



Agenda Item Summary

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Submitted By

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Reviewed By

AMZ

Agenda Item Title

First Reading of An Ordinance Amending Chapter 8 ("Business Licensing") of the Oak Park Village Code by Adding a New Article 40 ("Short-Term Rentals")

Overview

This Ordinance creates a licensing framework for the leasing, renting, and letting of short-term rental dwelling units that are inspected and approved by the Village, provides for standards of operation, and limits the maximum number of persons allowable in a short-term rental unit.

Recommendation

Staff recommends approval of the Ordinance.

Fiscal Impact

Since the exact number of short-term rental units located within the Village is not yet known, staff is unable to calculate the revenue that will be collected from the licensing framework, if approved by the Village Board.

It should also be noted that the Village's 4.0% Transient Occupancy Rental Unit Tax applies to short-term rentals. Below is a summary of collections by year, since imposition of the municipal transient occupancy rental unit tax:

2016 (collections for November and December, 2016 only) = \$2,552.16

2017= \$30,131.71

2018= \$49,435.61

2019= \$79,837.60

2020= \$37,641.02

2021 (collections through May, 2021) = \$33,578.18

Background

The short-term residential rental trend came into prominence in 2007 and offered benefits such as tourism to the Village, economic benefit to property owners, and, in 2016, collection of municipal transient occupancy rental unit tax.

Although the majority of the short-term rental units are run without any issues, complaints were received at

several short-term rental properties where large parties were being held, trash had accumulated, excessive noise complaints were filed, and the occupancy limits were being exceeded. On May 23, 2021, Oak Park Police responded to an incident involving a gun fire at an Airbnb rental property in the Village.

In the interest of public health, safety, and the welfare of the residents of the Village there is a need to regulate short-term rentals to alleviate any potential adverse impact. The attached ordinance requires owners of Airbnb locations to obtain a license and inspection prior to leasing their units. Additionally, it sets forth occupancy limits based on bedroom size.

If the Board chooses to adopt the attached ordinance, the Village will notify Airbnb of the new licensing program and request that all Oak Park participants be notified. The Village will monitor listings and seek compliance with the Village's ordinance prior to issuing any tickets.

Alternatives

Request additional information

Previous Board Action

N/A

Citizen Advisory Commission Action

On September 19, 2016, the Village Board approved Ordinance 16-109, an Ordinance Amending Chapter 23A ("Taxes"), Article 4 ("Hotel/Motel Tax") of the Oak Park Village Code to Include Transient Occupancy Rental Units. It should be noted that at this time, the Village Board opted not to license short-term rentals.

On this same date, the Village Board approved Resolution 16-305, a Resolution Approving a Voluntary Collection Agreement with Village of Oak Park Transient Occupancy Tax with Airbnb, Inc. and Authorizing its Execution.

Anticipated Future Actions/Commitments

N/A

Intergovernmental Cooperation Opportunities

N/A