

City of Newport

RHODE ISLAND



Workshop on the Renting of Dwelling Units on a Short- term Basis

CITY OF NEWPORT, RI

A Brief History

- ▶ In the 40's, 50's, 60's and early 70's these facilities were commonly referred to as “rooming houses”
- ▶ Beginning in the late 70's & 80's the trend began to convert these rooming houses, large Victorian's, nursing homes and even former convents into “bed & breakfast” establishments
- ▶ With the proliferation of the online services it has become a full fledged commercial industry.

Problems & Concerns

- ▶ **Contributes to the increase in real estate values.**
- ▶ **Contributes to the loss of moderately priced dwelling unit supply.**
- ▶ **Contributes to loss of sense of community. (Dark house phenomenon)**

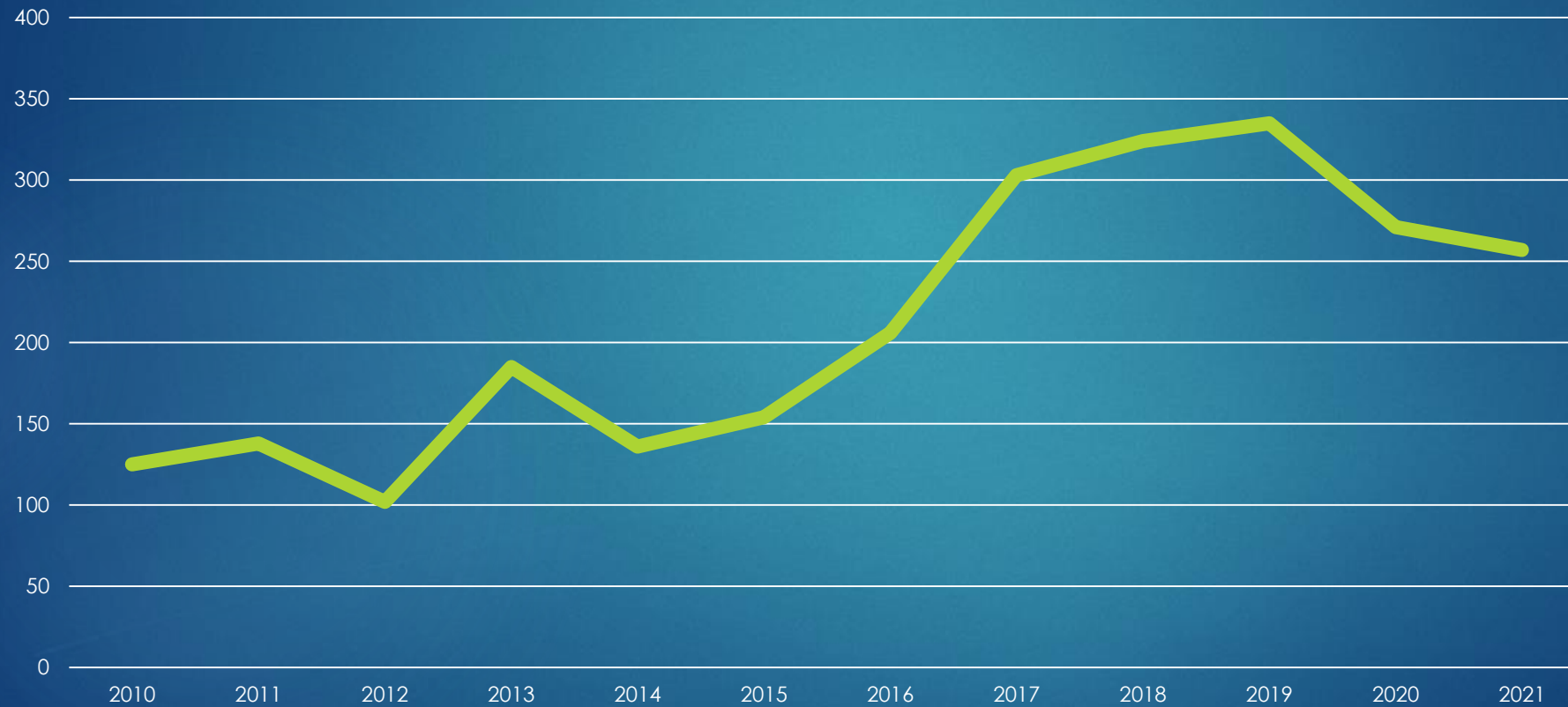
Benefits

- ▶ Provides supplement lodging to the hotel market.
- ▶ Provides a tax benefit.

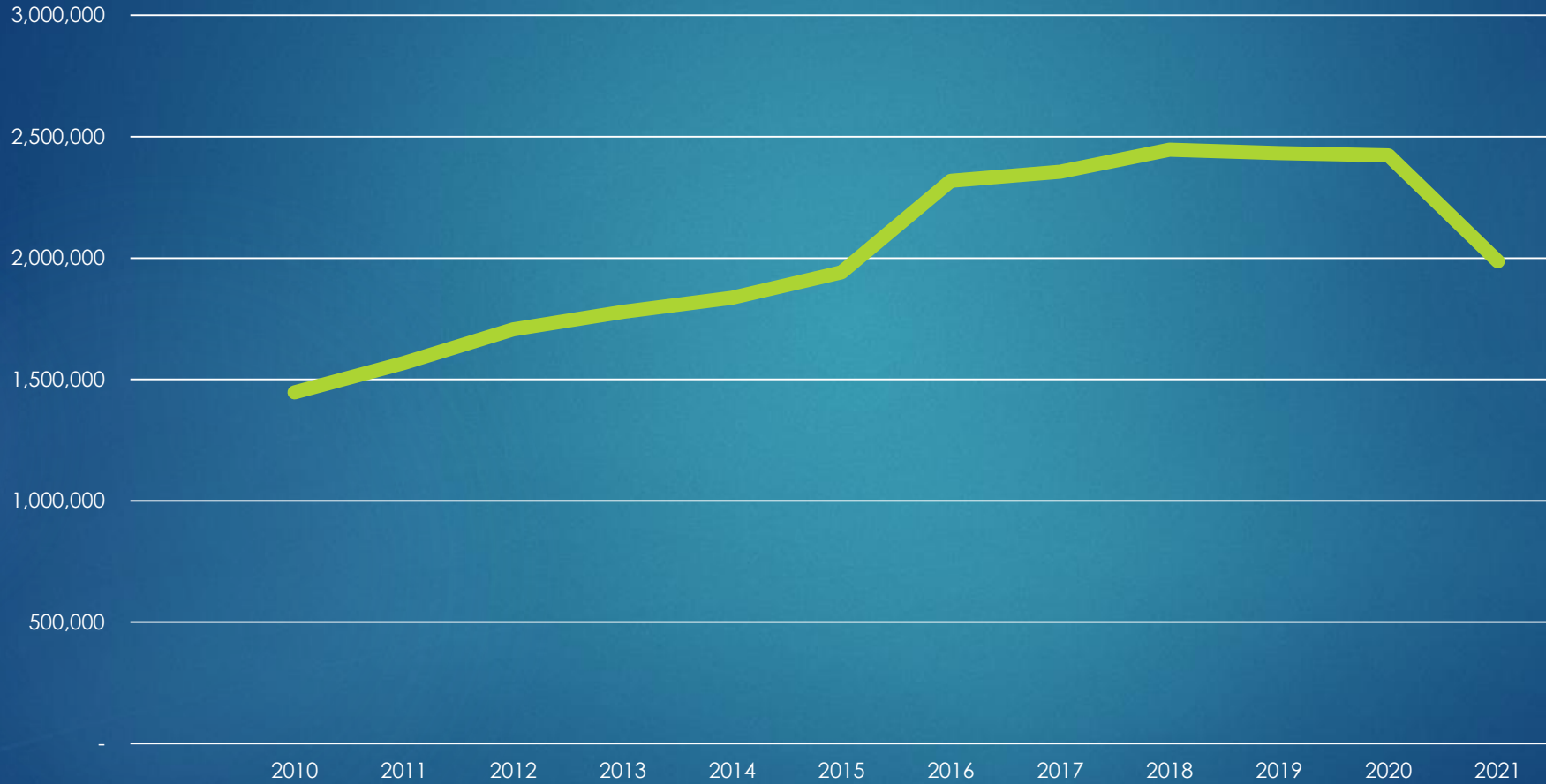
Statistics

- ▶ Number of registered properties .
- ▶ Tax revenue received.
- ▶ General location of properties both compliant and non-compliant.
 - ▶ City-wide Map
 - ▶ Central Newport Enlarged Area Map

Transient Guest Facility & Guest House Registrations 2010-2021



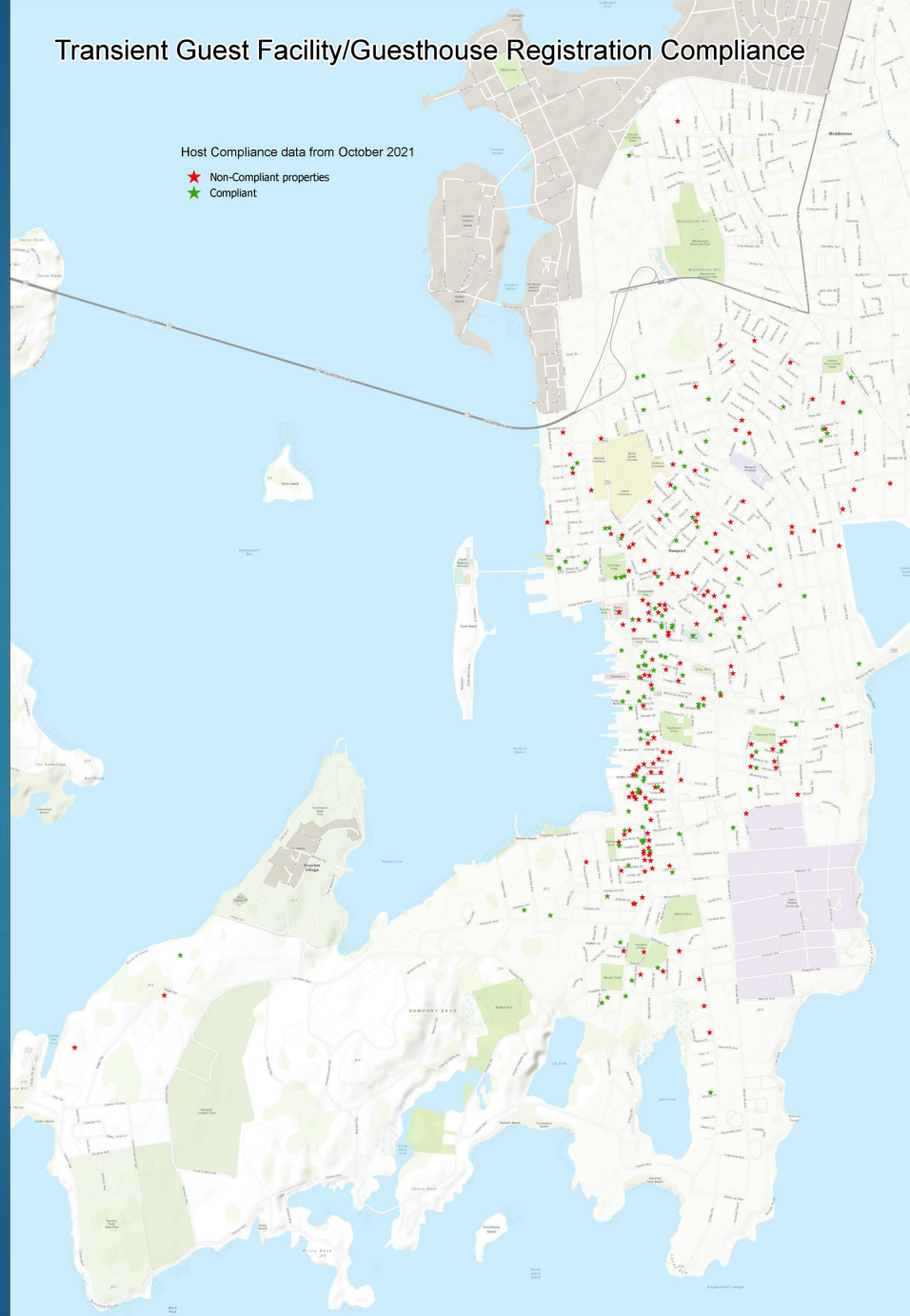
City of Newport Hotel Tax by Fiscal Year - City's share only

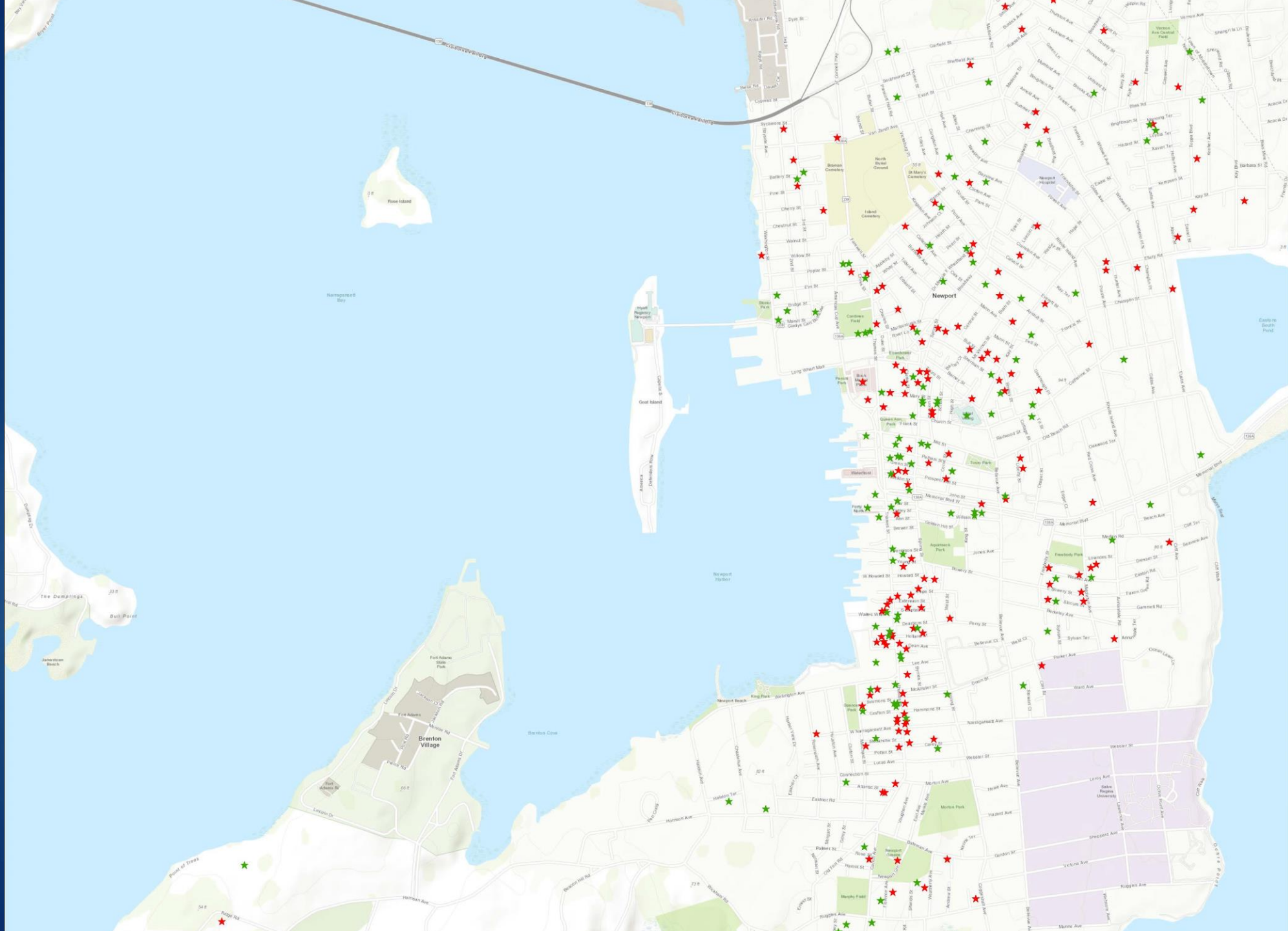


Transient Guest Facility/Guesthouse Registration Compliance

Host Compliance data from October 2021

- ★ Non-Compliant properties
- ★ Compliant





Definitions

There is no such thing as a “AirBnB Use”

"Guest facilities" means establishments for renting rooms or dwelling units as follows:

1. Guest House. A building in which one or more dwelling units or rooms for sleeping are rented for lodging accommodations for periods of twenty nine (29) consecutive days or less with or without the furnishing of meals and with the owner or a manager who is in charge and manages such rentals residing on the guest house property. In those districts where guest houses are permitted by right, the requirement for the owner or manager to reside on the guest house property shall not apply. No more than a total of five rooms for sleeping shall be allowed to be rented irrespective of the number of dwelling units or rooms for sleeping that are contained in the building. Only one building on a lot or parcel of land shall be allowed a guest house use.

Definitions

There is no such thing as a “AirBnB Use”

“Guest facilities” means establishments for renting rooms or dwelling units as follows:

3. Transient Guest Facilities. Buildings with rooms or units offered to the public for occupancy as lodging accommodations on a day-to-day, or week-to-week basis and dependent on external facilities to the room or unit for the furnishing of meals, including, but not limited to, hotels, motels, inns and time-share properties and units;

Definitions

There is no such thing as a “AirBnB Use”

"Home occupation" means any activity customarily carried out for gain by a resident, conducted as an accessory use in the resident's dwelling unit.

Ordinance Allowances

A “Guest House Use” is permitted by right in the Limited Business (LB), the Waterfront Business (WB), and the General Business (GB), districts.

This use is permitted only with a approval of a special use permit issued by the Zoning Board of Review in the R-3, R-10, R-20, R-40 districts.

In those districts where this use is not listed as being permitted by right or by special use permit, it is prohibited.

17.100.130. - Home occupations.

Rental of two guest bedrooms or less to no more than a total of four persons in an owner-occupied dwelling unit while the owner is present, with said dwelling unit being also the principal residence of the owner of said dwelling unit; only one such use shall be permitted on a lot;



The Guest House and Home Occupation Registration Process

The Guest House and Home Occupation
Registration Process

***You cannot operate a
guest house until you
have received a license
to do so.***

The Guest House and Home Occupation Registration Process

- 1. File the appropriate application with the City Clerk's Office and pay the filing fee.*
- 2. The application is routed to the Rental Compliance Officer, (RCO), who first insures the use is in compliance with the zoning code.*
- 3. The RCO then transmits the applicant to the Fire Marshal and the Building Official for review and sign off on Fire and Building Codes compliance.*

The Guest House and Home Occupation Registration Process

- 4. Once the RCO receives the approvals from Fire and Building, he forwards the application back to the City Clerk's Office.*
- 5. The City Clerks Office checks with the Tax Collection Office to insure all tax payments are current.*
- 6. Once tax clearance is received, the applicant is notified and is able to pay and pick up the actual license.*

The Guest House and Home Occupation
Registration Process

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Newport Guest House Enforcement

History of Enforcement

APPEAL OF JOAN M. DEMELLO, appealing the decision of the Zoning Officer in classifying the use of her property as a guest house applying to the property located at 9 Bowery Court, Tax Assessor s Plat 32, Lot 295, (R-10 zone).

Zoning Board of Review denied the appeal. The denial was appealed to the Newport Superior Court where it was dismissed with no decision

Newport's Enforcement Team

City Solicitor
(25 years of
experience)

City Manager
(36 years of
experience)

Building Official
(17 years of
experience)

Zoning Officer
(47 years of
experience)

**Deputy Zoning
Officer**
(25 years of
experience)

**Rental Compliance
Officer**
(32 years of
experience)

**Deputy Zoning
Officer**
(years of
experience)

**Minimum Housing
Inspector**
(18 years of
experience)

Newport's Enforcement Team's Tools

- ▶ **Host Compliance**
- ▶ **Newport Police (COP)**
- ▶ **The hundreds of compliance volunteers**
- ▶ **The subpoena of occupants of charged properties.**
- ▶ **Section 5.40.020**

Methods of Enforcement

- ▶ Typical week of enforcement
- ▶ Postings or lack thereof
- ▶ Nuisance related offenses
 - ▶ Noise
 - ▶ Trash
 - ▶ Parking offenses

Results of Enforcement

- ▶ Finding discrepancies with amount of beds and number of occupants registered and advertised.
- ▶ Finding discrepancies with amount advertised and the amount of applications filed but not licensed.
- ▶ Finding non Postings or lack thereof
- ▶ Ad of October 4, 2021, Host Compliance had identified 307 properties as “suspected” guest house hits in Newport
- ▶ Of the 307 identified, 181 properties have been certified as operating a guest house use without registering. As a result of that list, our staff has issued 129 citations for improperly advertising and other guest house use related violations.
- ▶ The City has assessed approximately \$21,000 in fines and court costs since January of this year of violations of the guest house regulations.
- ▶ Of the 129 citations issued since October 4th, 10 have reached a settlement with the City with the proposed assessment of \$2,900 in fines and court costs.

Role of the Zoning Board of Review

17.108.020. - Special use permits.

.....When provided elsewhere in this zoning code, such uses and features shall be treated as special use and shall be deemed to be permitted in their respective districts subject to the satisfaction of the requirements and standards set forth herein, in addition to other requirements of this zoning code. All such uses are declared to possess such special characteristics that each shall be considered as an individual case.

Role of the Zoning Board of Review

Transient/Guest House Activities – September 2016 – September 2021

- ▶ **29 Applications were/have been received**
 - ▶ 10 were granted approval
 - ▶ 6 were denied
 - ▶ 7 were withdrawn
 - ▶ 1 was an appeal which was denied
 - ▶ 5 are pending including the 150 units proposed at Waite's Wharf.

Solutions

Provide a clear policy addressing the impact of guest house uses to neighborhoods

Should this transient type of use be permitted at all in residential zoning districts?

Consider creating a full-time position for the Rental Compliance Officer.

Encourage the establishment of Neighborhood Watches.

Solutions

Support resubmission of H5505A the state law which would have required the registration of these types of rentals.

Consider tax classification changes to promote long term dwelling occupancies.

Questions & Closing

