

NOTICE OF STANDING COMMITTEES

Scheduled for
Tuesday, January 8, 2019,
beginning at 6:30 p.m. in

Council Chambers
Village Hall of Tinley Park
16250 S. Oak Park Avenue
Tinley Park, Illinois

Public Safety Committee
Community Development Committee

A copy of the agendas for these meetings is attached hereto.

Kristin A. Thirion
Clerk
Village of Tinley Park

NOTICE OF A MEETING
OF THE COMMUNITY DEVELOPMENT COMMITTEE

Notice is hereby given that a meeting of the Community Development Committee of the Village of Tinley Park, Cook and Will Counties, Illinois, will begin at 6:30 p.m. on Tuesday, January 8, 2019, in Council Chambers at the Village Hall of Tinley Park, 16250 S. Oak Park Avenue, Tinley Park, Illinois.

1. OPEN THE MEETING.
2. CONSIDER APPROVAL OF THE MINUTES OF THE COMMUNITY DEVELOPMENT COMMITTEE MEETING HELD ON DECEMBER 11, 2018.
3. DISCUSS SHORT TERM RENTAL ORDINANCE.
4. RECEIVE COMMENTS FROM THE PUBLIC.

ADJOURNMENT

KRISTIN A. THIRION
VILLAGE CLERK

MINUTES
Community Development Committee
December 11, 2018 – 6:30 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: M. Glotz, Chairman
B. Younker, Village Trustee
W. Brady, Village Trustee

Members Absent: None

Other Board Members Present: None

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
M. Walsh, Police Chief
F. Reeder, Fire Chief
D. Riordan, Deputy Fire Chief
J. Urbanski, Assistant Public Works Director
P. Wallrich, Interim Community Development Director
K. Clarke, Planning Manager
P. Connelly, Village Attorney
L. Valley, Executive Assistant to the Manager & Trustees
L. Godette, Deputy Village Clerk
L. Carollo, Commission/Committee Secretary

Item #1 - The Community Development Committee meeting was called to order at 6:30 p.m.

Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE COMMUNITY DEVELOPMENT COMMITTEE MEETING HELD ON SEPTEMBER 11, 2018 – Motion was made by Trustee Younker, seconded by Chairman Glotz, to approve the minutes of the Community Development Committee meeting held on September 11, 2018. Vote by voice call. Chairman Glotz declared the motion carried.

Item #3 – DISCUSS SHORT-TERM VACATION RENTALS – TEXT AMENDMENT – There have been complaints recently of renters causing disruption to the neighborhood, prompting a discussion on short-term rentals in the Village. Neighbors state the property owner does not reside at the address and issues with traffic and noise from the renters' guests have been ongoing over a year. Due to this complaint, staff was requested to provide research to the Village Board how other surrounding communities have regulated short-term rentals. Staff provided recent articles on short-term rentals and examples of ordinances passed by other communities.

Airbnb is one of several short-term rental websites. Airbnb claims they bring visitors and money into the community, with Airbnb visitors staying longer and spending more money locally than hotel guests.

The Village regulates "bed and breakfast," which is only permitted in the B-3 Zoning District.

Below are regulatory options for the Community Development Committee to consider concerning short-term rentals.

- Licensing - Short-term rentals would be licensed, which would allow the Village to track and collect fees to operate the program and also improve zoning/city code enforcement and reporting.
- Zoning – Rentals in a residential zone essentially allows commercial uses in an area prohibiting that type of use. The zoning ordinance would also need to be amended to specify the use and identify the allowed appropriate districts.
- Fees – Short-term rentals are much less expensive than hotels because they are not subject to the same city fees and taxes as hotels. Some communities are applying the hotel tax to short-term rentals and an agreement made with either the short-term rental provider or the property owner for tax collection.

Staff requested direction from the Village Board on how short-term rentals should be regulated within the Village.

Trustee Brady stated short-term rentals should have similar regulations as extended stay hotels within the community. Chairman Glotz stated necessary regulations should be placed in the meantime for relief.

The Village attorney drafted a letter to the property owner to cease and desist renting the home until further notice as a short-term remedy, and with concurrence from the Community Development Committee, the letter will be sent to the property owner.

Discussion continued regarding the available regulatory options and how the Village could execute said options. P. Connelly, Village Attorney stated his recommendation would be to move forward with a licensing scheme and continue to consider zoning. Chairman Glotz asked Community Development Committee approval for Mr. Connelly to send the cease and desist letter to the property owner, continued research to be provided to the Committee and then short-term rental enforcement would then move forward to the Committee of the Whole for further consideration and approval. The Committee concurred on the above plan of action.

Trustee Brady asked if there have been complaints about renters in the past with any other property in the community, for which K. Clarke, Planning Manager stated there have not been any prior complaints.

Item #4 – DISCUSS CHANGE OF USE/OWNERSHIP POLICY – Per Chairman Glotz’s request to review policy regarding Change of Use/Owner Application protocol, P. Wallrich, Interim Community Development Director presented an overview including background on code references providing the Village with authority for current protocol, information on Village policy for enforcement of regulations, status of current applications and a summary of comparative community code and enforcement policies.

Per the Comprehensive Building Code of the Village of Tinley Park and the Zoning Ordinance, staff created an application and protocol for the review of Change of Use and Change of Owner Applications. The application packet provides all necessary information for leasing and purchasing commercial, industrial or multi-family space/property. The packet addresses the opportunity for possible economic incentives, the \$30 application fee, inspections and basic items the inspection will cover, inspection report, the possible requirement of a building permit and the need for a final inspection prior to issuance a Certificate of Occupancy. Additionally, business license information is included.

Staff follows a protocol in processing the Change of Use/Change of Owner Applications. Upon receipt, applications are reviewed within five (5) business days for zoning compliance and an inspection is scheduled for all building and fire inspections. Within seven (7) business days of the inspection, a letter is sent to the applicant, outlining any code deficiencies and information is provided on code compliance. The applicant is instructed to contact the Building Department within seven (7) days to discuss a schedule

of repair and/or the necessity of permits. Occupancy permits are not issued until there is compliance; however, for non-life safety issues or if the Fire Department issued an extension, a temporary Certificate of Occupancy may be issued.

Unfortunately, while the intent of the ordinance is to require a property owner to comply with code, often this responsibility falls to the buyer or tenant. The Village has informed commercial property owners of their responsibility for compliance in the form of letters, posts on the Village website and meeting with realtors to recommend informing potential buyers of code compliance.

Chairman Glotz asked the Committee if there were any questions. No one came forward. Chairman Glotz asked the purpose of a business having up to 5 years to install/upgrade sprinkler systems. D. Riordan, Deputy Fire Chief stated 5 years has been used as an accommodation to help work and support business owners within the community. Trustee Younker and Trustee Brady stated 5 years is adequate and reasonable enough time regarding installation/upgrade of sprinkler systems. D. Niemeyer, Village Manager suggested meeting with key business owners in the community and staff to discuss items such as fire codes and provide the Village with feedback, as well as an opportunity for the Fire Department to inform business owners of fire code compliance.

Item #5 – RECEIVE COMMENTS FROM THE PUBLIC – Peter DeVries stated concerns regarding the Airbnb short-term rental property, regulations and enforcement regarding these types of rentals. Pertaining to the “bed and breakfast” definition regarding short-term rentals, Mike Elmer cited several building and fire codes posted on the Village website and thanked Ms. Clarke and Community Development staff for their hard work. Mr. Elmer also stated he is not in favor in downgrading the fire codes the Village currently has in place. Diane Galante stated she hopes regulating the short-term rentals would not entirely eliminate them. Due to safety issues, Ms. Galante asked the Community Development Committee not to downgrade fire suppression systems. Another resident stated she does not believe 5 years is enough time for businesses to comply with installation/upgrade of sprinkler systems and asked who enforces codes and how they are enforced. Nancy O’Connor stated Expedia owns Airbnb and suggested sending a letter to Expedia concerning the short-term rental complaints and proposed licensing. Regarding fire suppression, Ms. O’Connor suggested calculating a formula based on business components to determine a timeframe for sprinkler system compliance and Mr. Riordan stated currently there are other business components and codes already taken into consideration.

ADJOURNMENT

Motion was made by Chairman Glotz, seconded by Trustee Brady, to adjourn this meeting of the Community Development Committee. Vote by voice call. Chairman Glotz declared the motion carried and adjourned the meeting at 7:31 p.m.

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Memo

Date: January 8, 2019
To: Community Development Committee
From: Kimberly Clarke, Planning Manager
Subject: Short-Term Rentals

Background:

At the December 11, 2018 Community Development Committee meeting, staff presented research on how municipalities can regulate short-term rentals. There are currently seven properties advertising their properties for short-term rental. The majority of these properties have gone unnoticed with the exception of one. Staff discussed options of licensing, taxation, and zoning requirements, as well as operational or procedural standards to improve public safety and mitigate potential nuisances. Staff was directed to bring forth a licensing ordinance to regulate short-term rentals and to send a cease-and-desist letter to a specific property that has been the subject of numerous complaints. A second component to regulating this use will be an amendment to the Village's Zoning Code.

The License Program:

The attached draft licensing ordinance would amend the Municipal Code's Title XI Business Regulations with the addition of a new chapter regarding short-term rental unit licensing. This ordinance has not been fully vetted by our attorney and an updated one may be provided at the meeting. Here are a few highlights regarding the proposed ordinance:

- Short-Term Rentals will need to be clearly defined and distinguished from the current definition for "Bed & Breakfast".
- There is a requirement that the short-term rental properties be limited to owner-occupied units. This will eliminate the concern of commercial investors from dominating the short-term rental market and provide a sense of accountability between neighbors within the neighborhood.
- The ordinance does not impose a hotel tax on short-term rentals. There are pros and cons to the hotel tax. The potential benefit of imposing a tax is that it would keep short-term rentals on the same playing field as the existing hotels in the community. The negative of imposing the tax is the administrative cost of collecting a tax from the small number of short-term rental property.
- There is a requirement that the use be accessory to a residential use.
- No sleeping room shall serve more than two adults per night. There is still ongoing discussion with the fire department if there needs to be a maximum number of people permitted in a household.

- There are listed standards and procedures for license approval that must be met.
- This will be an annual license requirement and a fee will need to be added. The current fee for a long-term residential rental licenses for a 1-2 unit is \$50 and 3-10 units is \$100. Staff recommend following this same fee schedule for short-term rental units as outlined in Section 129F.04 in the municipal code.
- There is a requirement for an on-site inspection by staff prior to issuance of a license.
- A short-term rental cannot be licensed and operated if the applicant has outstanding Village debt or violations.
- The ordinance includes revocation language for violations.

Zoning Amendments:

The next step to regulating short-term rentals will be a text amendment to the Zoning Ordinance. The Plan Commission will need to review text amendments to include the use of short-term rental in the Zoning Code. The Plan Commission will need to add short-term rental unit to the list of permitted uses in the appropriate zoning district and indicate whether short-term rental units or permitted, a special use, or prohibited. Staff prefers to avoid having short-term rental units as special uses, but instead recommends some additional restrictions in an attempt to mitigate land use as follows:

- The building and property must conform to the zoning code, i.e. it cannot be a non-conforming lot or building or include a non-conforming use.
- Require a 1,000 foot minimum distance from other short-term rentals to avoid a particularly block or neighborhood being comprised of multiple short-term rentals.
- Ensure off-street parking facilities shall be provided for all motor vehicles used by guests.
- Prohibit signage.

Request:

Direct staff to draft text amendments to the Zoning Code to be reviewed at the next available Plan Commission meeting. Staff recommends the license ordinance and text amendment be reviewed at the Village Board at the same meeting.

Attachments:

- A Draft Ordinance of the Village Board of Tinley Park Amending Title XI of the Municipal Code of Tinley Park Regarding Registration of Short-Term Rental Units



SHORT-TERM/VACATION RENTAL PROPOSED LEGISLATION

1. DEFINITIONS.

a. SHORT-TERM/VACATION RENTAL:

- i. A single room, dwelling unit, an allocated space, or a portion thereof with the primary structure in a residential zoning district offered for rent for a period shorter than thirty (30) consecutive days to any person other than a member of the owner's family. The term "short-term/vacation rental" shall not include hotels, motels, or lodging establishments licensed pursuant to {Village Code}.

b. FAMILY:

- i. Type (A) Family: One (1) or more persons related by blood, marriage, or adoption living together as a single housekeeping unit in a dwelling unit.
- ii. Type (B) Family: Two (2) unrelated persons and their children living together as a single housekeeping unit in a dwelling unit.
- iii. Type (C) Family: A group of not more than three (3) unrelated persons living together as a single housekeeping unit in a dwelling unit.
- iv. Type (D) Family: A group of two (2) or more persons containing within it one (1) or more families, as defined in Subsections (1) and (2) of this definition, including a husband and wife married to one another and their children, as well as adults, living together in a dwelling unit as a single housekeeping unit and management, in premises in which the adult occupants are affiliated with a bona fide not-for-profit corporation organized for religious or charitable purposes chartered by the state of Illinois.

"Family" shall not be construed to mean a club, a lodge fraternity/sorority house.

2. LICENSES REQUIRED: LICENSE TERM: EXEMPTIONS.

- a. It shall be unlawful to operate a short-term/vacation rental, offer for rent, or advertise for rent a short-term/vacation rental within the Village of Tinley Park without a current, valid license issued pursuant to the terms of the Chapter.
- b. Each license issued shall be valid for one (1) year, and subject to renewal.

3. APPLICATION; NOTICE; STANDARDS AND PROCEDURES; RENEWAL; FEES.

- a. Applications. A property owner who seeks a short-term/vacation rental license pursuant to this Chapter shall submit a written application that contains all information required for a registration statement pursuant to this Chapter.
- b. The applicant must sign an affidavit affirming that the applicant will abide by all the rules and regulations governing short-term rental/vacation.
- c. Primary Residence. The short-term/vacation rental shall be the owner's primary residence.
- d. The use must be accessory to a residential unit.
- e. Standards and Procedures for License Approval. The Community Development Department will review all applications for short-term/vacation rentals upon each application with respect to the standards set forth below. The Village Manager after receiving said report, may refer the application back to that department for additional review, or, may approve,

approve with conditions, or disapprove an application for a short-term/vacation rental license, upon findings of fact with respect to each of the standards set forth below:

- i. The proposed short-term/vacation rental will not cause a negative cumulative effect when its effect is considered in conjunction with the effect of other short-term/vacation rental in the immediate neighborhood.
- ii. The short-term/vacation rental will not have a substantial adverse impact on the use, enjoyment, or property values of adjoining properties.
- iii. The proposed short-term/vacation rental will comply with all the rules and regulations contained herein.
- iv. The proposed short-term/vacation rental is not likely to have an adverse effect upon the public health, welfare, or safety.
- v. The proposed short-term/vacation rental shall comply with the following criteria:
 1. No rental or advertisement for rental for a period of time shorter than {twenty-four (24) hours}.
 2. No rental may provide for food or beverage to any guests with the exception of pre-packaged food and drink.
 3. No more than one (1) rental at a specific location during the one-year period commencing on the date a license is issued.
 4. Any rental shall be subject to the hotel and motel tax set forth in the Village Code, as may be from time to time.
- f. Renewal. If a short-term/vacation rental license was issued for the prior year, the approval for a renewal license shall be obtained from the village Clerk or his/her designee, provided the previously issued license was not revoked or suspended, and the short-term/vacation rental did not receive citation(s) from any Village Inspector or Police Officer during said prior calendar year. Every renewal application shall satisfy all requirements set forth in Section 3 and 4 of this Ordinance.
- g. License Fee. The annual fee for a license issued pursuant to this Ordinance shall be {____ dollars (\$____.00)}.

Regardless of its findings on any or all of the foregoing standards, the Village Manager may deny a short-term/vacation rental license upon a finding that such denial is in the public interest.

4. REQUIREMENTS AND STANDARDS.

- a. No short-term/vacation rental owner shall:
 - i. Rent or lease any short-term/vacation rental for any period of time shorter than {twenty-four (24) consecutive hours};
 - ii. Rent or lease any short-term/vacation rental more than once within any consecutive {twenty-four-hour period} measured from the commencement of one rental to the commencement of the next;
 - iii. Advertise an hourly rate or any other rate for a short-term/vacation rental based on a rental period of fewer than {twenty-four (24) consecutive hours}; and/or
 - iv. Serve or otherwise provide any food or beverage to any guest;
 - v. Cause or permit, by action or failure to act, the short-term/vacation rental or its use to suffer from and/or create any violation of the following provisions of the Village Code: {Code Provision Citation}.

- b. Every short-term/vacation rental shall be subject to inspection by staff members of the Village's {Fire and Building Departments}.
- c. Every short-term/vacation rental owner shall keep a register in which shall be entered the name of every guest and his/her arrival and departure dates. The owner shall make said register freely accessible to any officer of the Village's {Police, Fire, and/or Code Enforcement Departments}.
- d. Every short-term/vacation rental owner shall post, in a conspicuous place within the short-term/vacation rental, the name and telephone number of the owner's authorized agent.
- e. No sleeping room shall serve more than two adults per night.
- f. Access to and from each bedroom shall be accomplished without passing through any other bedroom. Bedroom doors shall have locks to insure privacy.
- g. Each property used for short-term/vacation rental must have at least one accessible bedroom available for rent that complies with Section 400.320(g)(5) and (9) of the Illinois Accessibility Code, irrespective of whether the Illinois Accessibility Code would otherwise apply to the short-term/vacation rental.
- h. Any kitchen rental shall be cleaned and sanitized between quests and all food and beverages shall be discarded. All dishes, utensils, pots, pans and other cooking utensils shall be cleaned and sanitized between guests.
- i. The owner of every short-term/vacation rental shall change supplied bed linens and towels therein at least once each week and prior to the renting of any room to any guest. The owner shall be responsible for the maintenance of all supplied bedding in a clean and sanitary manner.
- j. The owner must maintain at all times when renting out the property as a short-term/short-term/vacation rental a general liability insurance policy in the amount of \$1,000,000.00 per occurrence and a minimum of \$2,000,000.00 per aggregate. The owner must provide the village with proof of such policy upon request.

The conditions and restrictions contained in this section, applicable to short-term/vacation rentals shall be interpreted as minimum standards, and shall be in addition to any other applicable Village ordinances and requirements that apply to short-term/vacation rental or the properties on which they are located.

5. PENALTY.

- a. Any owner, tenant or other person who shall be found to have violated any of the provisions of this Ordinance shall be guilty of an offense punishable as follows:
 - i. {The fine for a first violation is town hundred dollars (\$200.00).}
 - ii. {The fine for a second violation is five hundred dollars (\$500.00).}
 - iii. {The fine for a third or subsequent violation is seven hundred fifty dollars (\$750.00).}
- b. Each day a provision of this Ordinance is found to have been violated constitutes a separate violation subject to the fine schedule set forth herein.
- c. Any fines shall be debts due and owing to the Village that the Village may collect by means allowed by law, including, but not limited to, filing a lien against the short-term/vacation rental or the premises containing the short-term/vacation rental.
- d. The fines provided for herein shall not be construed as limiting the power of a court of competent jurisdiction or an administrative hearing officer to impose other penalties and/or

remedies as provided for by applicable legislation. In addition, a license found to have violated any provision of this Ordinance may be subject to license revocation, suspension, or non-renewal.

6. REVOCAION; SUSPENSION; PROCEDURES.

- a. The Village Manager may revoke or suspend a license issued pursuant to the terms of this Ordinance for any of the following reasons:
 - i. If the owner of the relevant short-term/vacation rental or his/her agent violates any of the terms of this Ordinance.
 - ii. If the owner of the short-term/vacation rental or his/her agent is deemed to have maintained a nuisance premises therein, in violation of the Village of Tinley Park Village Code;
 - iii. If the Village Manager deems the short-term/vacation rental, or the premises wherein it is located, to be a vacant building, as defined therein; and/or
 - iv. If the village or other governmental agency condemns the short-term/vacation rental or the premises wherein it is located.
- b. Not less than {fourteen (14)} business days prior to a revocation hearing for a license issued pursuant to the terms of this Ordinance, the Village Manager shall send, via First Class U.S. mail, a notice of revocation hearing to the owner and his/her authorized agent at the address provided on the most recent license application. Notice shall be sufficient if sent to the address of the authorized agent indicated on the license application. Said notice shall include the following:
 - i. Description of the short-term/vacation rental, sufficient for identification;
 - ii. A statement that the license is subject to revocation;
 - iii. If the Village Manager deems the short-term/vacation rental, or the premises wherein it is located, to be a vacant building, as defined therein; and/or
 - iv. If the city or other governmental agency condemns the short-term/vacation rental or the premises wherein it is located
- c. If the Village Manager has reason to believe that immediate suspension of the license is necessary to prevent the threat of immediate harm to the Village or the neighborhood, the Village Manager may, upon the issuance of a written order stating the reason for such conclusion and without notice or hearing, order the license suspended for not more than {seven (7) days}. The Village Manager may extend the suspension during the pendency of a hearing upon a written determination that doing so is necessary to prevent the previously mentioned harm to the Village.
- d. The Village Manager in accordance with procedures drafted by the Village Attorney shall conduct hearings.
- e. Within {ten (10)} business days after the close of the hearing, the Village Manager shall issue a written decision that shall constitute a final determination for purposes of judicial review pursuant to the Illinois Administrative Review Law, 735 ILCS 5/3-101 *et seq.*, as amended. In reaching a decision, the Village Manager may consider any of the following:
 - i. The nature of the violation;
 - ii. The nature and extent of the harm caused by the licensee's action or failure to act;
 - iii. The factual situation and circumstances surrounding the violation;

- iv. Whether or not the action or failure to act was willful;
- v. The record of the licensee with respect to violations.
- f. A licensee whose license has been revoked shall not be eligible to reapply for a new license for one year.

7. OCCUPANCY OF DWELLING UNITS.

- a. No dwelling unit shall be occupied by more than one (1) type (A), type (B), or type (C) family, as defined in "Definitions," of this Ordinance except as hereinafter provided:
- b. Upon written application to the {Zoning Administrator}, certification or approval shall be issued for occupancy for a dwelling unit by a type (D) family in all districts where dwelling units are allowed provided that the application establishes that the occupancy conforms with the definition of type (D) family. The members of a type (D) family household shall not keep or store more than one (1) motor vehicle for each such dwelling unit or for each off-street parking space lawfully existing in connection with such dwelling unit, whichever is greater. Certification would be revoked at any time the occupancy or off-street parking no longer conforms to the definition of a type (D) family, or if a request for current records is not answered so as to establish that the type of ownership complies with the definition of a type (D) family.

PUBLIC COMMENT

ADJOURNMENT