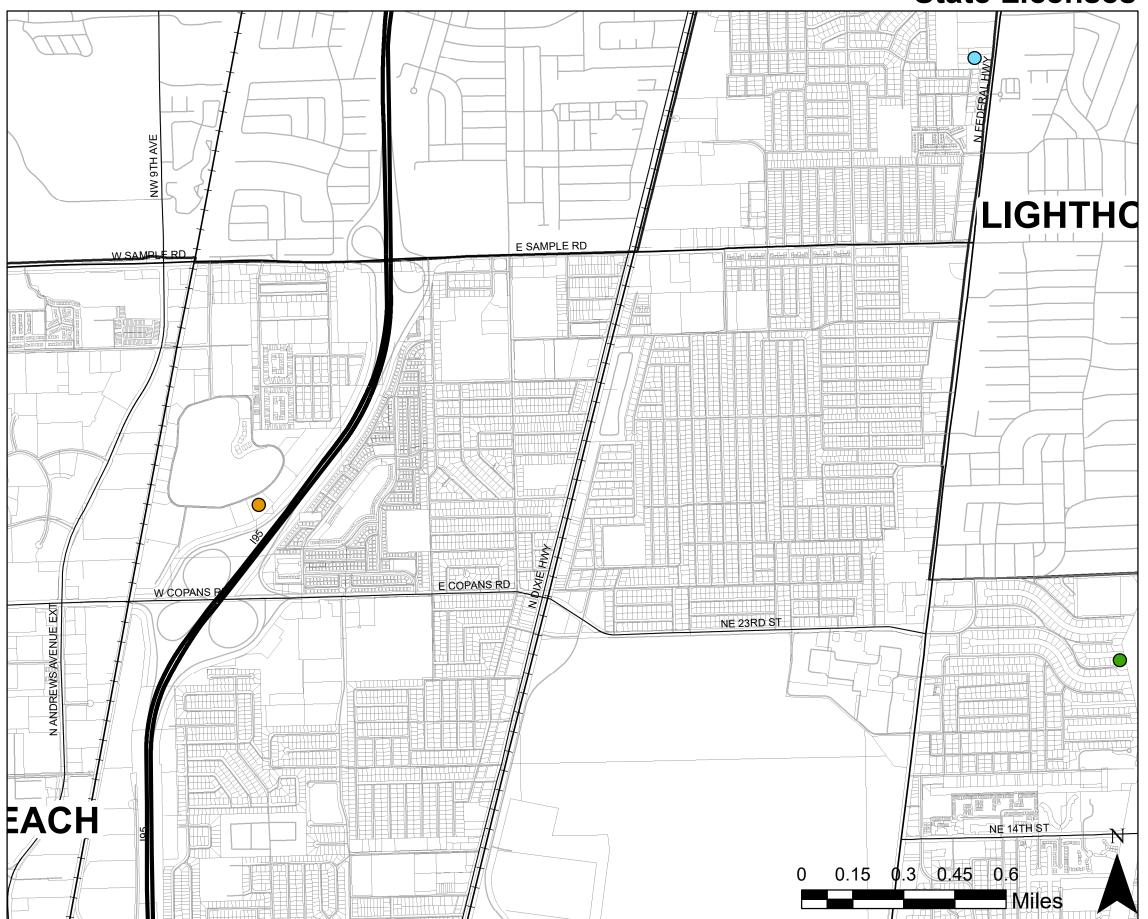




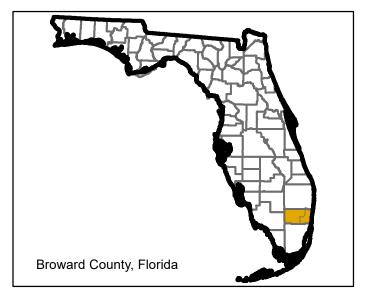


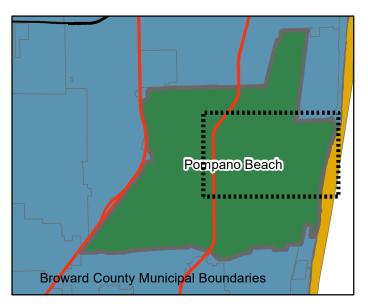


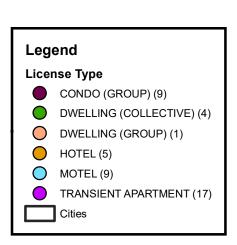


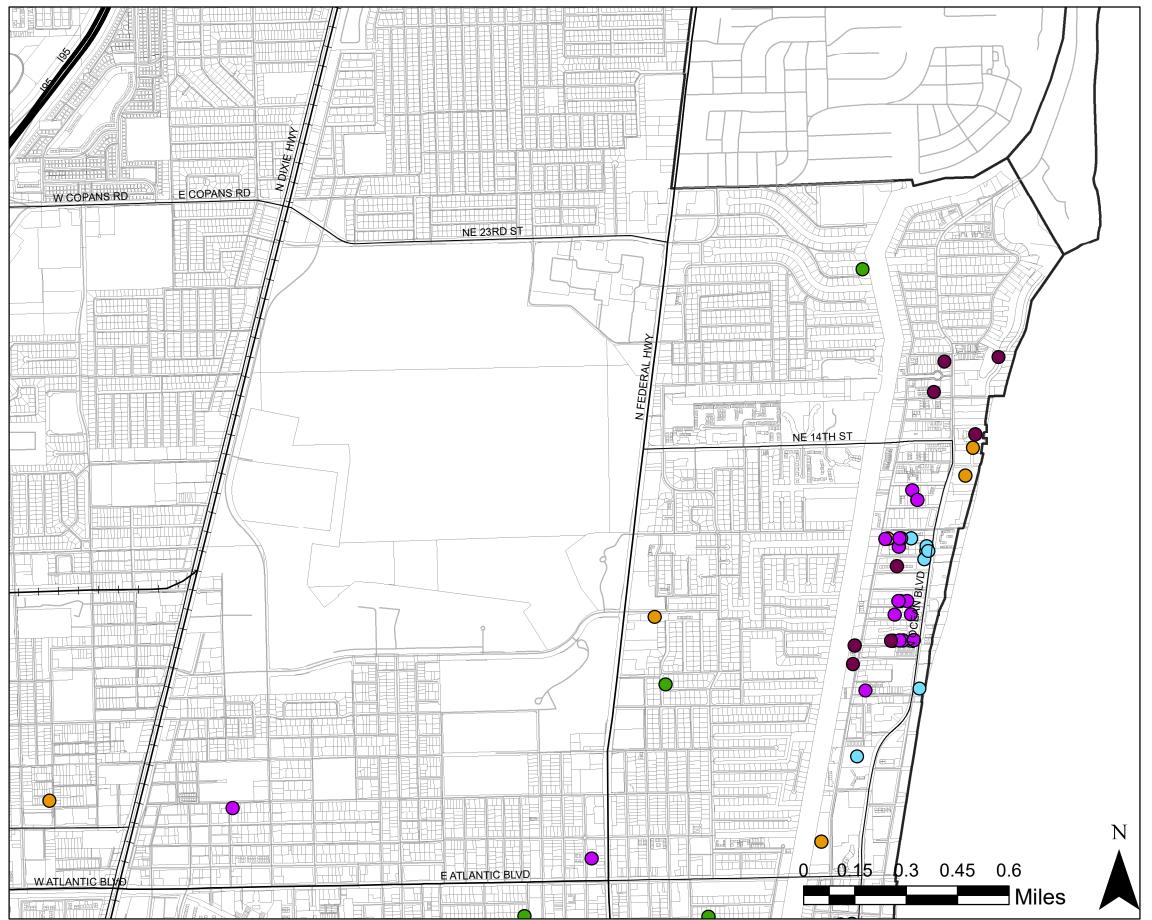




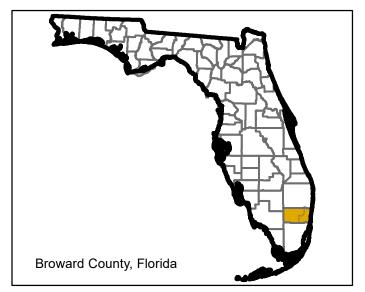


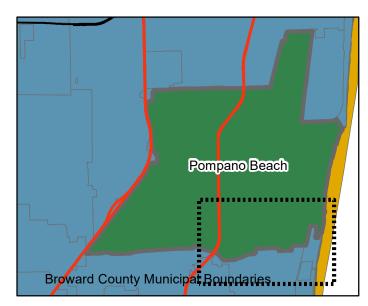


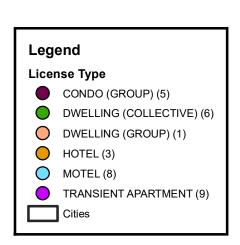


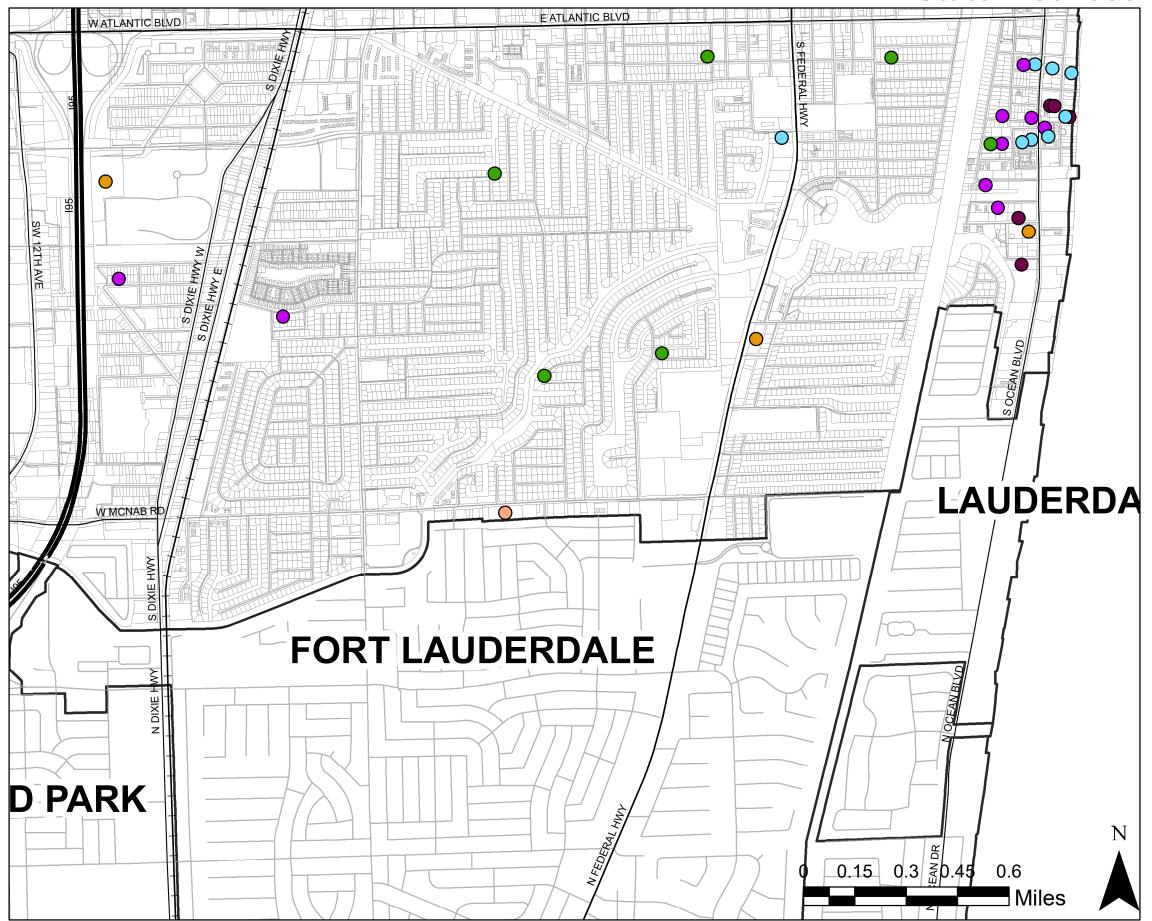




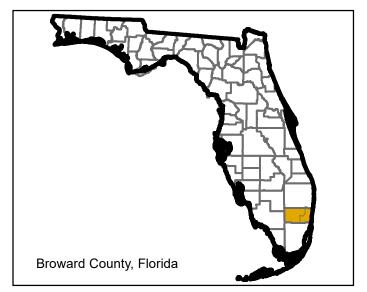


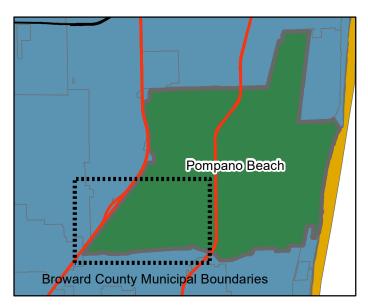




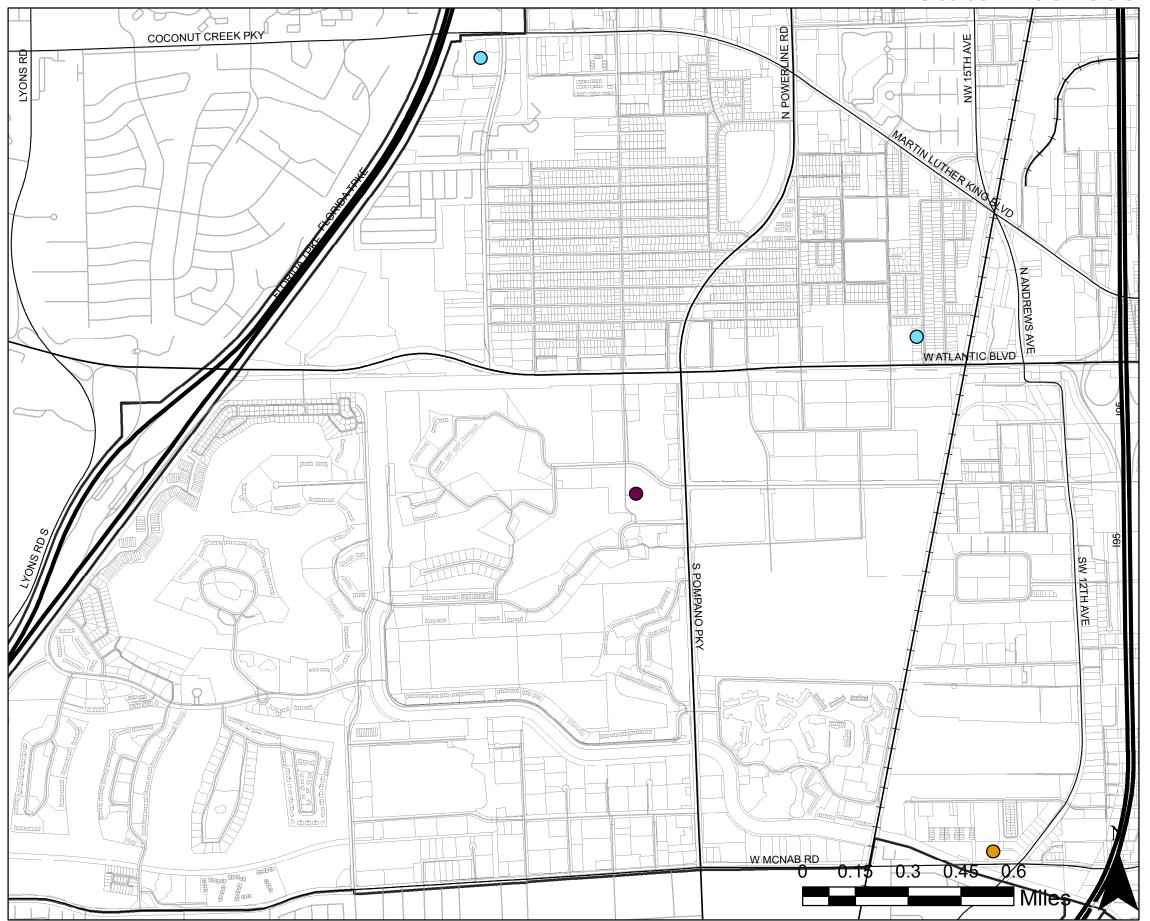












Appendix B – Short-term Rental (or similar) Definitions

Government	Location	Term	Definition	Includes more than five units	Additional information
Pompano Beach	Section 153.05	Short term rental	A dwelling unit that rents, leases, or lets for consideration any living quarters or accommodations for a term of six months or less in a calendar year. This term does not include condominiums, condo hotel, hotel, motel, timeshare property, or bed and breakfast.	No	
Pompano Beach	Chapter 155, Article 9, Part 5	Short-term rental accommodation	A dwelling unit that is rented or leased to individuals or families for transient accommodation for a period of less than 30 days, generally by the week or a two-week period. Short term rentals do not include motels, hotels, bed and breakfast inns, or tourist homes (which are generally rented on an overnight basis), or timeshares, or rooming or boarding houses.	No	
Ft. Lauderdale	Section 15-271	Vacation rental	Vacation Rental - shall mean any unit or group of units in a condominium or cooperative or any individually or collectively owned single-family, two-family, three-family, or four-family house or dwelling unit that is rented to transient occupants more than three (3) times in a calendar year for periods of less than thirty (30) days or one (1) calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to transient occupants, and also a transient public lodging establishment as defined in F.S. § 509.013, but that is not a timeshare project.	Yes	Applicants can apply for multiple licenses per building, but each city license has a maximum of four units. Multiple licenses per building may be necessary.
Hollywood	Section 119.02	Transient public lodging establishment	Any unit, group of units, dwelling, building or group of buildings within a single complex of buildings that is rented to guests more than three times in a calendar year for periods of less than 30 days or one calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests.	No	
Hollywood	Section 119.02	Vacation rental	Any unit or group of units in a condominium or cooperative or any individually or collectively owned single family, two family, three family, or four family house or dwelling unit that is also a transient public lodging establishment and is located in an area zoned RS or RM, but that is not a timeshare project.	No	New vacation rental ordinance adopted 2017 Vacation Rental License Regulations
Deerfield Beach	Section 98-3 – Definition Section 98-106 – Vacation Rental Ordinance	Vacation rental	Vacation rental means any unit or group of units in a condominium or cooperative or any individually or collectively owned single-family, two-family, three-family or four-family house or dwelling unit that is rented to transient occupants more than three (3) times in a calendar year but for periods of less than thirty (30) days or one (1) calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to transient occupants, but that is not a timeshare project.	Unclear –City Staff could not be reached for comment	Vacation rental ordinance provides justification on how it meets state updates (Section 98-106(a)) New vacation rental ordinance heard at P&Z December 7, 2017 http://deerfield-beach.com/ArchiveCenter/ViewFile/Item/2059
West Palm Beach	Section 96-611 - Definitions	Vacation rental, short-term	Vacation rental, short-term means any dwelling unit or structure originally constructed for residential use that is used for temporary lodging and is listed with an agent, advertised or made available by referral, word of mouth, Internet, recommendation and/or reputation as a vacation or tourist rental and rented or made available for rent for a minimum of seven consecutive days. Short-term vacation rentals shall possess a State of Florida Resort Condominium or Dwelling Licenses.	Yes	No specific City Vacation Rental Ordinance Vacation rental applicants must have State License, and City Rental License and Certificate of Use (Chapter 82 – Taxation) Rental for <i>minimum</i> of seven (7) days
Wilton Manors	Section 10-276	Vacation rental	Vacation rental shall mean any unit or group of units in a condominium or cooperative or any individually or collectively owned residential property, house or dwelling unit that is rented to guests more than three (3) times in a calendar year for periods of less than thirty (30) days or one (1) calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests, but that is not a timeshare project.	Yes	
Bal Harbour	Section 21-1 – Definitions Section 21-363 – Vacation Rental Ordinance	Vacation rental	Vacation Rental, Short-Term. A Short-Term Vacation Rental means any occupancy of a single-family, two-family, multi-family or townhouse dwelling unit for a period of time of not less than six consecutive calendar months, or such dwelling unit which is advertised or held out to the public as a place rented for a period of time of not less than six consecutive calendar months.	Yes	
State of Florida	509.013(4)(a)	Public lodging	"Public lodging establishment" includes a transient public lodging establishment as defined in subparagraph 1. and a nontransient public lodging establishment as defined in subparagraph 2 Exclusions: 3. Any place renting four rental units or less, unless the rental units are advertised or held out to the public to be places that are regularly rented to transients. 4. Any unit or group of units in a condominium, cooperative, or timeshare plan and any individually or collectively owned one-family, two-family, three-family, or four-family dwelling house or dwelling unit that is rented for periods of at least 30 days or 1 calendar month, whichever is less, and that is not advertised or held out to the public as a place regularly rented for periods of less than 1 calendar month, provided that no more than four rental units within a single complex of buildings are available for rent.	Yes	Includes transient public lodging For licensing purposes, definition does not include single-family, duplex, tri-plex, quad-plex dwelling house or dwelling unit, or condominium unit
State of Florida	Section 509.013(4)(a)(1), F.S.	Transient public lodging establishment	"Transient public lodging establishment" means any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings which is rented to guests more than three times in a calendar year for periods of less than 30 days or 1 calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests.	Yes	Rental for less than one month, occurring more than three times per year
State of Florida	Section 509.242(1)(c)	Vacation rental	Vacation rental A vacation rental is any unit or group of units in a condominium or cooperative or any individually or collectively owned single-family, two-family, three-family, or four-family house or dwelling unit that is also a transient public lodging establishment but that is not a timeshare project.	Yes	Separate licensing from Public Lodging

Appendix C - Florida League of Cities: Short-Term Rentals 2018 Legislative Brief

• http://floridaleagueofcities.com/docs/default-source/Advocacy/Issue-Briefs-Talking-Points/2018-ib---short-term-rentals.pdf







Short-Term Rentals

Priority Statement:

The Florida League of Cities SUPPORTS legislation that restores local zoning authority with respect to short-term rental properties thereby preserving the integrity of Florida's neighborhoods and communities. The Florida League of Cities OPPOSES legislation that preempts municipal authority as it relates to the regulation of short-term vacation rental properties.

Background:

In 2011, the Florida Legislature prohibited cities from regulating short-term vacation rentals. A short-term vacation rental is defined as a property that is rented more than three times a year for less than 30 days at a time. The legislation passed in 2011 included a provision that "grandfathered" any ordinance regulating short-term rentals prior to June 1, 2011. Since that time, a number of cities, both "grandfathered" cities and those that did not have an ordinance in place, have experienced problems with these properties. The effect of the 2011 law is that two separate classes of cities were created respective to short-term rentals, those with Home Rule authority and those without.

In 2014, the Legislature passed SB 356 (Thrasher), which diminished the preemption on short-term rentals. The 2014 law allows local governments to adopt ordinances specific to these rentals so that they can address some of the noise, parking, trash and life-safety issues created by their proliferation in residential neighborhoods. Unfortunately, SB 356 left in place existing statutory language stating that cities cannot "prohibit" short-term rentals, or regulate the duration or frequency of the rental.

Those cities fortunate enough to have had an ordinance in place prior to the 2011 preemption are still allowed to regulate short-term rentals, but the question remains whether these ordinances will continue to be valid if amended. Some city attorneys believe these ordinances are "frozen" and any future amendments would cause a loss of the "grandfather." The problem with this is twofold. First, with the rise of popular rental websites like *Vacation Rental by Owner* (VRBO) and *AirBnB* making it easier to advertise and rent these properties, the number of properties used as short-term rentals in Florida has exponentially increased in the last four years. Second, as a result of this enormous growth in the rental market, the scope of the problem has changed and ordinances adopted before 2011 may no longer be effective.

It is important to note that many of Florida's larger cities (with a larger professional staff) fell into the grandfathered category. They have retained the ability to regulate these properties through zoning and may have duration and frequency requirements. Some of these cities may want to amend their ordinances to adjust to a changing problem. They are reluctant to do so out of fear of losing their existing ordinance and with it their Home Rule authority relating to short-term rentals. Recognizing that the ordinances on the books are no longer effective, cities want the ability to come up with solutions that work for their respective community, but because of the potential loss of the "grandfather," they are unable to do so. It is important to note that any potential amendments to existing ordinances would be vetted through numerous public hearings that allow neighboring

homeowners, short-term rental owners, property managers and local businesses to weigh in on proposed legislation.

Cities without short-term rental regulations in place prior to June 1, 2011, have had their zoning authority stripped and are now seeing these rentals completely overtaking residential neighborhoods. Long-time residents are moving out as a result, and the residential character of traditional neighborhoods is slowly being destroyed.

The impacts of problematic short-term rentals on neighboring residents are felt in a number of ways:

The Hotel Next Door – Commercial Activity in Residential Neighborhoods

Houses that sleep 26 people are now present in what were once traditional neighborhoods. Because of the inability to regulate the duration of a renter's stay, these houses could experience weekly, daily or even hourly turnover. Obviously, the constant turnover of renters creates a number of issues for cities and neighboring property owners. Prior to the preemption, local governments were able to regulate this activity through zoning. Short-term rentals have become increasingly popular in the last five years. Because a city cannot "prohibit" these properties, they are powerless to exclude them from residential neighborhoods. As a result, investors, many of whom are located out of state or even in a different country, have purchased or built single-family homes with the sole intent of turning them into short-term rentals.

Cities use zoning as a tool to prepare for their future growth and also use it to control where commercial and residential properties are located. Hotels have different infrastructure needs than single-family residential properties. As residential neighborhoods are developed, the infrastructure installed is designed for the future use of the properties. Many neighborhoods have infrastructure in place with capacity for up to eight people per house. Now there are houses in these very same neighborhoods that sleep more people than the number originally planned for, placing a significant strain on existing infrastructure. Commercial properties like bars, hotels and restaurants typically need more parking than a single-family property, as well as have different operating hours and experience greater noise levels. The current law removes important land use and zoning tools that will impact how a city plans for future growth and levels of service.

Noise Complaints

In areas where short-term rentals are situated, many neighboring residents complain of the noise generated by the vacationing renters next door. When people go on vacation, often their behavior changes. They may stay awake later, consume more alcoholic beverages throughout the day, or participate in recreational activities that they would not participate in while at their own homes, such as swimming at midnight with music blaring. For those homes located near water, a lake or the ocean, it is important to note that sound travels easily over water – and residents located hundreds of yards away may be the ones calling and complaining to the police and their local elected officials.

Some cities have noise ordinances, but these have proved problematic to enforce. One such example is Lighthouse Point. Their ordinance requires sustained noise over a certain decibel threshold for 10 minutes. Many times after the police arrive at a residence, the noise dies down. These renters may leave the next day with new ones replacing them. The new renters are often

unaware of the noise ordinance or past complaints and may cause the same problems. The outof-state property owner may not even be aware of the problems created by their renters and with the constant turnover. The problem ends as one renter leaves and begins again as new renters arrive. This causes a significant drain on law enforcement resources. When law enforcement officers are called to respond to noise complaints, one less officer is on the street either preventing or solving crimes.

Parking

Many short-term rentals are located in single-family neighborhoods. In most cases, the driveway was built to accommodate two or three vehicles. When you now have a renovated house that acts as a small hotel, there will be more than three cars needed to get these renters to the property. This leads to cars that are parked on the street, making it difficult for emergency vehicles to respond to emergencies and causes increased response times in these neighborhoods. Cities have begun to adopt ordinances creating parking standards for short-term rental properties. Unfortunately, these ordinances only solve the parking issue, but fail to address any of the other issues created by this commercial activity in residential areas.

Revenue Issues

As stated earlier, a property rented more than three times a year for less than 30 days at a time meets the vacation rental definition and should be licensed by the state. The Department of Business and Professional Regulation (DBPR) is tasked with investigating unlicensed vacation rentals, but lacks the resources needed to fully investigate every complaint. Unlicensed vacation rentals could be costing Florida millions of dollars each year from lost licensing revenue.

Licensed short-term vacation rentals and hotels are also required to charge a sales tax to renters and then remit this back to the state. Many licensed and unlicensed vacation rentals are not doing this. The Florida Department of Revenue (DOR) has limited resources and cannot adequately monitor these transactions costing the state millions of dollars in lost revenue. Similarly, short-term rental owners in some counties are required to collect and remit the tourist development tax to the state. DOR is often unable to track down the vacation rental owners that are not paying the tourist development tax.

The Legislature began the conversation on short-term rentals in 2014, and the Florida League of Cities supported both HB 307 (Hutson) and SB 356 (Thrasher). The bills were a step in the right direction, but only partially restored Home Rule to Florida's cities. Cities are still prevented from regulating the duration and frequency of the rentals, and local zoning does not apply to these properties. Without the ability to regulate these key areas, local governments will not be able to adequately address the problem's associated with these properties.

Status:

There have been a number of different bills filed relating to short-term, vacation rentals.

The League opposes the following bills:

HB 773 (La Rosa) prohibits cities from establishing ordinances specific to short-term vacation rentals. Instead, the law would require that all residential properties be treated the same, regardless of whether the property is being used as a rental or not. HB 773 would allow cities with vacation

rental ordinances in place prior to June 1, 2011, to amend their ordinance, but only if the amendment makes the regulation of vacation rentals <u>less</u> restrictive. HB 773 is in its first committee of reference, the House Government Accountability Committee.

SB 1400 (Steube), titled the Florida Vacation Rental Act, preempts all regulation of vacation rentals to the state. The bill:

- Creates a section preempting all licensing of vacation rentals to the state.
- Requires a state license application to contain the operator's emergency contact number.
- Allows a temporary state license to be issued and allows vacation rental to begin use while the application is pending.
- Allows the Division of Hotels and Restaurants to fine, suspend or revoke the license of any vacation rental when the advertisement for the vacation rental does not display the vacation rental license number.
- Regulates multiple unit vacation rentals. When five or more vacation rentals in multifamily dwellings are under common ownership and are rented out more than 180 days per year, such rental is subject to additional requirements, including biannual inspections.
- Defines a vacation rental as any unit in a condominium or cooperative or any individually or collectively owned single-family, two-family, three-family, or four-family house or dwelling unit that is rented to guests for periods of less than 180 days but that is not a timeshare project.
- Requires the division to make the vacation rental license information available to the public, and allows local governments to use this license information for informational purposes only.
- Grandfathers local ordinances adopted on or before June 1, 2011.
- Sets maximum occupancy limits for vacation rentals.

The League supports:

SB 1640 (Simmons), is a comprehensive proposal providing more state oversight over short-term rentals, while also allowing for additional local regulation in certain circumstances. The bill requires vacation rentals to be licensed with the state and that certain licensing information be included in any advertisements or listings. The bill establishes penalties for failing to display this information. The bill defines "commercial vacation rental" as a property managed by one licensed agent under a single license for five or more vacation rental units or is part of five or more vacation rental units under common ownership, control or management. The bill establishes higher regulatory standards for commercial vacation rentals than non-commercial vacation rentals. The bill defines "hosting platform" and requires state registration and the payment of a registration fee of no more than \$1,000. The bill establishes biannual inspection requirements for commercial vacation rentals. The bill preserves ordinances in place prior to June 1, 2011, and allows for these ordinances to be amended if the amendment is less restrictive. The bill allows for local government regulations specific to vacation rentals that are in single-family residences where the owner is not personally occupying at least a portion of the residence where vacation rental activities are occurring. Vacation rental owners are required to submit a copy of their vacation rental license, a copy of the certificate of registration with the Department of Revenue, and the owner's emergency contact information to the city. The bill prohibits a city from charging a fee for the submission of this information and specifies that it is for informational purposes only. Finally, the bill requires hosting platforms to maintain records listing each transient public lodging establishment that it serves, the name of the operator, the transient public lodging establishment's license number and physical address, each

period of rental reserved through the platform, and the itemized amounts collected from the guest by the platform for the rental, taxes and all other charges. These records must be maintained by the hosting platform for a period of three years and must be transmitted to the Department of Business and Professional Regulation (DBPR) every three months in an electronic format. The bill authorizes DBPR to fine a hosting platform for failure to comply with these provisions. Fine amounts cannot exceed \$1,000 per offense.

HB 789 (Stevenson) requires each person operating a short-term vacation rental to display a valid certificate of registration number in each rental listing or advertisement. The bill establishes a \$50 per day fine for first-time violators. Repeat offenders are subject to a \$100 per day fine for noncompliance. HB 789 is in the House Careers and Competition Committee.

Revised: 2/2/2018