



HISTORIC
FRANKLIN
TENNESSEE


08/26/14

ITEM #14
WRKS

MEMORANDUM

August 18, 2014

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator 
Chris Bridgewater, Director BNS
Molly Pike, Zoning Administrator

SUBJECT: Vacation Rental By Owners (VRBOs)

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) and to discuss possible courses of action concerning the rental of homes for time periods less than 21 days.

Background

Some Franklin property owners are using websites such as *Airbnb* and *VRBO* to rent their single family and accessory dwellings for short periods of time. Our Zoning Ordinance limits this type of transient occupancy to either bed and breakfasts or hotels. Williamson County is pursuing the collection of hotel/motel taxes from these property owners who are renting their homes on a short-term basis and is asking that the owners comply with all local ordinances. Franklin issues business licenses for the purpose of collecting this revenue, but staff is not giving approval for property owners to use their single family dwelling for transient rentals. Although aware that Vacation Rental by Owners (VRBOs) are occurring, staff wants the BOMA input on possible alternative approaches prior to pursuing any type of enforcement. Many tourist-oriented communities, such as Franklin, permit this type of activity. Currently, Building and Neighborhood Services is not receiving complaints about VRBOs unless the dwelling is also used as an event venue for weddings and parties.

Alternative approaches:

- 1) Enforcing the Zoning Ordinance, not allowing dwellings to be rented on a short-term transient basis,
- 2) Updating the Zoning Ordinance use table and definitions to support this activity without active regulation, or
- 3) Updating the Zoning Ordinance to provide for active regulation and enforcement of VRBOs with permits.

Financial Impact

Alternative 1 would require an increase in staffing levels to effectively enforce existing regulations. Alternative 2 would generally maintain the status quo from an enforcement standpoint. Alternative 3 would require an increase in staffing levels to administer a system of fees, permits, and requirements necessary to enforce such regulations as BOMA would deem appropriate.

Recommendation

Staff recommends that the Board of Mayor and Aldermen consider the impact of this activity on our community and offer guidance to staff to determine if a proposal should be brought forward to amend the Zoning Ordinance.

If the Board determines that VRBOs should be a permitted use, staff recommends alternative 2 which would entail minor Zoning Ordinance revisions and the requirement of a Certificate of Use and Occupancy for this new use.