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Memorandum

To: Honorable Mayor & City Commissioners

Through: Juan Ruiz, Interim City Manager

From: William Waters, Community Sustainability Director

Subject: Air B&B, Short Term and Vacation Rental Status

Date: July 8, 2021

The issue of managing and regulating Air B&B, Short Term and Vacation Rentals has been a topic of discussion going back at least 8 years. Over that time these rentals have proliferated across the City. As has been discussed, several years ago the State of Florida preempted the City from instituting regulations governing these uses directly. Prior to the preemption, the City's Land Development Regulations (LDRs) and Permitted Use Table did not allow for single family residential rentals for less than sixty (60) days, and single-family residences could not be transient lodging, which is leasable lodging for less than thirty (30) days. These types of uses are not even mentioned as permitted uses anywhere in the current version of City's LDRs. Consequently, the operation of these rentals technically is prohibited and illegal in the City. Their existence and prohibition are issues that require both further discussion and an established policy direction. The policy question outstanding is whether to allow these uses to legally operate, which would require that they be allowed anywhere in the city, or to continue to prohibit them, which would be leaving the status quo. Leaving the status quo would raise an additional question of enforcement and the ramifications of such code compliance actions.

At the direction of the previous Commission and City Manager, the City's Code Compliance Division has not actively or aggressively cited illegally operating Air B&B, Short Term or Vacation Rentals. Most properties operating as such at least have an active Lake Worth Beach Residential Rental Business License, which stipulates that residential rentals cannot be for less than sixty (60) days. In circumstances, where the City has received complaints regarding a property and there are other code compliance violations present including an illegal rental, the property is cited for all violations. A few of these have been presented to the Special Magistrate, who has found them in violation. At present there are over 100 complaints regarding properties where the operation of an Air B&B, Short Term or Vacation Rental is the only issue. Code Compliance does monitor these properties, but actual violation proceedings have not been processed and they have not been presented to the Special Magistrate.

The public also has been informed that the City will conduct a second public workshop to discuss this issue. Provided here as an attachment is a "white paper" prepared by the City Attorney's Office and this Department that offers an outline of possible regulations that could be adopted to govern the activities of these uses. The "white paper" was the result of questions and policy suggestions that arose during the discussion at the first public workshop on this issue.

Presently, a clear policy direction on this issue has not been established. Barring any change in direction, the uses will remain prohibited. Many likely will continue to operate illegally. Code Compliance will continue to



monitor properties and code violation proceedings will not move forward unless other violations are cited (and the complaints, if anonymous, involve life-safety issues). Please keep in mind that establishing a clear policy direction on this issue will be involved and somewhat time consuming. It would be appropriate to have the second policy workshop on the issue to bring everyone up to the same understanding of where the City is and what the possible ramifications would be should a change in policy be adopted.

Should there be a need for further clarification or should additional questions need to be addressed, please let me know.

Thank you.

