

LAKE COUNTY

Public Works, Planning &
Transportation Committee

Discussion on Short Term Rentals (STRs)

August 5, 2020



Definition of STRs

A short-term rental is defined as:

“The rental of all or part of a residential dwelling unit for a duration of occupancy of less than 30 days”

-Jared Munster, PHD, AICP



Household Living Characteristics

- Residential occupancy of a dwelling unit by a household
- Tenancy is arranged on a month-to-month or longer basis
- Uses where tenancy may be arranged for a shorter periods of time are not considered residential
 - Considered a form of transient lodging and categorized as Retail Sales and Service: Hotels and Motels; and certain Community Service/Institutional Uses)

What is Allowed in Lake County?

- Bed & Breakfasts (owner/manager resides on-site) allowed as a home occupation in residential zoning districts.
- Hotels and Motels permitted in nonresidential zoning districts.

B&B

HOTEL

Top Points of Interest for STR Users

- Naval Base Great Lakes
- Chain of Lakes
- Illinois Beach State Park
- College of Lake County
- Six Flags Great America/Water Parks/Gurnee Mills

Benefits of STRs

- Provides property owners w/supplemental income
- Additional tax revenues (if enacted/authorized and tracked)
 - Hotel Operator's Occupation Tax, usually assessed on the listing fee
- Helps distribute tourism spending across community rather than concentrating in single commercial/hotel district
- "Airbnbs attract new visitors who stay longer...spend more on local businesses, and are more likely to return"

(based on Airbnb internal data gathered from surveys of hosts/guests in key markets (2012-2015))

Disadvantages of STRs

- Neighborhoods are at risk of diminished residential character.
- Due to lower overhead costs, STRs may negatively impact local hotel/motel service industry revenues, employment, and tax base.
- Slippery slope: short term rental platforms for back yard pools, vehicle storage, driveways

Enforcement Issues

1. Difficult to monitor and regulate:

- Building safety/inspections
- Excessive noise, trash, parking
- Friction between STR guests and permanent residents
- Large parties-in Illinois, recent high-profile STR house parties have resulted in violence and arrests
- Future potential risks for COVID-19 exposure

2. Additional staff needed to license, monitor, regulate, enforce

Regulation of STRs in other jurisdictions

- Jurisdictions across Chicago-metro area vary widely
- Regulations range from:
 - Specifically prohibited
 - Allowed by right, with registration
 - Allowed as a special or conditional use
 - Some ordinances are silent/treated as a nuisance
- Nationwide results are similar-lack of uniformity in regulations

Discussion and Staff Direction

Options:

1. Prepare STR-specific regulations for further review and discussion
 - Allow by right or conditional use in residential zones?
 - Specifically prohibit in residential zones?
2. Continue to rely on current zoning classification under hotel/motel category (i.e. not allowed in residential zoning districts)
3. Continue to research for potential future discussion