

Montgomery County Zoning Text Amendment 17-03



September 22, 2017

Presentation COG Housing/Planning Directors Technical Advisory Committee

Background:

- **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”
 - 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:
- In the smaller lot residential zones, Bed and Breakfasts are allowed as a “conditional” use, which must be approved by the Hearing Examiner following a public hearing.

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.
- Also Feb 2016: Bill (2-16) was introduced to update **licensing requirements for all rental housing of less than 6 months** in duration.
- March 2016: Planning Board provided recommendations to the Council regarding ZTA 16-03 – recommending a **new use** titled **Short Term Residential Rental** defined as the residential occupancy of a dwelling unit by a household for less than a month.

Outreach:

- Website was developed early in the process:
<http://www.montgomeryplanning.org/functional/short-term-rentals/>
- Email listserv created and used to contact stakeholders regarding public meetings; press releases were also issued for each meeting
- Three community meetings were held in 2016:
 - July 18th
 - September 19th
 - December 5th
- Representatives from AirBNB and The Travel Technology Association presented information at July 18th meeting
- Videos of community meetings were posted on the website for community members not able to attend



Concerns heard about STRRs:

- 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),
- Create safety concerns because they do not meet fire and safety standards, and 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, especially if hosts are allowed to have multiple listings,
- Create enforcement issues,
- Potential to allow party houses,
- Create parking problems,
- Have a competitive advantage over hotels because STRRs do not currently have to comply with regulations.

Benefits of STRRs heard at community meetings:

- Allow residents to earn extra income and 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 from area residents,
- Provide enriching experience for hosts and guests, and
- Make it more affordable to age in place.

Following a Year of Outreach:

The Planning Board requested the introduction of a new ZTA, **ZTA 17-03**, to allow Short Term Residential Rentals under certain conditions.

Use Standards Recommended by the Planning Board:

- Regulate separately from a Bed and Breakfast use
- A Bed and Breakfast is categorized as a Commercial Use Group - Lodging. Other forms of short term rental should be considered *accessory* to the primary residential use of a property and, therefore, categorized as an Accessory Residential Use.
- The property owner or tenant who “hosts” the short-term rental must be the primary resident of the home.
- Short term residential occupancy should be restricted to a maximum of 90 days per year if the host will not be present during the rental period. There should be no limit on the maximum number of days when the host remains in the home during the Short-Term Residential Rental stay.
- All short-term rentals should be monitored and licensed by the County.
- A host’s Short-Term Residential Rental license should be suspended if at least three verified complaints against that host have been received within a 12 month period.

Use Standards Recommended by the Planning Board – cont:

- Prohibit STRRs on properties that include a farm tenant dwelling or an accessory apartment.
- Require that the STRR comply with any HOA , condo association document, or rental lease.
- Require that an applicant notify all abutting and confronting neighbors about the application for an STRR license.
- Limit the total number of overnight guests per STRR (over 18 years old) to **six** and the total number of overnight guests per bedroom to two.
- Require the host to maintain a list of all overnight visitors.
- Require one off-street parking space per rental contract unless the online listing indicates that vehicle parking is prohibited.

Use Standards Recommended by the Planning Board – cont:

- Allow only registered guests and guests of the primary resident on the property to prevent parties, events, etc...
- Require the applicant to post rules and regulations inside the rental.
- Require the host to provide contact information for a designated representative that resides within 15 miles of the property and that is available to deal with emergencies if the host is not present.
- Require the home to have working, accessible fire extinguishers, smoke detectors, and where appropriate, carbon monoxide detectors.

ZTA 17-03 is currently under review at the County Council:

- Public Hearing provided balance of stakeholder views – both positive and negative.
- Positive testimony from the hotel industry.
- Discussion with PHED Committee focused primarily on use standards related to parking, the number of guests, and enforcement.
- County code requirements for licensing, not zoning, establish a majority of the regulations related to Short Term Residential Rentals.

Questions?

Summary of regulations adopted by other jurisdictions

	Ocean Isle Beach, NC	Telluride, CO	Charleston, SC	Savannah, GA (proposed)	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					✓	✓		

**Austin does not ban non-owner-occupied rentals, but it does enforce more stringent regulations on these.