



PLAN COMMISSION AGENDA ITEM EXECUTIVE SUMMARY

Project Title/Address:	General Amendment: Short-Term Rentals
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City Staff:	Ellen Johnson, Planner
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PUBLIC HEARING 1/8/19	X	MEETING 1/8/19	X
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APPLICATION:	General Amendment
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ATTACHMENTS AND SUPPORTING DOCUMENTS:

Staff Memo	Application for General Amendment
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SUMMARY:

Airbnb and websites such as VRBO and HomeAway offer platforms for property owners to rent their homes as vacation accommodations. Through these websites, property owners can make available entire homes or apartments, private rooms within their home, or shared rooms.

Accommodations booked through these types of services are called “short-term rentals”. Short-term rentals have become a popular option for travelers looking for inexpensive and unique accommodations.

As Airbnb and similar services have become more popular, staff has received occasional inquiries regarding short-term rentals and whether they are permitted in St. Charles. Currently, the Zoning Ordinance does not have any regulations specific to short-term rentals.

Staff is proposing to add provisions to the Zoning Ordinance to regulate Short-Term Rentals in order to clarify what is and is not permitted. The following amendments are proposed:

- Define “Short-Term Rental”.
- Amend the definitions of Bed and Breakfast and Hotel/Motel to differentiate them from Short-Term Rental.
- Identify the zoning districts in which short-term rentals are allowed, either as an accessory use or a permitted use.
- Establish use standards that short-term rentals must meet in order to be allowed.
- Identify the parking requirement for short-term rentals.

SUGGESTED ACTION:

Conduct the public hearing and close if all testimony has been taken.

Staff has placed this item on the meeting portion of the agenda for a vote should the Plan Commission feel that they have enough information to make a recommendation.

INFO / PROCEDURE – GENERAL AMENDMENT APPLICATIONS:

- See **Sec. 17.04.320** regarding General (Text) Amendments. A General Amendment (or Text Amendment) is an application requesting a change to the Zoning Ordinance, Title 17 of the City Code. A change may be requested to a numerical standard (such as a setback requirement) or to any other text of the Zoning Ordinance. Often, a General Amendment is proposed to change the standards that apply to a specific zoning district or a specific land use or business category. Changes to the text apply to all properties in the City that are located in the same zoning district or fall within the same category of land use or business. A General Amendment application may also involve changes to procedures or application requirements that are listed in the Zoning Ordinance.
- Public hearing is required. No mailed notice to surrounding property owners.
- Findings: 6 items of information for Plan Commission to consider in making a recommendation; all items need not be in the affirmative to recommend approval.

Community & Economic Development
Planning Division

Phone: (630) 377-4443

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STAFF MEMO

TO: Chairman Todd Wallace
And the Members of the Plan Commission

FROM: Ellen Johnson, Planner

RE: Application for a General Amendment to Title 17 of the City Code (Zoning Ordinance)
regarding short-term rentals

DATE: January 4, 2019

I. GENERAL INFORMATION

Project Name: General Amendment – Short-Term Rentals
Applicant: City of St. Charles
Purpose: Establish provisions to regulate short-term vacation rentals

II. BACKGROUND

Airbnb and similar websites such as VRBO and HomeAway offer platforms for property owners to rent their homes to people looking for accommodations. Through these websites, property owners can make available entire homes or apartments, private rooms within their home, or shared rooms, to travelers who can book accommodations and communicate with the host through the website.

Accommodations booked through these types of services are called short-term rentals. Short-term rentals have become a popular option for travelers looking for inexpensive and unique accommodations.

In St. Charles, there are a relatively small number of short-term rentals currently listed on these websites. As of December 2018, there were a total of 14 properties listed in St. Charles' corporate limits. About half of the listings are for entire homes or apartments and half are for private rooms within the host's home. While specific addresses for the units are not provided unless you book the unit, staff has been able to determine the location of most of the units currently listed. A majority are located within walking distance to downtown.

As Airbnb and similar services have become more popular, staff has received occasional inquiries regarding short-term rentals and whether they are permitted in St. Charles. Currently, the Zoning Ordinance does not have any regulations specific to short-term rentals. The closest use included in the ordinance is Bed and Breakfast, defined in Ch. 17.30 as follows:

Bed and Breakfast. *Single-family residences, occupied by owners or resident managers, which offer lodging on a temporary basis to paying guests in a room(s) without cooking facilities, and may offer breakfast or other meals to these guests. Bed and Breakfast Establishment is differentiated from a Hotel/Motel in that they typically were designed originally as a single-family residence and have a smaller number of rooms.*

Another similar use is Hotel/Motel, defined as:

Hotel/Motel. *A building where guest rooms or suites are offered for a fee to temporary or transient guests to provide temporary sleeping and/or living accommodations. This use is distinct from Bed and Breakfast Establishment and Homeless Shelter as defined herein.*

These uses are permitted only in certain downtown and commercial zoning districts. Based on the existing ordinance provisions and lack of provisions specific to short-term rentals, staff has advised residents with inquiries about short-term rentals based on the following code interpretation:

- The City Code does not identify renting out a single room in a residential dwelling unit as a use category, therefore it is neither permitted or prohibited.
- If more than one room is being rented within a home, it would be considered a Bed and Breakfast and would therefore be permitted only in districts where Bed and Breakfast is a permitted use (CBD-1, CBD-2, BT Overlay).
- Rental of an entire dwelling unit on a short-term basis would be considered a Hotel/Motel because the residents would be transient, and would therefore be permitted only in certain commercial districts (BC, BR, CBD-1).

Staff recognizes that short-term rentals are different than the existing temporary lodging uses in the ordinance. The following features of short-term rentals distinguish them from Bed & Breakfast and Hotel/Motel:

- While there are companies that own and manage short-term rentals as a business operation, most property owners renting units or rooms as short-term rentals are typically looking to supplement their income by putting their extra space to use.
- Short-term rentals are not registered as businesses or subject to health department regulations.
- Short-term rentals are often located in residential neighborhoods rather than commercial districts.
- There are a variety of types of units that may be offered as short-term rentals: entire homes, entire apartments or condos, private rooms within a shared home, or shared rooms within a home.

III. PROPOSAL & ANALYSIS

Staff is proposing to add provisions to the Zoning Ordinance, Title 17 of the City Code, to regulate short-term rentals in order to clarify what is and is not permitted. The following amendments are proposed:

- Define “Short-Term Rental”.
- Amend the definitions of Bed and Breakfast and Hotel/Motel to differentiate them from Short-Term Rental.
- Identify the zoning districts in which short-term rentals are allowed, either as an accessory use or a permitted use.

- Establish use standards that short-term rentals must meet in order to be allowed.
- Identify the parking requirement for short-term rentals.

1. Ch. 17.30.020 Definitions

Proposal:

Define Short-Term Rental as follows:

Short-Term Rental. A dwelling unit, or portion of a dwelling unit, that is available for rent as a residential accommodation for a duration of less than 30 consecutive days at a time.

Amend the definition of Bed and Breakfast and Hotel/Motel as follows (changes are marked):

Bed and Breakfast. Single-family ~~residences~~ dwellings, occupied by owners or resident managers, which offer lodging on a temporary basis to paying guests in a room(s) without cooking facilities, and may offer breakfast or other meals to these guests. Bed and Breakfast Establishment is differentiated from a Hotel/Motel in that they typically were designed originally as a single-family residence and have a smaller number of rooms, and from a Short-Term Rental in that more than one guest room is available for occupancy by a paying guest.

Hotel/Motel.

A building where guest rooms or suites are offered for a fee to temporary or transient guests to provide temporary sleeping and/or living accommodations. This use is distinct from Bed and Breakfast Establishment, ~~and Homeless Shelter~~ and Short-Term Rental as defined herein.

Explanation: Under the proposed definitions, to be considered a short-term rental the unit may not be rented for more than 30 consecutive days at a time. Rental of 30 days or more is considered non-transient, and the renter would be considered a resident of the unit. An owner-occupied dwelling offering more than one room for rent is considered a bed and breakfast. A building with multiple guest rooms is distinct from a short-term rental.

2. Ch. 17.20.030 Use Standards

Proposal:

Add the following standards specific to short-term rentals:

Short-Term Rental.

In the RE, RS, and RT zoning districts, short-term rentals are permitted as an accessory use to a dwelling unit subject to the following standards:

1. Only one short-term rental shall be permitted on a lot.
2. The principal building must be owner-occupied. Use of an entire principal building for a short-term rental is prohibited.
3. In districts where Auxiliary Dwelling Units are permitted, the Auxiliary Dwelling Unit may be used as a Short-Term Rental, but must comply with all use standards applicable to Auxiliary Dwelling Units.

In the RM-1, RM-2, RM-3, BL, CBD-1, CBD-2, and BT Overlay districts, use of a dwelling unit as a short-term rental is permitted subject to the following standard:

1. Only one short-term rental shall be permitted per dwelling unit.

Explanation: In single-family residential districts, only one short-term rental is permitted on a lot and the property must be owner-occupied. An entire principal building cannot be rented out. In the RT Traditional Residential districts where Auxiliary Dwelling Units are permitted, an ADU may be used as a short-term rental if it meets the use standards for ADUs contained in Section 17.20.030 (ADUs can be attached to the principal structure or a detached unit). The following types of short-term rentals would be allowed in single-family districts:

- One private or shared room within an owner-occupied house, OR
- An entire unit meeting the definition of an Auxiliary Dwelling Unit (per Section 17.20.030, ADUs may not exceed 700 sf and the property must be owner-occupied, among other requirements related to setbacks, etc.). Note ADUs are only permitted in the RT districts.

In multi-family and certain commercial districts, one short-term rental is permitted per dwelling unit. The property does not need to be owner-occupied. The following types of short-term rentals would be allowed in these districts:

- Entire dwelling unit (any type of permitted residential unit).
- Private or shared room within any type of permitted residential unit.

3. Ch. 17.12.020 Permitted Uses – Residential Districts

Proposal: Add Short-Term Rental to Table 17.12-1 “Residential Districts – Permitted and Special Uses”, as follows (ADU and B&B shown for reference only; no changes proposed):

	RE-1	RE-2	RS-1	RS-2	RS-3	RS-4	RT-1	RT-2	RT-3	RT-4	RM-1	RM-2	RM-3	BT
Short-Term Rental	A	P	P	P	P									
<i>Auxiliary Dwelling Unit</i>							<i>P</i>	<i>P</i>	<i>P</i>	<i>P</i>				
<i>Bed & Breakfast</i>														<i>P</i>

Explanation: Proposed is to permit short-term rentals as an Accessory use in the single-family zoning districts: RE- Estate Residential, RS- Suburban Residential, and RT- Traditional Residential. In the multi-family districts (RM-1, RM-2, RM-3) and the BT Transitional Business Overlay, proposed is allowing short-term rentals as a Permitted use.

For reference, an Accessory Use is defined as: “A use that is subordinate in area, extent and purpose to the principal use on the lot, and that is customarily maintained for the benefit of a permitted principal use.”

Staff is proposing to allow short-term rentals only as an accessory use in the single-family districts in order to ensure compatibility with and avoid potential disturbances to residential neighborhoods. A short-term rental being operated in compliance with the proposed use standards would not have any greater impact on the neighborhood than if a friend or relative were visiting, other than the fact that the visitor would be paying to stay there.

In multi-family districts and the BT Overlay (overlay district that applies to certain small-scale commercial properties zoned RT and adjacent to commercial zoning), an entire dwelling unit could be used as a short-term rental and the unit does not need to be owner-occupied. Staff’s rationale for allowing this is that the impact of a unit or units within an apartment complex being used as a short-term rental would be very similar, if not the same, as if the unit were occupied by the owner or renter of the property. In the BT Overlay, the proximity to commercial areas reduces the potential for negative impacts of allowing entire units to be used as short-term rentals.

4. Ch. 17.14.020 Permitted Uses – Business and Mixed Use Districts

Proposal: Add Short-Term Rental to Table 17.14-1 “Business & Mixed Use Districts – Permitted and Special Uses”, as follows (B&B, Hotel/Motel, and ADU shown for reference only; no changes proposed):

	BL	BC	BR	CBD-1	CBD-2
Short-Term Rental	P			P	P
<i>Bed & Breakfast</i>				<i>P</i>	<i>P</i>
<i>Hotel/Motel</i>		<i>P</i>	<i>P</i>	<i>P</i>	
<i>Auxiliary Dwelling Unit</i>					<i>P</i>

Explanation: Proposed is to allow short-term rental as a permitted use in the BL Local Business district and the downtown zoning districts, CBD-1 and CBD-2. These districts were identified because they already permit residential uses. An entire unit could be used as a short-term rental without the owner present. The short-term rental could also be within an owner-occupied unit. Staff believes the location of short-term rentals in commercial zoning districts, particularly in the downtown districts, is appropriate in that other types of temporary accommodations are permitted in these areas. It may also promote tourism activity downtown.

The table below provides basic information staff has gathered about the short-term rentals currently listed in St. Charles. Based on the type of short-term rental and the zoning district, the table identifies whether the listing would be permitted under the proposed regulations. Most current listings would be permitted, however some would need to reduce the number of private rooms offered and it would need to be confirmed whether certain units can be considered ADUs.

Type of Short-Term Rental	Zoning District	Permitted Under Proposed Amendment?
Entire House	R?	No
Entire House	RS-4	No
Entire Apartment	?	?
Entire Apartment (2-flat)	RT-3	Yes (if unit meets definition of ADU)
Entire Apartment (2-flat)	CBD-2	Yes
Entire Apartment	RT-1	Yes (if unit meets definition of ADU)
Private Room (2 bedrooms in one house)	CBD-2	No, but permitted as a B&B
Private Room (in a single-family home)	R?	Yes
Private Room (in a townhome)	RM-2	Yes
Private Room (in a single-family home)	R?	Yes
Private Room (in a townhome)	RM-2	Yes
Private Room (3 bedrooms in a single-family house)	RS-3	No (only 1 allowed)
Private Room (2 bedrooms in a single-family house)	RS-3	No (only 1 allowed)
Shared Room (3 beds in one bedroom)	R?	No (only 1 allowed)

3. Ch. 17.24.140 Off-Street Parking

Proposal: Add Short-Term Rental to Table 17.24-3 “Required Off-Street Parking Spaces”, and require one parking space per short-term rental unit, as follows (B&B, ADU, and Hotel/Motel are shown for reference only; no changes proposed):

USE	PARKING REQUIREMENT
Short-Term Rental	1 per unit/bedroom
<i>Bed & Breakfast</i>	<i>1 space + 1 per guestroom</i>
<i>Auxiliary Dwelling Unit</i>	<i>1 per du</i>
<i>Hotel/Motel</i>	<i>1 per room; CBD-1 & CBD-2, 1 per 4 rooms</i>

Explanation: Proposed is requiring one off-street parking space per short-term rental unit, whether the rental is an entire unit or a bedroom within a unit. This will help to ensure that occupants of short-term rentals will have the option to not park on street. The parking space for the short-term rental would need to be in addition to the number of spaces required for the dwelling unit. For example, two off-street parking spaces are required for single-family dwellings. If a single-family dwelling contains a short-term rental, three off-street parking spaces would be required.

IV. SUGGESTED ACTION

Conduct the public hearing on the General Amendment and close if all testimony has been taken.

Staff has placed this item on the meeting portion of the agenda for a vote should the Plan Commission determine that they have enough information to make a recommendation.

Staff has provided responses to the findings of fact for General Amendment for the Plan Commission’s consideration.

V. ATTACHMENTS

- Application for General Amendment, filed by staff on 12/19/18

CITY OF ST. CHARLES
TWO EAST MAIN STREET
ST. CHARLES, ILLINOIS 60174-1984



COMMUNITY & ECONOMIC DEV./PLANNING DIVISION

PHONE: (630) 377-4443 FAX: (630) 377-4062

GENERAL AMENDMENT APPLICATION

CITYVIEW	
Project Name:	GA- Short-Term Rentals
Project Number:	2018 -PR- 016
Application Number:	2018 -AP- 038



Instructions:

To request an amendment to the text of the St. Charles Zoning Ordinance (City Code Title 17), complete this application and submit it with all required attachments to the Planning Division.

City staff will review submittals for completeness and for compliance with applicable requirements prior to establishing a meeting or public hearing date for an application.

The information you provide must be complete and accurate. If you have a question please call the Planning Division and we will be happy to assist you.

Applicant:	Name	City of St. Charles	Phone	(630)377-4443
	Address	2 E. Main St. St. Charles, IL 60174	Fax	
			Email	ejohnson@stcharlesil.gov

Attachment Checklist

If multiple zoning or subdivision applications are being submitted concurrently, do not submit duplicate checklist items or plans. Fee must be paid for each application.

- APPLICATION FEE:** Application fee in accordance with Appendix B of the Zoning Ordinance (\$500)
- REIMBURSEMENT OF FEES AGREEMENT:**
An original, executed Reimbursement of Fees Agreement and deposit of funds in escrow with the City, as provided by Appendix B of the Zoning Ordinance.
- REIMBURSEMENT OF FEES INITIAL DEPOSIT:**
Deposit of funds in escrow with the City. (For a General Amendment application only: \$1,000 deposit.)
- FINDINGS:** Fill out the attached form or submit responses on a separate sheet.

17.30.020 Definitions

Add:

Short-Term Rental. A dwelling unit, or portion of a dwelling unit, that is available for rent as a residential accommodation for a duration of less than 30 consecutive days at a time.

Amend:

Bed and Breakfast. Single-family ~~residences~~dwellings, occupied by owners or resident managers, which offer lodging on a temporary basis to paying guests in a room(s) without cooking facilities, and may offer breakfast or other meals to these guests. Bed and Breakfast Establishment is differentiated from a Hotel/Motel in that they typically were designed originally as a single-family residence and have a smaller number of rooms-, and from a Short-Term Rental in that more than one guest room is available for occupancy by a paying guest.

Hotel/Motel.

A building where guest rooms or suites are offered for a fee to temporary or transient guests to provide temporary sleeping and/or living accommodations. This use is distinct from Bed and Breakfast Establishment ~~and~~, Homeless Shelter and Short-Term Rental as defined herein.

17.12.020 Permitted Uses – Residential Districts

Table 17.12-1

	RE-1	RE-2	RS-1	RS-2	RS-3	RS-4	RT-1	RT-2	RT-3	RT-4	RM-1	RM-2	RM-3	BT
Short-Term Rental	A	P	P	P	P									

17.14.020 Permitted Uses – Business & Mixed Use Districts

Table 17.14-1

	BL	BC	BR	CBD-1	CBD-2
Short-Term Rental	P			P	P

17.20.030 Use Standards

Short-Term Rental

In the RE, RS, and RT zoning districts, short-term rentals are permitted as an accessory use to a dwelling unit subject to the following standards:

1. Only one short-term rental shall be permitted on a lot.
2. The principal building must be owner-occupied. Use of an entire principal building for a short-term rental is prohibited.
3. In districts where Auxiliary Dwelling Units are permitted, the Auxiliary Dwelling Unit may be used as a Short-Term Rental, but must comply with all use standards applicable to Auxiliary Dwelling Units.

In the RM-1, RM-2, RM-3, BL, CBD-1, CBD-2, and BT Overlay districts, use of a dwelling unit as a short-term rental is permitted subject to the following standard:

1. Only one short-term rental shall be permitted per dwelling unit.

17.24.140 Off-Street Parking

Table 17.24-3

USE	PARKING REQUIREMENT
Short-Term Rental	1 per unit/bedroom

Findings of Fact

1. The Consistency of the proposed amendment with the City's Comprehensive Plan.

Commercial & Office Areas Goal 3 is to, "Revitalize Downtown St. Charles as the symbolic "heart" of the community and enhance its role as the City's primary mixed use pedestrian environment." The proposed amendment clarifies that short-term rentals are permitted in the downtown area, promoting tourism activity downtown and contributing to its vitality.

Residential Areas Goal 1 is to, "Maintain the City's image and desirability as a great place to live by preserving and enhancing the diversity, quality, character, safety, affordability, and appeal of residential neighborhoods" (p. 22). The proposed amendment allows a single short-term rental per lot in residential neighborhoods, but only within owner-occupied homes or Auxiliary Dwelling Units in the RT districts, which are already permitted. Off-street parking must be provided for the short-term rental. These provisions will help preserve the character of residential neighborhoods while still allowing homeowners the opportunity to earn supplemental income through the short-term rental market.

2. The Consistency of the proposed amendment with the intent and general regulations of this Title.

The proposed amendment supports the following purpose statements listed in Ch. 17.02 of the Zoning Ordinance:

- Protecting the character of established residential neighborhoods.
- Preserving and enhancing the quality of life for residents and visitors.
- Maintaining business and industrial areas that are attractive and economically viable.

3. Whether the proposed amendment corrects an error or omission, adds clarification to existing requirements, is more workable than the existing text, or reflects a change in policy.

Currently the ordinance does not have any regulations specific to short-term rentals. Staff has had to interpret whether this type of use is permitted based on existing provisions for related uses including Bed & Breakfast and Hotel/Motel. The proposed amendment clarifies what is and is not permitted regarding short-term rentals.

4. The extent to which the proposed amendment would be in the public interest and would not serve solely the interest of the applicant.

The proposed amendment clarifies the extent to which short-term rentals are permitted which will benefit those with inquiries about this use. The proposed provisions will allow residents the opportunity to earn income through the short-term rental market while protecting existing neighborhoods by placing limitations on establishment of short-term rentals.

5. The extent to which the proposed amendment creates nonconformities.

A small number of existing units offered on short-term rental websites such as Airbnb are not in compliance with the proposed amendment. However, these units will not be governed under Ch. 17.08 "Nonconformities" because the use does not currently exist under the ordinance.

6. The implications of the proposed amendment on all similarly zoned property in the City.

The proposed amendment applies to all zoning districts in the City, with short-term rentals being allowed as a permitted use in some commercial and multi-family residential districts and an accessory use in single-family residential districts.