

SHORT-TERM RENTAL POLICY ANALYSIS

Commission Workshop

May 2023

Policy Area	Commissioner Questions/Comments	General Staff Analysis
<p>What are the Commission's Preferences (what should be regulated through ordinance?)</p>	<p>Commissioner Pulliam</p> <ol style="list-style-type: none"> 1. What are the most common policy features in localities? 2. In terms of legalities, what policy rules/features were challenged more frequently? <ol style="list-style-type: none"> a. Which localities have pending litigation? b. Examples (rentals exceeding 16 people, taxation if primary residence) c. Localities with challenges (Fulton, Gwinnett, Dekalb) 3. Scenario regarding whether a business would require a license: <ol style="list-style-type: none"> a. To rent primary residence (owner lives there); are we considering this property a business? For example, renting lake property to neighbor who moved away and returns each summer. Per Director Delaney, the exchange of monies, receipt of compensation (for services/goods) identifies this example as a business. b. House swapping would be different, although there is an phone app for this (with usage fees) 4. Scenario regarding dealing with violators <ol style="list-style-type: none"> a. Loud Parties (noise nuisance); how do we deal with STR parties versus a regular homeowner with a low party, who is not an STR owner? Sheriff will address both but the non-STR owner is not charged a fee. Per Director Delaney, Sheriff would still issue citation to non-STR owner. The STR business still has own set of rules to comply with (maintaining property, noise, closing at proper hours, based on zoning and classification). 5. Could the Masters period (Apr 1-15) be an exemption from registry (as block-out date) Note that Planning's research identified block-out dates as a favorable ordinance component. <p>Commissioner Johnson</p> <ol style="list-style-type: none"> 1. Issue where AirBNB used for parties (particularly in the Sand Hills area). (long hours, excessive vehicles) <ol style="list-style-type: none"> a. How would ordinance address these issues? 2. Length of Stay (LOS) <ol style="list-style-type: none"> a. Discussion about day-by-day hotels; owners are having difficulty moving people out b/c they stay longer than 30 days (then considered their "dwelling place")---would regulating the LOS avoid this issue with AirBNB?—meaning someone is renting for an extended tiem which then becomes a "dwelling place" issue? b. For business travelers, major hotel chains require a letter stating LOS (ex. 60 days) to address LOS, because a person doesn't always want to change a room. 3. Business License Requirement <ol style="list-style-type: none"> a. Would this apply to a regular homeowner wanting to rent out an <u>additional</u> property? Per Director Delaney a person with two (2) or more rental properties are currently required to obtain a business license. 4. Fees In General and Fees for Violators <ol style="list-style-type: none"> a. Business license requirement would help with fee collection b. Would like to consider an application fee (\$150 minimum) c. Considerable fee for violators <ul style="list-style-type: none"> - Those not registered - Noise violators - Traffic violators 5. Are AirBNB, VRBO fees currently remitted to the city? Yes, through regular excise taxes 6. Need to have staff resources to perform site inspections or deal with complaints 7. Which municipality is more comparable to Augusta-Richmond County? Hall County, 	<p>Addressing Legalities</p> <ul style="list-style-type: none"> ○ Per Director Delaney, the Planning Department (PD) was careful not to include recommendations challenged in the court system. ○ Not aware of successful challenges of requiring the owner to acquire a business license while staying in the house while providing STR, because a business license is required anytime goods/services (lodging) are provided <p>Regulating Parties Use</p> <ul style="list-style-type: none"> ○ Ordinance may not be able to regulate because after hour noise ordinance is regulated/enforced by the Sheriff's Department ○ Ex. Large family reunions would be similar to parties (ie still the same issue) ○ Daytime occupancy means the hours between 10:00 am and 10:00 pm. "Daytime occupants" mean the guests who may occupy a Vacation Rental during a daytime occupancy ○ Length of Stay: the ordinance would have a timeframe clause not to exceed 30 days (making it a STR and a housing agreement) ○ Could we add an exemption for special circumstances (government, etc.) <p>Regulating Registration</p> <ul style="list-style-type: none"> ○ Current owners who register through only hubs (AirBNB, Booking, VRBO, FlipKey, HomeAway, etc.); taxes are paid the 20th of each month. <ul style="list-style-type: none"> ▪ Have registry ▪ Have flat rate fee ▪ Have an application and application renewal fee (range from \$100-\$450) ▪ Some have an additional tax on top of the base hotel/motel excise tax <ul style="list-style-type: none"> • Savannah (\$1 transportation/tourism fee) ○ Need to have strong notification and penalty systems (ie warning and fines) <p>Regulating (Excise) Taxes</p> <ul style="list-style-type: none"> ○ Could be used as a tool to discourage violators

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	<p>8. What events other than the Masters could cause a need for additional block-out dates? Iron Man, Rowing Club and other tourists activities.</p> <p>9. What are the unintended consequences of drafting a STR ordinance? Per Director Delaney Yes</p> <ul style="list-style-type: none"> a. Financial impact on homeowners who make lesser revenue who are bridging an income shortage b. On-street traffic violators may not be discouraged through ordinance/policy—meaning a STR business would be willing to pay the fine for violating on-street parking c. Block-out dates could have a negative impact d. Need to have a reasonable application fee e. Did not want a large application fee f. Need to crack down on those buying a multitude of properties just to use as STR as a large enterprise <p>Commissioner Frantom</p> <ul style="list-style-type: none"> 1. The AirBNB revenue that funnels through Destination Augusta, how is this collected? 2. What are the benefits of STR registration (having a database)? <p>Answer(s)</p> <ul style="list-style-type: none"> - List and location will change over time - Can easily identify as a STR when complaints occur; because STRs aren't always know to neighbors - Registry could be made public (but should it be published for safety purposes? Should we safeguard property owner's rights by not disclosing this list to the public? <ul style="list-style-type: none"> 3. We have to do better for holding owners accountable through regulation and penalties 4. Would like to include Length of Stay, block-out dates (to accommodate the Masters Tournament); a database for accountability; limit number of weeks per year a host can rent STR—one locality set a cap of seven (7) weeks in a year. 5. Need to safeguard against owners with multiple properties, and renting those as STRs 6. Need to safeguard against multifamily units becoming STRs 7. Illegal Boarding or Rooming Houses: Houses with two (2) or more unrelated families in a residence, where the owner is not a resident; Per Director Delaney, this would not be included in the STR ordinance—already addressed in current ordinances (defined and where allowed) 8. Need for significant/stiff penalties (concurred with Commissioner Johnson); adding penalties to tax bill <p>Commissioner Guilfoyle</p> <ul style="list-style-type: none"> 1. How do we capture STRs that do not enlist with the major sites (AirBNB, VRBO)?; need to ensure this is not a voluntary registration. 2. How much staff time would be required to identify those not registering? <p>Commissioner Bobby Williams</p> <ul style="list-style-type: none"> 1. What would the basis, features of the ordinance (what would it cover)? <ul style="list-style-type: none"> a. Daytime vs. night-time occupancy b. On-street vs. off-street parking c. Other common nuisances would be addressed—ie tie a penalty to a regulation 	

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Administrator Douse Questions and Comments	<ol style="list-style-type: none"> 1. While individuals who register with a broker (AirBNB, etc.) are taxed, Augusta does not benefit from those taxes—because those dollars are part of the Hotel/Motel Tax, which goes to the Coliseum Authority and Destination Augusta (formerly know as CVB). 2. Collections started in July 2021 and in 2022, \$930,000 was collected; from Jan-March of 2023, over \$300,000 has already been collected—forecasted at \$1.2M for 2023 in Hotel/Motel Tax 3. Would a registry weed out STR property owners who are also filing for Homestead Exemption? 	
Citizen Input	<p>None</p>	
Next Steps (at 52:47 mark)	<ol style="list-style-type: none"> 1. Subcommittee to decide how/if it wants to move forward. <ul style="list-style-type: none"> - Go through Commission to direct staff to move forward to draft an ordinance 2. Need to contact other stakeholder agencies (to determine if they are willing to assist in enforcing an ordinance) – in cooperation with Code Enforcement <ul style="list-style-type: none"> - Sherriff (to address safety component) - Tax Commissioner, Assessor - Fire 3. Attorney Brown Guidance (at 57:43 mark) <ul style="list-style-type: none"> - Premature for Commission to authorize a drafting of an ordinance at this point - Need more conversation on the enforcement of citations - Need to involve other agencies and branches of government; this is still the preliminary stage. - We haven't quantified how real the need for a STR ordinance is; as opposed to perceived benefits of a STR ordinance; (how many complaints have we analyzed) - Public hasn't weighed in very much (in a public setting) - Schedule another meeting in 30-45 days with appropriate entities with 5 minute presentation from each on the pros and cons of a draft STR. - Stakeholder entities should have their presentation ready to introduce at the next meeting (pros and cons). 	