

City of Fayetteville, AR  
Ordinance on Short Term Rentals  
Focus Group: 1<sup>st</sup> Draft Code Review  
January 15, 2020, 5:30 – 7 :30 p.m.

**Purpose:**

Review 1<sup>st</sup> draft key elements and gauge support and recommendations from established short-term rental (STR) focus group.

**Discussion and Consensus for Support of Ordinance Key Elements**

1. **Location:** *STRs would be allowed by right in all zoning districts where residential swellings are allowed. A permanent Resident does not have to live in the STR dwelling.*

**Consensus:** Yes (8)  
No (1) *everything should require a conditional use permit*

**Discussion Notes:**

- Like that it doesn't differentiate between STR & LTR such that it allows dual purpose
- Against all STRs because of human trafficking
- No interaction with owner on STRs allows these crime problems to expand in STRs
- Grace period on density grandfathers the unit in
- Need proof that it has been rented out previously to be grandfathered in
  - In favor of enforcement by web
- Does not like the density limitation in certain areas like the entertainment district
- Need to be concerned with the housing stock

\*Draft Code revision: [Ensure that the Density cap does not apply in areas where the underlying zoning allows hotels/motels as a use by right.]

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2. **Occupancy:** *Maximum of 2 people per bedroom plus 2, with a maximum of 8 people regardless of the number of bedrooms*

**Consensus:** Yes (8)  
No (1) *consider raising limit to 10 to support STRs with four and five bedrooms*

**Discussion Notes:**

- Some current STRs have 5 bedrooms so cap of 8 people puts them at risk
- Concerns about enforcement
- Occupancy should be a maximum of 10 people because of more four-bedroom homes
- Opposed to increasing the occupancy (above 8)

[Public communication is needed about what is required in an occupancy inspection for all existing STR owners.]

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3. **Permit:** *A business license must be obtained prior to operation*

**Consensus:** Yes (9)  
No (0)

**Discussion Notes:**

- Business license should require designated contact person
  - Fees could be increased; risk of non-STR property owners consuming limited licenses in a neighborhood
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4. **Inspection:** *Prior to approval of a business license the rental unit must pass a safety inspection conducted by the Fayetteville Building Safety Division. This would be a standard residential occupancy inspection which covers items including but not limited to...fire alarm, fire extinguisher, fire egress, and other safety items like porch railings.*

**Consensus:** Yes (9)  
No (0)

**Discussion Notes:**

- Inspect a couple times/yr. to make more restrictive and deter bad actors
- No insurance requirement; should be required
- No ADA requirements; provides easier operating requirements compared to hotels
- City inspection requirements made easily available
- Requiring an inspection for STRs is a violation of property rights because long term rentals do not require an inspection
  - It is their permanent home, it is different from a short-term rental, it is a totally different use of the property
- People ought to have insurance for their rentals

\*Draft code revision [Need code to require insurance]

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5. **Grace Period:** *6 months for existing STRs to obtain inspection and business license.*

**Consensus:** Yes (8)  
No (1) *disagree on principle; grace period could be perceived as unfair because it brings non-conforming owners into compliance*

**Discussion Notes:**

- Impact on current STR; qualify for grace period only if no complaints have been levied
- Conceptual issue with granting (grandfathering) exclusivity when STRs are currently operating illegally
- Consider clean slate, i.e. no grace period; first come, first awarded; post density limits apply for conditional use permit
- Does not like grandfathering in any of the short-term rentals
- Good actors would be grandfathered vs. clean slate where everyone has to comply from the start
- Existing short-term rentals should be allowed a business license without consideration of density cap; new short-term rentals have to comply

\*Draft code revision: [need to clarify that the grace period will allow all existing STRs to be grandfathered in with proof of their operation prior to the adoption of the STR code; all new STRs will need to comply with all provisions of the code]

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**6. Special Events:** *No parties or special events allowed in STRs by right.*

**Consensus:** Yes (9)  
No (0)

**Discussion Notes:**

- All agree
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**7. Parking:** *No more parking allowed than a standard residential dwelling.*

**Consensus:** Yes (9)  
No (0)

**Discussion Notes:**

- All agree
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**8. Density Limitations:** *No more than one STR per eight residential dwellings on a given street block. No STRs on a street block with less than four dwellings. No more than two dwelling units in a multi-family complex can be STRs. No more than one dwelling unit in an individual duplex, triplex, or quad-plex can be an STR.*

**Consensus:** Yes (9)  
No (0)

**Discussion Notes:**

- Code compliance – how will it be monitored
  - Density limitation is difficult
  - Clarify zoning for density; code needs to be specific
  - Noncompliance fees/penalties should be enough to deter bad actors
  - Like the density cap
  - Likes the density cap because it keeps residential, residential use and keeps commercial hotel use in commercial areas
  - Prefer not to have the density cap and get everybody licensed and let it go for a year and see where the density is located
  - Does not have a problem with the density cap but also described scenarios where more people should be allowed in larger homes
  - STR owner discussed that this is necessary, but that angry neighbors could obtain permits to keep
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9. **Fees:** STRs would only be subject to the typical business license and occupancy inspection fees.

**Consensus:** Yes (9)  
No (0)

**Discussion Notes:**

- All agree
  - Side discussion that fees need to be raised
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10. **Exceptions:** If an applicant requests an exception to the STR performance criteria, such as density or occupancy, it requires a conditional use permit requiring Planning and Commission approval.

**Consensus:** Yes (9)  
No (0)

**Discussion Notes:**

- All agree
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**General Discussion**

- Recommendation to pass ordinance and assess in 1 yr.
- Noted: STRs may be owned by investors and conglomerates
- Hospitality Tax
  - Research VRBO hospitality tax remit
  - Airbnb collects and remits currently
  - Vrbo sent notification they will begin collecting and remitting hospitality tax as well
- With ordinance, conglomerates will come into the neighborhoods

**Enforcement**

- We should not be expecting neighbors to rat on their neighbors through a complaint-based system
- STR operators need to give neighbors their contact information for who is managing the STR
- Human trafficking – hotel staff is trained and vigilant; who will monitor the issue for STRs

[Human trafficking, prostitution, drug dealing issues that were reported as being exacerbated through STRs will need to be handled through police and other crime prevention, not the STR ordinance]

**Rvs, Trailers, Other Non-Dwellings as STRs**

\*Draft code revision: [need to clarify that STRs are only permitted in a permanent residential dwelling; except in locations where a non-permanent dwelling such as an airstream trailer is retrofitted to meet building code requirements as a hotel in a commercial zoning district]