



Legislation Text

File #: 20-182, **Version:** 7

ACTION REQUESTED:

Communication from the City Manager and Director of Community Development with a Request to ADOPT an ORDINANCE Amending APPENDIX A (the Unified Development Code) of the CODE of the City of Peoria Pertaining to SHORT TERM RENTAL USES (City Wide).

BACKGROUND:

Previously, the City Council adopted amendments to the Hotel/Motel License and Non-Owner-Occupied Properties regulations related to Short Term Rentals (STR's).

One final item remains to be adopted before STR's will be legal in Peoria. The attached ordinance amends the Unified Development Code related to zoning. The amendment would create the following allowances for STRs.

- **In single-family residential districts:**
 - If owner-occupied - Permitted Use. Allowed after administrative review.
 - If non-owner-occupied - Special Uses. Allowed only after a public hearing and approval by the City Council.
- **In multi-family residential, commercial, institutional, and I1 industrial districts:**
 - Permitted Uses. Allowed after an administrative review.
- **In Form Districts (West Main-Local and all R4 Frontage only).**
 - If owner-occupied - Permitted Use. Allowed after administrative review.
 - If non-owner-occupied - Special Uses. Allowed only after a public hearing and approval by the City Council.

As the Council will recall, the only other "middle-way" option that was discussed involved the City sending a postcard to surrounding property owners upon the receipt of an STR application. If an objection was received, the application would have to follow the Special Use process. If no objection was received, the application would follow the administrative approval process regardless of the tenure of the property.

After the last Council discussion on this item, a representative from AirBNB has been in contact with the City. While there are numerous platforms for short-term rentals, AirBNB is the largest listing platform for Peoria locations.

The AirBNB representative stated that AirBNB would collect and remit hotel taxes on behalf of the property owners if the City adopted an ordinance requiring this responsibility. City staff is working on this ordinance that will be brought to Council in a separate item.

AirBNB also indicated that they have a dedicated law enforcement portal that can be accessed by the Peoria Police Department to have immediate contact with AirBNB if there are issues at any property rented through their platform.

Based on information from the AirDNA.co webpage (an aggregator of short-term rental listings), there are ninety-five (95) active short-term rental listings in Peoria. Of the 91, 70% (64) are whole-house listings and

30% (27) are private room listings (where a person rents a room in a house). Based on these numbers, the City would expect at least 66 filings for Special Use approval if the current recommendation is adopted.

FINANCIAL IMPACT: As part of another ordinance change, the fee for hotels, motels, and short-term rentals will be raised from \$25 to \$75 a year. All STR units would pay the hotel tax.

NEIGHBORHOOD CONCERNS: Some individuals inquired about enforcement procedures if an HOA were to have more restrictive rules (e.g., rules that forbid short-term rentals) than the proposed City regulations. As part of the licensing process, registered neighborhood associations will be given an opportunity to provide a recorded restriction that prohibits short-term rentals.

Individuals voiced concern that the proposed ordinance may place a burden on property owners interested in operating an STR.

IMPACT IF APPROVED: The City of Peoria will allow, with the review as outlined above, short-term rentals in all residential zones (RE - R8), in institutional zones (NI), in all commercial zones (CN - B1), and I1 industrial zones.

IMPACT IF DENIED: The City of Peoria will not allow short-term rentals in the zoning districts as outlined above. STRs will remain illegal unless alternatives are taken.

ALTERNATIVES: N/A

EEO CERTIFICATION NUMBER: N/A

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Financially Sound City
2. Safe Peoria

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Have an efficient government.

DEPARTMENT: Community Development