Short Term Rental Properties
History

October 24, 2014: Letter from Zoning Administrator

- “To date, this office has construed STRPs to be an incidental subordinate use to a principal residential use.”
- “With no zoning regulations applicable to STRPs, we have allowed STRPs to operate anywhere a residential use is allowed.”
History

February 2015:

- BL2014-909, which established Short Term Rental Property (STRP) as a use in Title 17, the Zoning Code.
- BL2014-951, which added standards for STRPs into Title 6 of the Metropolitan Code.
History

Since 2015, the STRP standards continue to be modified to balance the needs of neighborhoods and STRP owner/operators.

BL2016-381 (enacted December 6, 2016)
  - further amends the standards in Title 6
BL2016-492 (Title 17)

- Deleted the standards from Title 6
- Added the standards, as amended by Ordinance No. BL2016-381, to Title 17
  - Amended the definitions of Short Term Rental Property, Bed and Breakfast Inn, and Boarding House
  - Added definitions for Hotel, Owner-Occupied, and Commercial Establishment to clarify the differences between the various uses
- The intent of this ordinance was to move the standards from Title 6 to Title 17, but not to modify the standards.

- Approved by Planning Commission on November 15, 2016
- Passed third reading at Metro Council on February 21, 2017
Permits (April 11, 2017)

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<th>Type</th>
<th>County</th>
<th>UZO</th>
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<tr>
<td>Short Term Rental - Non-Owner Occupied</td>
<td>1112</td>
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<td>Short Term Rental - Owner Occupied</td>
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<td>Short Term Rental - Multifamily</td>
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<td>1797</td>
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Current Regulations

b. Types of permits and quantities.

i. STRP permit holders shall obtain a use permit from the zoning administrator as an accessory use to the primary residential use pursuant to section 17.16.250.E. of the Metropolitan Code.

ii. There shall be three types of permits issued as follows:

   (1) **Type 1 (Owner-Occupied):** A Type 1 permit is available only for an owner-occupied STRP.

   (2) **Type 2 (Not Owner-Occupied):** A Type 2 permit is available for units that are in: (i) single-family, two-family, and nonconforming multi-family units in Single-Family and One and Two-Family zoning districts; and (ii) not owner-occupied.

   (3) **Type 3 (Not Owner-Occupied Multifamily):** A Type 3 permit is available for units that are: (i) multifamily apartments or condominiums; and (ii) not owner-occupied.

iii. Limits on quantities: No more than three percent of the single-family or two-family residential units within each census tract shall be permitted as Type 2 non-owner-occupied short-term rental use.

iv. Only one permit shall be issued per lot in Single-Family and One and Two-Family zoning districts.
Current Regulations

2. Application.
   
a. STRP permit applications shall be valid for ninety (90) calendar days from the date filed and shall expire if the application process has not been completed within that time.

b. The STRP permit application shall verify by affidavit that all of the information being provided is true and accurate and the application shall include the following information:

   i. The name, telephone number, address, and email address of the owner and of a person or business ("responsible party") residing or located within twenty-five miles of the STRP that is responsible for addressing all maintenance and safety concerns;

   ii. Proof of insurance evidencing homeowner's fire, hazard, and liability insurance. Liability coverage shall have limits of not less than one million dollars per occurrence.

   iii. Proof of written notification to the owner of each adjacent property prior to filing the application. For each such adjacent property, proof of written notification shall be: (a) a signature of an owner; (b) a signed receipt of U.S. registered or certified mail addressed to an owner; or (c) notice from the U.S. Postal Service that registered or certified mail to an owner was refused or not timely accepted.

   iv. For owners applying for an owner-occupied permit, two documents giving proof of owner occupation shall be provided. Acceptable documentation includes Tennessee Driver’s license, other valid State of Tennessee identification card, Davidson County voter registration card, paycheck/check stub, work ID or badge, Internal Revenue Service tax reporting W-2 form, or a bank statement, each current and showing the owner’s name and address matching that of the property to be utilized for short term rental.

   v. A statement that that the applicant has confirmed that operating the proposed STRP would not violate any Home Owners Association agreement or bylaws, Condominium Agreement, Covenants, Codes and Restrictions or any other agreement governing and limiting the use of the proposed STRP property.

   vi. Proof of payment of all taxes due, including property taxes and, for permit renewals, all applicable room, occupancy, and sales taxes required by state law or the Metropolitan Code.
Current Regulations

iv. Regulations.
   a. All STRP occupants shall abide by all applicable noise restrictions and regulations regarding the public peace and welfare contained in the Metropolitan Code, and all applicable waste management provisions of Chapter 10.20 of the Metropolitan Code.
   
b. The STRP shall meet all applicable requirements of the state and local building and fire safety codes, including, but not limited to, having approved smoke alarms meeting Underwriters Laboratory (UL) 217 standards installed as follows:
      i. In all sleeping areas.
      ii. In every room in the path of the means of egress from the sleeping area to the door leading from the sleeping unit.
      iii. In each story within the sleeping unit, including basements.
   
c. Parking shall be provided as required by Section 17.20.030. No recreational vehicles, buses, or trailers shall be visible on the street or property in conjunction with the STRP use.
   
d. No food shall be prepared for or served to the transient by the permit holder.
   
e. The principal renter of a STRP unit shall be at least twenty-one years of age.
   
f. Maximum occupancy. The maximum number of occupants permitted on a STRP property at any one time shall not exceed more than twice the number of sleeping rooms plus four. Simultaneous rental to more than one party under separate contracts shall not be allowed. The occupancy maximum shall be conspicuously posted within the STRP unit. Advertising a STRP for more occupants than allowed by this regulation shall be grounds for revocation of the permit.
   
g. The STRP owner shall not receive any compensation or remuneration to permit occupancy of a STRP for a period of less than twenty-four hours. The maximum stay for any guest shall be thirty consecutive days.
   
h. The name and telephone number of the local responsible party shall be conspicuously posted within the STRP unit. The responsible party shall answer calls twenty-four hours a day, seven days a week for the duration of each short term rental period to address problems associated with the STRP required by state law or the Metropolitan Code.
Current Regulations

i. Expiration and renewal of permit.
   i. A STRP permit shall expire three hundred sixty-five days after it is issued unless it is renewed prior to its expiration.
   ii. For STRP units that have received no documented complaints to Metro Codes, Police, or Public Works during the most recent permit period, a renewal application may be submitted by mail, online, or in person according to regulations promulgated by the Metro Codes Department. All such renewal applications shall include:
      1) the payment of a fifty dollar renewal fee; and
      2) a statement verified by affidavit that:
         a) includes all of the information required in an application under Section 17.16.250.E.2; and
         b) the STRP continues to be in full compliance with all applicable laws, including the payment of all applicable taxes.
   iii. For an STRP that has received no documented complaints to Metro Codes, Police, or Public Works during the most recent permit period, a 30 calendar day grace period for renewal after the expiration of the STRP permit may be allowed by the zoning administrator upon a showing by the owner of a reasonable explanation other than neglect or mistake for the delay.
   iv. For an STRP with documented complaints to Metro Codes, Police, or Public Works during the most recent permit period, no grace period shall be allowed and all permit renewal applications shall be submitted timely. The permit may be renewed upon the payment of a fifty dollar renewal fee, and the submission of a statement verified by affidavit that includes all of the information required in an application under Section 17.16.250.E.2.
Current Regulations

I. Denial or Revocation of Permit.
   i. Upon the filing of a complaint regarding a STRP permit, the department of codes administration shall notify the permit holder in writing or by e-mail of such complaint.
   ii. If the Zoning Administrator determines, based on reasonably reliable information that the Zoning Administrator has obtained including without limitation public records or reports, records of regularly conducted activity, or a direct or online statement against a person's own interest, that three violations of this section or other Code sections referenced in this section have occurred within a 12 month period, the permit to operate a STRP may be revoked.
   iii. Before revoking any permit, the department of codes administration shall give the permit holder fifteen days written notice of the alleged violation(s) against him/her.
   iv. Any denial or revocation of a STRP permit may be appealed to the board of zoning appeals as an administrative appeal pursuant to Section 17.40.180.A. of the Metropolitan Zoning Code.
   v. Once a STRP permit has been revoked, no new permit shall be issued to the applicant for the same property for a period of one year.
vi. The penalty for operating a short term rental property without a permit shall be:

1) A **fifty dollar fine as imposed by a court of competent jurisdiction.** Each day of operation without a permit shall constitute a separate offense.

2) Upon a finding by the Board of Zoning Appeals that a short term rental property has operated without a permit, there shall be a waiting period of up to one year from the date of such finding for the property to become eligible for a STRP permit, as determined by the BZA. Properties that have been denied a permit by the Board of Zoning Appeals and made subject to the one (1) year waiting period prior to October 4, 2016 may re-appeal to the Board of Zoning Appeals with no payment of an appeal fee. The length of the waiting period shall be based upon whether the operator was aware or unaware of the requirement that the STRP have a permit. Evidence to be evaluated in making this decision may include but is not limited to:
   a) the testimony of the STRP operator;
   b) the testimony of neighbors or others with knowledge of the STRP operation;
   c) evidence that the operator was informed of the requirement and disregarded this information;
   d) evidence that the operator had looked into requirements and misunderstood them;
   e) prior or repeat offenses by the operator under this section; and
   f) whether the operator, upon being informed of the requirement, obtained or attempted to obtain a permit before renting the STRP again.

3) Upon a finding of a court of competent jurisdiction that a short term rental property has operated without a permit, in addition to any other relief granted, there shall be a **waiting period of three years** from the date of such finding for the property to become eligible for a STRP permit.
Proposed Ordinances

BL2017-608 (Creates two uses)
BL2017-609 (12 month moratorium)- Withdrawn
BL2017-610 (36 month moratorium)- Withdrawn
BL2017-611 (HOA/Condo Association statement)
BL2017-653 (Additional forms of identification)
BL2017-685 (Online Marketplace)
BL2017-608

• Revises the Zoning Code to create two uses: STRP (Owner-Occupied) and STRP (Not Owner-Occupied). STRP (Owner-occupied) would remain as an accessory use to residential uses. STRP (Not Owner-Occupied) would be a commercial use that is permitted with conditions in zoning districts where multi-family residential uses and hotels are permitted, which does not include AG, AR2a, R, R-A, RS and RS-A zoning districts.

• This ordinance would allow permits issued under previous regulations to be renewed prior to their expiration until June 28, 2019.
Other Zoning Districts (MUN and MUN-A, MUL and MUL-A, MUG and MUG-A, MUL and MUL-A, OG, OR20, OR20-A, OR40, OR40-A, ORI and ORI-A, CN and CN-A, CL and CL-A, CS and CS-A, CA, CF, DTC North, DTC South, DTC-West, DTC Central, SCN, SCC and SCR)

AG, AR2a, R, R-A, RS, RS-A Zoning Districts

RM Zoning Districts
BL2017-609

Establishes a 12 month moratorium on new Type 2 and Type 3 permits in R and RS zoning districts.

Requested to be withdrawn by the sponsors.
BL2017-610

Establishes a 36 month moratorium on new Type 2 and Type 3 permits in R and RS zoning districts.

Requested to be withdrawn by the sponsors.
BL2017-611

Requires a statement that the applicant has notified any Home Owner Associations, Condominium Associations, or other such community associations prior to issuance of a STRP permit and a statement as to whether those organizations object to the STRP.
BL2017-653

Adds two forms of identification to the list of documents acceptable to demonstrate owner-occupation:

- current employer verification of residential address or a letter from the employer on company letterhead with original signature. (If the employer does not have letterhead, the signature of the employer must be notarized.) and
- current automobile, life or health insurance policy.
BL2017-685

- Allows an online marketplace operator to submit aggregate data
- Allows Metro to request that operators with violations or operators without permits be removed from an online marketplace.
- Allows city to issue an administrative subpoena for information on specific properties.
- Reduces occupancy to more than twice the number of sleeping rooms plus four or ten persons, whichever is lower.
- Reduces census tract limitation outside the UZO from 3% to 2.5%