

**VACATION RENTAL REGISTRATION WORKSHOP
CITY OF FORT LAUDERDALE
CITY COMMISSION CHAMBERS
100 NORTH ANDREWS AVENUE
FT. LAUDERDALE, FLORIDA 33301
AUGUST 4, 2016 – 3:00 P.M.**

Staff

Sharon P. Ragoonan, Code Compliance Manager
Rhonda Hasan, Assistant City Attorney
D'Wayne Spence, Assistant City Attorney
Adam Feldman, Senior Code Compliance Officer
Lillian Haughton, Senior Code Compliance Officer
Ingrid Gottlieb, Senior Code Compliance Officer
Wilson Quintero, Code Compliance Officer
Porshia Goldwire, Administrative Services Supervisor
Stacey Gordon, Clerk III
Officer Jeff Shaffer, Fort Lauderdale Police Department
Jamie Opperee, Recording Secretary, Prototype, Inc.

1. Timeline of Public Engagement Process

Senior Code Compliance Officer Lillian Haughton called the meeting to order at 3:20 p.m. She provided a brief overview of how today's workshop would be organized, beginning with a timeline for the public engagement process, which began in July 2015 when the Fort Lauderdale City Commission heard the first reading of its proposed Vacation Rental Ordinance. A second reading was held in August 2015, followed by a town hall meeting and City Commission conference meeting. In June 2016, the first public engagement workshop on vacation rental registration was held. On July 14, 2016, an Ordinance Review Committee met for the first time.

It is anticipated that after today's meeting concludes, Staff will be able to present the recommendations made by the public to the City's Legal Department and tentatively schedule a first reading of the revised Ordinance in September 2016. Due to a high volume of public input at the June workshop, the City's management team did not feel Staff was prepared to proceed at that time. The amended Ordinance language is not available at this time for review, but is expected to be presented in September 2016.

2. Review of Feedback from Stakeholders

Following the June 29, 2016 public workshop, Staff felt they needed the input of a small, dedicated group of individuals who would share their concerns. This group was comprised of attorneys, property owners, neighbors affected by vacation rentals, rental owners seeking certification, representatives of homeowners' associations, and others. The purpose of this Ordinance Review Committee was to determine how the proposed Ordinance may be improved upon.

Ms. Haughton reviewed some of the changes to the proposed Ordinance, including:

- Section 15-271: discussion of the terms “bedroom” and “sleeping room” for areas in which guests may sleep
- Section 15-272: delay the proposed August 18 registration date to allow current applicants to honor their existing vacation rental contracts
- Section 15-273: owners should not have to communicate modifications to the dwelling units, such as additions to bedrooms, to the City; however, Staff determined that this would not be an issue, as the City may flag all vacation rental properties for which modifications are planned
- Section 15-274: fees are based upon the type of property, so a multi-family unit pays different fees from a single-family unit; fees also include costs associated with safety inspections
- Section 15-275: identification of the parties responsible for vacation rental properties was discussed, and it was determined that these properties would not be identified in a manner that would cause them to stand out from their surrounding neighborhoods
- Section 15-277: minimum requirements for issuance of Certificate of Compliance, including evacuation maps
- Section 15-278: infants less than one year old allowed to sleep in the same room with a parent without counting toward maximum occupancy; children under the age of 12 do not count toward maximum occupancy; City is awaiting best practice report regarding allowance of on-street or –swale parking for properties in neighborhoods that allow this parking for single-family homes; noise standards must be consistent with existing Noise Ordinance; vacation rental properties without Certificates of Compliance may not be advertised; legal team to determine if a vacation rental’s address and certificate number must be included in advertisements
- Section 15-281: notice must be provided when registration renewal is due, before September 30, 2016; amended applications are available on the City’s website
- Section 15-282: penalties, including revocation of certification, should be tailored to each offense; after a third violation, registration is suspended for six months; after a fourth violation, registration is suspended for 12 months; citations are provided to property owners as well as to the responsible party; violations count against the property for one year and then reset; Police Officers will receive training in how to recognize vacation rental properties

Other recommendations raised by the Ordinance Review Committee include:

- Allowing renewal for one year from issuance of the Certificate of Compliance in order to reduce the chances of all applicants renewing at the same time
- Incentive-based fee structure to reward properties with no violations

3. Compliance Efforts

Senior Code Compliance Officer Ingrid Gottlieb explained that Staff is currently working to address existing complaints and take preemptive action against future complaints where possible. There are approximately 200 complaints against properties that are and are not registered as vacation rentals. Determining whether or not a property is a vacation rental can be very time-consuming, as Staff must research and verify this use of a property, as well as verification that these properties meet the Ordinance's requirements.

Ms. Gottlieb advised that Staff assists voluntarily compliant properties through the registration process. For those properties not in voluntary compliance, a Special Magistrate hearing is scheduled. She noted that 14 such cases were heard today, including three properties that came into voluntary compliance prior to the hearing.

Staff is working to register properties not currently registered as vacation rentals. They are assisted by volunteers from the community who gather information on these properties; a detective is also assigned to the Property Appraiser's Office to investigate suspected vacation rental properties claiming a homestead tax exemption. Thus far, 107 Certificates of Compliance for vacation rentals have been issued.

4. Next Steps

Ms. Haughton advised that many properties in Fort Lauderdale are conducting vacation rental business without Certificates of Compliance. Staff considers creative ways in which to identify these properties, including use of companies that specialize in identifying unregistered vacation rentals through use of software. These companies send courtesy notifications to non-compliant properties and have a hotline system for their reporting. The City is in contract negotiation with one such company. The City also offers a unique email address through which homeowners' association volunteers may identify unregistered vacation rental properties in their neighborhoods. She emphasized Staff's goal of bringing unregistered properties into compliance.

5. Public Comments

At this time Staff opened public comment.

Pauline Haughton (no relation to Staff), private citizen, stated that she is an Airbnb host, although this service does not provide her primary income. Because she resides on her property with guests, she did not feel some of the proposed regulations, such as fees, were fair.

Assistant City Attorney D'Wayne Spence requested clarification of whether or not a property owner remains resident in the home along with guests. Ms. Pauline Haughton confirmed that this is standard practice.

Kay [last name not provided], private citizen, advised that she is also an Airbnb host and resides on the property with guests. She pointed out that this is a useful service to individuals who may not have the resources to spend on a hotel.

Senior Inspector Houghton clarified that depending upon how many times per year an Airbnb host provides service, s/he may not be required to register the property. Attorney Spence explained that if an owner rents out a property more than three times in one calendar year for periods of less than 30 days or one calendar month, s/he is required to register. He added that the Ordinance is intended to address complaints associated with individuals leaving their homes and renting to guests; because Airbnb is an owner-occupied rental service, the Ordinance may need to address it in a different manner from properties with absentee owners.

It was noted that not all owners of Airbnb rental properties choose to remain in their homes when guests are present.

Jim Miller, private citizen, asserted that if City Codes addressing noise, parking, occupancy, garbage disposal, and other issues were properly enforced, there would be no need for a vacation rental Ordinance. He requested that an exemption be made for on-site property owners such as Airbnb hosts, who are likely to manage their properties more restrictively than required by local regulation.

Terry Manke, private citizen, stated that he and his neighborhood have experienced negative effects from vacation rentals. He recommended the following changes to the proposed Ordinance:

- Suspensions: six months' suspension for properties with a third violation and 12 months' suspension for properties with a fourth or greater violation
- Fines: minimum fine of \$1000/day or 125% of the advertised daily rate, whichever is higher
- Upon receipt of 10 violations by residents of homes within one mile of a vacation rental property, Code Compliance should notify the rental owner within 10 days that he will be fined the minimum amount allowed under the Ordinance

Eric Temple, private citizen, pointed out that Airbnb rents rooms, not houses. He felt fees should be reflective of single-room rates and based upon the amount paid for the space rather than flat fees.

Penny Shea, owner of vacation rental properties, observed that unregistered rental properties place greater pressure on the owners of compliant properties. She concluded that requiring multiple documents for registration is a redundant practice, asked how this service would affect fees, and stated that advertising a vacation rental property's address would put that property at risk for vandalism and other difficulties.

Milic Mico, owner of a vacation rental property, requested clarification of what the Ordinance was meant to address. He agreed that the Ordinance should not count infants or small children toward occupancy limits, as this could discourage family rentals.

Dennis Hanks, representing the Florida Vacation Rental Managers' Association, stated that his Association has sent letters to the City Commission and City Staff, requesting input on panels that address vacation rental issues. He asserted that the primary issue is one of property rights. He requested that the Association be allowed to participate in the process and be treated in the same way as other hospitality units.

Jodie Siegel, attorney representing Florida Vacation Rentals, also expressed concern that there was no timeline for additional public or professional involvement between today's meeting and the September 7, 2016 reading before the City Commission. She stated that fines should be different for compliant and noncompliant properties. Ms. Siegel concluded that occupancy requirements should be carefully reviewed in comparison to the requirements for residential properties.

Tom Heinrich, private citizen, stated that he is working with vacation rental property owners in the town of Lauderdale-By-The-Sea to begin a vacation rental association there. He expressed concern that there may be loopholes not currently considered by the Ordinance, and with the limitations of issuing a citation to a responsible party.

Robert Linder, resident of the Harbor Inlet neighborhood, observed that the vacation rentals in his neighborhood that are regulated by the City's Ordinance are not problematic; however, properties and guests that do not comply with regulations are disruptive to the neighborhood. He recommended that a two-tiered system be adopted to distinguish between rentals of rooms and rentals of entire houses.

Lars Heldre, owner of vacation rental properties, stated that the industry is in need of regulation. He recommended revising deadlines in order to allow properties to come into compliance and/or renew registration, as well as extending the time frame in which the proposed Ordinance is completed.

Gaia Calcaterra, owner of vacation rental properties, pointed out that the city of Dania Beach has a system of regulating these properties that is significantly easier than Fort Lauderdale's system. She concluded that she now resides in one side of a duplex, with two different sets of regulations for each half, based on their status as residential and vacation rental properties. She concluded that she also provides crew housing, which is seen as different from vacation rental properties.

Attorney Spence explained that when the current Ordinance was enacted, members of the vacation rental industry felt some of its provisions were unnecessarily onerous. This led the City Commission to task Staff with developing amendments that addressed

these provisions. In the past year, however, Staff has worked with members of the vacation rental industry who did not make them aware of the difference between owner-occupied and –unoccupied rental properties. This lack of information has made the task of amending the Ordinance more difficult for Staff.

Mr. Mico commented that the ordinance on which the Fort Lauderdale Ordinance is based is in effect in Flagler County, where it is being challenged in court. He asserted the need to improve upon this ordinance, and characterized the existing Fort Lauderdale Ordinance as ineffective, which results in noncompliant property owners competing unfairly with compliant owners.

Code Compliance Manager Sharon Ragoonan clarified that a public workshop has been held and members of the public and the vacation rental industry have offered many comments at that meeting. She also pointed out that some of the individuals commenting at today's meeting, including both vacation rental property owners, neighbors of these properties, and representatives of vacation rental websites have participated in the Ordinance Review Committee. She reiterated that the members of this Committee had the opportunity to further educate Staff about the industry and the issues owners and neighbors may face.

Ms. Ragoonan added that individuals wishing to serve on the Ordinance Review Committee should make themselves known to Staff following today's meeting, although she cautioned that the Committee cannot become so large that it is no longer productive. She reiterated that a timeline for further discussion of the Ordinance has not yet been developed.

Attorney Spence advised that the current occupancy regulation is a policy decision adopted by the City Commission as part of the original Ordinance, although this specific regulation was not recommended to the Commission by Staff. He recommended that individuals and representatives advocating for a change in this policy deal directly with members of the City Commission, as Staff may not change this directive given to them by the Commission.

Ms. Siegel stated that her primary concern is for the occupancy regulation, as it can affect accurate definition of terms such as "bedroom" and "sleeping room."

Mr. Mico advised that one issue with the June 29, 2016 workshop was the tendency to add new regulations to the existing Ordinance, when he felt the greatest issue is a lack of registration or need for re-registration. He did not believe an annual registration fee and application were fair to properties that are being re-registered, as many other properties are not registered at all.

Marty Bilowich, private citizen, commented that his single-family neighborhood suffers due to its concentration of vacation rental properties. He concluded that his primary concerns are occupancy regulations and lack of compliance by property owners.

Matt Lyons, owner of a vacation rental property, explained that he purchased the property in his own residential neighborhood. He advised that his property is registered and compliant under the existing Ordinance, and expressed concern for rental owners who have experienced problematic guests as well as with property owners whose properties are not in compliance.

Kevin Worth, private citizen, advised that he is an Airbnb host and has had only positive experiences. He pointed out that the average revenue generated by an Airbnb home is \$7300/year, which he felt was inconsistent with the registration fee required by the Ordinance.

Mr. Heldre also characterized services such as Airbnb as a different industry than vacation rental properties, explaining that vacation rentals are similar to hotels or resorts, while Airbnb began as renting space in an occupied house, with recent interest in the vacation rental industry as well. He did not feel the two industries should be regulated in the same way.

Ms. Ragoonan advised that another discussion of the proposed Ordinance amendment(s) is likely, as more information is provided that can contribute to the best result for owners, neighbors, and others affected by vacation rental properties. She encouraged representatives of the vacation rental industry to communicate best practices to Staff and register their properties with the City. She concluded that Staff is looking into both incentives for and exemptions from compliance and will keep the community apprised when new information is available to share.

There being no further business at this time, the workshop was adjourned at 5:13 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by K. McGuire, Prototype, Inc.]