

Business Impact Estimate Form (see F.S. § 125.66(3)(a))

For:

Short Term Rentals

This Ordinance amendment is scheduled for consideration for adoption (1st public hearing) by the Pinellas County Commission on October 29, 2024 at 6:00pm at 333 Chestnut Street, Palm Room, Clearwater, Florida 33756

** Unless an attachment is expressly referenced, the content in this Form encompasses the entire Business Impact Estimate for the Ordinance.*

1. Summary of the Ordinance, including a statement of the public purpose to be served by the Ordinance, such as serving the public health, safety, morals, and welfare of the County:

The updated ordinance proposes to bring greater accountability to short term rental (STR) owner/operators within the unincorporated Pinellas County to preserve the highest quality of life within residential neighborhoods and to bring an increased awareness and compliance with the Florida Building Code and Florida Fire Prevention Code. The regulation of STR's will fall under the Code Enforcement Division with support from the Building Division on inspections.

The following is a summary of updates (note – only the “Standard Purpose”, “Applicability” and “Maximum Occupancy of 10 persons” remain unchanged within 138-3232. The remainder of the ordinance is new language):

- Areas Embraced – this section clarifies the geographical jurisdiction of the ordinance.
- Definitions – added to clarify key terminology used throughout the ordinance (e.g., “inspection means an on-site review of the subject property by Pinellas County staff for compliance with the Florida Building Code and the Florida Fire Prevention Code).
- Mandatory Certificate of Use – this section is the key provision that will deliver greater accountability and will be supported by 3rd party technology with the capabilities of “address identification” of STR's and continual monitoring of host platforms for compliance purposes. Building inspections are part of the Certificate of Use process and will occur bi-annually thereafter.
- Advertisement – this is a tool to support the Mandatory Certificate of Use and compliance monitoring.

Enforcement – updated to have broader application and consistency with the Pinellas County code.

The Certificate of Use program is targeted to be effective January 1, 2025. An educational campaign will be launched in the fall of 2024 including notification to the

2973 +/- STR owner/operators in the unincorporated county to the requirement of a mandatory Certificate of Use starting in January 2025.

Background:

Since the adoption of Section 138-3232 in October 2018, the short term rental market has experienced unprecedented growth in Pinellas County. Today, there is approximately 2973+/- short term rentals located in unincorporated Pinellas County without an accounting of where these properties are located and whether the properties are operating in compliance with applicable regulations and codes (e.g., Florida Building Code & Florida Fire Safety Code). With this growth, the number of complaints to Code Enforcement has increased over 400% in the past 18-months. The need to establish an updated short term rental program, inclusive of a Certificate of Use requirement, to deliver greater accountability to short term rental owner/operators to preserve the highest quality of life within residential neighborhoods is the key driver to this initiative and ordinance update.

Sec. 138-3232 - Legislative intent.

The intent of short term rentals is to allow for an individual dwelling unit to be rented to an individual or party at a lease term that is less than one month while protecting the immediate vicinity from associated negative impacts. Short term rentals generally occur in typical residential units and mostly within residential neighborhoods.

WHEREAS Clauses:

WHEREAS, it is necessary, appropriate, and in the best interests of the public health, safety and welfare to monitor and to provide a reasonable means to mitigate adverse impacts of short term rentals in residential neighborhoods; and

WHEREAS, short term rentals located within established residential neighborhoods can disturb the quiet nature and atmosphere of residential neighborhoods and the residents' right to the peaceful use and enjoyment of their homes; and

WHEREAS, single-family residential neighborhoods and their required infrastructure are generally designed to accommodate typical single-family residential homes with two (2) to three (3) persons per household on average; and

WHEREAS, short term rental occupants, due to the transient nature of their occupancy, are unfamiliar with local hurricane evacuation plans, the location of fire extinguishers, and other safety measures that would readily be provided to guests in traditional lodging establishments; and

WHEREAS, short term rentals with no application of mitigating standards when located in residential neighborhoods can create disproportionate impacts related to excessive occupancy, noise, trash, and parking; and

WHEREAS, the presence of short term rentals in established residential neighborhoods can create negative compatibility impacts, among which include, but are not limited to on-street parking and diminished public safety; and

WHEREAS, some short term rentals will likely be created in single family homes that were built before more current building codes that require minimum life/safety improvements

2. An estimate of the direct economic impact of the Ordinance on private, for-profit businesses in the County, including the following, if any:

The proposed ordinance amendment will have fees associated with the Certificate of Use requirement. Each STR property/unit will incur an annual fee of \$450 (initial Certificate of Use fee -Year 1 and an annual renewal fee of \$450 thereafter) plus a \$150 building inspection fee Year-1 and \$100 building inspection fee bi-annually thereafter. Where a reinspection is required, a \$100 fee is incurred. The fees established are correlated to the costs of the entire program (3rd party technology build and annual subscription costs, augmented code enforcement staff, communications plan) such that the projected revenues to Pinellas County will not result in any impact to General Fund expenditures. Additionally, the proposed fees associated with the Certificate of Use requirement are in-line with other municipalities within the region and state.

YEAR 1 – Fiscal Assessment

- Certificate of Use and Building Inspection Requirement - \$600 (\$450 Certificate of Use/\$150 building inspection)
Note: Building Inspections occur bi-annually after Year 1 Certificate of Use
- Revenue: Projected 70% compliance (Cert of Use) of 80% Address ID validation of existing 3000+/- STR's yielding revenue of \$756,000 General Fund/\$252,000 Building Fund
- Expenditure: 3rd Party Technology – Non-reoccurring (\$79,000) + annual re-occurring (\$94,000) = \$173,000
- Expenditure: Code Enforcement staffing augmentation including 2-Temps & Equipment (4-FTE's fully loaded & 2 temps) - \$505,000
- Expenditure: Communications Campaign (year 1) -\$25,000
- Total Projected Operational Expenses \$703,000 General Fund/\$250,000 Building Fund (3rd party support/OT)
Note: Year 1 includes non-reoccurring costs

General fund revenues (\$756,000) cover general fund expenditures (\$703,000). The 7.5% surplus is a contingency balance.

Building fund revenues (\$252,000) cover building fund expenditures (\$250,000).

Subsequent years do not include a non-reoccurring technology expenditure (approximately \$90,000). The surplus accounts for yearly escalation costs in technology annual subscription costs, salary increases and expanded technology capabilities.

3. A good faith estimate of the number of businesses likely to be impacted by the Proposed Ordinance:

2973+/- STR properties (unique listings) in unincorporated Pinellas County (source – Host Compliance/Granicus)

4. Any additional information the BCC deems useful: *[This Section is not legally required.]*

The deployment of the updated STR program, inclusive of the Certificate of Use requirement, is anticipated to occur in January 2025.