

APPROVED
SHORT TERM RESIDENTIAL USE COMMITTEE
THURSDAY, FEBRUARY 24, 2011, 5:00-8:00 P.M.
CITY HALL, 100 NORTH ANDREWS AVENUE
CITY COMMISSION CHAMBERS, 1ST FLOOR
FORT LAUDERDALE, FL

**CUMULATIVE
MEMBER**

		MAR 2010 / FEB 2011	
		Present	Absent
Marilyn Mammano, Chair	P	10	0
H. Collins Forman, Jr., Vice Chair	P	8	1
Genia Ellis	P	3	0
Larry Isakowitz	P	8	2
Dwight Ledbetter	P	7	3
Ronald Mastriana	A	7	3
Lula Myers	P	9	1
D.J. Parker	P	9	1
Annette Ross	P	8	2
Peter Witschen	P	3	0

At this time there are 10 appointed members to the Board, which means 6 would constitute a quorum.

Staff

Adrienne Ehle, Liaison, Planner III, Planning and Zoning Department
Greg Brewton, Director, Planning and Zoning Department
Deborah Rutkowski, Assistant Planner, Planning and Zoning Department
Cheryl Felder, Service Clerk, Planning and Zoning Department
Barbara Hartmann, Recording Secretary, Prototype, Inc.

Communications to City Commission

None.

I. Call to Order

Chair Mammano called the meeting to order at 5:03 p.m.

II. Roll Call

Roll was called and it was noted a quorum was present. Ms. Ehle introduced the Staff members present.

III. Approval of January 27, 2011 Minutes

Vice Chair Forman noted two corrections to his name in the minutes. Ms. Parker noted that “Ms.” should be changed to “Mr.” on p.4.

Motion made by Vice Chair Forman, seconded by Mr. Witschen, to approve the January 27, 2011 minutes as corrected. In a voice vote, the **motion** passed unanimously.

IV. New Business

a. Introduction by the Chair

Chair Mammano welcomed the members of the public to tonight’s meeting. She explained that the Committee members were appointed on a volunteer basis by members of the City Commission in order to help address what the Commission has perceived as a problem related to short-term rental uses in residential neighborhoods. She read the Committee’s purpose statement:

“The purposes and the duties of the Committee are to define the parameters for use of residentially zoned property in light of protecting neighborhood tranquility and the peaceful enjoyment of residential property. The Committee shall make recommendations to the City Commission at such time that it is directed to do so by the City Commission.”

Chair Mammano said the Committee has spent the past several months researching the issue and collecting information with the help of City Staff, and has produced an Interim Outline, which is available to members of the public at tonight’s meeting. Chair Mammano described the Interim Outline as a compilation of the materials the Committee has reviewed in the past several months, and a preliminary identification of some of the issues that have been brought to their attention.

She continued that they have taken public testimony from individuals who have attended Committee meetings, but did not feel they had “a full outreach” to the public. The intent of tonight’s public meeting is to reach a wider audience and discuss individuals’ views and ideas regarding short-term residential uses.

Vice Chair Forman added that it has come to his attention that some individuals at tonight’s meeting would like to speak for more than the standard three minutes. Some of these statements may be made on behalf of a group. He asked if a procedure could be established for a group of individuals to “pool their time together” to address the meeting.

Motion made by Vice Chair Forman to allow groups of homeowners, realtors, or other individuals to pool their time together to address the meeting, so long as

they do not exceed the amount of time that would be allotted to them if they had spoken individually.

Chair Mammano noted that the typical allotted amount of time is three minutes per speaker. She suggested that a civic organization could make a presentation of up to nine minutes.

Ms. Myers **seconded** the **motion**. In a voice vote, the **motion** passed 8-1 (Ms. Ellis dissenting).

Mr. Witschen noted that he would have to leave the meeting before 6 p.m. due to a business conflict. He advised he would listen to the audio of tonight's meeting and review the full record prior to the March meeting.

He reiterated the Committee's charge to define the parameters of use within residentially zoned properties, and noted that some of the practices described at earlier meetings were not legal under existing Code.

Ms. Ehle explained that a zoning map of the City was displayed, with RS-8 and RS-4.4 districts shaded in gray. Another display showed current enforcement cases being pursued by the City. Additional materials, including the Agenda, the Resolution stating the Committee's purpose, and public comment forms are available to the public at the entrance table. She encouraged all members of the public to use the comment forms to submit their comments in writing, even if they addressed the Committee verbally.

b. Public Comment

Scott House, President of the South Florida Vacation Rentals Association (SFVRA), noted that the recommendations made by the Committee, and potentially voted upon by the City Commission, will affect the City's economy "for years to come." He requested permission to show a brief slide presentation and advised that other members of the Association would waive their time for him. Chair Mammano agreed to this request per the Committee's earlier vote.

Mr. House read the Association's position statement, which says the SFVRA is a not-for-profit association united to bring awareness of the benefits of the vacation rental industry. Their stated goal is to maintain the top two industries in Fort Lauderdale as "tourism and marine" and to ensure a stable real estate market. The Association feels they should focus on the benefits of allowing rentals from seven days to six months for family vacations. Mr. House noted that the Association currently has over 500 registered members.

He stated that the country is undergoing its worst economic climate since 1929 and south Florida has the nation's second-highest foreclosure rate. The City's

home values have fallen 52% since 2006 and its unemployment rate is 12.1%. The number of homes sold has declined 78% since 2006.

Mr. House said Homeaway.com, an internet provider of vacation rentals, has produced a study showing the United States as #2 among worldwide vacation rental destinations, with Florida the #1 destination in the U.S. The worldwide vacation rental market is estimated at over \$25 billion, which is expected to grow despite the economy. Vacation rental consumers are characterized as “well-off, well-educated,” and likely to make four leisure trips per year.

He continued that only 27% of vacation rental owners list their properties online. With regard to competition with hotels, Mr. House said the average hotel stay is 4.9 nights, while the average vacation home rental stay is 7.97 nights. An average of seven individuals occupy vacation home rental. Vacation homes are selected for their amenities, value, privacy, number of rooms, and better security as compared to hotels.

Mr. House said nationwide studies were consulted with regard to vacation rentals, as “this is a major issue...in all the states.” Various cities nationwide have made different decisions with regard to short-term residential uses. It is the Association’s stance that limiting vacation rentals to “above seven nights to six months” would essentially ban these rentals in Fort Lauderdale and have a negative effect on the economy. The Association encourages regulation of vacation rentals and agrees that not all rentals are appropriate, such as “overnight rentals, huge parties, [and] renting to underage individuals,” and should be sensibly regulated.

Mr. House concluded that the City should not deny individual homeowners their property rights, but should find a solution through regulation to satisfy the majority of residents’ concerns.

Vice Chair Forman asked that Mr. House provide the data backing up the assertions made in his presentation at a later date, so the members can verify the accuracy of their claims. Mr. House agreed to provide this information.

John Perry is a resident of the Citrus Isles neighborhood. He purchased the house next door and began renting this house to help pay the bills. He asked the Committee to consider that their decision would ultimately affect many people in similar situations, and pointed out that if he could not rent the property, he would lose his home and the rental house as well.

Chair Mammano asked how often the house is rented in a year. Mr. Perry said this varies between “three months...[and] a minimum of three days.” He clarified that they do not rent to college students, for example, but to “family people who want to...enjoy Fort Lauderdale.”

Chair Mammano asked what percentage of rentals are less than one week. Mr. Perry said these were very few, and often relate to “picking...crews up.”

Ms. Ross asked if one or both houses are rented. Mr. Perry clarified that only one house is rented.

Vice Chair Forman requested clarification regarding the previous use of the house. Mr. Perry explained that the house next door had been rented long-term, but caused problems. He advised that there have been complaints regarding another long-term rental in the neighborhood.

Vice Chair Forman asked if Mr. Perry understood short-term rental to be a legal use in the City. Mr. Perry said he believed this to be a legal use, and pointed out that there are many crew houses in his neighborhood, which allow individuals to stay “one or two days [to] one or two weeks.”

Hartley MacDonald is a licensed realtor and owner of a vacation rental business in Fort Lauderdale. He said his company has rented vacation homes for nine years “without a single complaint” filed with the Police Department or other City Department. The business is licensed, is a member of the Greater Fort Lauderdale Chamber of Commerce, and is registered with the Better Business Bureau. Last year they paid \$71,000 in County and State sales taxes. He advised that the County and State may be missing out on additional revenue because they are not collecting from “underground homeowners” who are renting.

Mr. MacDonald said his typical renter was a family that preferred to stay in a home rather than a hotel. He said this is a growing trend, and noted that the typical renter stays “for one week only.” They require a minimum of seven days’ rental. He concluded that if these rentals are limited or prohibited, renters will go elsewhere, affecting other businesses in the area as well.

He offered the example of a home sold to a foreign investor who had previously been a short-term renter. The investor had purchased homeowners’ insurance and furnishings for the home, and employed other contractors, including a gardener and pool service. Mr. MacDonald said the industry should be licensed and regulated; should these efforts fail, he felt “more drastic solutions” would be warranted. He felt to do so at present, however, could cause “serious financial consequences” for the City.

Ms. Ellis asked if Mr. MacDonald’s corporation acts on behalf of property owners. Mr. MacDonald confirmed this, and clarified that he does not rent his own home.

Chair Mammano asked if the investor cited in Mr. MacDonald's example was paying taxes on the home "as if it was a full-time home" without the homestead exemption. Mr. MacDonald confirmed this as well, and added that the taxes on the investor's home were estimated at \$42,000/year.

Ms. Ellis requested clarification that the investor's insurance company is aware the property is a rental. Mr. MacDonald said they were, and said this is spelled out in the insurance policy.

Danielle Blake works with the Miami Association of Realtors, which has 5000 members in Broward County alone. She said Miami Beach has a ban on short-term rentals, which makes it difficult to answer questions from prospective purchasers who want to provide short-term rentals. Ms. Blake explained that the city of Miami Beach offers exemptions in specific zoning areas, some of which are grandfathered in because they have paid resort taxes prior to the ban.

Chair Mammano requested clarification that the areas in which short-term rentals are allowed are "geographically restricted." Ms. Blake confirmed this, and added that these rentals were first prohibited in single-family neighborhoods and later in multi-family neighborhoods as well. She advised that the city has had great difficulty enforcing the ban, and short-term rentals still exist in Miami Beach. She noted that there was an implementation order from their city staff to attempt to enforce the ban, but this was thrown out by a special magistrate "because [the ban] went too far." She said the issue was confusing, and offered to send information on the issue to City Staff.

Vice Chair Forman asked if Miami Beach has experienced problems with vacation rentals. Ms. Blake said the ban was passed because of "special weekends," such as Memorial Day weekend, in which mansions would be rented for a week to a weekend at a time. This resulted in noise complaints from the neighbors.

Susan Weaver is a rental property owner in Fort Lauderdale and stated that those contending a short-term renter would expose a neighborhood to "extraordinary measures of noise, traffic, and garbage" are incorrect in their assessment that vacation renters create more nuisances than another family. She said a rental property owner must maintain his or her property regularly or it will not be rented. She stated that there have been more difficulties created in the neighborhood by full-time residents than by her vacation renters. She asserted that her guests are not "hellraisers," but are families, convention attendees, medical patients, and retired couples, among others. Ms. Weaver concluded that she communicates with her short-term renters and clearly establishes rules of conduct with these guests.

Ralph Enderby is a homeowner and short-term renter. He stated that as a homeowner, he would like to see short-term rentals of less than one week banned; however, he added that he rents a condominium and pays the appropriate taxes, with the approval of the condominium association. Rentals are for one week or longer. He advised that renting for over one week can attract "very good people" from around the country and the world and take advantage of the activities Fort Lauderdale has to offer. He concluded that money spent in the City by renters, along with the taxes paid by renters, help "keep the...City afloat."

Vice Chair Forman asked if there were prohibitions regarding how many times per year Mr. Enderby was allowed to rent his condominium. Mr. Enderby said there were no such restrictions when he purchased the unit; there have been restrictions since that time, but his unit has been grandfathered in with the approval of their board. He explained that most condominiums in the area have adopted more restrictive policies, only allowing rentals of three months or more.

Adam Sanders is a member of the Realtors Association of Greater Fort Lauderdale. He expressed concern with the short-term rental issue, stating that simply discussing short-term rentals "has already created damaging consequences and anxiety in our community." Mr. Sanders described the issue as both an infringement upon private property rights and damaging to the City's economy. He advised that 22% of all homes sold from 2009-10 involved international buyers, many of whom intended to use the home as a rental property or for "dual use." He stated that a hotel visit is different from a short-term rental visit, and cautioned that limiting short-term rentals would "seriously damage this region."

Mr. Sanders concluded that the City should stop "limiting the use of real estate." While there have been issues with short-term rentals, he urged the Committee and the City Commission to work to solve them.

Vice Chair Forman asked if Mr. Sanders proposed that the City's policy should be favorable toward short-term rentals only during the current economy, and should change during an economic recovery. Mr. Sanders replied that the issue could be revisited during a recovery, but felt the current economy should be dealt with at present.

Chair Mammano asked if Mr. Sanders could provide the Committee with the statistics cited from the Realtors Association. Mr. Sanders agreed to do this.

Louis Michael stated that a vacation rental house is located near his residence, and it is well-kept, clean, and quiet. He said its owners are "more than responsible" and have provided the neighbors with their contact numbers in case of problems. He stated that they care for the neighborhood more than "yearly renters" and homeowners in the neighborhood, and he strongly agreed with the

South Florida Vacation Rentals Association, which recommended rentals from seven nights to six months.

Mr. Michael read a paragraph from the rules and regulations page of the contract for the vacation rental near his house, which advises prospective renters that the home is located in a quiet residential neighborhood and cannot accommodate more than eight people at a time. It stipulates the number of cars allowed, precludes parties, and advises that college groups and bachelor/bachelorette parties are inappropriate renters. He concluded that the house is “no problem for the neighborhood.”

Mr. Michael said if vacation homes are closed, there would be a ripple effect among service groups, such as cleaning, repair, and maintenance personnel, who work with vacation rentals. He felt many of them would be unemployed if a ban on short-term rentals is passed.

Chair Mammano asked if the paragraph Mr. Michael had read was part of the rental advertisement or agreement. He said it is in both.

Mr. Witschen left the meeting at 5:54 p.m.

John Terrill is a member of the Realtors Association of Greater Fort Lauderdale and the Marine Industries Association of South Florida. He said he is very familiar with the crew housing industry, and asserted that the yachting industry in the City would not exist without crew housing. He also appreciated the positive impact that vacation rentals have on the City’s real estate industry.

Mr. Terrill said he was uncomfortable with the idea of increasing regulations on short-term rentals, which he believed would have a negative impact on both the real estate and marine industries. He also said these regulations would limit the rights of property owners. He noted that some neighbors may be displeased at living near short-term rental houses, but asked how much of a problem this could be. He recommended that the City Commission not get involved with this issue without first quantifying the problem and considering the economic impact of regulation and whether or not difficulties with short-term rentals are “a City-wide problem or a local minority.”

Mr. Ledbetter asked if Mr. Terrill felt restrictions on short-term rentals would affect the decision of a yacht captain to bring a vessel into the City for refitting. Mr. Terrill asserted that it would, stating that yachts in need of extensive repairs often rent houses so their crews can come ashore; if this was not an option, he said they would go elsewhere. He added that putting a crew up in a hotel is not an option, and noted that many crew members attend the City’s maritime schools for several months.

Vice Chair Forman said some of the complaints of which the Committee has heard include noise and public intoxication, and asked if Mr. Terrill had experienced these issues with crew members. Mr. Terrill said these could be isolated incidents, but noted that these situations could be addressed by the Police Department and/or Code Enforcement.

Mr. Ledbetter asked if there was “more accountability” with these issues on yachts than in long-term rental properties, as issues can be addressed with captains if necessary. Mr. Terrill said in his experience, the marine industry does not have an environment that encourages these issues. He said misbehavior by crew members is not acceptable, and there is “no real captain” available to address problems at other rentals.

Ms. Ellis noted that crew members stay in houses for less than one year, and their housing is often available as “an accepted practice.” She pointed out, however, that crew members do not often stay in single-family neighborhoods and “have not been our issue.”

Chair Mammano referred to a crew’s accountability to their captain, and asked if this practice could be institutionalized so a captain could be contacted if a crew acts unacceptably. Mr. Terrill said the property owner is ultimately responsible for what happens in a house, but a captain is responsible for crew behavior. He asserted that “it’s not a crew problem” and crew housing was not the cause for discussion of short-term rentals. He reiterated, however, that his question was “how big is the problem within the neighborhoods” as compared to the number of short-term rentals, and whether or not the problem was addressed according to City regulations. He stated that if there was sufficient response on the part of the Police Department and Code Enforcement to address these issues, new legislation was not necessary.

Jason Dunbar said he spoke on behalf of the Marine Industries Association of South Florida and the Florida Yacht Brokers Association. He emphasized that crew housing is “a vital link” to the yachting industry in Fort Lauderdale, and that yacht owners would go where this housing was available, should short-term rentals be limited “in any way.” He added that if these boats go elsewhere, so would the jobs created by them, which was a large part of the City’s economy. He said one 60 meter boat “averages \$26,000 a day into that economy.”

Mr. Dunbar said crew members are licensed and “bring an educated labor pool” to the City, which he felt could be harmed by limitation on rentals.

Summer Greene is incoming president of Florida Realtors and regional manager of Better Homes and Gardens Real Estate Florida First. She said no homeowner who contributes to neighborhood nuisance or blight is supported, but noted there are regulations in place to address such violations without affecting or restricting

private property rights. She stated she has used rental services when traveling and has stayed in vacation homes with her family, as they are more economical than hotels.

Ms. Greene said visitors to south Florida “become our future buyers,” and said seasonal rentals are also good investments as second homes. She noted that condominium associations have rules that regulate short-term renters, and owners pay property taxes on a non-homestead basis.

Chair Mammano asked what the duration of many condominium short-term rentals would be. Ms. Greene said these are often three to four months.

Leslie Rambin said she was in favor of vacation rentals. She is an interior designer who has helped several clients furnish rental properties that have kept them out of foreclosure. She has also helped individuals who cannot afford to stay in hotels find short-term rental homes.

Bill Waterman manages a company called Florida Vacation Beach Rentals, which manages 31 properties, including some in Fort Lauderdale. He advised that regulation is good for the vacation rental industry, and pointed out that his business has a 509 license issued to resort managers by the State of Florida. He stated he felt all short-term rental owners and managers should be licensed in this manner. Rentals are also subject to state inspections and pay bed and sales taxes to the state; Mr. Waterman noted that some rental owners are competing unfairly by not paying these taxes, and if their business was regulated, taxes could be collected to improve the local economy.

He stated that there are many reasons short-term rentals are positive: they are a source of income and taxes, they create jobs, and the renters contribute to the local economy. He concluded that if short-term rentals are prohibited, renters would not use hotels as an alternative but would go to properties outside the City.

Ms. Ellis asked for more information on the 509 license. Mr. Waterman said this is a Resort Manager’s License and is issued to licensed property managers in Florida who operate under the Hotels and Restaurants Act. The State inspects these properties for cleanliness and to ensure there are no safety or Code violations.

Ms. Ellis requested more information about the terms of short-term rental policies and/or regulations as defined by the state. Mr. Waterman said he was not aware if the state regulates the time periods of short-term rentals, but for his company this meant “one week or more.” He said he is in favor of a seven-day minimum stay for vacation renters.

Vice Chair Forman asked how issues such as noise, parking, public intoxication, and excess garbage are dealt with. Mr. Waterman said the neighbors of his properties have his or other managers' business cards with contact information, and he has personally asked them to contact him if an issue arises. He advised that issues such as public intoxication are not generally a problem for his clients.

Ms. Ross asked how Mr. Waterman's clients find his business and how he ensures his renters are "qualified." Mr. Waterman said he advertises on websites such as Homeaway.com, which lists "hundreds of homes" in Fort Lauderdale, many of which are professionally managed. His company runs credit checks on prospective renters and asks that they sign an agreement with the company. They do not perform non-financial background checks.

Chair Mammano asked if Mr. Waterman could provide the Committee with a copy of his company's rental agreement as an example of such. Mr. Waterman said he would do so.

Chuck Malkus serves on the Beach CRA and Centennial Celebration Committees, and operates a public relations firm specializing in "tourism and medical." He encouraged the Committee to keep in mind that tourism is the number-one industry in the City, and that the City has suffered great economic hardship over the last few years. He said while there may be individuals who pose problems, short-term rentals themselves are not a problem for the City.

Terri Bersach is President of the Broward County Board of Governors for the Miami Association of Realtors. She said as part of a family of five, it has at times been difficult to find hotels in which to stay during vacations, and her family's choice was often short-term rentals instead of hotels. Large families in particular have made this choice, especially in the current economic climate.

Charles Coleman said he and his wife attended tonight's meeting to learn about short-term rentals, and advised that they have had a bad experience with an adjacent property. He said there must be regulations addressing these properties, as their experiences have included parking difficulties and large groups of young people. He noted that many speakers have cited membership in vacation rental organizations, which offered some controls over the use of the property. He said regulation is the answer, and noted that the owner of the rental property next door does not maintain the property.

Mr. Ledbetter asked where the property is located. Mr. Coleman said he lives in the Coral Ridge neighborhood. Mr. Ledbetter asked if Mr. Coleman favored regulation of or a ban on short-term rentals. Mr. Coleman said he advocated regulation "so that everybody benefits," noting that some owners and long-term renters are also disruptive. He added that he would like to see properties rented for one week or longer.

Chair Mammano asked if the police response has been adequate when Mr. Coleman has had to call them. He said this has been a problem, and he has had more success in contacting Code Enforcement. He stated that he and his wife had originally come to tonight's meeting in opposition to short-term rentals, but felt with proper regulation they could be good for the community.

Vice Chair Forman asked what specific short-term rental problems Mr. Coleman had experienced. Mr. Coleman said these issues had included noise and "renting part of the house" while the homeowner lives on the property as well. The property also does not have a driveway, which creates obstructions for neighboring houses. He said there have been permitting issues as well.

Vice Chair Forman stated that one issue the Committee has dealt with is "not knowing who the people are...in the home." He asked if Mr. Coleman had perceived that "child molesters or pedophiles" might be renting the property. Mr. Coleman said there was no way to know the renters, but stated that this had also been the case with other property owners who did not rent short-term.

Jim Balistreri said Fort Lauderdale is a world destination, and felt there is a long-term opportunity to craft appropriate ordinances that would benefit all residents and property owners.

Ann Konkoly is a resident of California who has visited Fort Lauderdale for eight years. She and "five to ten" friends from several different states rent a vacation property in early summer each year. They visit several places in the City and often shop and eat dinner as well. She stated they were "horrified" to learn there may be a possibility that short-term rentals would not be available in the future, and advised that they would visit other Florida cities if this happened, although their preference is for Fort Lauderdale. They usually visit for one week.

Ms. Parker asked if Ms. Konkoly and her friends would stay in a hotel if short-term rentals were not available to them. Ms. Konkoly said they would prefer to find another city to visit instead, and would not use a hotel.

Beth Benkowski said she rents vacation homes around the world multiple times a year. She first visited Fort Lauderdale 10 years ago and purchased a second home, which she originally rented part-time to defer costs. She then moved to the City and bought three more properties to rent, which she said are now "upside down." She rents these vacation properties "90% of the year" under a strict contract; her guests are screened and are required to make "hefty" deposits. Ms. Benkowski said since 2002, she has never received a complaint and only once experienced a problem. She stated that she spent \$60,000 on furnishings for rental properties and employs multiple individuals to maintain them.

Ms. Ross asked if all the homes are located in the same area. Ms. Benkowski said they are not. She added that she has sold some of her properties, and would move to another state if short-term rentals were banned.

Ms. Ellis asked to know the duration of a stay in one of Ms. Benkowski's properties. She said the minimum is seven days, but she prefers longer-term rentals and offers a better price for them. She added that she pays the appropriate taxes for her rental properties.

Vice Chair Forman asked in which neighborhoods the rental properties are located. Ms. Benkowski said they were in Harbor Beach, Las Olas, and "off 17th."

Chair Mammano asked if Ms. Benkowski is licensed by the state. Ms. Benkowski confirmed that she was.

Charles Resta is a longtime resident of Fort Lauderdale, and stated that individuals who rent properties for one week or longer represent "a different person." He said his personal experience in his Harbor Beach neighborhood is that many short-term rentals are "[leased] to anyone, daily, weekly, anything goes." He did not feel background checks, contracts, or taxes are appropriately administered for these properties. He stated that he has sent photographs to Committee members and City Commissioners of "seven to ten cars in one driveway" and other parking issues, including "valet overflow from one of the hotels." He said there are several such "rental[s] gone bad" in his neighborhood, noting that one house has caused 43 nuisance calls in the past year.

Mr. Resta stated "nothing happens" when Code Enforcement is called, and said the Police do not enforce the number of individuals who can be in a house. He concluded that regulating problem short-term rentals is "a big job," and said he would like to know the people who are in the area due to safety concerns for neighborhood children.

Ms. Ross asked if access to the neighborhood's private beach club is granted to renters. Mr. Resta said this access is restricted to residents and homeowners only, but access is cited as a benefit in advertising for some vacation rentals.

Vice Chair Forman asked how street access is restricted in the neighborhood. Mr. Resta said there are generally no restrictions on traffic or pedestrians, but said the community "expect[s] to know our neighbors." He said this is a concern in a "tight-knit" community for the safety of their children.

Lars Heldre is the owner of Superior Florida Realty, which specializes in helping foreign nationals purchase vacation homes in Fort Lauderdale. He emphasized that "in real estate, everything is supply and demand," and advised that if there is no demand for houses in the City, homes will continue to depreciate. He cited the

Profile of International Home Buyers in Florida, which was compiled by the Florida Association of Realtors and cites data from 2010. The report states that 22% of all buyers in Florida in 2010 were foreign nationals, who made roughly 15,300 real estate transactions in Fort Lauderdale. Mr. Heldre said 45% of these transactions were made by purchasers who wanted to “buy something that they could rent out.” Some wanted rental properties only, while others wanted properties they could use themselves, lend to friends, and “otherwise rent out weekly.”

He cited a second report by the National Association of Realtors, which states 27% of all buyers in Florida were Americans seeking secondary homes, which they could use for their own vacations and otherwise rent. Mr. Heldre said “saying no” to these prospective purchasers by passing regulations to limit this use would have a negative effect on the demand for real estate. He provided the Committee with copies of the reports cited.

Ms. Ellis requested clarification of the duration of short-term rentals. Mr. Heldre said these rentals were for seven or more days, for unlimited times in one year.

Dr. Carmine Pecoraro and Debbie Beacham said they would combine their time to discuss the issue of sober housing. Dr. Pecoraro is a licensed psychologist and a drug and alcohol counselor who owns a “sober house,” as does Ms. Beacham. He stated that they represented the American Association of Residential Communities (ARC), which works with community leaders to educate them about the Association’s role and remain sensitive to neighborhood concerns.

Dr. Pecoraro stated that in an effort to successfully promote halfway house reform, the AARC has established vision and mission statements that reflect the Association’s philosophy and goals. They hope to positively affect the halfway house industry through accreditation and partnerships; have a positive effect on the community; improve the quality of life for individuals in recovery; and work to ensure that sober houses follow a standardized set of procedures.

Dr. Pecoraro emphasized that no sober house should offer treatment services at their locations, but should allow people to reintegrate with society while providing monitoring and support. Many residents have no criminal records, and rules are in place to decrease the likelihood of recidivism or probability of relapse. Dr. Pecoraro said the ARC is working with the State and a bill is under discussion to require appropriate occupational licenses for sober houses. He concluded that sober houses may not be located within 1000 ft. of each other and must fall the Ordinance for Occupancy set forth by the city in which a facility is located.

Chair Mammano requested that sober houses be explained further. Dr. Pecoraro said they are comprised of groups of individuals who live together with rules they

have all agreed to follow. The rules would include prohibition of chemical use, random drug testing, and Alcoholics Anonymous and/or Narcotics Anonymous attendance. Any individual suffering relapse must leave the facility.

Chair Mammano asked if sober houses are supervised. Dr. Pecoraro said there is a live-in supervisor who is on the premises 24 hours a day. Chair Mammano characterized this as “renting out rooms...voluntarily,” and asked to know the duration of these rentals. Ms. Beacham said this depends upon an individual’s needs, which can often be between 30 days and six months, but noted that some clients may be on the premises for roughly a year.

Chair Mammano asked if the supervisor is the owner of the property. Dr. Pecoraro said the supervisor is often someone with at least one year’s sobriety and who has gone through treatment. Ms. Beacham said the ARC is currently being formed to combat the negative example set by other halfway houses, and will establish rules so there is no need for complaints or fear in the neighborhoods where the facilities are located.

Ms. Ellis explained that sober houses are allowed within specific zoning districts, and not often within the single-family residential neighborhoods with which the Committee deals. Dr. Pecoraro said some such facilities are located in single-family homes. Chair Mammano said the Committee would seek to clarify any zoning restrictions for sober houses.

Ms. Parker asked where sober houses are located in the City. Ms. Beacham said they are “all over” Fort Lauderdale, sometimes in single- or multi-family residences. Dr. Pecoraro explained that according to the Americans with Disabilities Act (ADA), a group of individuals cannot be prevented from living together under one roof if they are “acting as a family” and also suffer from a disability.

Mr. Ledbetter asked if Dr. Pecoraro and Ms. Beacham were familiar with a group called Recovery USA. He explained that the group had moved into a neighborhood “under cover of night,” and asked how the ARC might bring a group of this nature to the table, as neither Code Enforcement nor the Police Department could adequately address the problems they created. Ms. Beacham said the ARC is attempting to form an organization that requires recovery facilities to show they are giving back to their community, and is working with the City and the Attorney General’s Office to ensure that Code Enforcement and Zoning guidelines are followed. Dr. Pecoraro said treatment centers are now agreeing that they would not refer patients to sober houses without ARC credentials in order to prevent these houses from disrupting their communities.

Mr. Ledbetter added that although Recovery USA was not affiliated with ARC, crime had “skyrocketed” in his neighborhood when they were there, and their

properties were close together and disruptive. Ms. Beacham and Dr. Pecoraro reiterated that this was what their organization was working to prevent.

Ms. Parker asked what happens when a client “fails” and must leave the facility. Dr. Pecoraro said the ARC has developed policies and procedures to assist bringing relapsing individuals back into treatment.

Chair Mammano said the Committee would consult further with Staff to determine whether or not sober houses were relevant to the Committee’s task.

Vice Chair Forman requested further clarification of “the short-term aspect” of sober houses. Ms. Beacham said individuals are usually at the facilities for “30 days and longer;” Dr. Pecoraro said his clients are required to make a three-month commitment.

David Bowles works with Elite Home Staging, which helps design homes for realtors to sell. He advised that short-term rentals have provided a new opportunity in the currently depressed market, as his company also stages for these houses. He said limitation of short-term rentals would directly affect not only him but the six to eight employees and independent contractors who work with him and the cleaning crews who clean short-term rentals when they turn over.

Mr. Bowles added that when he travels with family, they do not want to be in separate hotel rooms, but prefer to rent a house together so they can feel more like a family. He concluded that it would be a disservice to take away this option.

Vice Chair Forman asked how long Mr. Bowles has been in the staging business. Mr. Bowles said Elite Home Staging opened in 2006. Vice Chair Forman requested clarification of what the business does. Mr. Bowles explained that many people cannot afford to stage their own homes, and the service does it for them.

Fred Carlson stated that many Europeans travel extensively and visit south Florida, and may purchase a vacation home and rent it out to others when they are not using it. He said this brings a great deal of money to the City. While he has a “close relationship” with many of the City’s beach hotels, their clientele is very different from those who rent vacation homes. He felt the current economic situation should be considered before regulations are imposed on short-term rentals. He advised that homeowners can reach out to the Police Department if problems with rentals arise.

Tim Crowley manages three properties for out-of-state and international owners. He said he had asked recent guests if they would prefer to stay in a house or a hotel, and was told by all respondents that they would not visit Fort Lauderdale if

they had to stay in a hotel. He noted that many of these guests were families. Mr. Crowley also said he had spoken to a major celebrity who made the same decision and would only stay in the City if she could stay in a house.

He continued that one international owner plans to return to the City next month to purchase "two distressed properties." He advised that these guests spend a great deal of money in the City, and added that he employs five people who help maintain his properties.

Mr. Crowley concluded that all three properties are financially underwater, and a ban on short-term rentals would send them into strategic default. He said tourism is the City's number-one industry, and the owners "cannot believe" that there is a Committee looking into the possibility of reducing tourism.

Jorge Palacios manages properties in Fort Lauderdale and other nearby cities. He said the owners of vacation rentals do their research on the neighborhoods in which their properties are located, which he said is not the case with hotels. He said families rent vacation homes in neighborhoods for safety and security reasons. Many of the properties house the crews of yachts while the vessels are being repaired, and in many cases the vessel docks at the property.

He advised that some prospective property owners stay in short-term rentals while they are looking at other properties they may purchase. He said if short-term rentals are prohibited in Fort Lauderdale, these owners would purchase properties in other nearby cities instead; he did not believe, however, that short-term rentals are good for one community and bad for another. He concluded that he agreed with a seven-day minimum rental.

Chair Mammano asked if Mr. Palacios has a 509 license. Mr. Palacios confirmed this. Chair Mammano asked if he would object to requiring his rental facilities to place a sign with a contact number on the property, which has appeared in several ordinances the Committee has reviewed. Mr. Palacios said this would be no inconvenience, and advised that the neighbors of his properties have contacted him when necessary.

Bernard Colligan is a resident of Atlanta and is in town to close on an investment property in Fort Lauderdale. He intends to use the property both for personal use and for short-term rentals. The property is registered with the Department of Hotels and Restaurants as a transient facility, and has all necessary permits. He stated his mission is to be a good neighbor and abide by all applicable rules and regulations. The property will be well-maintained and Mr. Colligan asserted that the neighbors will be given information on how to contact the property managers. The rental agreement will stipulate good behavior of clients and accommodation of only a certain number of people in the house.

He said the property will be rented for less than seven days, with a three-day minimum, and noted that there are varying reasons why people want to rent the property for shorter time periods, such as “a golf weekend” or a family reunion.

Ms. Ellis asked if the property is located in a single-family neighborhood. Mr. Colligan said it is. Ms. Ellis asked if Mr. Colligan had discussed the rental property with his surrounding neighbors. Mr. Colligan said these discussions are forthcoming once he closes on the property. Ms. Ellis suggested that he also speak to the neighborhood association.

Matthew Ricci said he would like to give the Committee “the other side of the story” with regard to short-term rentals. He lives in Lauderdale Beach, which has several vacation rental homes, and stated that when weekend renters use these properties, they are often less respectful of the property and the neighborhood than longer-term renters. He suggested that one reason for this is there is not sufficient time to resolve an issue with someone renting a property for a weekend only. Issues have included disorderly conduct, noise, and parking. Mr. Ricci said while he is not normally in favor of more regulation, the Committee should consider how rules can be tailored toward this issue, such as specifying a minimum time frame for rental properties.

He continued that the 509 license seemed to be an appropriate regulation, as this would be a way to ensure taxes are collected and rules are enforced. He asserted that this enforcement is necessary to single-family neighborhoods in which rental properties are located.

Chair Mammano noted that there is a greater issue when there are a great many rental properties in a single-family neighborhood, as opposed to just a few. Mr. Ricci said there are several such houses in his neighborhood. Chair Mammano noted that the percentage of vacation rentals could “tip” a neighborhood from functioning as a neighborhood into a commercial area instead. Mr. Ricci agreed with this, noting that there would be no point to single-family zoning if many of the houses are revenue-producing businesses.

Vice Chair Forman recalled that a house rented as a wedding venue in Mr. Ricci’s neighborhood was considered to be a particular nuisance to some residents. He explained that the difficulty lies in distinguishing between a homeowner using his residence for an event, such as a wedding, and a homeowner renting a house to someone else for the same use. Mr. Ricci replied that the focus could be on the amount of time for which individuals are allowed to rent a property, as renters attending events would only want the property for a very short time. He noted that other properties have time requirements, and felt the City should enact such a requirement as well.

Ms. Ellis said houses rented for business purposes should require permits for events such as weddings. She pointed out that if this was done, neighbors would be aware of the event, parking would be addressed, and adequate police coverage would be required.

Dr. Michele Verdi-Knapp works with a realty company that deals closely with the sports industry. She said she had provided eight short-term rentals for NFL players and their families during the off-season, and asserted that these players would not stay in a hotel, as privacy and security are issues for them. In addition, as players are traded between professional sports teams, there is a constant influx of new players coming to the City who want to stay in homes or condominiums.

She said she was sympathetic to neighbors who have to deal with irresponsible short-term rentals, but pointed out that “bad neighbors are bad neighbors” whether they are short-term renters or homeowners. She was not certain that restricting short-term rentals would eliminate or allow enforcement against the behavior of bad neighbors.

Ms. Ellis asked to know the typical duration of stay for these renters. Dr. Verdi-Knapp said this varies between two weeks to seven months, and is always less than one year.

Bob Ross provided the members with written copies of his comments. He explained that he lives in the Harbor Beach neighborhood, where the rental properties seem to be “the least maintained and the least improved,” which affects all property values in that neighborhood. He added that the owners of these properties have allowed their renters access to the neighborhood’s private beach club, which is against club rules. He stated the club has burned down twice and cost over \$250,000 to replace; in other situations, “severe destruction” and vandalism has been the result. Gate access records show that the damage was “allowed by a short-term rental owner.” He felt the issues of maintenance and/or improvements were City-wide problems affecting short-term rentals.

Chair Mammano recalled that some individuals had said short-term rentals are better maintained than other properties. Mr. Ross said this has not been his experience, citing the example of a “minimally maintained” short-term rental property on his street. He said these are investment homes rather than formerly owner-occupied homes.

Diann Schaffer said she is part owner of Florida Luxury Rentals and has a license with the Department of Business Professional Regulation, a corporation license, a collective resort condominium license, and a certificate of registration for collection of sales tax, among other business credentials. The properties are licensed by the Department of Revenue and the business has a City business tax

certificate. She said in 33 years she has had no complaints filed against her properties. Global background checks are conducted on prospective renters, and there are strict rules and regulations in place regarding occupancy, noise, and other considerations.

Ms. Schaffer said her company employs approximately 83 people, including housekeepers, maintenance workers, tradesmen, chefs, and other contractors. She agreed to email the Committee a copy of her company's rental agreement.

Chair Mammano requested clarification of a "global" background check. Ms. Schaffer explained that they use the U.S. Real Estate Investors Association to conduct these checks before renters are placed in a property; if a problem is noted, including "any type of criminal behavior," the company will not rent to these individuals.

Ms. Ellis asked to know the duration of rentals. Ms. Schaffer said they do not rent for any period less than seven days.

Vice Chair Forman asked how extensive the background check is. Ms. Schaffer advised it does not include a credit check, as all monies are collected in advance. The check is done through the USREA on both foreign and domestic renters. She cited the example of a report that showed a renter had a case involving child molestation.

Charles Coleman, who had addressed the meeting earlier, stated he would encourage the Committee "not to change the use of the real estate property:" for example, a rental property in a single-family neighborhood should be rented to a family, not to a group for an event or for other commercial use. He felt that sober houses would also change the use of a property.

Vice Chair Forman asked Mr. Coleman's opinion of rentals used for family reunion. Mr. Coleman said "a true family reunion" would mean multiple families and could potentially create an issue based upon the number of people in attendance.

Vice Chair Forman addressed the public and thanked the attendees for taking the time to speak on the issues surrounding short-term rentals. He advised them to monitor the Committee's actions and invited them to attend subsequent meetings if they wished.

Chair Mammano suggested that individuals wishing to make further comments use the comment forms available for this purpose.

V. Announcements

Chair Mammano asked Ms. Ehle how she would suggest the Committee consolidate the information provided at tonight's meeting. Ms. Ehle said Staff would collect the comment forms and also save them digitally as part of the public record, and they would be included in the Committee members' packets for the next meeting. Comments submitted via email or other means would also be included. Chair Mammano said she had received emails and letters she would like to include as well, and provided copies to Ms. Ehle for inclusion in the public record.

Ms. Ehle continued that after each meeting, sign-in sheets are scanned into the record and can be included in members' packets each month, or can be kept on file in case they are requested later. Chair Mammano said keeping these materials available per request would be sufficient.

Chair Mammano said she was especially interested in acquiring some of the information to which speakers had referred, such as the 509 licensing agreement. Ms. Ehle recalled that the Committee had discussed State statutes at an earlier meeting and information related to this statute was already distributed to the Committee. She said she would provide the weblink to this information and redistribute these same copies for the next meeting. She noted that this topic would be best addressed by the City Attorney's Office.

She added that if the speakers provide her with their information for the record, she can compile this information and include it in the upcoming packets as well. Mr. Isakowitz expressed interest in seeing more information about the global background check used by one rental company.

Chair Mammano asked if any members would like Staff to procure any additional information for the next meeting. Ms. Ellis recalled that several individuals had cited the use of comprehensive rental agreements, and said she would like to see some of these. Ms. Ehle said she could forward this request to the City Attorney's Office.

Ms. Parker asked if there was a way the Committee could incorporate some of what they had heard at tonight's meeting into the Interim Outline in order to "keep this document moving forward." Chair Mammano said if there is any information from tonight's meeting that was not originally touched upon in the Outline, it should be added to the document.

Motion made by Vice Chair Forman, seconded by Ms. Ellis, to include a further review of the Interim Outline as an Agenda Item and incorporate changes that arose out of this meeting.

Chair Mammano recalled that a recent article in the *Sun-Sentinel* had stated City Attorneys were telling individuals that "rentals of one month or more were now

acceptable,” and asked if this was the result of a policy change. Ms. Ehle said no new information has been communicated to her from the City Attorney’s Office.

In a voice vote, the **motion** passed unanimously.

Vice Chair Forman clarified that he had spoken to the proprietors of a sober house “early on” in the life of the Committee about the issues under discussion; as a result, he has received many emails from the ARC, and recommended that they instead address the public meeting. He explained that they felt the issue of short-term rentals affected them.

Chair Mammano said her understanding was that Social Service Residential Facilities (SSRFs) are licensed, regulated, registered with the state, and offer treatment; Dr. Pecoraro and Ms. Beacham, however, had pointed out that no treatment occurs at the facility. Vice Chair Forman said this was a reason they are not an SSRF, but are instead a communal living facility.

Ms. Ehle recalled that SSRFs had been discussed at the October 2010 meeting, and asked if the Committee would like her to add this onto their next Agenda to revisit this as a discussion Item. Chair Mammano asked if “an opinion as to whether these facilities fall under that purview” could be provided by Staff. Vice Chair Forman said he felt this request was more appropriately directed to the City Attorney’s Office. He explained that while there is a matrix of regulation applying to SSRFs, there are facilities that are not covered by this matrix. He cited crew housing and sober houses as two such examples that may not have been contemplated when the issue of short-term residential use was originally brought before the City Commission.

Ms. Parker recalled that the residents of sober houses had been identified as a legally protected group under the Americans with Disabilities Act. Chair Mammano asked Staff to further investigate the status of sober houses with regard to zoning, such as what category they would fall into. Ms. Ehle said she would forward this request for investigation and more information to the City Attorney’s Office.

VI. Adjournment

There being no further business to come before the Committee at this time, the meeting was adjourned at 8:09 p.m.