



# **Short-term Vacation Rentals (STVR) Ordinance Discussion**

**City of Chattanooga**



## Items Completed:

- City Council approved a moratorium on new permits until January 2023.
- City Council created an Ad Hoc STVR Committee (5 meetings held)
- City Council contracted with Chris Acuff, UTC to undertake research and recommendations
- Ad Hoc Committee held 4 Focus Groups to hear from Homeowners/Neighborhoods, Affordable Housing Advocates, STVR Owners and Realtors/Builders
- Ad Hoc Committee has reviewed data and regulatory changes used in other Tennessee cities.



## Background:

- Chris Acuff of UTC and RPA/City staff are recommending a comprehensive update to the STVR code, fees and enforcement.
- Changes to the STVR code are needed to address homeowner concerns and allow permitted STVRs to continue to operate.
- Permits approved after January 2023 will need to meet the standards of a new code.



## New Code:

- Recommend discontinue overlay. Discontinue new absentee permits in R-1.
- Allow non-owner occupied (“absentee”) STVRs in R3, R4, and commercial zones that allow for residential.
- No owner can apply for an “absentee” STVR permit within 18 months of rezoning to an R3/R4.
- Placing a limit on saturation within multifamily residential at 25% of the units within a structure or parcel.



## New Code:

- For owner-occupied (“homestays”), the applicant/owner must be a “natural person,” not an LLC, trust, partnership, etc.
- In cases where the ownership is an LLC, and the owner applies, the procedure would be to deny, and then may be granted on appeal.
- Increase in the permit fees to \$500 (for the initial application and annual renewals).
- The permitting process will be administrative, rather than going through Council (the applicant meets all requirements, stipulations, etc.).



## New Code:

- Appeals are handled through an Appeals Board. Further appeals then go to a court of jurisdiction.
- Ownership information and the local contact designee will be posted on a public website. The local contact person shall be available 24-hours, and must be able to appear at the property within 2 hours to address safety issues, noise complaints, etc.
- An administrative hearing officer should be used to enforce STVR compliance (with up to a \$500/day fine) and should not go to city court.
- New enforcement staff will be funded with permits funds.



## New Code:

- Existing units are grandfathered in, consistent with the state's Short Term Rental Unit Act; but, if properties meet the provisions in the statute (sale/transfer, cessation of operations longer than 30 months, or violation of three or more generally applicable laws), the city can revoke the right to operate.



# **COC Accessory Dwelling Unit ordinance**

The ordinance went into effect June 14, 2022







# Zoning Code Update

[www.chattzcu.com](http://www.chattzcu.com)





**[www.chcrpa.org](http://www.chcrpa.org)**  
**[rpa@chattanooga.gov](mailto:rpa@chattanooga.gov)**

