



COMMUNITY DEVELOPMENT • 1140 Terex Road • Hudson, Ohio 44236 • (330) 342-1790

Date: January 19, 2021
To: Mayor Shubert and City Council
From: Greg Hannan, Community Development Director
Matt Vazzana, City Solicitor
CC: Jane Howington, City Manager; Thomas J. Sheridan, Asst City Manager
Re: Short-Term Rental Regulations – Overview of Amended Ord. No. 20-160

Staff has prepared an amended draft of Ord. No. 20-160 in response to Council feedback received at the January 12, 2021 Council meeting. The following memorandum provides a summary of the revised short-term rental (“STR”) regulations attached to Ord. No 20-160 (as amended) and a discussion of bed and breakfast use in light of the proposed STR regulations.

Summary of Proposed Ordinance No. 20-160 (as amended):

1. Requires property owners to complete an application seeking a permit to operate a STR if they wish to rent a room or dwelling as a STR in the City of Hudson. All STR users, regardless of days rented per year, must obtain a permit. Existing STR users in the City would need to receive a permit to continue to operate a STR after the effective date of Ordinance No. 20-160 (as amended).
2. Provides for STR operational regulations, including:
 - a. Maximum occupancy is expanded to two persons per bedroom plus three additional occupants to accommodate families and children.
 - b. Maximum number of motor vehicles is limited to the amount that can be garaged on the STR premises plus two in an attached driveway.
 - c. STR host must provide contact information for a person located within 10 miles of the STR to resolve any complaints regarding the STR.
 - d. STR hosts must obtain general liability insurance.
 - e. STR hosts must comply with any local, state, or federal laws and regulations that apply to STR use.
 - f. Smoke and carbon monoxide detectors are required as well as an inspection by the Fire Department.
3. Provides standards for review of STR permit applications as well as an appeal process. Reasons for denial of STR application include:
 - a. Applicant has previously operated an STR without a permit.
 - b. Applicant has a documented history of repeated conduct at the property that endangers neighborhood safety.

- c. Failure to pass inspection by Fire Department.
 - d. Failure to adhere to parking and occupancy requirements.
 - e. Property taxes are in arrears with Summit County.
 - f. Applicant is not in good standing with Hudson Income Tax Division.
4. Provides that an STR permit is non-transferable.
 5. Provides that an STR permit is an annual permit with a \$100 annual administrative fee (aligns with existing City fee for use certificate and mobile food truck license).
 6. In the City's residential districts, provides for a 14-day public notice and comment period prior to issuance of the STR permit. Regulations concerning public comment and notice include:
 - a. City placing a temporary sign at the property notifying the public of a proposed STR at least 14 days prior to permit issuance.
 - b. Public comment will be received by staff and used as an investigative tool to assist in evaluating compliance with the STR standards for permit issuance.
 - c. All public comment received will be kept on file by the City.
 7. Provides for annual inspection by the City's Fire Department as a condition to receiving a permit (and renewing a permit).
 8. Provides for progressive discipline for permit holders up to and including loss of permit.
 - a. Progressive discipline for STR permit holders:
 - i. First violation: STR permit terminated and host prohibited from reapplying for a new permit for six months.
 - ii. Second violation: STR permit terminated and host prohibited from reapplying for a new permit for one year.
 - iii. Third violation: STR permit terminated and host prohibited from reapplying for new permit at any time in future.
 - b. Reasons for discipline include:
 - i. Perpetuating conditions that interfere with the use and enjoyment of properties within the vicinity of the STR.
 - ii. Uninvited entry of STR occupants upon private property within 500 feet of the STR.
 - iii. Occurrence of any of the activities set forth in the Hudson Code related to noise disturbance, nuisance, drug offenses, or disorderly conduct.
 - iv. Occupancy of the STR in excess of that permitted by the regulations.
 - v. Parking of motor vehicles at the STR in excess of that permitted by the regulations.
 9. Criminal Penalties:
 - a. Operating a STR without a permit:
 - i. First Degree Misdemeanor (up to: \$1000 fine and/or 180 days in jail)
 - b. Violation of any other section of the STR regulations:
 - i. Unclassified Misdemeanor for first offense (up to \$500 fine); and
 - ii. Unclassified Misdemeanor for subsequent offenses (up to \$1000 fine).
 10. Permit administered by the City's current Community Development Staff. Administration does not see a need for additional administrative staff to be hired.

11. Does NOT affect the City's existing Bed and Breakfast operations.

Bed and Breakfast versus Short-Term Rental Operation:

As explained in the previous memorandum dated January 7, 2021, Staff has been continually studying the current Hudson zoning regulations in the Land Development Code re: bed and breakfast use in light of the proposed business regulations concerning residential properties operating STRs.

Given the terms of the proposed licensing framework (as presented through Ord. No. 20-160 (as amended)) and the practical differences between the two uses, Staff is exploring the possibility that is not necessary at this time to introduce revisions to the Land Development Code concerning bed and breakfast inn regulations.

From a zoning-use standpoint, bed and breakfast inn operations are different than a STR. Bed and breakfast inns are a principal commercial use in Hudson whereas STR uses are not. The principal land use of a STR is residential – not commercial. The bed and breakfast inn use also permits meal service, limited retail, and the ability to rent to multiple tenants in the same night in the same structure. Notwithstanding the differences in the two uses, the proposed STR regulations still seek relative fairness between the two uses regulatory schemes. To that end, the proposed STR regulations capture important bed and breakfast inn regulations that are both relevant to STR use and are important to protect the health, safety, and welfare of the community including: Fire Department inspections, insurance requirements, parking standards, required compliance with applicable local, state and federal law, and a public notification and comment process. To ensure clarity, however, Staff recommends that currently approved bed and breakfasts in the City are still explicitly exempted from the proposed STR regulations.

Because of the foregoing, Staff recommends that the any regulatory issues that may arise between bed and breakfast inn use and STR use be studied as they emerge and not dealt with preemptively.