

**City of Charleston**  
**Short Term Rental Task Force**  
**August 8, 2017**

The following draft document details: 1) areas where the Task Force has found alignment; 2) additional policy areas that the Task Force will continue to deliberate during the August 8th meeting.

The goal of the August 8th meeting is to reach majority agreement on most of the issues outlined below so that city staff can take those areas of agreed upon policy and begin drafting them into ordinance language for review.

Highlighted text reflects items still under discussion.

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**AREAS OF ALIGNMENT**

The City of Charleston Short Term Rental Task Force recommends the existing ordinance be amended to include the following parameters, applicable to the entire City of Charleston:

- The annual STR business license & permitting process should be used to ease STR operators' ability to come into compliance while also filtering out ineligible properties throughout the City.
- All STR operators must apply for a **business license** in the City of Charleston, to be renewed on an annual basis based on good standing of both STR owner and the STR property.
- All STR operators must, in addition, apply for a **STR permit** that will be granted based on the applicant's fulfillment of the following requirements:
  - The property is owned by named individuals or **single/dual-member LLCs**

*In residential zones:*

- STR must be owner-occupied, defined by the property serving as the owner's primary residence, as reflected by 4% property tax rate.
  - Definition of an owner-occupied property extends to those properties featuring multiple structures, in which owner may be operating STR unit/s in an accessory building on the property.
- Property owner must be available while STR is in use. **Should the property owner not be physically on site throughout the duration of the STR stay, the owner is required to provide the**

City and the renter with contact information for a designated agent legally responsible for immediate questions or concerns.

- The property must have one off-street parking space per STR unit, contingent on definition of “unit.” (see attached document re: definitions)
- The property has no more than X STR units, contingent on definition of “unit”
- Total occupancy of the STR is no more than 2 people per unit, or a total of X per property.
- The property is in use as an STR for no more than X days of the calendar year.
  - *For reference:* In San Francisco, a registered STR in good standing may have unlimited rentals of rooms in their unit when the operator is on the property and only 90 days per calendar year of "unhosted rentals" when the operator is out of town--thus making STRs unappealing for investors.
  - Similarly, in New Orleans, there are three types of permits: 1) Accessory permits allow a property owners to rent out spare bedrooms or half a double on a full-time basis; 2) Temporary permits allow property owners to rent a whole home 90 days per calendar year, up to five bedrooms; 3) Commercial permits allow property owners to operate short term rentals in nonresidential zones, up to five bedrooms.

#### **ADDITIONAL AREAS FOR DISCUSSION:**

- Eligibility of properties in commercial zones.
- STR property liability insurance. *For reference:* The City of New Orleans requires that the property has current, valid liability insurance of \$500,000 or more.
- Inspections required of STR properties.
- Age of the building (or alternative requirements to achieve same goal).

## Definition of Key Term: Dwelling Unit

### **Charleston:**

- Dwelling Unit: One or more rooms arranged for the use of one (1) or more individuals living together as a single housekeeping unit, with cooking, living, sanitary and sleeping facilities.
- Dwelling: Any building, or part thereof, used and occupied for human habitation or intended to be so used including any appurtenances belonging thereto or usually enjoyed therewith but not including hotels, motels, inns, bed and breakfasts, boarding or rooming houses, and timesharing facilities
- Short Term Rental Unit: Distinguishing characteristics of a short term rental are: 1) it has all the attributes of a typical dwelling unit including cooking, living, sanitary and sleeping facilities, 2) is occupied by not more than four unrelated people pursuant to the definition for family, and 3) is located on a commercially zoned property with a limited number of short term rental units, if more than one such unit is provided.
- Bed and Breakfast Unit: Each unit shall consist of one (1) or more rooms arranged for the purpose of providing sleeping accommodations for transient occupancy by one (1) family

### **New Orleans:**

- Dwelling: A structure, or portion of a structure, designed or used exclusively for permanent residential purposes, including single-family, two-family, townhouse, and multi-family dwellings, but not including trailers, hotels/motels, rooming houses, or automobiles.
- Dwelling Unit: A room, or group of rooms, providing complete, independent living facilities, including permanent provisions for living, sleeping, eating, cooking and sanitation for one or more persons.
- 3 different STR Types
  - Accessory STRs: A portion of the dwelling shall be rented limited to 3 Bedrooms/2 guests per bedroom for a maximum of 6 guests. There shall be one bedroom for the full time owner-occupant. Where the accessory STR occupies one unit of a two family dwelling, occupancy is limited to 2 guests per bed room up to 6 guests. The owner-occupant shall occupy the dwelling and be present during any Short Term Rental occupancy
  - Temporary STRs: Entire dwelling may be rented. Up to 5 bedrooms may be rented. Occupancy shall be limited to 2 guests per bedroom or a total of 10 guests (whichever is less). The owner/occupant does not need to be present during the rental period.
  - Commercial STRs: Entire dwelling may be rented. Up to 5 bedrooms may be rented and occupancy is limited to 2 guests per bedroom with a maximum of 10 guests. The owner/occupant does not need to be present during the rental period.

### **San Francisco:**

- Dwelling: A building, or portion thereof, containing one or more Dwelling Units. A "one-family dwelling" is a building containing exclusively a single Dwelling Unit. A "two-family dwelling" is a

building containing exclusively two Dwelling Units. A "three-family dwelling" is a building containing exclusively three Dwelling Units.

- Dwelling Unit: A Residential Use defined as a room or suite of two or more rooms that is designed for, or is occupied by, one family doing its own cooking therein and having only one kitchen. A housekeeping room as defined in the Housing Code shall be a Dwelling Unit for purposes of this Code. For the purposes of this Code, a Live/Work Unit, as defined in this Section, shall not be considered a Dwelling Unit.
- STRs: Only one residential unit can be rented. Up to 5 listings for different rooms in the same unit are allowed. Owner must live in dwelling for at least 60 days before applying and the owner must plan to live in unit for at least 275 nights/year. Up to 90 nights of "un-hosted" rentals are allowed per year

### Denver:

- Dwelling: Any building or portion of building that is used as the residence of one or more households, but not including hotels and other lodging accommodation uses, hospitals, tents, or similar uses or structures providing transient or temporary accommodation with the exception of an accessory Short-term Rental.
- STRs:
  - STRs are allowed as an accessory use wherever residential uses are allowed. That includes residential as well as mixed-use commercial districts.
  - Property owners and long term renters can apply for an STR license for their primary residence. Renters must certify that they have the permission of their landlord to conduct short-term rentals.
    - Each unit in a duplex is a separate primary dwelling unit, so the primary resident of each unit may obtain a license to conduct an STR. However, a person who resides in one duplex unit may not obtain a license to conduct an STR in the adjacent unit, because that unit is not their primary residence.
    - ADUs may be used as STRs by a property owner or long-term renter who is living in the primary structure on the property. However, only one STR license will be allowed per property, so a long-term renter of an ADU may only apply for an STR license if the owner/renter of the primary structure does not also have one.
  - Property owners or long-term renters may conduct STRs while they are on vacation and/or the property is vacant. However, hosts are required to leave a welcome packet for guests that includes appropriate contact information and instructions on city services.
  - STR hosts have the ability to set their own guest maximums. However, per the Denver Zoning Code (DZC), STRs are accessory to primary residential use, meaning the overall character of the property should remain residential. The DZC also explicitly states that STRs do not include rental of a dwelling unit for commercial events, such as parties or

weddings. Additionally, only one rental contract may be allowed at a time in any STR. Multiple rental contracts to separate parties in an STR are prohibited.

#### Asheville, NC:

- Dwelling : Any building or structure, or part thereof, used and occupied for human habitation or intended to be so used, and including any outhouses and appurtenances belonging thereto or usually enjoyed therewith, apartment houses, boarding or rooming houses, hotels, motels and other transient places of habitation and dwelling unit.
- Dwelling unit: Any room or group of rooms located within a dwelling and forming a habitation unit with facilities which are used or intended to be used for living, sleeping, cooking, and eating.
- Homestay: means a private, resident occupied dwelling, with up to two guest rooms where overnight lodging accommodations are provided to transients for compensation and where the use is subordinate and incidental to the main residential use of the building. A homestay is considered a "Lodging" use under this UDO
  - Must be full time resident of the property
  - To be a "full time resident" the person must reside on the property on a permanent basis and it must be the person's primary home
  - Must be present for the entire time lodgers are staying at the property
    - However, the full-time resident may be temporarily absent from the property for purposes related to normal residential activities such as shopping, working, attending class, etc. A minimum of two documents establishing proof of residency shall be supplied from an approved list of documents.
- Overnight rental of an entire dwelling unit is called a short-term rental (STR), and these types of uses are prohibited in all residential districts. STRs can only be permitted in commercially zoned areas and will require a change of use permit.