



# Short Term Rentals

**City of Delray Beach | Neighborhood and Community Services**

**City Commission Workshop  
10/9/2018**





# Presentation Objectives

- I. Overview of Short Term Rentals in Delray Beach
- II. Data Available
- III. Fiscal Impacts
- IV. Recommendation & Next Steps

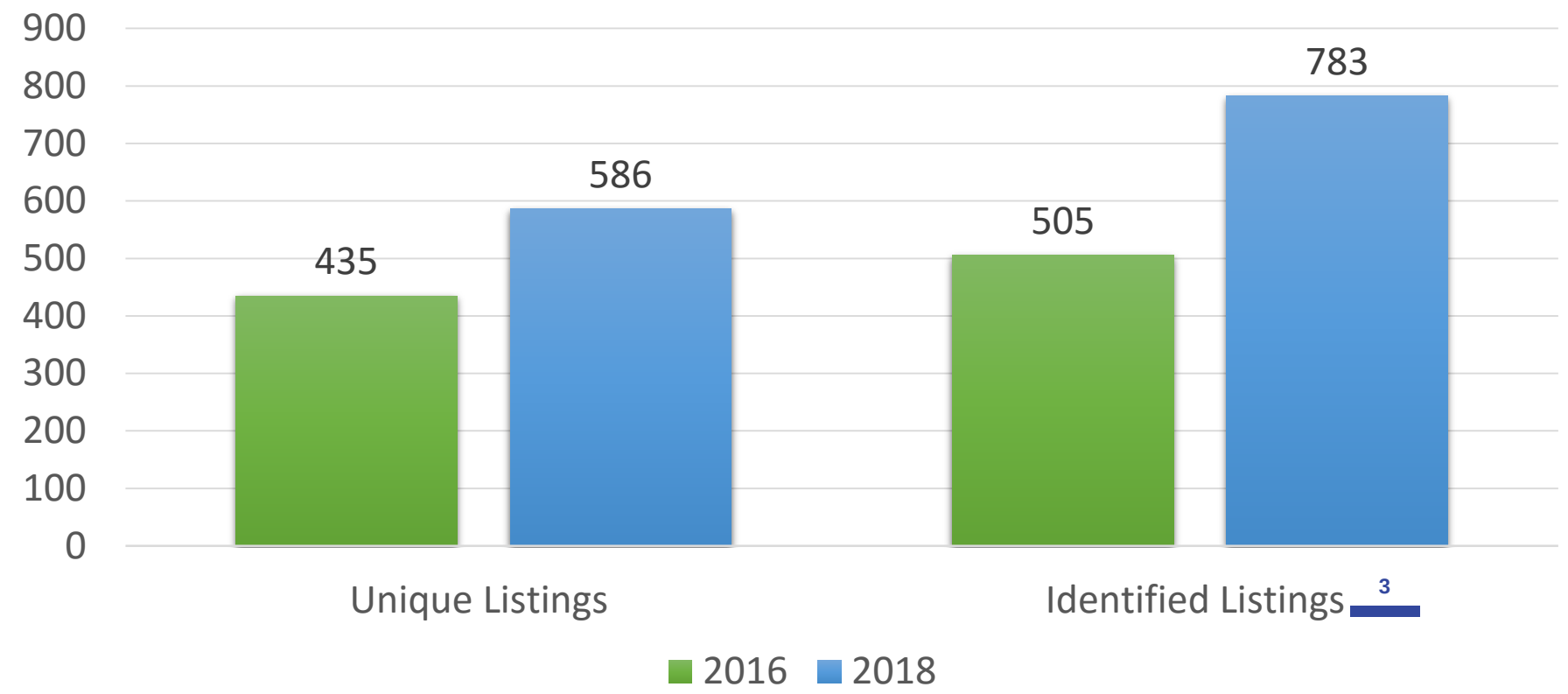


# Background

## SHORT TERM RENTALS IN DELRAY BEACH

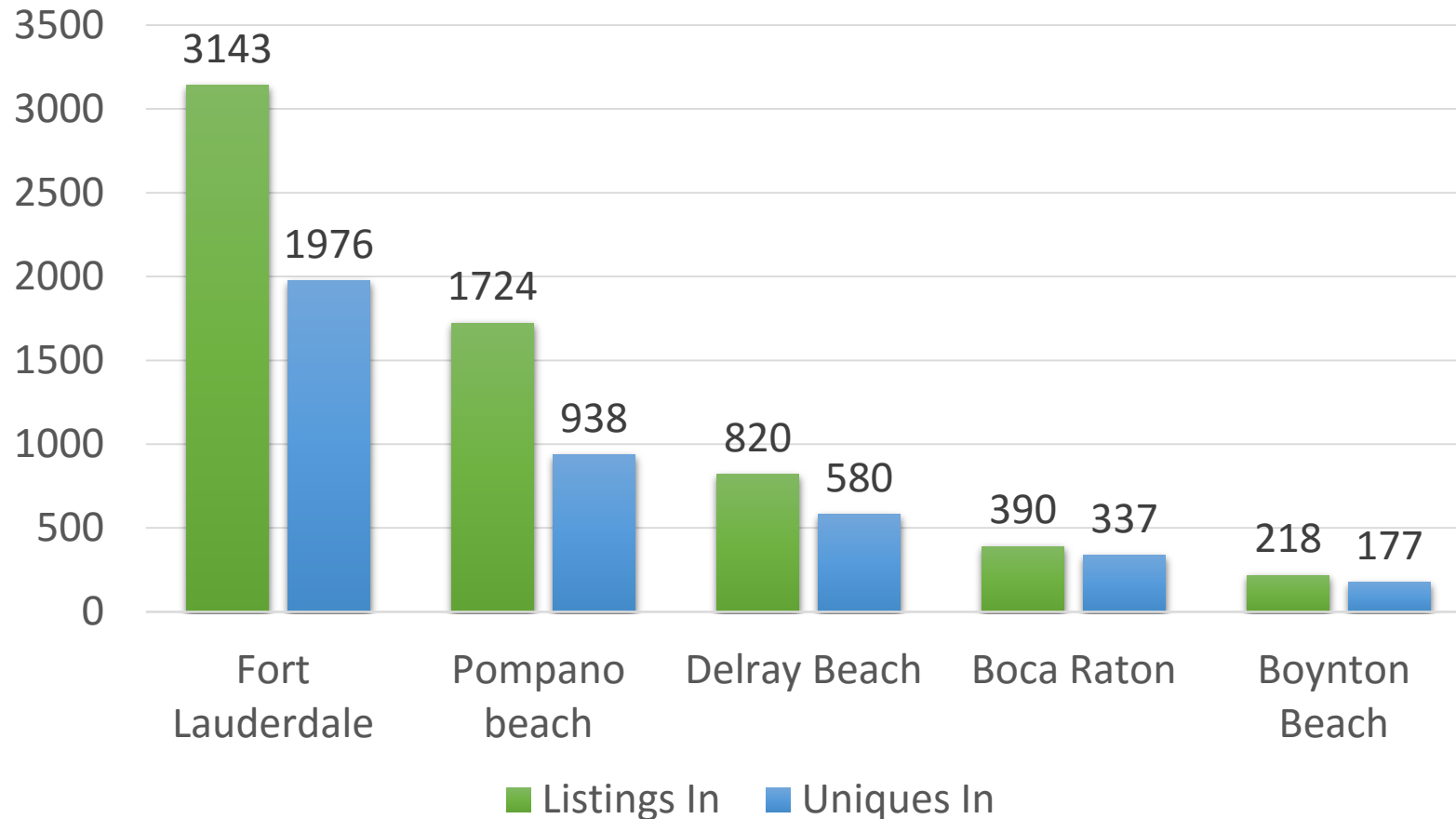
Delray Beach 's Short Term Rentals (STRs)  
(May 2018)

- **435** Listed in 2016
- **586** Listed in 2018
- **35%** Increase since 2016



# BACKGROUND

## STRs Benchmarking Peer Comparison (Spring 2018)



## PEER COMPARISON

### Unique Listings in Spring 2018

- Fort Lauderdale 1976
- Pompano Beach 938
- Delray Beach 580
- Boca Raton 337
- Boynton Beach 177



# ISSUES

## Public available data for majority of properties

- Interior photos
- Listing description
- Location within half a mile of actual location

## Data that can be acquired through the use of sophisticated technology or labor

- Address
- Owner name
- Permit information

## Data that is impossible to obtain for majority of Municipalities

- # of nights rented per month/quarter/year
- Rental revenue per month/quarter/year

# CHALLENGES

- Complaint Driven
- Interior Photos Listed
- Address Data Hidden
- Manually Monitoring Listings

# ... SERVICES NEEDED

**Address Identification:** Monthly updates of listing information and Screen Shots of all identifiable STR's

**Hotline: 24/7:** Staffed telephone hotline for neighbors to report non-emergency STR problems



# FISCAL IMPACTS



## *Proposed Program Administration Costs*

|                       | Proposed Program Administration Costs to Delray Beach (600 Units) |
|-----------------------|-------------------------------------------------------------------|
| Administrative        | \$49,000                                                          |
| Mailing Notices (5)   | \$15,000                                                          |
| Inspection Time       | \$27,000                                                          |
| Projected Vendor Cost | \$30,000                                                          |
| Vehicle Expenses      | \$8,180.00                                                        |
| Total                 | \$129,000                                                         |

## *Proposed Fee Structure*

| City         | Business Tax Fee | Inspection Fee | Estimated Units | Estimated Fees |
|--------------|------------------|----------------|-----------------|----------------|
| DELRAY BEACH | \$190.30         | \$25.00        | 600             | \$129,180      |



# RECOMMENDATIONS

## *Option 1)*

Require Vacation Rentals to register with Business Tax Office before March 2019. In addition, contract with a service provider to assist with identifying and monitoring STR's.

## *Option 2)*

- Bring back for discussion after March 2019 Legislative session.
  - **HB 773** – *Local law ordinances may not prohibit vacation rentals, regulate the duration, nor frequency.*
  - **HB 789** – *The state will regulate the registration of real property owners who lease or rent their property.*



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