

MEMORANDUM

Development Services

MEMORANDUM NO. 17-136

DATE: May 11, 2017

TO: Gregory P. Harrison, City Manager

VIA: Robin M. Bird, Development Services Director 

FROM: Jennifer Gomez, Assistant Development Services Director 

SUBJECT: Ch 153. Rental Housing – Short Term Rental Permit
New Staffing Needs

The proposed text amendments to Chapter 153, Rental Housing establishes the Short Term Rental Program, which is a new service. The amendments include a myriad of new regulations in order to address the impacts of short term rental housing (single-family through quadplex) on neighboring properties, protect neighborhoods, and overall improve the operation of short term rentals. This will be achieved in part by adopting specific regulations for short term rentals as well as requiring inspections of properties before the permit is issued. The benefits of these efforts will only be realized if the department is sufficiently staffed to accommodate the new responsibilities and standards developed in the Rental Housing Code. Below please find a description of the position that is required to implement the Short Term Rental Permit program. The City has signed a contract with a company called Host Compliance, which has provided the City with a listing of all short term rentals advertised online. Therefore, compliance and monitoring can begin as soon as the ordinance is adopted.

The Business Tax Receipt (BTR) Division will be administering this program. The work will be completed by a BTR Inspector. The department is requesting one BTR Technician/ Intake level staff person to offset time spent by the BTR Inspector to establish this program.

Rental Housing Administrator

The Rental Housing Administrator will be responsible for a variety of administrative, customer service, and technical duties. In particular the Rental Housing Administrator's role will include the following:

- Customer Service for Rental Housing and Short Term Rental Housing, including information for rental property owners, realtors, and all city residents.
- Application processing of Rental Housing Zoning Use Certificate and Business Tax Receipt applications
- Application processing of Short Term Rental Permit applications
 - Review site plans and building plans
 - Research C/O
 - Conduct lien searches
- Schedule Inspections for Short Term Rentals and Rental Housing
- Monitor Host Compliance lists and send letters to property owners
- Assist Code Compliance with enforcement cases, including attending Special Magistrate hearings
- Administrator of the Short Term Rental Staff Taskforce
- Monitor City webpages (and provide updates) for Short Term Rental Taskforce page
- Create Rental Housing and Short Term Rental Permit webpages

- Develop applications for Short Term Rental Permit program

Time, Fee & Cost Analysis

A Time Analysis was conducted to create the appropriate application fees. Staff estimates the first year of this program will be extremely time intensive but will lessen in the years that follow. It was determined each Short Term Rental permit would take approximately 8 hours (1 working day) to review, schedule inspections, and conduct customer service support. The resulting fee is \$600 for (single family and duplex) and \$675 for a Quadplex.

It is difficult to determine the exact number of permits that will come in due to significant seasonal fluctuations and unknown compliance rates. As of May 12th, the estimated number of properties with short term rentals in Pompano Beach was 295. This number will fluctuate greatly and be much higher during the high travel season. Assuming this number is twice as high during the winter months, this would make approximately 590 short term rentals. According to the 2014 American Community Survey, approximately 40% of all renter households are single family – four units. Assuming that same rate applies to the short term rentals, there could potentially be 236 short term rentals (1-4 units in Pompano). Assuming half of those (118) come in during the first year, the program could generate up to \$79,650+ in fees, plus any additional fees associated with additional inspection fees. The cost of a new BTR Technician is approximately \$60,000 annually (including benefits). If there is this rate of compliance, the program fees could likely offset the cost of the position in year one. In the years that follow, as more properties come into compliance, the work associated with this program may not fully support a full time position. Alternatively, if additional standards are adopted for multi-family buildings following the moratorium, this individual's workload could be greatly increased. For this program to be successful staff believes it is important to have a dedicated and consistent employee assigned to the role. Since it is difficult to fully assess the workload of this individual, if the program no longer merits a dedicated individual, this technician/ customer support level position can either be eliminated or moved to another similar technician/ customer support level position in the Building Inspections Division as turn over occurs. While positions are frequently added as part of the budget process, this position was not requested as part of the budget since the ordinance necessitating it was not yet in place and there have been bills at the State Legislature level (did not pass), that were threatening to prohibit cities from regulating vacation rentals.

Short Term Rental Application Fee Worksheet

Staff	Salary	Cost (64%)	Hourly rate	Task	Hour per task - Minimum	Hour Per Task - Maximum	Average of Min and Max	Total Hour	Total Cost
BTR Inspector	\$48,841.00								
	\$68,723.00			Research rental properties	0.25	0.5	0.375		
Average Salary	\$58,782.00	\$96,402.48	\$46.35	Application Intake	0.5	1	0.75		
				Review application (liens, tax documents, etc...)	0.25	1	0.625		
				Host Compliance Mailing	0.15	0.15	0.15		
				Review Host Compliance List	0.25	0.75	0.5		
				Confirm 24 hour contact lives within 25 mile distance.	0.25	1	0.625		
				Review Bedroom plan and parking plan.	0.5	1.5	1		
				Review screening of garbage cans.	0.75	1.5	1.125		
				Reseach C/O	0.5	1.5	1		
				Customer Service (phone calls / emails)	0.25	1	0.625		
				Schedule First Inspection	0.25	1	0.625		
				Schedule Re-Inspection	0	1	0.5		
								7.9	\$366.14
Yearly Cost to City for Host Compliance	\$27,518.00							Percent of cost based on 295* short term rentals in City	\$93.28
				Single Family and Duplex Inspections				Landscape	\$ 75.00
								Code Compliance	\$ 75.00
								Building	\$ 75.00
				Triplex and Quadplex Inspections				Total	\$ 225.00
								Fire	\$ 75.00
								Total	\$ 300.00
									\$759.43

*295 represents the estimated number of Short Term Rentals within Pompano Beach on May 12th as provided by Host Compliance