

**VACATION RENTAL REGISTRATION WORKSHOP
CITY OF FORT LAUDERDALE
CITY COMMISSION CHAMBERS
100 NORTH ANDREWS AVENUE
FT. LAUDERDALE, FLORIDA 33301
JUNE 29, 2016 – 3:00 P.M.**

Staff

Jeremy Earle, Deputy Director, Department of Sustainable Development
Rhonda Montoya Hasan, Assistant City Attorney
D'Wayne Spence, Assistant City Attorney
Sharon Ragoonan, Code Compliance Manager
Dick Eaton, Code Compliance Supervisor
Ingrid Gottlieb, Senior Code Compliance Officer
Lillian Haughton, Senior Code Compliance Officer
Porshia Goldwire, Administrative Services Supervisor
Stacey Gordon, Clerk III
Lisa Edmondson, Recording Secretary, Prototype, Inc.

1. Welcome and Program Overview

Ms. Ragoonan called the meeting to order at 3:08 p.m. and introduced the City Staff members present. She explained that the workshop is intended to provide both an overview of the City's vacation rental program already in place and an opportunity to allow residents to respond to an Amendment proposed for adoption by the City Commission.

2. Presentation and Stakeholder Discussion

Ms. Ragoonan showed a PowerPoint presentation, recalling that in August 2015, the City adopted Ordinance C-15-29, which went into effect on November 1, 2015. This Ordinance required that anyone who owns a property in the City and wishes to use that property as a vacation rental must submit an application, register the property, and obtain a Certificate of Compliance.

A vacation rental is defined 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 rented to transient occupants 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 transient occupants, but is not a time share."

Ms. Ragoonan advised that the City's registration requirement means a property must meet specific criteria in order to obtain a Certificate of Compliance, including:

- License issued through the Florida Department of Business and Professional Regulation;

- Business tax receipts;
- Documentation that the property meets certain State and local regulations.

The adopted Ordinance also allowed residents who may have been using their properties as vacation rentals prior to the adoption date to submit their documentation to the City in order to register their properties as such. State legislation preempts prohibition of this use by municipalities. The Ordinance also required vacation rental properties to meet certain minimum housing standards, including property maintenance and inspection, on-site parking, occupancy, and a designated party responsible for the site in the event of an incident or emergency.

A Certificate of Compliance for a vacation rental property may be denied, revoked, or suspended upon adjudication of a violation of Article 10, which is the City's business tax chapter. Denial, revocation, or suspension may also occur if the property violates Chapter 11, which is the City's Code of Ordinances. Upon a third violation of Article 10, a Special Magistrate may suspend a property for up to seven days. A fourth violation of Article 10 may result in a suspension of up to 30 days. Additional violations may result in suspensions lasting from 30 days to 12 months. Suspension of a property also levies a fine of up to \$1000 or the maximum amount allowed under State Statute for each day of the suspension period.

Ms. Ragoonan emphasized that the Ordinance in question is specifically for registration. The registration process takes approximately four weeks if a complete application and payment of fees are submitted. The property is then inspected prior to issuance of a Certificate of Compliance. Thus far, 156 applications have been filed with the City and 89 Certificates of Compliance issued, with 10 properties ready for inspection.

When a complaint is received regarding unregistered use of a property, the adjudication process takes approximately four months. This is due to the time required for investigation and research to determine whether or not a property is being used as a vacation rental. If a property owner is informed of a complaint and takes no action to register the property, an inspection report is issued to indicate that the City's investigation has determined the property is being used as a vacation rental. A notice of violation is then issued and a hearing before a Special Magistrate is scheduled.

The Special Magistrate hears testimony from both the property owner/petitioner and from City Staff before making a determination. The City has received 186 neighbor complaints regarding suspected vacation rentals. As a result of these complaints, 10 Certificates of Compliance have been issued; 37 complaints have been closed, and 45 applications for registration have been received. Neighbor volunteers assist the City in identification of properties posted on various websites.

The proposed Amendment to Ordinance C-15-29 would streamline the registration process, as some sections of the application require additional clarification. Changes include:

- Definitions: the term “bedroom” replaces “sleeping room,” which was not sufficiently specific, and “Certificate of Compliance” is also defined;
- The focus of the Ordinance is narrowed to single-, two-, three-, or four-family dwellings;
- A time frame is established for the completion or incompleteness of an application;
- Multi-unit properties require separate applications and Certificates of Compliance for each dwelling unit in that property;
- Fees are nonrefundable;
- Responsible parties must be able to arrive at the property or properties they oversee within one hour of contact from the Police Department, Code Enforcement, or other City entities in the event that mitigation of an incident is necessary;
- Information that must be provided to guests is specified, including key sections within the Code of Ordinances;
- Maximum occupancy is determined;
- Hardwiring and interconnection of emergency systems, such as fire and carbon monoxide detection, is specified;
- Time frames for renewal of registration and Certificates of Occupancy are clarified;
- Time frames for suspensions are extended from seven to 60 days and from 30 to 90 days respectively;
- Law enforcement officers are authorized to issue citations to the responsible parties for properties, should the need arise.

At this time Ms. Ragoonan opened the floor to public comment, noting that each commenter would be limited to two minutes of speaking time.

Michael Correa, private citizen, requested clarification of the types of complaints registered regarding vacation rental properties, as well as whether or not any of the complaints were duplicates involving the same property. He explained that his concern was for the Ordinance Amendment to focus on properties with a history of issues.

Jodie Siegel, private citizen, expressed concern that the vacation rental industry was not provided with the opportunity to give its input on the Ordinance prior to today's meeting. She noted that members of this industry feel they are treated differently from residential homeowners, and concluded that the changes included in the Amendment are excessive in comparison to the original Ordinance.

Howie Steinholtz, President of the Seven Isles Homeowners' Association, advised that enforcement is an issue, and provided a list of suspected vacation rental properties that may not be properly registered or may be homesteaded.

Ms. Ragoonan stated that the City employs a detective charged with investigation of possible homestead fraud; in addition, the City's website lists all properties that have received Certificates of Compliance, as well as all such properties for which complaints have been received.

Steve Coleman, resident of Poinsettia Heights, described incidents related to vacation rental properties in the Poinciana Heights neighborhood. He estimated that there are 27 such properties in his community.

Terry Manke, private citizen, characterized the issue of vacation rental properties in residential neighborhoods as a quality-of-life issue for homeowners. He proposed two additional amendments to the current Ordinance:

- Restate Section 15-282(2)(b) to change the minimum fine from \$1000 to \$5000;
- If five written complaints are submitted by residents within one mile of a vacation rental property, the property must be shut down within 30 days.

Andrew Newman, resident of Weston, stated that he believed vacation rentals to have a positive effect on neighborhoods due to their impact on property values and the economy. He cautioned against charging excessive fees and recommended that enforcement focus on problematic properties.

Lars Heldre, owner of a vacation rental company, praised the City for seeking to further clarify its regulations for these properties, and recommended that terms such as "occupant" be further clarified. He concluded that the vacation rental industry is not likely to die out, and the best course of action is proper regulation.

Dennis Hanks, representing the Florida Vacation Rental Managers' Association, expressed concern that there has not been sufficient input from the industry on the City's Ordinance and the proposed Amendment. He advised that the fees proposed by the City are unrealistic and would not encourage compliance.

Toby Manke, private citizen, recommended that Code include restrictions on noise beyond 50 ft. before or after the hours of 9 a.m. and 9 p.m., as well as stronger penalties for properties with multiple offenses.

Gamal Ghareeb, private citizen, stated that he owns vacation rental properties, and requested that the City work with property owners to ensure good relations between rental properties and their neighborhoods. He was not in favor of higher fees.

Libby O'Shea, private citizen, described incidents related to a vacation rental property in her neighborhood. She asserted that there have been multiple Police reports filed on this property to which the City has not responded adequately.

Maja Ferrante, private citizen, advised that she lives next door to a vacation rental property. She stated that the primary issue is the number of individuals allowed on a single property.

Milic Novovic, private citizen, did not believe the current or amended Ordinance would help alleviate the issues experienced by residents who live near problematic properties, and expressed concern with competing against less responsible property owners.

Arthur Diamond, private citizen, stated that he operates an Airbnb property. He read a letter to Fort Lauderdale City Commissioner Dean Trantalis and City Commission Assistant Scott Wyman, stating that his rental property is beneficial to the community, as guests contribute to the local economy.

Omar Altazzi, Board member of the Seven Isles Homeowners' Association, emphasized the role of effective enforcement, which he felt is currently lacking, as well as the need to avoid infringing upon homeowners' rights.

Marilyn Mammano, President of the Council of Fort Lauderdale Civic Associations, pointed out that the State government, not the City, has declared it appropriate for short-term rentals to exist in residential neighborhoods. She spoke in favor of enforcement to ensure that vacation rental properties are adequately regulated.

Steve Gannon, President of the Lauderdale Beach Homeowners' Association, advised that his neighborhood is saturated with short-term vacation rental properties. He recommended enforcing occupancy limits and imposing higher fees on vacation rentals.

Jim Miller, private citizen, stated that he is an Airbnb host. He characterized vacation rental fees as burdensome and restrictive. He noted that the city of Wilton Manors provides an exemption for properties on which the owner resides as a permanent resident.

Walter Cunningham, private citizen, challenged the City to properly regulate properties that are not registered, which he felt cause the greatest problems for their neighbors. He also pointed out that the information available on the City's website should be updated.

Thomas Gillespie, private citizen, asserted that the City should enforce its existing vacation rental Ordinance as well as Ordinances governing noise and other complaints. He suggested stricter enforcement and larger fines for noncompliant properties.

Thomas Heinrich, resident of Pompano Beach, questioned the City's Constitutional authority to restrict an owner's use of his or her property, including rental of a time share property.

Christopher Boswell, representing DD Home Management, stated that there are relatively few problem tenants and parties in comparison to vacation rental properties as a whole, and concluded that these properties improve the neighborhoods in which they are located, as they are better maintained than some homes.

Dwight Ledbetter, private citizen, stated that he was disappointed at the direction that discussion of vacation rental properties has taken. He observed that the proposed \$750 fee per unit would put his property out of business.

Edwin Marchan, resident of Weston, stated that properties advertised on Airbnb have higher returns on investment than regular rental properties. He spoke in favor of enforcement as the best regulatory tool.

Ashley Hodgini, Regional Government Affairs Manager for HomeAway, stated that her company has strict data policies and cannot release information to local governments or Freedom of Information Act (FOIA) or Open Records requests, as this would put their clients at risk for theft and/or fraud. She stated her intention to work with the City within these constraints.

Mark Fehrnicola, resident of Lauderdale Lakes, asserted that there was no difference between unruly full-time residents and unruly vacation rental guests, and that the appropriate rules must be enforced in both cases.

3. Wrap Up and Next Steps

Ms. Ragoonan advised that City Staff will take the information provided into consideration, and a public hearing for further discussion of the Amendment will be properly advertised. She emphasized the need for individuals who reside near vacation rental properties they suspect of being unregistered to contact the City so this issue can be investigated; however, she cautioned that it can be difficult to accurately locate and identify these properties, and requested assistance from the community in enforcing existing regulations.

Attorney Spence stated that the first reading for the Ordinance Amendment was originally scheduled for May 2016; however, it was postponed in order to allow additional input from stakeholders. He noted that two of the most common concerns raised at today's workshop were fees and occupancy limits.

4. Adjourn

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There being no further business at this time, the workshop was adjourned at 4:51 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.]