

AGENDA REQUEST FORM

FOR: Council Meeting of February 15, 2022

FROM: Council Member Sarah Bunch


ORDINANCE OR RESOLUTION TITLE AND SUBJECT:

AN ORDINANCE TO AMEND §118.01 **APPLICABILITY** OF THE *FAYETTEVILLE CITY CODE* AND §163.18 **SHORT-TERM RENTALS** OF THE *UNIFIED DEVELOPMENT CODE* TO EXTEND THE SHORT-TERM RENTAL START-UP PERIOD FROM NINE MONTHS TO TWELVE MONTHS, AND TO DECLARE AN EMERGENCY

APPROVED FOR AGENDA:

Approved by email
City Council Member
Sarah Bunch

2/8/22
Date


Asst. City Attorney Blake Pennington
Approved as to form

2/8/22
Date

ORDINANCE NO. _____

AN ORDINANCE TO AMEND §118.01 **APPLICABILITY** OF THE *FAYETTEVILLE CITY CODE* AND §163.18 **SHORT-TERM RENTALS** OF THE *UNIFIED DEVELOPMENT CODE* TO EXTEND THE SHORT-TERM RENTAL START-UP PERIOD FROM NINE MONTHS TO TWELVE MONTHS, AND TO DECLARE AN EMERGENCY

WHEREAS, on November 16, 2021, the City Council passed Ordinance 6508 extending the short term rental startup period from six months to nine months to allow operators to obtain the necessary insurance and ownership documentation and address life safety issues that were identified during required inspections; and

WHEREAS, operators are experiencing delays in hiring contractors to fix the life safety issues and should be given additional time to apply for and receive their short term rental licenses.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby amends subsection (E)(4) of §118.01 **Applicability** of the *Fayetteville City Code* by changing the nine month startup period to a twelve month startup period as shown in Exhibit A attached to this Ordinance.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby amends subsection (A)(7) of §163.18 **Short-Term Rentals** of the *Unified Development Code* by changing the nine month startup period to a twelve month startup period as shown in Exhibit B attached to this Ordinance.

Section 3: That the City Council of the City of Fayetteville, Arkansas hereby determines that this ordinance should become effective without delay because short term rental operators should be given additional time to comply with the City's life safety standards and insurance requirements for short term rentals, which are necessary for the public peace as well as the health and safety of Fayetteville residents. Therefore, the City Council hereby declares an emergency exists such that this ordinance shall become effective immediately upon its passage and approval.

PASSED and **APPROVED** this 15th day of February, 2022.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
KARA PAXTON, City Clerk/Treasurer

Exhibit A

118.01 Applicability

...

- (E) *Short-Term Rentals.* A residential dwelling unit, portion of a dwelling unit, or bedroom within a residential dwelling unit, leased and/or rented to a guest(s), for a period of less than thirty consecutive (30) days.

...

- (4) *Twelve-Month Start-up Period.* After the enactment of the short-term rental ordinance, short-term rental operators shall have twelve (12) months to submit an application for a business license for the operation of a short-term rental. After the twelve-month start-up period, all short-term rental units must have a business license to be considered in compliance.
- (a) Persons seeking to operate a short-term rental within twelve months of the enactment of this Code section shall be granted a conditional use permit for such short-term rental without having to pay a fee or have a hearing before the Planning Commission. The conditions for such permit shall be full compliance with all terms and requirements of Chapter 118, Business Registry and Licenses, this section, and all other requirements of the Fayetteville Code including timely and full payment of all hotel, motel, and restaurant taxes to the city. Revocation of the business license shall also revoke the conditional use permit granted by this subsection.
- (b) Persons seeking to operate a Type 2 short-term rental who have failed to apply for such conditional use permit and business license prior to the end of the twelve-month start-up period shall be required to follow normal procedures and apply to the Planning Commission to request a conditional use permit which will be issued or denied pursuant to the Planning Commission's decision pursuant to §163.18(2)(a).
- (c) Type 1 and 2 short-term rentals seeking a business license or permit under the 12-month start-up period which are currently operating in 2-, 3- and 4-unit buildings in which more than one (1) unit is being used as a short-term rental may obtain a business license for all currently operating short-term rentals.
- (d) Applications submitted prior to the end of the twelve-month start-up period shall expire sixty (60) days after the start-up period has ended if the business license has not been issued by the City by that time.

...

Exhibit B

163.18 Short-Term Rentals

(A) *General Standards.*

...

- (7) *Twelve-Month Start-up Period.* After the enactment of the short-term rental ordinance, short-term rental operators shall have twelve (12) months to submit an application for a business license. After the twelve-month start-up period, all short-term rental units must have a business license to be considered in compliance.
- (a) Persons seeking to operate a short-term rental within twelve (12) months of the enactment of this Code section shall be granted a conditional use permit for such short-term rental without having to pay a fee or have a hearing before the Planning Commission. The conditions for such permit shall be full compliance with all terms and requirements of Chapter 118, Business Registry and Licenses, this section, and all other requirements of the Fayetteville Code including timely and full payment of all hotel, motel, and restaurant taxes to the city. Revocation of the business license shall also revoke the conditional use permit granted by this subsection.
 - (b) Persons seeking to operate a Type 2 Short-term rental who have failed to apply for such conditional use permit and business license prior to the end of the twelve-month start-up period shall be required to follow normal procedures and apply to the Planning Commission to request a conditional use permit which will be issued or denied pursuant to the Planning Commission's decision pursuant to §163.18(2)(a).
 - (c) Type 1 and 2 short-term rentals seeking a business license or permit under the twelve-month start-up period which are currently operating in 2-, 3- and 4-unit buildings in which more than one (1) unit is being used as a short-term rental may obtain a business license for all currently operating short-term rentals.
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118.01 Applicability

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- (4) *NineTwelve-Month Start-up Period.* After the enactment of the short-term rental ordinance, short-term rental operators shall have ~~nine-twelve~~ (912) months to ~~obtain-submit an application for~~ a business license ~~and be considered in compliance for the operation of a short-term rental.~~ After the ~~ninetwelve-~~ month start-up period, all short-term rental units must have a business license to be considered in compliance.

- (a) Persons seeking to operate a short-term rental within ~~nine-twelve~~ months of the enactment of this Code section shall be granted a conditional use permit for such short-term rental without having to pay a fee or have a hearing before the Planning Commission. The conditions for such permit shall be full compliance with all terms and requirements of Chapter 118, Business Registry and Licenses, this section, and all other requirements of the Fayetteville Code including timely and full payment of all hotel, motel, and restaurant taxes to the city. Revocation of the business license shall also revoke the conditional use permit granted by this subsection.

- (b) Persons seeking to operate a Type 2 short-term rental who have failed to ~~obtain-apply for~~ such conditional use permit and business license prior to the end of the ~~ninetwelve-~~ month start-up period shall be required to follow normal procedures and apply to the Planning Commission to request a conditional use permit which will be issued or denied pursuant to the Planning Commission's decision pursuant to §163.18(2)(a).

- (c) Type 1 and 2 short-term rentals seeking a business license or permit under the ~~912-~~ month start-up period which are currently operating in 2-, 3- and 4-unit buildings in which more than one (1) unit is being used as a short-term rental may obtain a business license for all currently operating short-term rentals.

- (d) Applications submitted prior to the end of the twelve-month start-up period shall expire sixty (60) days after the start-up period has ended if the business license has not been issued by the City by that time.

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163.18 Short-Term Rentals

(A) *General Standards.*

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(7) ~~*NineTwelve-Month Start-up Period.*~~ After the enactment of the short-term rental ordinance, short-term rental operators shall have ~~nine-twelve (912)~~ nine-twelve (912) months to ~~obtain-submit an application for~~ a business license ~~and be considered in compliance.~~ After the ~~ninetwelve~~-month start-up period, all short-term rental units must have a business license to be considered in compliance.

(a) Persons seeking to operate a short-term rental within ~~nine-twelve (912)~~ nine-twelve (912) months of the enactment of this Code section shall be granted a conditional use permit for such short-term rental without having to pay a fee or have a hearing before the Planning Commission. The conditions for such permit shall be full compliance with all terms and requirements of Chapter 118, Business Registry and Licenses, this section, and all other requirements of the Fayetteville Code including timely and full payment of all hotel, motel, and restaurant taxes to the city. Revocation of the business license shall also revoke the conditional use permit granted by this subsection.

(b) Persons seeking to operate a Type 2 Short-term rental who have failed to ~~obtain-apply for~~ such conditional use permit and business license prior to the end of the ~~ninetwelve~~-month start-up period shall be required to follow normal procedures and apply to the Planning Commission to request a conditional use permit which will be issued or denied pursuant to the Planning Commission's decision pursuant to §163.18(2)(a).

(c) Type 1 and 2 short-term rentals seeking a business license or permit under the ~~ninetwelve~~-month start-up period which are currently operating in 2-, 3- and 4-unit buildings in which more than one (1) unit is being used as a short-term rental may obtain a business license for all currently operating short-term rentals.

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