



To: Paul A. Croce, Chairman
Planning Board members

From: Anita Guo, Principal Planner

Date: April 3, 2023

Re: Town Council Request for Short-Term Rental Research

This matter was continued to the April 12th Planning Board meeting. A new draft STR regulations comparison table is attached for your review. Warwick and New Orleans recently passed new short-term rental regulations and Warwick's new regulations are reflected in the new table, while New Orleans's new regulations are not available yet. A presentation on the research will be given at the April 12th Planning Board meeting.

On January 3, 2023, the Town Council voted to request that the Planning Board assist with the research on the impact of short-term rental (STR) properties on Middletown's housing stock for year-round residents, and compile examples of regulatory approaches from other communities. to research the impact of short-term rentals in Middletown. Specifically, the motion approved by the Town Council is as follows: *"To direct the Planning Board to research other communities affected by short-term rentals, identify actions taken by them to proactively manage short-term rental growth in their community and also to research any impact short-term rentals may have on the availability of housing in Middletown for full time residents."*

With the assistance of the Building/Zoning Department, which is responsible for STR registration, a report on approved STR permits from February 1, 2022 to January 31, 2023 was obtained from the permitting system. With that data, staff were able to capture the current number of permitted STRs in Town. In addition, applicants had self-reported the property owner's address which allowed staff to determine the number and location of STRs that are owned by Middletown residents and non-Middletown residents. Owner-occupancy information was also self-reported and analyzed. STRs could either be owner-occupied—when the property owner lives at the location while renting out the unit or bedroom or be absentee-owner—when the property owner does not live at the location. Staff were then able to map the locations of the STRs by owner residency and owner occupancy. The impact of STRs on Middletown's housing stock for full-time residents was then explored by calculating the percentage of absentee-owner STRs units out of the total number of housing units in Town. Staff also obtained STR data from Rhode Island's Department of Business Regulation to look at the number of STRs by municipality.

Lastly, a summary comparison table of STR regulations for seven municipalities in Rhode Island, including Middletown, and three elsewhere in the country were compiled. The regulation information referenced the municipality's ordinance and/or website. The RI municipalities were selected based on their implementation of STR regulations to manage short-term rental growth. The other three examples showcased other municipalities in the country that are affected by short-term rentals and their different STR approaches. The following four main groups of regulations were compared for the ten municipalities: registration/fees, operational requirements, locational restrictions, and enforcement.

Thank you and please contact me with any questions.

Registered Short Term Rentals 2022-2023	Units	%	Bedrooms	%
Middletown Resident	212	55%	611	53%
Non-Middletown Resident	175	45%	540	47%
Owner-Occupant	107	28%	317	22%
Absentee Owner	280	72%	834	78%
Total	387		1151	

Figure 1: Registered STR, Middletown, RI 2022-2023

STR by Residency and Owner-Occupancy	Units	%	Bedrooms	%
Middletown, Owner-Occupant	88	23%	263	23%
Middletown, Absentee Owner	124	32%	348	30%
Non-Middletown, Owner-Occupant	19	5%	54	5%
Non-Middletown, Absentee Owner	156	40%	486	42%
Total	387		1151	

Figure 2: Registered STR by Residency and Owner-Occupancy, Middletown, RI 2022-2023

STR Type	Units	% of Total Housing Units
Owner-Occupant	107	2%
Absentee Owner	280	4%
Total STR Units	387	6%
Total Housing Units in Middletown	7006	

Figure 3: Impact of STR on Middletown's Housing Units, 2022-2023

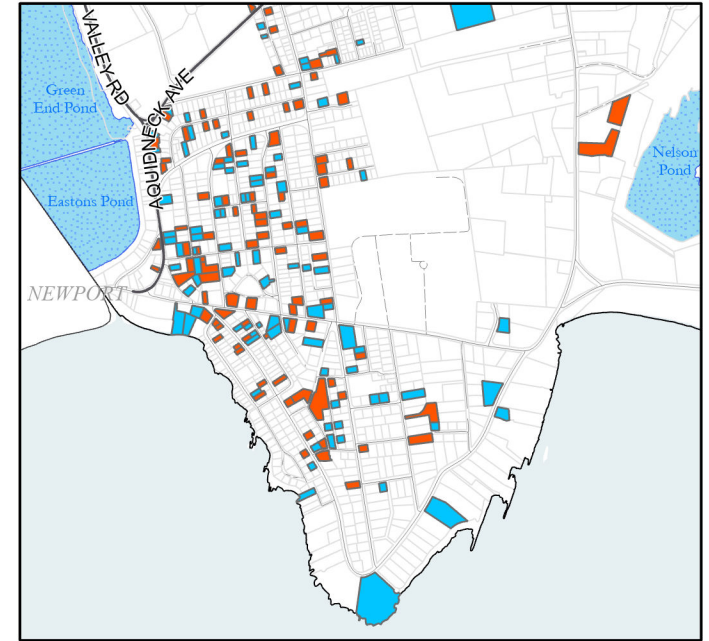
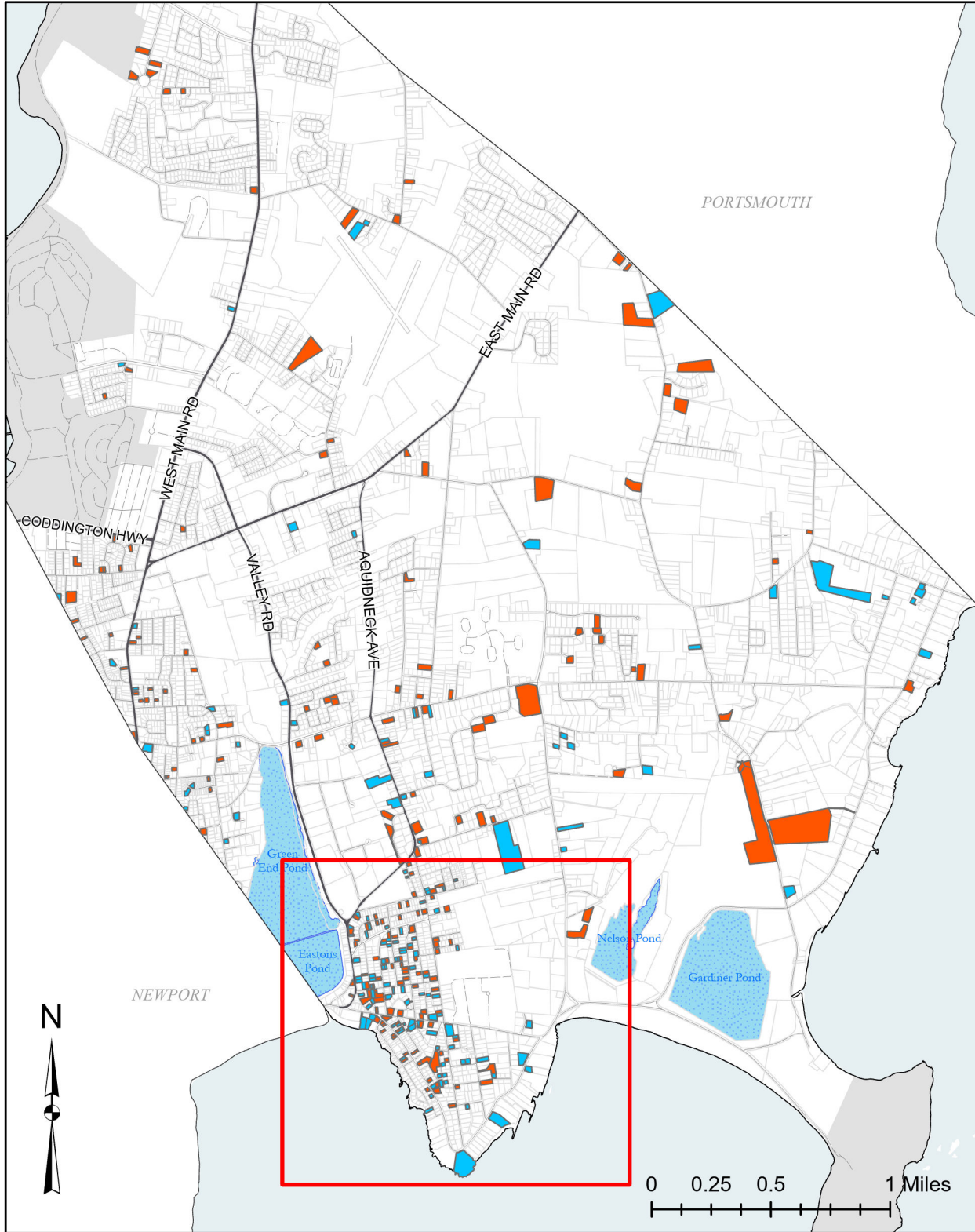
Number of Registered STR in RI as of 1.29.23			
Rank	Municipality	Number	%
1	Narragansett	657	21.0%
2	Middletown	342	11.0%
3	New Shoreham	276	8.8%
4	Newport	273	8.7%
5	Providence	262	8.4%
6	South Kingstown	261	8.4%
7	Westerly	157	5.0%
8	Charlestown	153	4.9%
9	Little Compton	103	3.3%
10	Bristol	95	3.0%
11	Jamestown	93	3.0%
12	Portsmouth	71	2.3%
13	North Kingstown	59	1.9%
14	Tiverton	49	1.6%
15	Warwick	47	1.5%
16	Warren	39	1.2%
17	Cranston	36	1.2%
18	Pawtucket	31	1.0%
19	Barrington	20	0.6%
20	East Providence	19	0.6%
21	Coventry	9	0.3%
22	Hopkinton	8	0.3%
23	North Providence	8	0.3%
24	East Greenwich	7	0.2%
25	Exeter	7	0.2%
26	West Warwick	6	0.2%
27	Richmond	5	0.2%
28	Burrillville	4	0.1%
29	Central Falls	4	0.1%
30	Cumberland	4	0.1%
31	Johnston	4	0.1%
32	Glocester	3	0.1%
33	North Smithfield	3	0.1%
34	Smithfield	3	0.1%
35	Woonsocket	3	0.1%
36	Scituate	2	0.1%
Total		3122	

Figure 4: Number of State-Registered STRs by Municipality, 2023



TOWN OF MIDDLETOWN

2022-2023 Registered Short-Term Rental Properties by Owner Residency



Registered Short Term Rentals 2022-2023	Properties	%	Units	%	Bedrooms	%
Middletown Resident	195	58%	212	55%	611	53%
Non-Middletown Resident	141	42%	175	45%	540	47%
Total	336		387		1164	

Legend

- Middletown Resident
- Non-Middletown Resident
- Property Lines
- U.S. Gov't Property

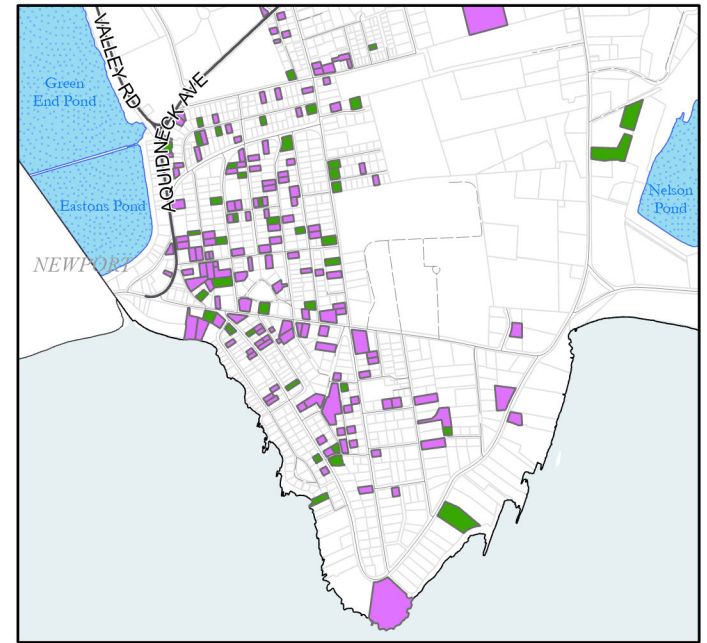
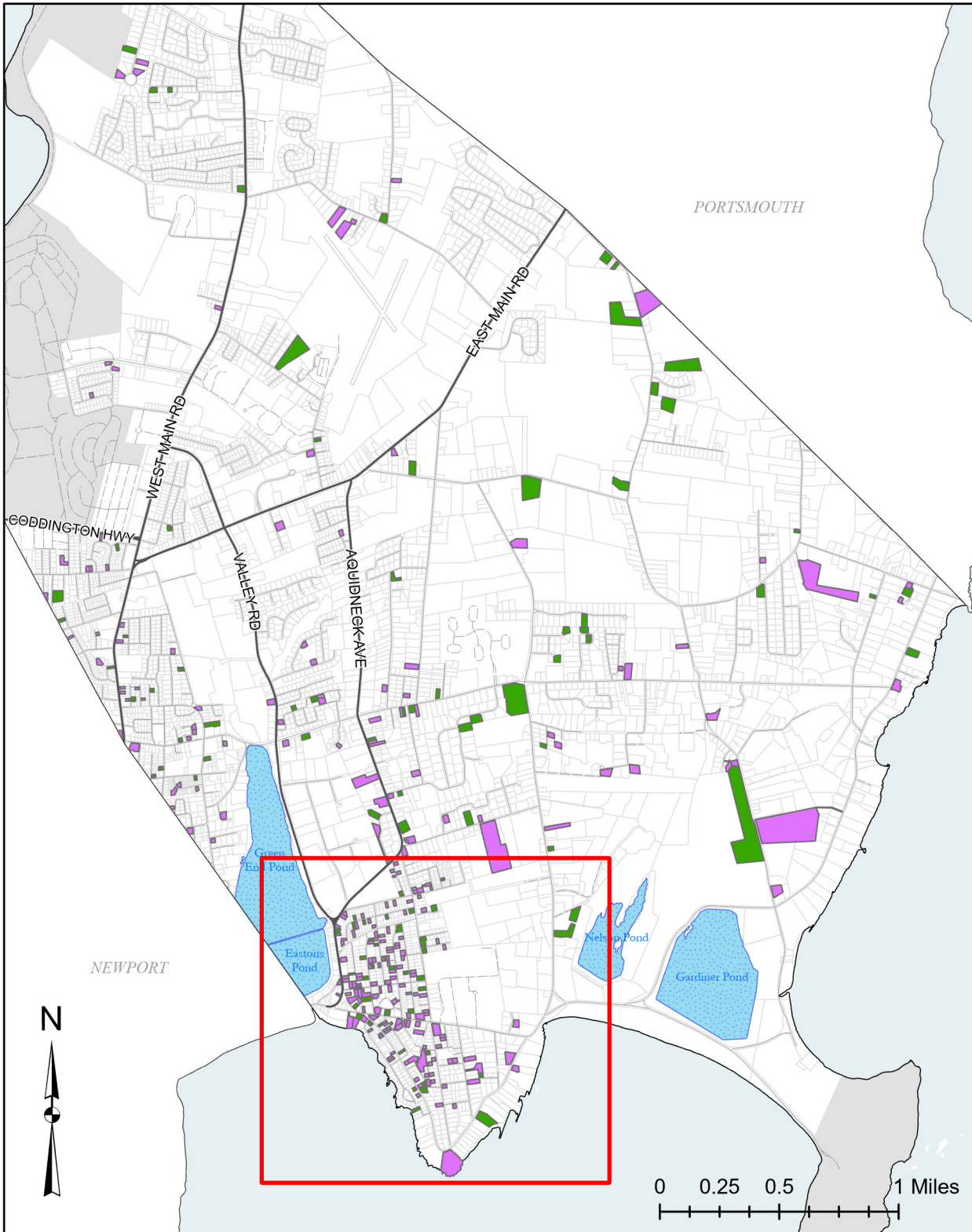
The information depicted on this map is for planning purposes only. It is not adequate for legal boundary definition, regulatory interpretation, or parcel-level analysis. Sources: RIGIS, Town of Middletown. Author: AG.

Date Saved: 3/1/2023



TOWN OF MIDDLETOWN

2022-2023 Registered Short-Term Rental Properties by Owner Occupancy



Registered Short Term Rentals 2022-2023	Properties	%	Units	%	Bedrooms	%
Owner-Occupant	101	30%	107	28%	317	22%
Absentee Owner	235	70%	280	72%	834	78%
Total	336		387		1164	

Legend

- Owner-Occupant
- Absentee Owner
- Property Lines
- U.S. Gov't Property

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DRAFT STR Regulations Comparison Table (last updated 4/3/23)

Municipality		Middletown, RI	Newport, RI	Jamestown, RI	Providence, RI	Westerly, RI	Warwick, RI	Narragansett, RI	Steamboat Springs, CO	Durango, CO	New Orleans, LA
Ordinance Status		Adopted 2021	Adopted 2022	Adopted 2022	Adopted 2019	Adopted 2021	Adopted 2023	Pending	Adopted 2022	Adopted 2020	Adopted 2019 (Approved amendment March 2023, new regulations not available yet)
Registration/ Fees	Registration Fees	Non-Owner Occupied: \$55/bedroom Owner Occupied: \$55/unit	\$100	Owner Occupied: \$350 Non-Owner Occupied: \$700		\$50	\$250/unit	General Registration: \$120 STR Fee: \$75/bedroom *Rental period between 7 - 30 days	Determined by City Manager - fee calculated to recover cost of administration and enforcement	\$350/owner-occupied unit \$700 for other units	<u>STR Owner's Permit:</u> Type R - Residential 1. Partial-Unit: \$250 2. Small Residential: \$500 3. Large Residential: \$500 Type C - Commercial 1. Commercial: \$1,000 <u>Operator Permit:</u> Owner/Operator: No cost Operator, 1 Residential STR: \$150 Operator, 1 Commercial STR: \$1,000 Operator, 1+ Commercial STR: \$1,000 <u>STR Platform Permit:</u> \$10,000
	Permit/License Requirements	Local and state registration required	Register with City as Transient Guest Facility	Compliance Certificate from Buildings License from Town's Licensing Authority	Temporary use permit when entire dwelling unit is rented out Owner-occupied: No permit required	Register with Town	STR Permit	Yes	3 types of licenses: Short-Term Rental Temporary STR (Temporary STR of primary residence) Hosted License (STR of one guestroom)	Considered Commercial Use and need Limited Use Permit Must Maintain a City Business License	STR Owner Permit: 1. STR Partial-Unit Residential 2. STR Rental Small Residential 3. STR Large Residential 4. STR Commercial STR Operators Permit
	Taxes/Additional Fees		RI General Laws - Hotel Tax: 6% room rental 1% whole house rental (Remitted to Newport)							City Sales Tax: 4% Accommodations Tax: 1% 9% STR Tax	City Sales Tax: 3.5% Lodgers' Tax: 5.25%
Operational Requirements	Occupancy Cap	2 persons/bedroom	Owner-Occupied: Max of 2 bedrooms for 4 people. Vacation Guest Facilities: No more than 3 bedrooms	2 persons/bedroom		Fire Code	2 persons/bedroom	2 persons/bedroom	Not exceed 1 per 150 sq ft of net floor area; no less than 2 and no more than 16	3 persons/parking space OR 2 persons, plus 2/bedroom	In Partial and Small Unit: Up to 5 Bedrooms/Unit and 2 guest/bedroom Large: 6 bedrooms/building, 2 guest/bedroom Commercial: 5 bedrooms/unit, 2 guest/bedroom
	Parking Requirement	1/space per 2 persons No parking on lawns	1/bedroom For units w/ 2 or more bedrooms, 1.5 spaces required				Determined by Building Official	1/bedroom	According to Community Development Code; not exceed 6 vehicles	1/bedroom No parking on lawn	Varies from 0 to 1/2 bedrooms Some areas allow on-street
	Local Representative/Property Manager	Yes		Yes		Yes		Yes	Yes	Yes	Yes
	Weddings/Special Events					No	No	No commercial enterprises, private events, parties, or be sub-leased			Not allowed as reception facility or other commercial use
Dwelling Type		Residential zones: Only owner-occupied		Residential zones: only owner-occupied in single, two, and three-family homes		Not allowed in ADUs, accessory structures, affordable units. Not allowed in units w/ 2 or more violations within 12 month period related to noise, trash, disorderly conduct, parking, etc.			Not allowed in ADUs	Various restrictions depending on Zone and License Type Restrictions include: limited to 1 or 25% of units on a lot, No STR on 1st floor of multi-story buildings, Limits per blockface	
Permitted in Residential Zones	Yes	Yes, but only owner-occupied. By SUP, in some Residential zones for temporary housing for yachting organizations	Yes, Town Council reserves right to set limits.	Yes, but only if owner-occupied in single-family, two-family, and 3-family homes	Yes	Yes	Yes	Yes	Zoning Overlay - 3 zones: A Unlimited (No limits) B Restricted (Caps on number of STR licenses allowed in subzones, C Prohibited (STR licenses prohibited) *Hosted STR and Temporary STR licenses are except from Zone B and C restrictions	Yes, but only in 2 Established Neighborhoods (EN-1 and 2) and cap on available permits; waitlist if cap is reached	Yes, depending on Zone

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Locational Restrictions	Permitted in other zones	Yes	Yes, in General Business, Commercial-Industrial, and Waterfront Business District. By SUP in Limited Business	Yes, Town Council reserves right to set limits.	Yes, where residences are allowed.	Yes	No, except Village District	Yes	Zoning Overlay - 3 zones: A Unlimited (No limits) B Restricted (Caps on number of STR licenses allowed in subzones, C Prohibited (STR licenses prohibited) *Hosted STR and Temporary STR licenses are except from Zone B and C restrictions	Yes, but only in Central Business, Mixed-Use, and few Planned Development zones. Caps applied on a development-specific basis (set number within a certain building or development)	Yes, depending on Zone
	Density		Owner-Occupied Rentals: Only 1 use per lot In permitted zones, no more than 1 room or 1 unit per 1,500 sq ft of lot area						Subzone B1: 5 Subzone B2: 20 Subzone B3: 18 Subzone B4: 17 Subzone B5: 12 Subzone B6: 10 waitlist if cap is reached	22 permits in EN-1, 17 in EN-2 In EN Zones, a 2nd STR is not allowed on same street segment w/out Planning Commission approval. 3rd STR on same street segment prohibited	Various restrictions depending on Zone and License Type Restrictions include: limited to 1 or 25% of units on a lot, No STR on 1st floor of multi-story buildings, Limits per blockface
Enforcement	Fines	Fines up to \$1,000/day issued to the Tenant		1st Offense: \$250 2nd and subsequent offense: \$500 (each day counts as distinct and separate violation)		Residential Zone: Failure to Register: \$500/day Fines: up to \$500/day Continued violations: \$500 fine for each violation Unpaid fees: Lien	Up to \$500/day for each and subsequent violation Revoke with 2 or more violations	1st Offense: \$500/day 2nd: \$1,000/day 3rd: Revoke registration	Fees: Up to \$2,650/violation/day		Max \$500/violation with issuance of Field Warning, Notice of Violation Unpaid fees: Lien Citizen Reporting Portal
	Revoke/Suspend			License Authority has authority to revoke and suspend at hearing		Town Manager has right to suspend or revoke Police vacate property if unauthorized	ZEO/Court may revoke permit if 2 or more violations. No new permit issued for 12 months.	May be revoked upon 3rd violation at property. No new registrations issued for 12 months.	City Manager has right to suspend license 1st Offense in 2 yr period: civil penalty or suspension of 14-60 days 2nd offense: Suspension of 30-90 days 3rd Offense: 60-180 days 3rd Offense in 1 year: Revocation Licensee cannot apply for license for 2 years		Fines and suspension or revocation of permit
Reference		Middletown, RI's Code of Ordinances	https://library.municode.com/ri/newport/codes/code_of_ordinances	https://library.municode.com/ri/jamestown/codes/code_of_ordinances?nodeId=PTIICOR_CH14BUBURE_ARTVSHRME	https://www.providenceri.gov/wp-content/uploads/2023/01/22.12.21-Zoning-Ordinance.pdf	https://ecode360.com/WE1997/laws/LF1429070.pdf	https://www.warwickri.gov/sites/g/files/vyh1f1391/f/agendas/pco-4-22_sub_b_short-term_rentals.pdf	https://s3.documentcloud.org/documents/23118911/narragansett-short-term-rental-ordinance.pdf	https://steamboatsprings.net/DocumentCenter/View/28264/CDC-Overlay-Zone-Amended	https://online.encodeplus.com/regs/durango-co/doc-viewer.aspx#secid-273	https://nola.gov/nola/media/311/STR-Code-MCS_1.PDF
			https://www.cityofnewport.com/en-us/city-hall/departments/city-clerk/applications-forms/short-term-rental-regulations						https://steamboatsprings.net/1319/Short-Term-Rentals	https://www.durangogov.org/800/Vacation-Rental-Information	https://nola.gov/next/short-term-rental-administration/home/