



COMMUNITY DEVELOPMENT • 1140 Terex Road • Hudson, Ohio 44236 • (330) 342-1790

Date: August 12, 2021
To: Mayor Shubert and City Council
From: Greg Hannan, Community Development Dir
CC: Jane Howington, City Manager; Thomas J. Sheridan, Asst City Manager;
Amanda Davey, Associate Planner
Re: Short-Term Rental Program (Chapter 876 City of Hudson Codified Ordinances)

City Council conducted a discussion on July 27, 2021 regarding the Short-Term Rental Ordinance (20-160, adopted February 2, 2021) and possible amendments to study. Staff has provided the below preliminary comments based on the ordinance markup version discussed on July 27th. With Council direction on the below topics, Staff can prepare draft amendments and/or supplemental memorandums for Council's formal consideration.

At the outset, you will notice that each comment contains an initial categorization: (1) "Program Efficiency"; (2) "Policy Standard"; (3) Regulation Format; or (4) "Enforcement Resource." For ease of Council review and discussion, Staff has attempted to categorize the initial round of Council comments and/or concerns into one of four categories. "Program Efficiency" refers to regulatory items that involve the efficient governmental administration of the regulations. "Policy Standard" refers to regulatory items that involve issues that are subject to Council's final determination of regulatory policy. "Regulation Format" refers to the format of the existing regulations. And, finally, "Enforcement Resource" refers to regulatory items that are related to enforcement of the regulations.

1. **Section 876.02** Permit required:

- a. Establish an annual permit issued for a full year (365 days) rather than a calendar year-based permit program where all STR permits in the City expire at the end of the calendar year.
 - i. Program Efficiency - Staff can prepare amendment as directed by Council. The current calendar year program allows for uniform processing of the annual STR license program versus having to separately track individual permits and their respective expiration dates.

2. **Section 876.03** Application for short-term rental permit:

- a. Remove the request for information regarding the location of other sites the owner has an interest in
 - i. Policy Standard – Staff can prepare amendment as directed by Council

- b. Remove the requirement to list the names of all hosting platforms
 - i. Policy Standard – Staff can prepare amendment as directed by Council. Requirement currently allows staff to monitor online postings and verify compliance with City regulations and submittal information.
 - c. Remove the names of advertising outlets used by the applicant
 - i. Policy Standard – staff can prepare amendment as directed by Council. Requirement currently allows staff to monitor online postings and verify compliance with City regulations and submittal information.
 - d. Revise the occupancy requirements to HUD guidelines
 - i. Policy Standard – Staff can prepare amendment as directed by Council. The current two per bedroom plus three additional was established to accommodate a typical bedroom layout and three additional guests/children. Additional research would be needed to define HUD guidelines and how to inform applicants of the maximum allowance.
 - e. Incorporate a second 24/7 emergency contact person
 - i. Policy Standard - Staff can prepare amendment as directed by Council. Staff have not observed issues to date with requirement for a single emergency contact person.
 - f. Question the need to post a sign during the application process
 - i. Policy Standard - Staff can prepare amendment as directed by Council. The posting provides the surrounding residents some notification and the ability to submit information relevant to Staff reviewing application compliance with applicable standards.
3. **Section 876.04** Host Requirement:
- a. Occupancy: Consider revising the occupancy allowance of two per bedroom plus three additional occupants to be based on HUD guidelines
 - i. Policy Standard –discussed above per 876.03
 - b. Parking: Consider removing parking regulation text as it is referenced in 876.03
 - i. Regulation Format: While similar, the standards listed in 876.03 are *application requirements* while Section 876.04 references *operational requirements*. Staff could review for improved clarification/format.
 - c. Records: Consider removing the requirement to retain and make available rental records for past four years
 - i. Policy Standard - Staff can prepare amendment as directed by Council.

4. **Section 876.05** Grounds for Denial

- a. Consider addressing how operators can come into compliance if denied a permit upon application
 - Policy Standard – Staff can prepare amendment as directed by Council to provide direction/flexibility to reapply. Note: Section 876.07 “Appeal of Denial or Revocation of Permit” spells out a process for proposed operators to appeal a denial of their permit (as well as to appeal the revocation or suspension of an active permit). Additionally, an applicant could resubmit their application after curing the parts of the application that are not in accordance with the regulations.
- b. Consider holding the tenant accountable rather than the operator for tenant related actions
 - i. Enforcement Resource – see comment in Section 876.06 below
- c. Question limited due process with city administration having ability to determine violations
 - i. Policy Standard - Staff can prepare amendment as directed by Council. Note: procedural concerns are addressed with Section 876.07 which permits the direct appeal of a permit denial.

5. **Section 876.06** Revocation and Suspension of short-term rental permit

- a. Consider holding the tenant accountable rather than the operator for tenant related actions. Consider a monetary fine on tenants if tenants are found in violation of the short-term rental ordinance.
 - i. Enforcement Resource – Strong business enforcement protections have been incorporated into the ordinance. The Short-Term Rental Regulations are a business regulation that regulates the operations of a business – not the individual actions of customers at each business. Business regulations put the responsibility on the business owner to abide by regulations that are deemed necessary by Council in order to protect the community’s health, safety, and welfare. If the business owner is unable to abide by the regulations, then the City is permitted to revoke the business owner’s right to continue to operate. A customer’s actions are regulated separately through the City’s existing regulations concerning noise disturbance, nuisance, drug offenses, disorderly contact – to name a few of the City’s existing general offenses.
- b. Consider revising the first penalty (permit termination for six months) to a less impactful threshold
 - i. Policy Standard - Staff can prepare amendment as directed by Council.

6. **Section 876.09** Discrimination

- a. Discrimination Prohibited: Question if this is otherwise regulated by the City and how such would be enforced
 - i. Policy Standard – Staff can prepare amendment as directed by Council. City Ordinances do provide some related protections which can be further researched (Section 636.19 Intimidation in connection with housing).

7. **Section 876.10** Rules and Regulations

- a. Question allowance for administration to promulgate and enforce reasonable rules and regulations
Policy Standard - Staff can prepare amendment as directed by Council. Statement currently provides protections to the city for the procedures needed to carry out administration of the program (processes and forms related to application, notification, enforcement).

8. **Section 876.11** Short Term Rental Permit Display

- a. Consider striking requirement to display the permit at the dwelling
 - i. Policy Standard - Staff can prepare amendment as directed by Council. Standard does educate and notify tenants of the valid license.

9. **Section 876.99** Penalty

- a. Question first degree misdemeanor which allow for fine and possible imprisonment.
 - i. Enforcement Resource – First degree misdemeanor aligns with related city ordinances. Actual fines or imprisonment are imposed through the municipal court system by the judge.

Additional Council Comments/Discussion:

10. Section 876.04(a)(7) Parking:

- a. Revise Parking standards to separate between guest and homeowner vehicles
 - i. Policy Standard: Staff can prepare amendment as directed by Council to provide accommodations for both tenant and homeowner vehicles.

11. Live in hosts vs. full residence rentals:

- a. Can regulations separate live in host operations vs full property rentals to make the process less restrictive or to encourage live in hosted sites?
 - i. Determination would be needed on how to monitor/document live in hosts separate from full residence rentals. Additionally, determinations would be needed to define which regulations would no longer be applicable to live in host properties. Of note, live in host sites may contain additional parking needs and expanded site activity. Importantly, if you exclude

live-in hosts from the Short-Term Rental Regulations, then you lose the ability to later regulate, prevent, or suspend a live-in host from operating their short-term rental should they begin to operate their rental in a manner that is inconsistent with the current regulations.

12. Can the Historic District be regulated with additional protections to respond to the risk of tourist homes?
 - a. As the current program is an annual license program rather than a zoning ordinance, Council could continue to observe the program over the coming year and amend the program if this issue does become a concern. Implementing specific regulations at this time such as separation between sites or restrictions on the scale of operations could cause confusion or frustration with areas outside the Historic District.