



**BTV
HOUSING
SUMMIT**

www.burlingtonvt.gov/btv-housing-policy

Policy Reform Goals

Based on the 2019 Housing Summit work, short-term rental regulations should:

- Expressly enable short term rentals, recognizing tiers for different types of short-term rentals
- Balance the benefits to hosts and guests with impacts to city's long-term housing stock
- Limit the number of housing units that are converted to short-term uses, while preserving flexibility for hosts to use their homes to earn income
- Ensure that conversion of housing units to short-term rentals contribute to the City's efforts to preserve and expand permanently affordable housing



Current draft STR Proposal

Staff has updated corresponding elements to reflect Committee input. Framework includes changes to several city ordinances/policies:

- **Proposed zoning amendments to the *Burlington Comprehensive Development Ordinance***
 - Following discussion, recommend warning for a public hearing
- **Proposed amendments to *Chapter 18 of the Code of Ordinances* regarding “Minimum Housing Standards”**
 - Typically not within the purview of the Planning Commission, but included for discussion
- **Proposed Council Action to impose an additional Rooms & Meals Tax increment**
 - Not included in packet, would be recommended when transmitting proposal to Council

Joint Committee Discussion Topics

Relative to the scenarios presented, the Joint Committee will continue discussing:

- **Does the proposed framework meet the proposed goals for this scenario?**

Per Oct 2019 Council Resolution, a framework that “creates tiers for different types of [STRs] and disincentivizes the most impactful uses...by:

- *limiting the number of housing units that can be converted for [STR] purposes and*
- *ensuring that those conversions are contributing to the city’s efforts to preserve and expand permanently affordable housing, while also*
- *preserving some flexibility and ability to earn greater income for Burlington homeowners, and*
- *recognizing that some supply of [STRs] benefits the Burlington economy...”*

- **Are there some scenarios wherein an off-site host would be acceptable?**

- **Is Housing Replacement vs. an alternative fee/tax more appropriate to achieve goals?**

- **Any other comments/input on the proposed framework for these scenarios?**

Basic Elements of STR Amendment

Proposed Amendment makes the distinction between STR types and other forms of lodging, and between STR Hosts and situations that require owner-occupancy.

Unique to STR



Partial Unit STR
Room(s) in a house, apartment

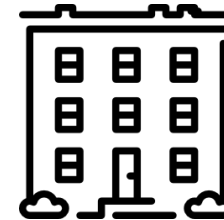


Whole Unit STR
Entire house or apartment(s)



STR Host
Owner or tenant operating an STR

Other Definitions



Lodging
Replaces hotel, motel, inn, hostel






Owner-Occupied
Owner lives in dwelling unit

Scenario 1

Flexibility for Host
Most Permissive

“I want to rent my own home as a short-term rental for part(s) of the year, but it will still be my primary residence.” (i.e. a single-family home)

<p>Zoning</p> <p>For all scenarios:</p> <ul style="list-style-type: none"> • Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year • Parking space(s) not required if located in Multimodal Mixed-Use District 	<table border="1"> <tr> <td data-bbox="751 635 1057 706">  Whole Unit STR </td> <td data-bbox="1057 606 1452 735"> No pkg space req. in addition to what is provided for the primary home </td> </tr> <tr> <td colspan="2" data-bbox="726 778 1452 821"> <p>Permitted Use in: All zoning districts</p> </td> </tr> </table>	 Whole Unit STR	No pkg space req. in addition to what is provided for the primary home	<p>Permitted Use in: All zoning districts</p>	
 Whole Unit STR	No pkg space req. in addition to what is provided for the primary home				
<p>Permitted Use in: All zoning districts</p>					
<p>Rental Duration</p> <p>Host's "primary residence" means that the host lives in/at the unit/property for at least half the year</p>	<p>Limit to less than 180 nights rented as STR in order to maintain host's primary residence</p>				
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> • Register annually as a rental • Meet basic Life Safety Standards in Ch. 18 				
<p>Taxes & Fees</p>	<ul style="list-style-type: none"> • STR's are currently req. by state & city to register as a biz and pay Rooms & Meals Taxes (RMT) regardless of type. • Potential for additional increment RMT to support Housing Trust Fund 				

Approach:

- Provides flexibility for the host to use own property for STRs
- Most permissive of the scenarios as long host lives on site

Reference in Amendment Language:


- See Table 5.4.14-1
- See exemption from parking for Whole Unit STR in Table 8.1.8-1

Reminder: Scenario 2 from STR Matrix is NOT an STR. It was added to the table to illustrate difference between short-term and long-term rentals in response to frequently asked questions.

Scenario 3

Flexibility for Host More Permissive

“I want to rent bedrooms as short-term rentals within my home.”

<p>Zoning</p> <p>For all scenarios:</p> <ul style="list-style-type: none"> • Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year • Parking space(s) not required if located in Multimodal Mixed-Use District 	 Partial Unit STR	1 space per room rented, minus one
<p>Rental Duration</p> <p>Host’s “primary residence” means that the host lives in/at the unit/property for at least half the year</p>	No limit to number of nights the rooms are rented as STR, as long as continues to be host’s primary residence	
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> • Register annually as a rental • Meet basic Life Safety Standards in Ch. 18 • Continue current exemption from registration & inspections for owner-occupied homes with 1 or 2 rented rooms 	
<p>Taxes & Fees</p>	<ul style="list-style-type: none"> • STR’s are currently req. by state & city to register as a biz and pay Rooms & Meals Taxes (RMT) regardless of type. • Potential for additional increment RMT to support Housing Trust Fund 	

Approach:

- Provides flexibility for the host to use own property for STRs
- Requires host to live on site (same as current Bed & Breakfast standards)




Reference in Amendment Language:

- See Table 5.4.14-1
- See parking for Partial Unit STR in Table 8.1.8-1

Scenario 4

Limit Conversion
More Restrictive

“I own a duplex/single-family home with an ADU. I want to live in one unit and use the other as a short-term rental.”

<p>Zoning</p> <p>For all scenarios:</p> <ul style="list-style-type: none"> Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year Parking space(s) not required if located in Multimodal Mixed-Use District 	<table border="1"> <tr> <td data-bbox="749 605 817 672"></td> <td data-bbox="817 605 1065 672">Whole Unit STR</td> <td data-bbox="1065 605 1449 672">1 parking space per unit</td> </tr> </table> <p>Permitted Use in: All zoning districts</p>		Whole Unit STR	1 parking space per unit
	Whole Unit STR	1 parking space per unit		
<p>Rental Duration</p> <p>Host’s “primary residence” means that the host lives in/at the unit/property for at least half the year</p>	<p>No limit to number of nights rented as STR Property continues to be host’s primary residence</p>			
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> Register annually as a rental Meet basic Life Safety Standards in Ch. 18 			
<p>Taxes & Fees</p>	<ul style="list-style-type: none"> STR’s are currently req. by state & city to register as a biz and pay Rooms & Meals Taxes (RMT) regardless of type. Potential for additional increment RMT to support Housing Trust Fund 			

Approach:

- Enables STRs in these building types if host lives on site
- Requires parking space for an ADU, that is not otherwise required if used for long-term housing


Reference in Amendment Language:

- See Table 5.4.14-1
- See parking for Whole Unit STR in Table 8.1.8-1

Scenario 5a

Limit Conversion
More Restrictive

“I own and live in, or rent in a multi-unit building, and want to rent some of the units as short-term rentals.”

<p>Zoning For all scenarios:</p> <ul style="list-style-type: none"> • Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year • Parking space(s) not required if located in Multimodal Mixed-Use District 	 Whole Unit STR	1 parking space per unit
<p>Rental Duration Host's "primary residence" means that the host lives in/at the unit/property for at least half the year</p>	No limit to number of nights rented as STR	
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> • Register annually as a rental • Meet basic Life Safety Standards in Ch. 18 	
<p>Taxes & Fees</p>	<ul style="list-style-type: none"> • STR's are currently req. by state & city to register as a biz and pay Rooms & Meals Taxes (RMT) regardless of type. • Potential for additional increment RMT to support Housing Trust Fund 	

Approach:

- Lower the limit on number of STRs allowed in each building, so always less than half of total units
- Allow in all districts, based on host residing on site
- Any property which exceeds these thresholds is considered "lodging" (i.e. Scenario 6)


Reference in Amendment Language:

- See Table 5.4.14-1, including note about limit on lots and threshold for lodging
- See parking for Whole Unit STR in Table 8.1.8-1

Scenario 5b

Limit Conversion
More Restrictive

**“I own a multi-unit building, and want to rent some of the units as short-term rentals.
I don’t live on the property”**

<p>Zoning For all scenarios:</p> <ul style="list-style-type: none"> • Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year • Parking space(s) not required if located in Multimodal Mixed-Use District 	 Whole Unit STR	1 parking space per unit
<p>Rental Duration Host’s “primary residence” means that the host lives in/at the unit/property for at least half the year</p>	No limit to number of nights rented as STR	
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> • Register annually as a rental • Meet basic Life Safety Standards in Ch. 18 	
<p>Taxes & Fees</p>	<ul style="list-style-type: none"> • STR’s are currently req. by state & city to register as a biz and pay Rooms & Meals Taxes (RMT) regardless of type. • Potential for additional increment RMT to support Housing Trust Fund 	
<p>Permitted Use in: Mixed Use districts Conditional Use in: Residential & Institutional zones</p>	<p>Limit to # STR in Bldg:</p> <ul style="list-style-type: none"> - 1 STR in Bldgs of 3 to 4 units - 2 STR in Bldgs of 5-6 units - 3 STR in Bldgs 7+ units 	

Approach:

- Lower the limit on number of STRs allowed in each building, so always less than half of total units
- Permit in mixed use districts, but conditional use in residential districts
- Any property which exceeds these thresholds is considered “lodging” (i.e. Scenario 6)




Reference in Amendment Language:

- See Table 5.4.14-1, including note about limit on lots and threshold for lodging
- See parking for Whole Unit STR in Table 8.1.8-1

Scenario 6

Limit Conversion
Most Restrictive

“I own a multi-unit building, and want to rent all the units as short-term rentals.”

<p>Zoning For all scenarios:</p> <ul style="list-style-type: none"> • Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year • Parking space(s) not required if located in Multimodal Mixed-Use District 	<table border="1"> <tr> <td data-bbox="738 521 1065 654">  Lodging </td> <td data-bbox="1065 521 1460 654">1 parking space per room/unit</td> </tr> <tr> <td data-bbox="738 654 1065 829"> Permitted Use in: Mixed Use districts, with no limit on # STR units </td> <td data-bbox="1065 654 1460 829"> Prohibited Use: Residential districts </td> </tr> </table>	 Lodging	1 parking space per room/unit	Permitted Use in: Mixed Use districts, with no limit on # STR units	Prohibited Use: Residential districts
 Lodging	1 parking space per room/unit				
Permitted Use in: Mixed Use districts, with no limit on # STR units	Prohibited Use: Residential districts				
<p>Rental Duration Host's "primary residence" means that the host lives in/at the unit/property for at least half the year</p>	<p>No limit to number of nights rented Not required to be host primary residence</p>				
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> • Housing Code & Rental Registration not applicable because not considered a "residential" use • Building code req. will depend on # occupants in Bldg. 				
<p>Taxes & Fees</p>	<ul style="list-style-type: none"> • Pay Housing Replacement Fee per unit for converted housing units • Would still be req. by state & city to register as a biz and pay Rooms & Meals Taxes (RMT) 				

Approach:

- Should be limited and most restrictive.
- Housing Replacement should apply in scenario.
- Considering this scenario as "lodging" (i.e. hotel/motel) achieves both of the above objectives
- No limit on number of STRs, but not allowed in any residential districts

Applies to situations between Scenario 5 and 6:

- Exceeding the STR limits outlined in any scenario for any property type, for example:
 - I.e. renting a third STR in a building with 6 dwelling units
 - I.e. renting both sides of a duplex as an STR

Joint Committee Questions

Questions for follow-up from the September 23 meeting:

- **Can existing STRs without permits be granted nonconforming status, or be written into the zoning ordinance to be allowed to continue?**
- **Can zoning permits for STRs be phased out or revoked if there are too many permits issued in the city?**
- **What options does the city have for taxing STRs? Can there be a different tax rate for STRs in low-density residential areas?**
 - *Will receive update from City Attorney at upcoming meeting*

Existing STRs without Zoning Permits

Can the City allow existing STR's that do not have a zoning permit to be granted a nonconforming status, or be written into the bylaws to enable them to continue?

- **Nonconforming status is predicated on a use/structure:**
 - being legal and/or permitted at the time it started or was created
 - the standards for what is legal changes after the use/structure was permitted
- **CDO includes a few provisions to allow something that would otherwise not be permitted, but:**
 - Applicability is predicated on the use/structure having legally existed
 - Additionally, this approach is not advisable because:
 - creates precedent for automatically making violations legal, rather than creating a policy that intentionally and explicitly allows them
 - unfair to STR's that have been subject to violation/enforcement action, particularly those discontinued

Implementing Zoning Requirements

In considering a transition to this regulatory framework:

- **Short term rentals that have received a zoning permit under the present standards will be considered legal nonconformities**
- **One Year Grace Period before active zoning enforcement of STR's begins**
 - Operators who apply for permits will not be subject to zoning violations, apply penalty-free
 - Other Applicable Fees apply (i.e. Rental Registration, etc)
- **Create a User Guide/FAQ's**
 - Similar to content of these presentations (zoning, codes, taxation, assessment, etc)
- **Establish contract with HostCompliance for monitoring/enforcement**

Revoking Zoning Permits

Can zoning permits be revoked or phased out if too many STRs are created in the city?

- **Provision of state statute that allowed for amortization of zoning permits has been revoked.**
- **Zoning permit runs with the land and is valid as long as a use is established, continued**
 - Ordinance requires work/action associated with a permit to commence within one year
 - Additionally, Ordinance establishes timelines for “discontinuance” for nonconformities
- **For consideration:**
 - add permit condition to Zoning Permit requiring maintenance of Rental Housing Permit in order for zoning permit to be valid