



Montgomery County Planning Department
September 19, 2016

Agenda

1. Ground rules
2. Background
3. Concerns/ Benefits
4. What's happening in other jurisdictions
5. Q & A with Planning Staff, HHS (Health and Human Services),
DPS (Department of Permitting Services)
6. Breakout sessions if time permits

Ground Rules

1. No interrupting whoever has the floor to speak.
2. Respect each other.
3. Try not to be repetitive.
4. Remember, no decisions are being made tonight.
5. Use microphones- this meeting is being recorded.
6. The meeting time ends promptly at 9pm.

Background: Current Zoning

- Currently, the County allows any resident to rent out a home or part of a home for 30 days or longer:
 - Occupancy is limited to a “household” (as defined in the Z.O.)
 - Landlord must register with the County
- Bed and Breakfasts are also allowed as a “limited” use in certain zones. As a limited use, they must satisfy a number of requirements including:
 - A Bed and Breakfast must be in a detached house, and the owner must live there.
 - Parking cannot be located in front of the house.
 - A guest may only stay at the Bed and Breakfast for up to 14 days in any one visit.
- In the R-60 and R-90 zones, Bed and Breakfasts are allowed as a “conditional” use, which must be approved by the Hearing Examiner following a public hearing.

Background: Legislative History

- May 2015: Council enacted a bill (14-15) requiring short-term renters to pay a hotel tax (7%).
- Feb 2016: Council introduced a zoning text amendment (ZTA 16-03) to modify **the standards for Bed and Breakfasts** to accommodate short-term residential rentals. Bill (2-16) was also introduced to update **licensing requirements for all rental housing less than 6 months** in duration.
- March 2016: Planning Board made a recommendation to Council about ZTA 16-03

Background: Planning Board Recommendation about ZTA 16-03

- Create a new use in the "**Accessory Residential Use**" category called *Short-Term Tenancy* defined as “*the residential occupancy of a dwelling unit by a household for less than a month.*” It would be allowed as a "limited" use in all but the Industrial zones.
- The Planning Board recommended as a starting point:
 - Restricting rental occupancy to a maximum of **14 days per month** and **90 days per year**
 - Requiring the host to reside in the home at least **6 months per year**
 - Licensing under Chapter 54 of the County Code
 - Requiring host to maintain a record of visitors
- During the outreach process, it was decided that the proposed use should be called a *Short-Term Residential Rental (STRR)*.

Outreach/ Next Steps

- Following the Planning Board recommendation, the Council directed Planning Staff to conduct outreach with the public and research how other jurisdictions have handled the use.
- Kick-off meeting on July 18 to have industry representatives further explain use and answer questions
- Planning Staff set up a website:
<http://www.montgomeryplanning.org/functional/short-term-rentals/>
- After tonight's meeting, we plan to hold another public meeting to share preliminary recommendations and solicit feedback

Concerns heard to date

- Create nuisances (noise, traffic, underage drinking, litter, public urination, drugs, and other illegal activities)
- Bring an influx of strangers to the neighborhood on a regular basis
- Diminish property values (loss of tax revenue)
- Do not meet fire and safety standards/ hosts are not equipped to respond to emergencies
- Destabilize and disrupt community by driving out long-term residents
- Compete with accessory apartments and reduce the availability of affordable housing
- Coordination of enforcement efforts
- Party houses
- Lack of visitor parking
- Hosts that have multiple listings
- Overconcentration in unincorporated areas of the County
- How to hold web platforms accountable for listings in terms of: safety, security, tax and fee collection.
- Level the playing field with hotels because STRRs do not currently have to comply with regulations. Could potentially lead to loss of revenue for the hospitality industry, and tax revenue for the County.

Potential Benefits

- Allow residents to earn extra income/ increase housing affordability as part of the sharing economy
- Benefit small businesses
- Generate business for areas not usually visited by tourists
- Provide affordable, comfortable places to stay
- Allow visitors to get local knowledge of areas to see
- Provide enriching experience for hosts and guests
- Make it more affordable to age in place

Regulations in Other Jurisdictions

- **Limitation on number of days per month or year**
 - San Francisco, Chicago – unlimited if resident is present; 90 nights per year if resident is *not* present
 - Philadelphia – 180 cap per year
- **Occupancy requirement** (including transparent tax records or another system to prevent multi-unit operators)
 - Portland - Hosts with an accessory short-term rental permit are required to occupy the residence for at least 270 days during each calendar year
 - Boulder - Boulder requires the rental to be the owner's principal address, as appearing on voter registration, auto registration, or where kids are registered for school.
 - New York – Hosts must be present during rental period
- **Proof of liability insurance**
 - Nashville - Proof of insurance of at least one million dollars per occurrence
 - San Francisco – Host or web platform must provide liability insurance

Regulations in Other Jurisdictions

- **Limitation on number of bedrooms rented or number of occupants allowed**
 - Asheville - More than 2,500 square feet, offering one to three guest rooms
 - Nashville – 2x the number of bedrooms + 4
 - Portland - 5 bedrooms; # of occupants may not exceed number allowed for household
- **Concentration/ spacing requirement**
 - Nashville - 3% cap on percentage of non- owner occupied single and two family rentals in each census tract <http://maps.nashville.gov/strp/> (map availability)
 - Portland - The number of dwelling units in a multi-dwelling structure or a triplex that can have an accessory short-term rental is limited to one unit or 25 percent of the total number of units in the structure, whichever is greater
 - New Orleans – Principal Residential short-term rentals subjected to “density” limitation, varies based on the neighborhood (limited to no more than two per "blockface" regardless of the neighborhood, and four per "square" in "historic core" neighborhoods, three per "square" in historic urban neighborhoods and two per square in suburban neighborhoods.)

Regulations in Other Jurisdictions

- **A noticing requirement to neighbors**
 - Nashville - notification to owner of any property that shares a common wall or driveway with the proposed STRR.
 - Charlottesville - Evidence that all adjacent property owners have been given written notice by the applicant that the property will be utilized as a transient lodging facility
- **Unit must be registered and listed in data base**
 - San Francisco – Hosts must file quarterly reports with City which staff can cross reference in database and platform
- **Parking requirements**
 - Garrett County - 1 off street parking space (9' x 18') for each bedroom. For duplex, townhouse or multi-family developments that offer shared parking spaces within parking lots with at least 20 spaces, the minimum parking requirement is 1 off - street parking space for each 1.5 bedroom.
- **Prohibition on signage**
 - Nashville prohibits signs, advertising, or other displays indicated that the dwelling unit is being used as a STRR.
 - Philadelphia prohibits signs for lodging

Recommendations from Maryland Hotel Lodging Association

- County should prohibit listings that aren't in compliance with its laws
- Public and potentially effected neighbors should have notice (like an online database) of Short Term Rental (STR) license applications and real opportunity to voice concerns
- Chicago and other cities have also dedicated a complaint line
- Just like hotels, STRRs should keep records of guests that can be audited.
- Transparent tax records or another system to prevent multi-unit operators.
- Penalties for non-compliance should be added to discourage illegal/unlicensed rentals
- Requirement for operable smoke/carbon monoxide detectors is desirable

Sample STR Ordinances: Policy Combinations

	Ocean Isle Beach, NC	Telluride, CO	Charleston, SC	Savannah, GA	Portland, OR	Austin, TX	Blowing Rock, NC	Cornelius, NC
Bans								
Complete ban								
Ban/allow in certain areas			✓	✓		✓	✓	
“Free pass” for popular event weeks								
STRs must be owner-occupied					✓	**		
Caps								
Cap on number of STRs			✓					
Cap on percentage of homes used as STRs						✓		
Cap on number of nights rented in a time period		✓						✓
Registration/Permitting								
Registration Required		✓	✓	✓	✓	✓	✓	✓
Fee required				✓	✓	✓	✓	
Inspection required					✓	✓		✓
Occupancy and/or other taxes required	✓	✓	✓	✓	✓	✓		
Consequences for complaints filed?				✓	✓	✓	✓	
Additional Requirements								
Parking requirements			✓	✓	✓	✓	✓	
Trash/recycling requirements		✓				✓		
Emergency access requirements								
Mandatory Designated Representative		✓		✓		✓		
Postings inside units				✓	✓	✓		
Minimum stay								
Maximum occupancy			✓	✓				
Notification of neighbors					✓	✓		

Short-Term Residential Rentals

- Allow as a “limited” use in all zones (except Industrial zones)
- Restrict rental occupancy to a maximum of **14 days per month** and **90 days per year**
- Require the host to reside in the home at least **6 months per year**
- License under Chapter 54 of the County Code
- Require host to maintain a record of visitors