



City of Dublin

**Office of the City Manager**

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# Memo

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**To:** Members of Dublin City Council  
**From:** Dana L. McDaniel  
**Date:** November 25, 2019  
**Initiated** Jennifer D. Readler, Law Director  
**By:** Thad Boggs, Assistant Law Director  
**Re:** Ordinance 73-19 Adopting Chapter 122 Under Title IX of the City of Dublin Codified Ordinances to Regulate Short-Term Rental Facilities

## **Background**

Airbnb, HomeAway, and other sites provide online marketplaces for homeowners to offer homes and spare rooms for rent to travelers. The emergence of the short-term rental market has prompted discussion among local governments across the country about whether and how to regulate short-term rental uses. Results of local regulatory efforts have frequently failed to live up to expectations. They have also prompted litigation, for example, Airbnb litigation against Anaheim, San Francisco, New York City, and Santa Monica in recent years.

The City Manager's Office, Development Department, and Legal compiled examples of ordinances from Central Ohio and around the country and presented these findings to the Community Development Committee. At its November 6 meeting, the Committee decided that Dublin should adopt an ordinance regulating the regular use of short-term rentals in the City. It also suggested a few revisions to the proposed legislation which are reflected in the version attached to this memorandum.

The City of Columbus, the state's largest short-term rental market, adopted regulations for short-term rentals after hearing from over 50 residents during two council meetings. The ordinance requires "short-term rental hosts" to obtain a permit prior to renting their dwelling to guests, be the owner/primary resident of the home, maintain detailed records, and be willing to submit to inspections of the property upon request by the City. Those requirements were implemented in this draft ordinance.

Staff has been monitoring the availability of short-term rentals available through Airbnb, Homeaway, and VRBO daily. For example, on the weekend of January 10-12, there were 8 rentals available (three in Corazon, two in Ballantrae, and three in Muirfield Village). As the dates move later into 2020, both the numbers and the specific homes for rent generally stay the same. The highest number available for an Airbnb weekend rental in late March 2020 is 12. The only rentals on Homeaway and VRBO were the Frantz Road/Tuttle Crossing hotels.

Airbnb recently announced several changes it plans to implement in 2020. These include a verification process so that renters know exactly who and what they are renting, a 24/7 rapid response phone line with live operators to assist renters with issues, and a guarantee for guests if their rental does not meet certain standards. These are all welcome developments for the City as it reflects acknowledgment of issues within the industry.

### **Implementation Plans and Summary of Proposed Ordinance**

This draft ordinance adds a new chapter to the business regulations section of the Dublin Code to prohibit renting short-term rentals for more than 14 days in a calendar year. It requires property owners wishing to rent their home or rooms in their home as a short-term rental to register with the City and submit a form prior to each rental with pertinent information. This regulation applies to short-term rental hosts using online hosting platforms (*e.g.* Airbnb) and traditional advertising methods such as classified advertisement sections. Finally, as an added benefit, this regulation will facilitate the collection of the bed tax from short-term rental hosts by providing contact information for such hosts within the city.

The Planning Department is currently working on electronic submission forms that will be provided online for both the initial and supplemental registration requirements. Planning and Legal plan to work with the Department of Communication and Public Information to develop an education/awareness program regarding the new requirements for residents.

Bullet points of the proposed ordinance are below and attached to this cover memo is the comprehensive review of similar legislation in cities across Ohio and around the country.

- Prohibits a property owner from renting a home or room to transient guests for more than 14 nights in a calendar year.
- Requires property owners to complete an application seeking registration with the Planning Director if he or she wishes to rent a room or dwelling as a short-term rental for any period of time.
- Lists permissible reasons that the Planning Director may deny such application.
- Requires the property owner to submit a supplemental form to the City prior to each rental that identifies the party renting, length of rental, and number of people present in during such rental.
- Provides the Planning Director the authority to inspect short-term rental units.
- Establishes that a violation of any provision of the Code section is an unclassified misdemeanor punishable with a \$250 fine for a first offense, and a third-degree misdemeanor for any subsequent offenses.
- Does NOT affect long-term rental units in any way.

**Recommendation**

Staff recommends Council passage of the ordinance at the second reading/public hearing on January 6, 2020.

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# RECORD OF ORDINANCES

Ordinance No. 73-19

Passed \_\_\_\_\_, \_\_\_\_\_

**ADOPTING CHAPTER 122 UNDER TITLE XI OF THE CITY OF DUBLIN CODIFIED ORDINANCES TO REGULATE SHORT-TERM RENTAL FACILITIES.**

**WHEREAS**, municipalities across the United States have implemented, or are implementing, regulations and standards for short-term rental facilities and the online hosting platform industry; and

**WHEREAS**, the State of Ohio and the City of Dublin currently have no regulations on short-term rentals and online hosting platforms; and

**WHEREAS**, Council referred the question of regulating short-term rentals within the City of Dublin to the Community Development Committee to consider whether the City would be best served by implementing restrictions on short-term rentals; and

**WHEREAS**, the Community Development Committee considered this question at its November 6, 2019, meeting, and determined that short-term rental units should be limited to no more than 14 nights per year to preserve the health, safety, and welfare of the City; and

**WHEREAS**, the Community Development Committee recommends that the City impose restrictions on the use of short-term rentals to maintain the distinct character and family atmosphere of the City of Dublin.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Dublin, Delaware, Franklin, and Union Counties, State of Ohio, \_\_\_\_\_ of the elected members concurring:

**Section 1.** That Chapter 122 of Title XI of the Codified Ordinances of the City of Dublin, Ohio, as set forth in the attached Exhibit A, is hereby adopted.

**Section 2.** That Council hereby authorizes the City Manager, Law Director, and Finance Director to seek a Memorandum of Understanding with online hosting platforms that City permit numbers shall be prominently posted on the hosting platform and any other agreement necessary to effectively implement this Ordinance.

**Section 3.** That Council finds that all deliberations and actions of the public body relating to this Ordinance were taken in an open meeting in compliance with Section 121.22 of the Ohio Revised Code.

**Section 4.** This Ordinance shall take effect in accordance with Section 4.04(b) of the Dublin Revised Charter.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor – Presiding Officer

ATTEST:

\_\_\_\_\_  
Clerk of Council

# RECORD OF ORDINANCES

Ordinance No. \_\_\_\_\_

Passed \_\_\_\_\_, \_\_\_\_\_

## Exhibit A

### Chapter 122 – Short-Term Rental Operations

#### 122.01 DEFINITIONS

For the purposes of this Chapter, the following terms, phrases, and words shall have the meanings given to them herein.

“Short-Term Rental” means any room or dwelling that is rented wholly or partly for a fee for less than thirty (30) consecutive days by persons other than the permanent occupant or owner from which the permanent occupant or owner receive monetary compensation, whether such compensation is paid directly by the short-term rental guest or is collected and remitted to the permanent occupant or owner by a hosting platform. “Short-Term Rental” does not include a room in any Hotel or Motel, as defined elsewhere in the Codified Ordinances.

“Short-Term Rental Operation” or “operation of a short-term rental” means the occupancy for a fee of any room or dwelling in a short-term rental by a transient guest.

“Hosting Platform” means a person or entity that participates in the transient rental business by providing, and collecting or receiving a fee for, booking service through an online platform that allows an operator to advertise the transient rental unit through a website hosted by the hosting platform. Examples include, but are not limited to, Airbnb, VRBO, and HomeAway.

“Transient Guests” means persons occupying a room or rooms for sleeping accommodations for less than thirty (30) consecutive days.

“Short-Term Rental Guests” means persons renting temporary lodging from a short-term rental host, or through a hosting platform on behalf of the short-term rental host, for less than thirty (30) consecutive days.

“Guestroom” means a room offered to the public for a fee that contains, at a minimum, provisions for sleeping.

“Permanent Occupant” means persons who reside in a dwelling more than 51% of the time during a calendar year; the dwelling in which the persons reside shall be referred to as their primary residence.

“Primary Residence” means a residence that is the usual place of return for housing as documented by at least two of the following: motor vehicle registration, driver’s license, tax documents, lease copy or a utility bill. An owner or permanent occupant can only have one primary residence.

“Dwelling” means any building or structure which is occupied or intended for occupancy in whole or in part as a home, residence, or sleeping place for one or more persons.

#### 122.02 CAP ON RENTAL NIGHTS

(A) Short-term rental operators are prohibited from renting any room or dwelling to transient guests for more than fourteen (14) nights total in a calendar year.

(B) If a property owner wishes to rent a room or dwelling for more than fourteen (14) nights in a calendar year, such rental must be to the same tenant and for a lease term of at least thirty (30) consecutive days.

#### 122.03 REGISTRATION REQUIRED

# RECORD OF ORDINANCES

Ordinance No. \_\_\_\_\_

Passed \_\_\_\_\_, \_\_\_\_\_

(A) No person, including but not limited to an owner, operator, manager, or employee shall engage in, conduct, or carry on, or permit to be engaged in, conducted or carried on, in or upon any premises in the city of Dublin, the operation of a short-term rental in a calendar year without registering in accordance with this chapter.

(B) A registration application may be submitted at any time to the Planning Director, or his/her designee. If the registration application is approved, such registration shall take effect on the day of approval and shall expire on December 31<sup>st</sup> of the year approved; provided, however, that if an initial registration application is approved on or after September 1, the registration shall be effective until December 31 of the next calendar year.

(C) Registration to operate a short-term rental shall be renewed by the applicant before the end of each calendar year.

The deadline for submitting an application for renewal shall be the first Monday of November of the year in which the registration is set to expire. Failure to renew shall result in expiration on December 31<sup>st</sup>. If a permit is successfully renewed, it shall be in effect for the next calendar year, beginning on January 1<sup>st</sup> and expiring on December 31<sup>st</sup> of the same year.

(D) The short-term rental operator must maintain a copy of the permit on premises.

## 122.04 SHORT-TERM RENTAL REGISTRATION, NEW AND RENEWAL

(A) An application for a short-term rental permit, and/or renewal of a permit, shall be made to the Planning Director, or his/her designee, upon approved forms, for an application fee of \$225. City Council shall have authority to amend the fee amount from time to time to reflect the costs of administering this Chapter.

(B) The application for a permit to operate a short-term rental shall contain the following information:

(1) Name of the applicant, including mailing address, telephone number, and email address;

(2) Sufficient information to demonstrate compliance with either the permanent occupancy or ownership requirements outlined in Section 122.01;

(3) The names of all hosting platforms that are used by the short-term rental host and proof of rental insurance for the unit rental;

(4) The names of all advertising outlets in which the short-term rental host intends to advertise such rental if the short-term rental host is not using a hosting platform;

(5) An affidavit attesting that the short-term rental operation is in compliance with all applicable local, state, and federal laws and regulations concerning the provision of sleeping accommodations to transient guests.

(C) The applicant must notify the Planning Director, or his/her designee, of any change in information contained in the permit application within 10 days of the change.

(D) Any change in ownership of the dwelling shall void the current registration and shall require submission and approval of a new registration application.

(E) A short-term rental shall be assigned an individual registration account number that must be prominently posted with the unit on a hosting platform or in any other advertisement regarding the unit. Said valid registration shall be displayed but removed upon expiration.

# RECORD OF ORDINANCES

Ordinance No. \_\_\_\_\_

Passed \_\_\_\_\_, \_\_\_\_\_

(F) Prior to each rental, the registered owner of the short-term rental must also submit to the Planning Director, upon approved forms, the following information:

(1) The maximum number of people that will be present in the room or dwelling during the rental;

(2) The date and approximate time frame for occupancy of the transient guests.

(3) A contact name and number for the rental host that may be used 24/7 for any issues related to the short-term rental unit or transient guests.

## 122.05 SHORT-TERM RENTAL OPERATOR – REQUIREMENTS

### (A) Short-term rental host requirements

(1) One short-term rental registration per short-term rental operation may be issued.

(2) If a short-term rental host is not the property owner, but a permanent occupant of the dwelling, the host shall obtain permission from the property owner of the dwelling to register the dwelling on any hosting platform or to advertise the dwelling in any other manner for use as a short-term rental.

(3) Rentals for 30 or more consecutive days by the same guest(s) will not be subject to short-term rental regulations.

### (B) Records required

Short-term rental hosts that offer short-term rentals shall retain and, upon request, make available to the Planning Director, or his/her designee, official records to demonstrate compliance with this section, including, but not limited to, primary residency, the dates and duration of each stay in the short-term rental, and the rate charged for each short-term rental on each night.

## 122.06 GROUNDS FOR DENIAL

(A) The Planning Director, or his/her designee, shall approve a registration, or grant the renewal of an existing registration, except as provided in divisions (B) and (C) of this section.

(B) The Planning Director, or his/her designee, shall deny any application for a new registration, or renewal of registration, if any of the following are shown to have occurred at the short-term rental property:

(1) The applicant makes a material misrepresentation of fact on the application;

(2) The applicant or owner of the short-term rental has been convicted of violating section 122.02(A) of this chapter;

(3) The short-term rental host is not in good standing with the City of Dublin Income Tax Division;

(4) The short-term rental has a documented history of repeated conduct that endangers neighborhood safety or of conditions interfering with the use and enjoyment of property within its vicinity; or of conduct in violation of Section 122.10.

(C) Evidence of conduct under divisions (A) and (B) of this section need only be that of de facto violation of law; evidence of conviction is not a prerequisite for denial unless specifically indicated.

# RECORD OF ORDINANCES

Ordinance No. \_\_\_\_\_

Passed \_\_\_\_\_, \_\_\_\_\_

## 122.07 REVOCATION OF REGISTRATION

(A) At any time during the calendar year, the Planning Director, or his/her designee, may revoke and/or suspend a short-term rental registration if a unit is listed on a hosting platform or advertised elsewhere without the registration number as required under section 122.03(E); or is perpetuating conditions interfering with use and enjoyment of properties within its vicinity; or is delinquent in filing or payment with the City of Dublin Income Tax Division; or has exceeded the limitation set forth in Section 122.02(A); or is engaging in conduct in violation of Section 122.10.

## 122.08 APPEAL OF DENIAL OR REVOCATION OF REGISTRATION

(A) In the event an applicant has been denied a registration, or if a registration has been revoked or suspended, the party affected shall have the right to appeal to the City Manager from such denial, revocation, or suspension within 10 business days. Notice of appeal shall be filed with the City Manager's office who shall set the date and time of the appeal hearing.

## 122.09 AUTHORITY TO CONDUCT INSPECTIONS

The Planning Director, or his/her designee, may inspect the short-term rental unit to ensure compliance with this chapter with the consent of the owner or occupant or, if consent is denied, may pursue other legal authority for inspection.

## 122.10 TRANSFER OF SHORT-TERM RENTAL REGISTRATION PROHIBITED

No registration under this chapter shall be transferable to another short-term rental operation.

## 122.11 DISCRIMINATION PROHIBITED

(A) A short-term rental host shall not:

(1) Decline a short-term rental guest based on race, sex, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status, or military status;

(2) Impose any different terms or conditions based on race, sex, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status, or military status;

(3) Post any listing or make any statement that discourages or indicates a preference for or against any short-term rental guest on account of race, sex, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status, or military status.

## 122.12 SEVERABILITY

(A) In the event any section or provision of this chapter shall be declared by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of this chapter as a whole or any part thereof other than the part so declared to be invalid or unconstitutional.

## 122.13 SHORT-TERM RENTAL PENALTY

(A) Whoever violates any provision of this Chapter shall be guilty of an unclassified misdemeanor and shall be fined not more than \$250.00. Upon subsequent convictions, the penalty shall be a misdemeanor of the third degree and a fine of not more than \$500 or imprisonment for not more than 60 days or both in addition to any other penalties as imposed by this chapter.



City of Dublin

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# Memo

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**To:** Members of Dublin Community Development Committee  
**From:** Dana L. McDaniel, City Manager  
**Date:** November 1, 2019  
**Initiated** Jennifer D. Readler, Law Director  
**By:** Thad Boggs, Assistant Law Director  
**Re:** Potential Legislation Limiting Short-Term Rentals (Adopting Chapter 122 Under Title IX of the City of Dublin Codified Ordinances to Regulate Short-Term Rental Facilities)

## **Background**

Airbnb, HomeAway, and other sites provide online marketplaces for homeowners to offer homes and spare rooms for rent to travelers. The emergence of the short-term rental market has prompted discussion among local governments across the country about whether and how to regulate short-term rental uses. Results of local regulatory efforts have frequently failed to live up to expectations. They have also prompted litigation, for example, Airbnb litigation against Anaheim, San Francisco, New York City, and Santa Monica in recent years.

The City Manager's Office, Development Department, and Legal compiled examples of ordinances from Central Ohio and around the country and presented these findings to the Community Development Committee. At its August 20<sup>th</sup> meeting, the Committee decided that Dublin should adopt an ordinance requiring the registration of short-term rentals in the City. After hearing additional concerns from residents and members of City Council, the issue was referred back to the Committee to discuss more extensive regulation. In preparation for that discussion, Staff prepared the proposed legislation that is attached to this memorandum.

## **Summary of Proposed Ordinance**

This draft ordinance adds a new chapter to the business regulations section of the Dublin Code to prohibit renting short-term rentals for more than 14 days in a calendar year. It also requires property owners wishing to rent their home or rooms in their home as a short-term rental to register with the City. Bullet points of the proposed ordinance are below and attached to this cover memo is the comprehensive review of similar legislation in cities across Ohio and around the country, which was previously provided to the Committee.

- Prohibits a property owner from renting a home or room to transient guests for more than 14 nights in a calendar year.

- Requires property owners to complete an application seeking registration with the Planning Director if he or she wishes to rent a room or dwelling as a short-term rental for any period of time.
- Lists permissible reasons that the Planning Director may deny such application.
- Provides the Planning Director the authority to inspect short-term rental units.
- Establishes that a violation of any provision of the Code section is an unclassified misdemeanor punishable with a \$250 fine for a first offense, and a third-degree misdemeanor for any subsequent offenses.

### **Conclusion**

Staff has been monitoring the availability of short-term rentals available through Airbnb, Homeaway, and VRBO daily. For example, on the weekend of November 15-17, there were 8 rentals available (three in Corazon, two in Ballantrae, and three in Muirfield Village). As the dates move into 2020, both the numbers and the specific homes for rent generally stay the same. The highest number available for an Airbnb weekend rental in late January 2020 is 12. The only rentals on Homeaway and VRBO were the Frantz Road/Tuttle Crossing hotels.

Staff requests direction from the Committee as to the preferred method of moving forward on this topic.

**ADOPTING CHAPTER 122 UNDER TITLE XI OF THE CITY OF DUBLIN  
CODIFIED ORDINANCES TO REGULATE SHORT-TERM RENTAL  
FACILITIES.**

**WHEREAS**, municipalities across the United States have implemented, or are implementing, regulations and standards for short-term rental facilities and the online hosting platform industry; and

**WHEREAS**, the State of Ohio and the City of Dublin currently have no regulations on short-term rentals and online hosting platforms; and

**WHEREAS**, Council referred the question of regulating short-term rentals within the City of Dublin to the Community Development Committee to consider whether the City would be best served by implementing restrictions on short-term rentals; and

**WHEREAS**, the Community Development Committee considered this question at its November 6, 2019, meeting, and determined that short-term rental units should be limited to no more than 14 nights per year to preserve the health, safety, and welfare of the City; and

**WHEREAS**, the Community Development Committee recommends that the City impose restrictions on the use of short-term rentals to maintain the distinct character and family atmosphere of the City of Dublin.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Dublin, Delaware, Franklin, and Union Counties, State of Ohio, \_\_\_\_\_ of the elected members concurring:

**Section 1.** That Chapter 122 of Title XI of the Codified Ordinances of the City of Dublin, Ohio, as set forth in the attached Exhibit A, is hereby adopted.

**Section 2.** That Council hereby authorizes the City Manager, Law Director, and Finance Director to seek a Memorandum of Understanding with online hosting platforms that City permit numbers shall be prominently posted on the hosting platform and any other agreement necessary to effectively implement this Ordinance.

**Section 3.** That Council finds that all deliberations and actions of the public body relating to this Ordinance were taken in an open meeting in compliance with Section 121.22 of the Ohio Revised Code.

**Section 4.** That this Ordinance shall take effect at the earliest date allowed by law.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

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Mayor – Presiding Officer

ATTEST:

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Clerk of Council

## Exhibit A

### Chapter 122 – Short-Term Rental Operations

#### 122.01 DEFINITIONS

For the purposes of this Chapter, the following terms, phrases, and words shall have the meanings given to them herein.

“Short-Term Rental” means any room or dwelling that is rented wholly or partly for a fee for less than thirty (30) consecutive days by persons other than the permanent occupant or owner from which the permanent occupant or owner receive monetary compensation, whether such compensation is paid directly by the short-term rental guest or is collected and remitted to the permanent occupant or owner by a hosting platform. “Short-Term Rental” does not include a room in any Hotel or Motel, as defined elsewhere in the Codified Ordinances.

“Short-Term Rental Operation” or “operation of a short-term rental” means the occupancy for a fee of any room or dwelling in a short-term rental by a transient guest.

“Hosting Platform” means a person or entity that participates in the transient vacation rental business by providing, and collecting or receiving a fee for, booking service through an online platform that allows an operator to advertise the transient vacation rental unit through a website hosted by the hosting platform. Examples include, but are not limited to, Airbnb, VRBO, and HomeAway.

“Transient Guests” means persons occupying a room or rooms for sleeping accommodations for less than thirty (30) consecutive days.

“Short-Term Rental Guests” means persons renting temporary lodging from a short-term rental host, or through a hosting platform on behalf of the short-term rental host, for less than thirty (30) consecutive days.

“Guestroom” means a room offered to the public for a fee that contains, at a minimum, provisions for sleeping.

“Permanent Occupant” means persons who reside in a dwelling more than 51% of the time during a calendar year; the dwelling in which the persons reside shall be referred to as their primary residence.

“Primary Residence” means a residence that is the usual place of return for housing as documented by at least two of the following: motor vehicle registration, driver’s license, tax documents, lease copy or a utility bill. An owner or permanent occupant can only have one primary residence.

“Dwelling” means any building or structure which is occupied or intended for occupancy in whole or in part as a home, residence, or sleeping place for one or more persons.

#### 122.02 CAP ON RENTAL NIGHTS

(A) Short-term rental operators are prohibited from renting any room or dwelling to transient guests for more than fourteen (14) nights total in a calendar year.

(B) If a property owner wishes to rent a room or dwelling for more than fourteen (14) nights in a calendar year, such rental must be to the same tenant and for a lease term of at least thirty (30) consecutive days.

#### 122.03 REGISTRATION REQUIRED

(A) No person, including but not limited to an owner, operator, manager, or employee shall engage in, conduct, or carry on, or permit to be engaged in, conducted or carried on, in or upon any premises in the city of Dublin, the operation of a short-term rental in a calendar year without registering in accordance with this chapter.

(B) A registration application may be submitted at any time to the Planning Director, or his/her designee. If the registration application is approved, such registration shall take effect on the day of approval and shall expire on December 31<sup>st</sup> of the year approved; provided, however, that if an initial registration application is approved on or after September 1, the registration shall be effective until December 31 of the next calendar year.

(C) Registration to operate a short-term rental shall be renewed by the applicant before the end of each calendar year.

The deadline for submitting an application for renewal shall be the first Monday of November of the year in which the registration is set to expire. Failure to renew shall result in expiration on December 31<sup>st</sup>. If a permit is successfully renewed, it shall be in effect for the next calendar year, beginning on January 1<sup>st</sup> and expiring on December 31<sup>st</sup> of the same year.

(D) The short-term rental operator must maintain a copy of the permit on premises.

#### 122.04 SHORT-TERM RENTAL REGISTRATION, NEW AND RENEWAL

(A) An application for a short-term rental permit, and/or renewal of a permit, shall be made to the Planning Director, or his/her designee, upon approved forms, for an application fee of \$225. City Council shall have authority to amend the fee amount from time to time to reflect the costs of administering this Chapter.

(B) The application for a permit to operate a short-term rental shall contain the following information:

(1) Name of the applicant, including mailing address, telephone number, and email address;

(2) Sufficient information to demonstrate compliance with either the permanent occupancy or ownership requirements outlined in Section 122.01(A);

(3) The names of all hosting platforms that are used by the short-term rental host and proof of rental insurance for the unit rental;

(4) An affidavit attesting that the short-term rental operation is in compliance with all applicable local, state, and federal laws and regulations concerning the provision of sleeping accommodations to transient guests.

(C) The applicant must notify the Planning Director, or his/her designee, of any change in information contained in the permit application within 10 days of the change.

(D) Any change in ownership of the dwelling shall void the current registration and shall require submission and approval of a new registration application.

(E) A short-term rental shall be assigned an individual registration account number that must be prominently posted with the unit on a hosting platform. Said valid registration shall be displayed but removed upon expiration.

#### 122.05 SHORT-TERM RENTAL OPERATOR – REQUIREMENTS

##### (A) Short-term rental host requirements

(1) One short-term rental registration per short-term rental operation may be issued.

(2) If a short-term rental host is not the property owner, but a permanent occupant of the dwelling, the host shall obtain permission from the property owner of the dwelling to register the dwelling on any hosting platform for use as a short-term rental.

(3) Rentals for 30 or more consecutive days by the same guest(s) will not be subject to short-term rental regulations.

##### (B) Records required

Short-term rental hosts that offer short-term rentals shall retain and, upon request, make available to the Planning Director, or his/her designee, official records to demonstrate compliance with this section, including, but not limited to, primary residency, the name of the short-term rental guest responsible for the reservation and/or who rented the unit on each night, dates and duration of stay in a short-term rental, and the rate charged for each short-term rental on each night.

#### 122.06 GROUNDS FOR DENIAL

(A) The Planning Director, or his/her designee, shall approve a registration, or grant the renewal of an existing registration, except as provided in divisions (B) and (C) of this section.

(B) The Planning Director, or his/her designee, shall deny any application for a new registration, or renewal of registration, if any of the following are shown to have occurred at the short-term rental property:

(1) The applicant makes a material misrepresentation of fact on the application;

(2) The applicant or owner of the short-term rental has been convicted of violating section 122.02(A) of this chapter;

(3) The short-term rental host is not in good standing with the City of Dublin Income Tax Division;

(4) The short-term rental has a documented history of repeated conduct that endangers neighborhood safety or of conditions interfering with the use and enjoyment of property within its vicinity; or of conduct in violation of Section 122.10.

(C) Evidence of conduct under divisions (A) and (B) of this section need only be that of de facto violation of law; evidence of conviction is not a prerequisite for denial unless specifically indicated.

#### 122.07 REVOCATION OF REGISTRATION

(A) At any time during the calendar year, the Planning Director, or his/her designee, may revoke and/or suspend a short-term rental registration if a unit is listed on a hosting platform without the registration number as required under section 122.03(E); or is perpetuating conditions interfering with use and enjoyment of properties within its vicinity; or is delinquent in filing or payment with the City of Dublin Income Tax Division; or has exceeded the limitation set forth in Section 122.02(A); or is engaging in conduct in violation of Section 122.10.

#### 122.08 APPEAL OF DENIAL OR REVOCATION OF REGISTRATION

(A) In the event an applicant has been denied a registration, or if a registration has been revoked or suspended, the party affected shall have the right to appeal to the City Manager from such denial, revocation, or suspension within 10 business days. Notice of appeal shall be filed with the City Manager's office who shall set the date and time of the appeal hearing.

#### 122.09 AUTHORITY TO CONDUCT INSPECTIONS

The Planning Director, or his/her designee, may inspect the short-term rental unit to ensure compliance with this chapter with the consent of the owner or occupant or, if consent is denied, may pursue other legal authority for inspection.

#### 122.10 TRANSFER OF SHORT-TERM RENTAL REGISTRATION PROHIBITED

No registration under this chapter shall be transferable to another short-term rental operation.

#### 122.11 DISCRIMINATION PROHIBITED

(A) A short-term rental host shall not:

(1) Decline a short-term rental guest based on race, sex, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status, or military status;

(2) Impose any different terms or conditions based on race, sex, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status, or military status;

(3) Post any listing or make any statement that discourages or indicates a preference for or against any short-term rental guest on account of race, sex, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status, or military status.

#### 122.12 SEVERABILITY

(A) In the event any section or provision of this chapter shall be declared by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of this chapter as a whole or any part thereof other than the part so declared to be invalid or unconstitutional.

#### 122.13 SHORT-TERM RENTAL PENALTY

(A) Whoever violates any provision of this Chapter shall be guilty of an unclassified misdemeanor and shall be fined not more than \$250.00. Upon subsequent convictions, the penalty shall be a misdemeanor of the third degree and a fine of not more than \$500 or imprisonment for not more than 60 days or both in addition to any other penalties as imposed by this chapter.



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# Memo

**To:** Members of the Dublin City Council  
**From:** Dana L. McDaniel, City Manager  
**Date:** October 10, 2019  
**Initiated By:** Jennifer Readler, Law Director  
Thad Boggs, Assistant Law Director  
Jennifer Rauch, AICP, Interim Planning Director  
Greg Jones, Code Enforcement Supervisor  
**Re:** Potential Short-Term Rental Regulation and Restrictions

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## **Overview and Recommendation**

At the direction of Council and the Community Development Committee, Staff completed a comprehensive review of short-term rental regulations from around the state and country. Staff prepared a memorandum outlining the options available to Council moving forward, information about how other central Ohio communities are regulating short-term rentals, and the considerations unique to Dublin, all of which were discussed at the August 20, 2019, Community Development Committee meeting. The Committee directed Staff to develop a registration requirement and indicated that it wanted only to require registration for those units that were rented for more than 14 nights per year. The purpose of registration would be to identify properties used for this purpose on a regular basis and to create a more systematic way to document and understand their community impact. This proposal closely tracked the City of Columbus ordinance that was passed last year. That ordinance requires hosts to be the owner of the property or use it as their primary residence; maintain records; pay a short-term rental excise tax (the rate of which is not specified in the ordinance); and maintain general liability insurance. The owners must also submit to an inspection if requested by the City.

Since then, Council members and staff have heard additional concerns about the impact of short-term rentals in neighborhoods. The concerns have included increased traffic at late hours, noise, and parking. Further, on October 3<sup>rd</sup>, the Ninth Circuit Court of Appeals in California unanimously upheld a Santa Monica ordinance banning short-term rentals of 30 days or fewer, except when a primary resident remains in the home. And, on October 7<sup>th</sup>, Grandview adopted short-term rental regulations that might prove helpful in Dublin's review.

Due to the many developments since the August 20 Community Development Committee meeting, Staff would like to seek Council's direction as to how to proceed. The overall options are listed below, but Staff recommends that the Community Development Committee re-examine the issue to determine whether regulation beyond registration, up to and including an outright prohibition on rentals after a certain amount of nights, is necessary or advisable in light of recent developments.

Staff is monitoring the number of rentals available through Airbnb, Homeaway, and VRBO daily. On October 10, there were 3 Airbnb rentals available in Dublin for the weekend of October 11-13 (one in Ballantrae, one in Corazon, and one in Sheffield Meadows). Of course, many of these homes/rooms are booked far in advance. For the weekend of November 15-17, there were 8 rentals available (three in Corazon, two in Ballantrae, and three in Muirfield Village). As the dates move into 2020, both the numbers and the specific homes for rent generally stay the same. The highest number available for an Airbnb weekend rental in late January 2020 is 12. The only rentals on Homeaway and VRBO were the Frantz Road/Tuttle Crossing hotels.

Additionally, recently residents have inquired as to whether long-term rentals can be regulated in residential districts. An option would be to require registration of such properties. Staff requests direction from Council as to whether this topic should also be considered by the Community Development Committee in conjunction with the short-term rental issue.

### **Options for Council Consideration**

There are multiple options regarding the regulation of short-term rentals, which are as follows:

1. Adopt a policy that outlines the City's expectations for the manner that short-term rentals will be operated. This policy could be circulated to all short-term rentals in Dublin listed on the largest online marketplaces. If a complaint is received, Code Enforcement officials will reach out to the violator to explain the concerns. These complaints will be logged and more stringent regulation could be considered if these communications are not successful.
2. Adopt a registration/licensing requirement for all short-term rentals in the City. This requirement could kick in if the property was rented for even one night, but Council could also mandate a specific number of allowable days per year before requiring registration (i.e. 10 days, 14 days, or 30 days). The Community Development Committee initially directed Staff to pursue this option for presentation to Council.
3. Ban all short-term rentals similar to Upper Arlington. Note, there are still properties listed for rent in residential areas of Upper Arlington (as of October 8, 2019), notwithstanding the ban passed in May and the preceding one-year moratorium on short-term rentals.
4. Restrict the total amount of nights per year that a property can be used as a short-term rental. Council has the authority to impose any limitation. This would permit homes to be rented for a certain number of days per year, but no more. A common suggestion was for a 14 day limit that would permit the use of short-term rentals for flagship events like the Memorial Tournament or the Dublin Irish Festival.
5. Adopt zoning regulations applicable to short-term rentals, such as making short-term rentals a conditional use in all residential districts or making them a permitted use in some districts but conditional uses in other districts.
6. Maintain the status quo. Several concerns associated with short-term rentals are not unique to the use and can be addressed by existing resources. Additionally, the City has a small number of advertised rentals at this time.

### **General Considerations for Local Regulation of Short-Term Rentals**

Staff's discussion considered the regulatory interests that the City would have at stake with relation to short-term rentals. Staff identified three areas of local regulation primarily impacted by short-term rentals—land-use, health and safety, and bed taxes.

Not every community will be impacted in the same way with respect to each of these criteria. For instance, on September 13, 2019, Airbnb listed approximately 7 properties in the City of Dublin available for rent to guests on the weekend of October 10. None of these properties were actual hotels. HomeAway and VRBO listed only listed three properties, each of which were true hotels (Embassy Suites, Residence Inn, and the AC by Marriott).

The impact of short-term rentals must be balanced against the costs, in both time and money, of enforcing regulations drafted for them. Tracking the short-term rentals within the City would likely require a code enforcement officer or other staff person to visit the popular short-term rental sites to see what properties, if any, are being offered for rent. This would not tell the staff person whether the property actually has been rented, and that would require additional work. Pre-registration of hosts has not generally been successful in other communities. For example, San Francisco reportedly has 2,100 short-term rentals registered with the city, but 8,000 sites are listed on Airbnb.<sup>1</sup> It remains to be seen how successful Columbus will be at achieving compliance with its permitting system.

### Land Use

From a land-use perspective, short-term rental of a home inserts a commercial element to a residential use. While many renters respect the neighborhoods where they stay, and contribute to local economies by dining out or attending local events, some do not respect the interests of full-time residents. The few are often the ones who prompt full-time residents' complaints about parties, noise, and activity that is unusual for quiet residential streets.

In some cities, the availability of housing for full-time residents has also been affected because property owners may convert entire properties to short-term rental. This decreases the supply of long-term housing and consequently drives up housing costs. It can also have negative consequences for property maintenance and general quality of life in the neighborhood.

This is the interest that may vary most widely from one municipality to the next. San Francisco's regulations, for example, were intended to address the impact of short-term rentals on the tight housing market there. Other popular destinations have had full-time residents and civic leaders criticize the impact of short-term rentals on communities that have been affected by proliferation of formerly residential property devoted to short-term rental use.

Identifying short-term rental use is easier said than done. In addition to public sites like Airbnb and HomeAway, rooms can be let through private contracts that are virtually impossible for the City to detect. A registration program, however, could potentially assist with identification. Staff also discussed the regulatory impact of short-term rentals within Dublin and determined that, at this time, Dublin experiences neither the volume nor the consistency of short-term rental throughout the community, and throughout the year, to impact the character or supply of the City's residential housing stock. As for poor behavior by guests of short-term rentals, issues such as noise or property damage can be addressed through existing code and are not unique to the presence of short-term rentals.

### Health and Safety

In Ohio, every hotel is licensed by the State. Here, the State Fire Marshal inspects hotels for fire safety as well as general sanitation. These regulations and inspections are intended to assure that even the worst hotel is not a threat to its guests' health or safety.

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<sup>1</sup> Elizabeth Weise, "Airbnb rentals in San Francisco may dive with new host rules," *USA Today*, May 1, 2017 (Accessed September 19, 2017).

On sites like Airbnb, renters generally provide photographs, a narrative about the space, and information about amenities (e.g., air conditioning, use of kitchen, etc.). Users also leave reviews. However, while most hosts honestly market their spaces, some may mislead consumers or provide unsanitary, unsafe conditions. For example, hotels are required to comply with fire safety standards. Airbnb “encourage[s] every Airbnb host to install working smoke & CO [carbon monoxide] detectors in their listing and to check them frequently.”<sup>2</sup> Guests may take health and safety matters like these for granted, only to find them lacking when they arrive or when they need them in an emergency. The short-term rentals that are within the City are subject to generally applicable property maintenance, building, and health codes that are enforced to remedy nuisance properties. In a discussion with the Washington Township Fire Marshal, he noted that currently Airbnb properties are treated as private residences and thus not subject to any commercial requirements of the Fire Code. He also believes that short-term rentals will be addressed in the next Fire Code update.

Safety concerns have been raised regarding short-term rentals in general. The Dublin Police Department can only locate one complaint that was related to a potential Airbnb and that complaint was noise related. This was not confirmed as the music was turned down prior to the officer’s arrival. Recently, shootings occurred at two separate locations in Columbus that were allegedly Airbnbs. Dublin Police spoke to Columbus and the incidents in Columbus seem to be related to geographic crime trends/activity and not the nature of the rental. Based on Police’s limited interaction and/or calls for service at short-term rentals within the City, it does not appear necessary to adopt legislation at this time.

### *Bed Taxes*

Ohio law provides authority for local government to tax “transient occupancy,” i.e., visitors renting overnight accommodations for thirty days or less. These taxes reflect the visitors’ contribution to local services available to them during their stay—police and fire protection, EMS services, roads, sewers, sidewalks, etc. They also may fund travel and tourism bureaus to attract more visitors and improve the quality of life for full-time residents.

Hospitality professionals know to collect local bed taxes, but short-term rental hosts often do not understand to collect and remit the bed tax. This results in foregone tax revenue for local governments who nevertheless would respond if, for example, a guest needed EMS transport while staying in a short-term rental.

The City’s current code for the bed tax, starting with Section 35.30 of the Codified Ordinances, is general enough to include short-term rentals via sites such as Airbnb or HomeAway. These hosts should be collecting and remitting bed tax to the City, and so additional action by Council is unnecessary.

### **State of Regulation in Central Ohio Cities**

Below are the results of research regarding how other Central Ohio communities are addressing the short-term rental market<sup>3</sup>:

#### *Grove City, Ohio*

- The City of Grove City currently does not have any specific zoning code requirements, or other requirements for short-term rentals. According to the city planner, the City has contemplated adding some requirements but has not yet come to any consensus on how to execute them.

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<sup>2</sup> Airbnb, [www.airbnb.com/home-safety](http://www.airbnb.com/home-safety) (Accessed September 19, 2017).

<sup>3</sup> New Albany planning staff were researching this issue as well and shared their research with Dublin.

### Powell, Ohio

- The City of Powell currently does not have any specific zoning code requirements, or other proposed requirements for short-term rentals. The Assistant Director of Development indicated that this may change in the future if the City starts to see more short-term rentals or residents become concerned.

### Upper Arlington, Ohio

- In the spring of 2018, the City enacted a one-year moratorium on short-term rentals within residential districts to allow time for the City to further clarify the prohibited use and better understand the trends, as well as observe other communities.
- The City's website indicated the following challenges in regard to short-term rentals:
  - Increased traffic and parking issues
  - Noise
  - Safety Concerns
  - Negative impacts to neighbors as trends have shown the increase in investor purchased properties for these uses
  - The City's inability to ensure the rentals are safe with features like emergency egress, appropriate lighting, signage, and smoke detectors
- The provision on the temporary ban expired in May of 2019.
- As a result of the sunset provision, Council approved Ordinance-22-2019, which prohibits short-term home or apartment rentals. The City's website indicated that the prohibition was made permanent to protect the residential nature of the neighborhoods. The ordinance applies to any rental less than 30 days in duration and prohibits bed and breakfast establishments, apartment hotels, and hotels and motels within the community's residential districts.

### Westerville, Ohio

- The City of Westerville has been working toward a draft of a short-term rental ordinance.
- The Code Enforcement Supervisor shared the following process and research:
  - In 2018, the City received various complaints on one specific short-term rental. The City conducted evening and weekend inspections, which did not reveal any code violations.
  - On January 15, 2019, Council advised staff to begin research on short-term rentals.
  - City staff met with residents in the subdivision where the complaints occurred in 2018. The complaints included: lack of supervision, a business license should be required, noise, increased cars parking at the home, and trash.
  - Westerville reviewed the Columbus business license code and spoke with an insurance company which recommended short-term rentals carry a minimum of \$1 million in commercial liability which costs \$1,200 to \$1,500 a year.

- Westerville reached out to other short-term rental hosts within the City about the possibility of a business license and required safety inspections. The current rental hosts were strongly opposed to limiting the number of nights, number of guests, prohibiting whole house rentals, and requiring a bed tax.
- The City feels these requirements will be prohibitive for short-term rental hosts to comply with and will limit short-term rentals in all of the subdivisions.
- The code enforcement team shared these findings with Council on May 1, 2019 and await direction on how to proceed.

Grandview, Ohio

- At the May 6, 2019 Council meeting, several residents attended to discuss a “problem” house that operates as an Airbnb. Council was receptive to the residents’ complaints but recognized the benefits of short-term rentals to both residents and visitors to the City.
- On October 7, 2019, Council passed an interim measure permitting unhosted operators to wind up operations within 4 months and to require them to notify the City of their operation. The 4-month window was chosen to allow new council members to come on board and for the City to consider a more permanent resolution.

**NATIONAL RESEARCH**

The national research below was found on the Airbnb website located under a section titled, “Responsible hosting in the United States.” This portion of the website listed various communities and the different types of restrictions found within some example cities.

City	Application/Permit	License/Registration	Sales Tax	Other*
Aspen, CO	X	X	X	
Atlanta, GA	X	X	X	X
Austin, TX		X	X	
Cambridge, MA		X	X	X
Charlotte, NC	X	X	X	X
Chicago, IL		X	X	X
San Francisco, CA		X	X	X

\* Other requirements are explained below

- Atlanta, GA
  - The City of Atlanta assesses occupancy taxes and annual taxes for business operations.
- Cambridge, MA
  - On April 1, 2018, an ordinance went into effect relating to short-term rentals. Short-term rentals must be registered with the City's Inspectional Services Department. According to the ordinance, possible rentals must be inspected by

- a city inspector to ensure facilities meet the standards found in the building code, life-safety regulations, and health/hygiene standards.
- Additionally, the ordinance requires that the operator must live in or adjacent to the unit receiving the short-term rental registration.
  - Charlotte, NC
    - Must have a business license and pay a business license tax as well as the state sales tax on gross receipts from rentals.
    - A fire inspection is required as part of the approval process, in addition to the application being approved by the City's Planning Department.
  - Chicago, IL
    - Chicago requires short-term rentals to register through a platform such as Airbnb. Additionally, Chicago requires a special license granted by the city to allow an owner to have more than one rental. A 4.5% hotel accommodation tax for the listing price (including cleaning fees) and a 4% shared housing surcharge are imposed. The State of Illinois also has hotel taxes.
    - The ordinance requires:
      - *Listing requirements:* The Chicago ordinance requires hosts to include certain information within their listing. This includes the unit's registration or license number, cancellation and check-in/check-out policies, and whether the property is ADA accessible.
      - *Operating requirements:* The ordinance also requires hosts to meet certain operating requirements, such as maintaining specific types of insurance, installing smoke and carbon monoxide detectors, and providing soap and clean linens.
    - Anyone who violates the ordinance and specific listing/operating requirements is required to pay fines and could lose their registration.
  - New Orleans, LA
    - New Orleans recently passed legislation, which takes effect December 1, that restrict short-term rentals. The first ordinance bans all short-term rentals in the French Quarter (except on Bourbon Street) and the Garden District. It prohibits full house rentals unless the owner resides on the property and it caps the number of rentals allowed in commercial and mixed-use buildings.
    - The second ordinance establishes a structure for permits and fees, operating regulations and enforcement penalties.
  - San Francisco, CA
    - The City of San Francisco requires a business registration as well as a short-term residential rental certificate. The certificate comes from a department known as the Office of Short-Term Rentals.
    - The City also has additional hosting eligibility requirements such as: the rental must be the primary residency, the owner must have liability insurance, and the

Building Department must inspect for compliance with building/housing standards.

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