VILLAGE OF LAKE BLUFF
VILLAGE BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE
SPECIAL WORKSHOP MEETING

Saturday, January 27, 2018
8:00 A.M.

Village Hall Board Room
40 East Center Avenue

MEETING NOTICE AND AGENDA

I. Call To Order

II. Roll Call

III. Non-Agenda Items and Visitors (Public Comment)

The Committee-of-the-Whole allocates fifteen (15) minutes during this item for those individuals who would like the opportunity to address the Committee-of-the-Whole on any matter not listed on the agenda. Each person addressing the Committee-of-the-Whole is asked to limit their comments to a maximum of three (3) minutes.

IV. General Business

The Committee-of-the-Whole will entertain requests from anyone present to modify the order of business to be conducted.

i. Discussion Regarding Short-Term Rental Regulations.

V. Adjournment

R. Drew Irvin
Village Administrator

The Village of Lake Bluff is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding accessibility of the meeting or the facilities, are requested to contact R. Drew Irvin at 234-0774 or TDD number 234-2153 promptly to allow the Village of Lake Bluff to make reasonable accommodations.
SHORT TERM RENTAL (STR)
VILLAGE BOARD DISCUSSION

DECEMBER 11, 2017
VILLAGE OF LAKE BLUFF

THE DEBATE ACROSS THE COUNTRY...
CURRENT SITUATION

• STR to the general public of residential property for a period fewer than 30 days is prohibited.
• Village experienced STR for period of ~24 months without any reported complaints about noise, parties, or vehicles unlawfully parked on street/home
• Substantive public comment has been received
• Bans are difficult to enforce
• Proper and practical enforcement will be necessary whether permitted or not

MARKET CONTEXT

• Explosive growth in extremely fragmented markets
• STR’s can drive economic activity and be disruptive to traditional industries
• Evolving (many platforms & operators)
• Hosts & guests rate each other
• Global

![Market Context Chart]

- Airbnb: 45%
- VRBO: 11%
- Flipkey: 13%
- HomeAway: 22%
- Other: 9%
LAKE BLUFF STR MARKET: PURPOSEFUL VISITORS

• Visiting families of Lake Bluffers for holidays, events, etc.
• Short term home remodel
• Visiting Abbott / Rosalind Franklin Medical School scientists / faculty, and other business professionals
• Great Lakes Naval Base graduation
• Local businesses creating marketable experiences
• Visitors & Users of Northwestern Lake Forest Hospital
• Future Residents / Investors / Businesses

POSSIBLE REGULATORY PATHS

Prohibit
Do Nothing
Regulate
REGULATORY PATHS TAKEN BY OTHERS

- **Prohibit**: Barrington, Glenview, Hinsdale, Mettawa, Lincolnshire, Glencoe, Lake County, Northfield
- **Do Nothing**
- **Regulate**: City of Chicago, Evanston, Fox Lake, Highland Park, Schaumburg

PURPOSE AND INTENT

- Explore and develop a proposed best policy for the regulation of short term rentals
- Consider ALL public comment
- Look at *Best Practices*
- Learn from Others & Ourselves
- Make a good faith effort to facilitate a constructive dialog among stakeholders to formulate a final policy
2023 STRATEGIC PLAN SHARED VALUES

• Take personal responsibility for the quality of our community
• Act with integrity, accountability and in the best interest of all
• Demonstrate kindness, neighborliness and concern for others
• Be inclusive, welcoming, and open minded
• Interact with respect and civility in all circumstances
• Embrace a positive, forward-looking orientation
• Cherish our history, culture and legacy of excellence

POLICY OBJECTIVES

• Ensure that traditional residential neighborhoods are NOT turned into tourists areas to the detriment of residents
• Ensure that homes are NOT turned into pseudo hotels or “party houses”
• Minimize public safety risks and the noise, trash and parking problems
• Seek to protect, rather than erode, property rights
POLICY OBJECTIVES (CONTINUED)

• Only seek to create regulations we intend to enforce
• Seek to increase, not erode, the tax base and property values
• Avoid negatively impacting people who are not directly involved in sharing economy exchanges
• Stay simple, nimble and flexible
• Support local businesses and restaurants

POSSIBLE REGULATORY PATHS

- Prohibit
- Do Nothing
- Regulate
FRAMEWORK FOR DISCUSSION

- Primary residence
- Occupation by owner
- Accessory / secondary dwellings
- Parking
- Limiting # of adults
- Registration
- Life safety requirements
- Taxation / Fees
- Enforcement
- Neighborhood awareness
- Advertising
- Geographic / proximity limitations
- Min rental period
- Max # of rental days / year
- Max # of rooms for rent
- Access
- Special use permits

PROPOSED TIMELINE

December 11th Village Board Meeting

Presentation by Trustees Grenier and Lemieux

VB Workshop Meeting, Saturday in January - Info Packet Publicly Available before Meeting

Board Discussion & Direction to Staff/Attorney | Opportunity for Public Comment

Board Discussion & Possible Direction to Staff/Attorney

Opportunity for Public Comment
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<tbody>
<tr>
<td>1</td>
<td>Prohibition</td>
<td>Clarification of policy would require modification to current hotel tax and zoning provisions to clarify prohibition of STR for 30 days or less</td>
<td>To meet certain identified policy objectives (e.g. ensure that traditional residential neighborhoods are NOT turned into tourists areas to the detriment of residents; ensure that homes are NOT turned into pseudo hotels or “party houses”; minimize public safety risks and the noise, trash and parking problems).</td>
<td>This approach may not be consistent with the Village's shared values, meet certain identified policy objectives and/or satisfy local market.</td>
</tr>
<tr>
<td>2</td>
<td>No Regulations</td>
<td>None - but would require modification to current hotel tax and zoning provisions</td>
<td>To (i) not infringe on property rights and (ii) be consistent with Village's regulatory approach to other approaches to sharing economy exchanges (Uber, Lyft, etc.)</td>
<td>While serving the local market, this approach may not be consistent with Village's shared values or meet identified policy objectives.</td>
</tr>
<tr>
<td>3</td>
<td>Primary Residence</td>
<td>Must be primary residence of owner for more than 275 days per year</td>
<td>To eliminate the potential of Lake Bluff properties as STR investment vehicles</td>
<td>Need to determine how this is demonstrated (evidence of primary ownership - utility bill, tax receipt, etc.)</td>
</tr>
<tr>
<td>4a</td>
<td>NO Occupation of Owner During STR</td>
<td>Not required, but Owner/Occupant/Operator must establish and maintain a &quot;Local Contact&quot; during entire STR period</td>
<td>To (i) force owner to take active role in ensuring STR guest(s) follow local regulations, and (ii) create path for operators/users that do not want to share residence during rental period</td>
<td>Establish different regulations for operators that DO NOT intend to occupy during STR including but not limited to: (i) Require that all short-term rental contracts include a copy of the local sound/trash/parking ordinances and/or a “Good Neighbor Brochure” that summarizes the local sound/trash/parking ordinances and what is expected of the renter, (ii) Require that short-term rental permit holders list a “local contact” that can be reached 24/7 and immediately take corrective action in the event any non-emergency issues are reported (i.e. deal with suspected noise, trash or parking problems), and (iii) Establish a 24/7 hotline to allow neighbors and other citizens to easily report non-emergency issues without involving local law/code enforcement officers. Once notified of a potential ordinance violation, the hotline personnel will contact the affected property's &quot;local contact&quot;, and only involve the local law and/or code enforcement personnel in the event that the &quot;local contact&quot; is unsuccessful in remedying the situation within a reasonable amount of time.</td>
</tr>
<tr>
<td>4b</td>
<td>Occupation of Owner During STR</td>
<td>Owner must occupy premises during all and entire STR</td>
<td>To (i) eliminate the potential of Lake Bluff properties as STR investment vehicles and (ii) force owner to take active role in ensuring STR guest(s) follow local regulations</td>
<td>See 4a</td>
</tr>
<tr>
<td>5</td>
<td>Accessory or Secondary Dwelling Units</td>
<td>Use of accessory or secondary dwelling units may not be used for STR</td>
<td>To (i) eliminate the potential of Lake Bluff properties as STR investment vehicles, and (ii) may limit number of STR operators</td>
<td></td>
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### Short Term Rental Policy Considerations - 2018-01-18

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<thead>
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<td>6</td>
<td>Parking</td>
<td>All overnight parking must be accomplished on site of STR on improved surfaces and number of vehicles cannot exceed available space on STR property</td>
<td>To (i) acknowledge certain rentals will utilize lawful on-street parking from time to time (ease of administration), (ii) may limit number of overnight STR guests, (iii) may limit exposure to large, late-night social gatherings, (iv) may limit number of STR operators, and (v) force owner to take active role in ensuring STR guest(s) follow local regulations</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Limit on Number of Adults</td>
<td>10 adult persons</td>
<td>Attempt to stop &quot;party houses&quot;</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Registration</td>
<td>Required annual registration</td>
<td>To (i) be able to enforce &amp; regulate STR properties, (ii) ensure taxation, (iii) data collection</td>
<td>$100 annual registration fee; proof of insurance</td>
</tr>
<tr>
<td>9</td>
<td>Life Safety</td>
<td>Mandate annual life safety inspection as part of registration process</td>
<td>To ensure minimum safety measures are in place (fire extinguishers, smoke detectors, CO detectors, etc.) and proper egress is present (handrails for stairs)</td>
<td>Costs of inspection activity covered by fee; sample form <a href="https://www.cityofholland.com/sites/default/files/fileattachments/rental_inspection_fee_schedule_brochure_4.pdf">https://www.cityofholland.com/sites/default/files/fileattachments/rental_inspection_fee_schedule_brochure_4.pdf</a></td>
</tr>
<tr>
<td>10</td>
<td>Taxation</td>
<td>Enforce existing STR (hotel) 7% gross receipts tax</td>
<td>To (i) fund regulation of STR activities and (ii) generate revenue</td>
<td>Minimal anticipated revenue; consider raising Registration Fee as alternative</td>
</tr>
<tr>
<td>11</td>
<td>Neighborhood Awareness</td>
<td>Registered STR properties will be posted on Village website and made available at Village Hall</td>
<td>To ensure a communication channel for neighboring property owners to be aware of which properties are engaged in STR activity</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Advertising</td>
<td>No on-site or off-site signage of STR permitted</td>
<td>To (i) reduce the depreciation of property values caused by signs that are architecturally incompatible with surrounding land uses, and (ii) enhance and protect the physical appearance of all areas of the village by prohibiting unsightly, dissimilar, inappropriate and excessive numbers of signs.</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Minimum STR Rental Period</td>
<td>2 night minimum stay</td>
<td>(i) Preserves the ability of owners to occasionally rent their property, (ii) encourages longer term rentals (single night minimum perceived to be less of investment and involves higher frequency of turnover of guests), (iii) may limit number of STR operators, and (iii) force owners to take active role in ensuring STR guest(s) follow local regulations</td>
<td>Can be raised or lowered if deemed necessary</td>
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<td>14</td>
<td>Maximum Number of STR Days per Year per Property</td>
<td>45 days</td>
<td>(i) Preserves the ability of owners to occasionally rent their property, (ii) encourages longer term rentals (single night minimum perceived to be less of investment and involves higher frequency of turnover of guests), (iii) may limit number of STR operators, and (iv) force owners to take active role in ensuring STR guest(s) follow local regulations</td>
<td>For administrative purposes, the taxation should be indicative of intensity of use and administration process will require usage data</td>
</tr>
<tr>
<td>15</td>
<td>Geographic/Proximity Limitation</td>
<td>Not recommended</td>
<td>It is presumed that other recommended operational regulations will result in smaller quantity of STR operators</td>
<td>Can be enacted later if viewed necessary</td>
</tr>
<tr>
<td>16</td>
<td>Maximum Number of Rooms Available for Rent per Property</td>
<td>5 rooms</td>
<td>To ensure that certain ADA provisions and building code are met.</td>
<td>May not be applicable</td>
</tr>
<tr>
<td>17</td>
<td>Shared Driveways</td>
<td>No STR permitted where shared driveways result in co-located parking or restricting access</td>
<td>To ensure adjoining property owner's access is not impacted/restricted by STR activity</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>SUP Process</td>
<td>Not recommended</td>
<td>Provides procedural framework to consider applicants for STR</td>
<td>Complex &amp; lengthy legal process that might result in divisive public meetings, pitting neighbor vs neighbor</td>
</tr>
<tr>
<td>19</td>
<td>Enforcement</td>
<td>NA</td>
<td>Necessary for any path</td>
<td>(i) Provide an easy way to report non-emergency STR related problems, (ii) Be firm and fair when dealing with offenders, (iii) Make it clear that advertisements on a STR platform will be considered prima fascia evidence, (iv) Fine schedule should be flexible enough to manage both minor infractions and egregious violators</td>
</tr>
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