

AGENDA
SHORT TERM RENTAL IMPACT COMMITTEE
FRIDAY, JULY 14, 2023
11:00 AM

- 1. CALL TO ORDER**
- 2. APPROVAL OF MINUTES**
 - A. June 23, 2023**
 - B. June 30, 2023**
- 3. NEW BUSINESS**
 - A. Misdemeanor Charges - STR Code Violations**
 - B. Home Exchange Program - Discussion**
 - C. Funding options to build resources for short-term rental code enforcement - Discussion**
 - D. Input Data Base - Florida Keys (Destin Matrix)**
 - E. Format of Committee's Formal Report to City Council - Discussion**
- 4. PUBLIC COMMENTS**
- 5. NEXT MEETING DATE: Tuesday, July 25, 2023, 10 AM**
- 6. PUBLIC COMMENTS** (Comments from the public on any matters considered at the meeting, or on any matters not on the agenda)

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**MINUTES
SHORT TERM RENTAL
IMPACT COMMITTEE
JUNE 23, 2023 – 11:00 AM
CITY HALL BOARDROOM**

1. CALL TO ORDER:

The Short-Term Rental Impact Committee met in regular session with the following members and City staff present:

2. ROLL CALL:

Members Present

Patti Brown
Marcie Bell
Denise Owens

Members Absent

Ken Wampler
Todd Buhr
Casey Gates Ward
Carrie Harbarger

Staff Present

Rey Bailey, City Clerk
Troy Williams, Code Compliance Director
Noel Bell, Building Official
Kimberly Kopp, City Land Use Attorney
Billy Morales, Code Compliance Officer
Darlene Lebold, Administrative Assistant, Code Compliance

Visitors

Councilmember Torey Geile

3. APPROVAL OF MINUTES:

Minutes of the June 2, 2023 Short-Term Rental Impact Committee.

A voting quorum was not in place to be able to approve the minutes.

4. NEW BUSINESS

A. Meeting Ground Rules:

Committee Chair Patti Brown discussed the following ground rules that she would like the committee to establish for their meetings:

- Meeting will start promptly on time.
- Members show respect to one another.

- Regardless of difference in opinions and points of view, they need to maintain that respect.
 - Do not raise voice or interrupt people while they have the floor.
 - Everyone will listen attentively to the person speaking.
 - No side discussions amongst the members during the meeting.
 - Raise hand, and wait to be acknowledged by the chair, before speaking.
- The City Clerk will forward draft copies of the minutes to each member prior to the meeting. Members should review the minutes in advance and get ready to point out any errors and approve the minutes during the meeting.

B. Charter/Goals and expected output from the committee:

Committee Chair Brown asked each member to share their perception as to the role of this committee and how they feel is the best way to move forward to reach their goal. She asked for the Land Use Attorney's view in regard to the mission of this committee.

According to the Land Use Attorney, the committee should review the effectiveness of the existing regulation as well as the impacts of the existing short-term rentals. Try to determine if the regulation is working, whether things are getting better, what are the continued impacts, and then submit a report to the council who will probably provide recommendations to the state based on that report. One probability could be to request more home rule power to have the authority to make decisions based on local needs.

Ms. Brown stated that as a member of the previous Short Term Rental Task Force, she feels that with what this committee recommended to the city council, they should have had a lot of the current issues in this town under control. Unfortunately, many of those recommendations were not implemented. They have issues that they have previously identified that still exist such as parking, noise, over-occupancy, and trash.

The Land Use Attorney pointed out that the city council implemented most of the recommendations presented to them by the initial Short-Term Rental Task Force.

Committee member Marcie Bell noted that she was not a member of the initial task force, but she attended all of their meetings. However, she was a member of the second Short-Term Rental Task Force, and that she does not believe the council accepted any of their recommendations.

Ms. Brown stated that one specific issue the second task force discussed was involving trash, and that a representative from Waste Management who attended one of their meetings told them that a 96-gallon trash can is meant for a household of 4 people. And so, an establishment with more than 4 people would obviously require more than one 96-gallon cans.

Ms. Bell mentioned that in that same conversation they also talked about maybe requiring them to have a third day pickup. At the time, the normal turnover day was usually on a Saturday. Some of the companies did have a smaller version of the Waste Management

truck that came around and picked up trash on Saturdays. She added that the council did not accept it as an amendment to the ordinance.

Ms. Bell stated that another issue they talked about was if someone is not registered as short-term rental and they are functioning as a short-term rental, the rules do not apply to them, and they can have more cars parked in front of their property than what the code allows. For instance, her street is a private road where the city does not enforce parking.

According to the Land Use Attorney, all short-term rentals need to be registered with the city and comply with the rules. When there is a short-term rental that is not registered, staff will investigate and gather evidence to prove that it is a short-term rental. Once they know it is a short-term rental, staff can issue a Notice of Violation for operating without being registered.

Code Compliance Director Troy Williams explained that if a property is registered as short-term rental and they have a violation, they will have the documentation and the property will be cited. If they suspect that a property is a short-term rental and they do not have anything in the system, they have certain steps in the process to prove it.

Committee member Denise Owens commented that she has reached out to the Code Compliance Department recently and reported some short-term rental violations in her neighborhood in regard to occupancy, parking, and trash. She continued that there are 8 houses in her neighborhood that are not registered short-term rentals and that these are the same 8 houses she has reported as far back as 2018. She continued that these houses have outdoor signs to prove they are short-term rentals. She also noted that she has done some research on what other cities do in these kinds of situations including the penalties they impose and compare those with the consequences of committing similar violations in the City of Destin. Some cities impose a fine up to \$10,000 even for a first violation.

According to the Land Use Attorney, the signs outside the properties are enough evidence to prove they are short-term rentals and that they can enforce the code immediately. However, the \$10,000 fine being imposed by other cities is pretty steep and it is not legal under Florida Statutes. Under state law they can only impose a maximum daily fine of \$250 for the first violation and a daily fine of \$500 for a repeat violation, which could subsequently equate to more than \$10,000 if the property does not come into compliance.

The Code Compliance Director stated that when his department is notified about a property being in violation, they go out and investigate and issue the proper citation. But they do not necessarily have the authority to physically force somebody to stop doing what they are doing. They can send them before the Special Magistrate as quickly as the code would allow so that the Special Magistrate can make the final determination and issue the proper order.

Ms. Brown commented that the negative impact of the short-term rentals could be mitigated if they have enough staff that could just enforce the code quickly and consistently. She also stated that home rule is what they really need in Destin to allow them to perform the functions necessary to allow for solutions to local issues and problems.

The Code Compliance Director noted that when he took over the department about two months ago, he put in a budget request for staffing for next year for one full time and two part-time officers. He recently submitted an updated request for 5 full time and 2 part-time officers. He continued that the council has several top priorities, with short-term rentals being one of them.

Councilmember Torey Geile stated that according to the president of the Sterling Shores Condominiums Homeowners Association, there is a fire code that states occupancy must be based on square footage. He asked whether this rule is limited to condominiums.

The Land Use Attorney noted that their short-term rental ordinance applies only to single-family homes currently because during the council's previous discussions, it was determined that the same issues that occur in single-family homes did not occur at the condominiums. With regards to square footage, council went back and forth on this issue because depending on one position, different stakeholders have different opinions on how they measure living space.

Councilmember Geile asked if there is anything in the ordinance that requires a warning for anyone who fails to register, or could they issue a citation after the first offense.

The Land Use Attorney stated that ample warnings have already been given, and that they can legally issue a citation after the first offense, but a Notice of Violation has to be issued to the property owner.

Ms. Bell stated that although parking, trash, and noise are big issues, they have an even bigger problems with short-term rentals such as drugs and domestic violence issues; and that she has had a personal experience with the latter. They need home rule back whatever it takes to accomplish it. They need more code compliance officers. They also need more law enforcement officers, outside of code compliance officers, that can deal directly with those types of issues.

Ms. Brown ask how the property owner is notified when there is a violation.

According to the Land Use Attorney, the state statutes require either a personal service or certified mail. If the green card for certified mail is not signed, and there is no one to which to deliver the notice, the statutes allow posting on the property. A lot of times, the city's code compliance officers send out the certified mail and post the property at the same time.

Ms. Bell recommends the city establishes a department that deals solely with short-term rental issues, in one physical location, with members communicating with each other and knowing exactly everything that needs to be done before someone can operate as a commercial entity in a single-family residential neighborhood, whether it be a BTR from the city and the county, sales tax account with the State of Florida, Florida Public Lodging and Establishment License with DPBR, or change of use if applicable.

The Code Compliance Director stated that he cannot speak about past regime, but his present team works well together. They have streamlined the system and things have gotten

better. Every member of his team is in constant contact with one another. Each one is doing multiple things and a change in physical location is not going to change anything. He also noted there are over 1200 short-term rentals located within the city. They want to be able to do as much as they possibly can, but they have a very limited staff. They need to have more people to be able to accomplish them.

Ms. Bell stated that she absolutely agrees with the Code Compliance Director and pledged her full support in obtaining the appropriate level of staffing for his department.

Ms. Brown would like the home rule topic to be placed on their next meeting agenda and for the Land Use Attorney to discuss it further so they can all understand it.

Councilmember Geile stated that if they get home rule back, they can increase the fines significantly where it can become a deterrent. But they need to focus on things they could present to the State Legislation to achieve home rule if this committee decides that the impact of short-term rentals is mostly negative, such as what every university is reporting that short-term rentals reduce affordable housing and affordable housing inventory, and other things that are killing this community as a whole.

There were some discussions relative to permanent meeting time for this committee. Ms. Brown would like that issue addressed at the next meeting when more members are present.

5. PUBLIC COMMENTS

Mr. Guy Tadlock, a resident of Holiday Isle, stated that they have lost about 20 full-time residents in his neighborhood during the past several years due to short-term rentals as things have become quite unbearable. He stated that the quality of some of the short-term renters coming to the city now are quite undesirable as evidenced by the unpleasant sights and vulgarities they are forced to endure around his neighborhood. He stated that the rental management companies are a big source of all the problems. For instance, they advertise that certain properties sleep 40 people when in fact there is a city ordinance against it. He stated there are “party busses” filled with drunk passengers being driven around the city. Bartenders call the party bus to pick up passengers. Most times these passengers do not know where they are going and get off at certain locations. On one occasion, a passenger arrived in his neighborhood. He wondered around knocking at every door thinking it was his home. He ended up collapsing near someone’s house and a sheriff’s deputy had to be called.

Mr. Tadlock also reported that there are short term rentals that are not registered but are not afraid to suffer the consequences because it is a very lucrative business, and they are more than glad to pay the fine. He likes the idea of a home rule so that the city can impose higher fines so that it can become a deterrent. He also urges the city council to get behind the city’s Code Compliance Department and increase their level of staffing to improve their efficiency.

The Land Use Attorney commented that she is seriously thinking about recommending that certain short-term rental violations be considered a misdemeanor offense as there is a code section that gives the city the authority to send someone who committed a misdemeanor act up to 60 days in jail.

Also, according to Mr. Tadlock, there are times when a family goes on vacation and rent their home while they are away, but they are not registered short-term rental; adding it is an issue that may need to be addressed. Some discussions followed about a possible home-sharing whereby families from two different states go on vacation simultaneously and live in each other's home during that period. It may or may not involved any cash payment.

According to the Land Use Attorney, home-sharing is not exempt from registration. If this is actually happening in Destin, and it is being advertised or reported, the parties involved will be required to register.

Ms. Bell reported that as part of their research program, Monroe County TDC had contracted with a firm called Destin Matrix to gather occupancy and rate statistics from Florida Keys vacation companies. The Okaloosa County website shows the county TDC utilizes the program as well. She stated that having this type of information could greatly benefit this committee since their mission is to conduct research and gather statistics on the impact of short-term rentals. However, ordering it may have to be done by a municipality.

The Land Use Attorney recommends requesting the data from Okaloosa County TDC. They may already have the statistics for the City of Destin; otherwise, they can discuss ways to obtain that information.

Ms. Wendy Anderson, a resident of Crystal Beach, stated that she does not feel safe walking around certain neighborhoods due to the influx of homeless people; adding there are always homeless people in their beach walkover using the restroom facility. She also expressed her concern about the illegal immigrants not knowing who are clean and who are on drugs. She stated that the city's problems are not limited to tourists and short-term rentals. They also have society issues they have to solve to keep this town nice and safe.

Ms. Anderson also stated there are families who are fighting to keep their home. Some need to rent out a room to supplement their income and to make ends meet. She also noted that they built certain additions to their home and that they need to rent part of it to be able to afford it. They should be allowed to do this without having to register as short-term rentals. She added that the city needs to maintain that family-friendly atmosphere in order to become a better family- friendly community.

Also, according to Ms. Anderson, there are people that are trying to abide by the city's rules but are not able to because some of them are confusing, contradictory, and at times inconsistent. For instance, certain homes in her neighborhood are allowed certain number of setbacks while others have no setbacks at all. She continued that there have been some discussions about occupancy on some homes being based on square footage while others on the number of bedrooms.

The Land Use Attorney noted that there is currently no exception in the code for someone wanting to rent out a room in their home. They are currently required to register as short-term rental. There are certain rules depending upon when the home is constructed. There are homes that were grandfathered in because they have been in existence before certain codes were adopted. She recommends Ms. Anderson meets with the city's Community Development staff as

well as Code Compliance to discuss these issues so they can advise her on what she can and cannot do.

Some discussion followed regarding items to be placed on the next meeting agenda. The following topics were identified:

- Home rule
- Input Data Base utilized by Florida Keys (Destin Matrix)
- Starting time for future meetings
- Misdemeanor charges – short term rental violations
- Home Exchange Program
- Funding options to build resources for better enforcement of short-term rental regulations.
- Format of committee's formal report to the city council.

ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 12:40 PM.

Patti Brown, Chair

**MINUTES
SHORT TERM RENTAL
IMPACT COMMITTEE
JUNE 30, 2023 – 11:00 AM
CITY HALL BOARDROOM**

1. CALL TO ORDER:

The Short-Term Rental Impact Committee met in regular session with the following members and City staff present:

2. ROLL CALL:

Members Present

Patti Brown
Marcie Bell
Denise Owens
Ken Wampler
Casey Gates Ward
Todd Buhr (Via telephone)

Members Absent

Carrie Harbarger

Staff Present

Kim Montgomery, Deputy City Clerk
Sharon Gardner, Records Specialist
Troy Williams, Code Compliance Director
Noel Bell, Building Official
Kimberly Kopp, City Land Use Attorney

Visitors

Councilmember Torey Geile
Darrel Shelton

3. APPROVAL OF MINUTES:

A. Minutes of June 2, 2023, Short-Term Rental Impact Committee.

Motion by Marcie Bell, seconded by Ken Wampler, to approve the minutes of June 2, 2023 Short-Term Rental Impact Committee meeting passed 5-0 (Todd Buhr was not eligible to vote via phone).

B. Minutes of June 23, 2023, Short-Term Rental Impact Committee.

Motion by Ken Wampler to delay approval of the minutes of June 23, 2023 Short-Term Rental Impact Committee meeting to correct some typographical errors was seconded by Marcie Bell and passed 5-0.

Committee Chair Patti Brown mentioned that she will not be able to attend the next meeting in person, but she will try to participate by phone. Marcie Bell, the committee vice-chair, will preside over the meeting.

4. NEW BUSINESS

A. Home Rule – Discussion

The Land Use Attorney provided a brief overview of home rule. She stated that home rule basically means the city can do anything as long as it does not violate state law. It is a very broad concept, and which is not limited to short-term rentals. When it comes to short-term rentals, they are preempted from doing 3 things. They cannot prohibit short-term rentals in residential areas unless they have an existing zoning code prior to 2011, when that particular section of the state statutes took effect. Also, the city cannot regulate the duration and frequency of rentals. She added that the theory behind requesting home rule is that the city knows more about what is good for their community more so than the state.

Ms. Brown noted that the report this committee will present to the city council can then be presented to the state by the council. However, recommendations coming from one city may not be enough to affect any changes in statutes unless it is being done by other cities throughout the state.

The Land Use Attorney pointed out that the city has adopted several resolutions in the past requesting home rules and forwarded them to Florida League of Cities and other jurisdictions encouraging them to join in. Sometimes they have depending on the subject matter. Florida League of Cities lobbies the legislature for the municipalities.

B. Misdemeanor Charges- Short Term Rental Code Violations-Discussion

The Land Use Attorney stated the law basically allows municipalities to impose up to 60 days in prison and a fine up to \$500 for misdemeanor violations if it is written in their code as such. However, since the city does not have its own police department, they would need to discuss enforcement issues with the Okaloosa County Sheriff's Office.

Ms. Brown requests this item remains on the next meeting agenda. Ms. Brown asked the Land Use Attorney and staff to invite an Okaloosa County Sheriff's Office representative to attend the next meeting to discuss charges they could impose.

Ms. Casey Ward mentioned that short term rental rules are being violated in her neighborhood as she sees different state license plates on various occasions in one of the neighboring homes. She asked how this ought to be reported.

According to Code Compliance Director Troy Williams, they have the option of calling the city with the complaint, coming in person to report it, or using the city's Help Desk.

The Land Use Attorney stated that the city can also monitor the advertisement to see if the property is being advertised.

Mr. Todd Buhr pointed out that the city's noise ordinance has a very specific table of penalties which would be a good model to follow: First offense is warning, second offense is \$100 fine, third offense is \$250, and fourth and subsequent offenses would be \$500 and misdemeanor charges.

Mr. Ken Wampler mentioned there was a Business Tax Receipt (BTR) Task Force that was formed to review fees that have not been updated since 1996. That committee's recommendations were never implemented.

The Land Use Attorney noted they were preempted by state law since the state took away their home rule.

Mr. Wampler stated that there are ways in the BTR to add more penalties to stop repeat offenders from continuing to violate policies. It is not just about short-term rentals but it involves various other businesses in the city.

Ms. Marcie Bell stated that the previous two wedding that she reported on Holiday Isle, one of the firms involved has a BTR with the City of Destin. She asked if there is a way to punish companies with a BTR with the City of Destin and holding them accountable for violating the rules.

According to the Land Use Attorney, a BTR is a non-regulatory tax which are issued without considering those other issues. When a firm commits a violation, the issue is not about the BTR, but the code that they violated. For example, for commercial weddings, there is a commercial wedding ordinance enforcement that they should follow.

There was some discussion relative to the required short-term rental signs when no-one is neither answering nor returning the call from the emergency phone number listed on the sign.

The Land Use Attorney stated that is a clear violation that is easier to prove to the Special Magistrate than a noise complaint. If the noise ordinance is being repeatedly violated, they can argue that the management company is violating the ordinance by not being responsive.

Ms. Bell stated that they should focus on the impact of Short-Term Rentals in their entirety. Short-term renters have no stake in their neighborhoods, so there is no reason for them to care about how their behavior affects the people who live here. The property owners do not have to pay additional property taxes to benefit the community. They do not have to pay extra insurance. She stated that short-term rentals are artificially inflating rental costs in their neighborhood. It is making it impossible for families to continue to live in their current neighborhood. Those that are not registered are exempt from short-term rental punishments.

Ms. Bell also noted that there is a new law that goes into effect on July 1st requiring companies to report all their undocumented workers. Their hospitality industry will suffer because many of the workers that work everywhere here are undocumented.

Mr. Wampler stated that they all agree that they should focus their attention on the bad players, but there are a lot of positive things about hospitality businesses that they cannot overlook. They can generate sales for nearby retail and service businesses and capture tourism dollars in the community. They can generate significant tax revenues while creating many jobs for residents.

Mr. Buhr pointed out that the charter they have from the council is to report the impact of short-term rentals to residents, both positive and negative.

Ms. Brown mentioned that a copy of the report from the Keys that Ms. Bell provided to them following their last meeting will be used as an example on how they would present their findings to the city council.

Ms. Bell clarified that she provided the report as a background on how to prepare a report and not necessarily for the negative impact.

Ms. Brown stated that the point they made at their last meeting was they would read the report and they would format their report to the city council similar to it.

At time Ms. Brown noted there are topics on the agenda that they will not have time to discuss today, but she would like those items place on the next meeting agenda.

5. PUBLIC COMMENTS

Mr. Darryl Shelton stated with regards to the short-term rental signs, it would be very easy for code enforcement personnel to dial the number listed on those signs and see if they get an answer from a responsible party. He also agrees with Ms. Bell's statement that a lot of the short-term rental owners have no stake in their neighborhoods, so there is no reason for them to care about how their behavior affects the residents. A large percentage of them do not even live in Florida. It is truly a problem, and this committee may want to see what the other communities are handling similar problems.

6. NEXT MEETING DATE: Friday July 14, 2023, 11:00 AM

There was a brief discussion regarding changing the meeting dates and times. The committee agreed to schedule the next meeting on Friday, July 14th at 11 AM, and subsequent meetings to be held every other Tuesday at 10 AM starting on July 25th.

ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 12:15 PM.

Deputy City Clerk

Patti Brown, Chair