



FREQUENTLY ASKED QUESTIONS FOR NEW SHORT-TERM RENTAL (STR) ORDINANCE

Introduction

The City's plan is to adopt changes to the Neighborhood Development Code (zoning code) to eliminate STRs as conditional uses, and therefore eliminate the need to be heard by the Board of Architectural Review & Design (BOARD) to obtain a conditional use permit to obtain an STR license. The rezoning process is lengthy and will not be completed for a few months. Rather than continue the moratorium until the rezoning is accomplished the current conditional use process will continue to be used. The ordinance incorporates guidance to the BOARD for their review and consideration in deciding on applications for a conditional use. Specific density limits are established for Covington's historic districts. The remainder of the City (areas not located within a historic district), short-term rentals densities will be capped at one per block face.

What is a Short-Term Rental (STR)?

A STR is any residential dwelling unit that is held out for rent from one to less than 30 days.

What are the different types of STRs?

There are two types, Host Occupied and Non-Host Occupied.

What is a Host Occupied STR?

This is a unit where the property is the primary residence of the owner. There may be more than one dwelling unit on the property. If two structures are associated with a single PIDN assigned by Kenton County PVA the secondary unit can be licensed as a Host Occupied STR. For example, if there's a carriage house on the same property as the owner's primary residence, the carriage house may be utilized as a host occupied STR. Host occupied units are allowed anywhere in the City. They are not subject to maximum caps in the historic districts. They do not count against the City's overall cap. Applicants for a host-occupied unit must provide proof of residency and must be the actual resident of the premises for at least 183 days per calendar year.

Are there any limitations on Non-Host Occupied other than licensing requirements?

Yes. Non-Host Occupied units have specific caps in the City as a whole and within each specific historic district. Only 1 non-host occupied STR is allowed per block face throughout the City and in each specific historic district, with the exception of Main Strasse & Mutter Gottes, which may have up to 3 per block face in the TUMU zone. The Downtown Commercial Districts are exempt from block face and density regulations. See the attached map of the City's historic districts and the limitations applicable within each district. These limitations apply during the interim until adoption of formal changes to the Neighborhood Development code. After the zoning is changed density limitations will be set forth in the NDC. There is an overall cap of 150 non-host licenses in the City.

How many Non-Host Occupied STRs may I own?

No more than 4 (and that includes being part of an LLC that has ownership). Although those owners who have more than 4 licensed STRs when this ordinance goes into effect, may continue to operate and renew those licenses.

When is a license required?

A license is required before any UNIT can be advertised or held out for rent as an STR. The license number must be displayed on any hosting platform or advertisement. Licenses are required for every UNIT. No more than 2 licenses per structure are permitted in districts where permitted, except for the Downtown Commercial Districts where more than 2 units per structure are permitted. Licenses are not transferrable.

When do I pay for the application fee?

Application fees must be paid prior to the issuance of a short-term rental license. Application fees are not due at time of application submittal.

If I already have a license, must I reapply?

Current licenses are valid for one year from the date of issuance. You must apply for license renewal within 30 to 60 days before the expiration date otherwise the application will be treated as a new application.

Do I have to reapply for a license if I applied before or during the moratorium?

Yes. Any Person that applied for a short-term rental license during or prior to the moratorium will need to reapply using the new application process and forms. Those that previously applied will have 30 days from the adoption of this ordinance to submit new applications. The time and date of the original application will be maintained. Applications received after 30 days of adoption will be processed in the order received.

How much does a license cost?

The City's estimated cost of managing the STR program is \$125,000 annually. Personnel costs for inspections, administration, cost of software for monitoring the various hosting platforms represent the majority of the costs. In order to cover the costs of managing the program, cost of the fee for an initial license is \$500.00 effective November 1, 2023. The fee for license renewal is \$250.00. The fee will be reduced to match the previous ordinance at \$30.00 for all completed applications submitted prior to November 1, 2023.

Can an application for license be denied?

Yes. All necessary paperwork must be submitted at time of application or it will be rejected. Some other reasons for denial include not being in Good Standing with the City, misrepresentation(s) on the application, and maximum densities have been reached – either in the City or a specific historic district.

What happens if someone does business without a License?

Renting without a license is subject to a fine of up to \$500 for every occurrence. Persons that are found to be operating without a license may not apply for a license for a period of one year. The application fee for those that have been found operating without a license will be triple at the time of issuance.

IMPORTANT NOTE: Advertising a STR on a hosting platform or through any other medium constitutes doing business. If advertising is done without a license these penalties apply.

How will the license requirements be enforced? Three Strike Rule.

The Code Enforcement Department is responsible for enforcing the operating requirements of the ordinance. When an allegation of violation of the operating requirements are brought to the attention of the City, Code Enforcement will investigate and if warranted issue a notice of violation to the short-term rental agent. The rental agent can contest the violation notice by appeal to the Rental License Appeal Board. There is no financial penalty for the violation. If three confirmed violations occur within a twelve-month period, the Code Enforcement Department will suspend the license to operate. The license suspension may be appealed to the Rental License Appeal Board. That determination can be appealed to the Code Enforcement Board, and from there to the

Kenton Circuit Court. The property is subject to the City's usual rules and may be cited for violations not related to the management of the STR and go through the usual code enforcement process.

What does the Rental License Appeal Board (RLAB) do?

This is a board made up of staff members of the City that review appeals of warnings or suspensions. In case of an appeal the City has the burden of proving the action taken. If the appellant disagrees with the ruling of the RLAB then the appellant may make an appeal to the Code Enforcement Board.

What is a SHORT-TERM RENTAL AGENT?

The new ordinance requires the designation of a short-term rental agent for each unit. The purpose of the rental agent designation is to ensure there is a local person who can respond immediately to issues arising from the operation of the STR, give neighbors a point of contact for any problems, and to assign specific responsibility for compliance with the City's requirements. The rental agent is a natural person who is responsible for the overall management of the STR. The agent will be the point of contact for all matters involving the unit and must be able to appear at the unit within one hour following notification from the City. The owner can serve as the agent. The duties of the agent are described in Attachment B.

Are there any occupancy limits?

Each bedroom may not be rented out to more than 2 adults. The maximum occupancy is twelve persons including children.

No Special Events at STRs

Neither the rental agent nor any tenant may allow a STR to be used for a special event that would attract large number of invitees to the premises.

What about parking?

When applying, the owner/agent must include the number and location of spaces allotted to the unit. Also, the applicable street parking regulations must be followed.

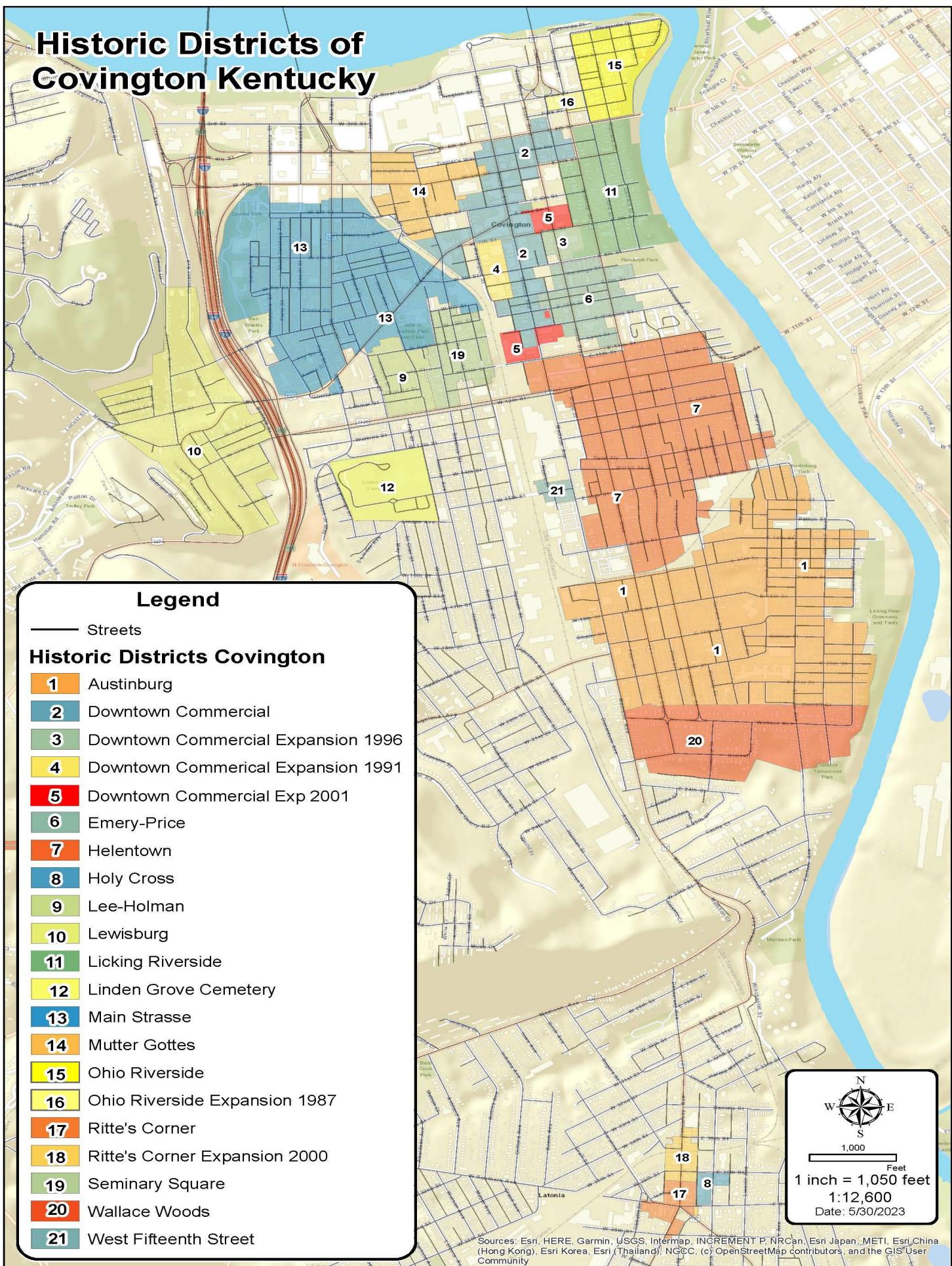
TRANSITION RULES:

- Any person holding more than four short-term rental dwelling licenses on the date the new ordinance is passed shall be permitted to maintain and renew all short-term rental dwelling licenses held at said time.
- All short-term rentals licensed as of the effective date of the new ordinance shall be permitted to continue operation and are eligible for renewal without regard to the density or maximum number limits imposed by the ordinance.
- During the transitional period (prior to adoption of revised zoning regulations) short-term rental license applications will be accepted and evaluated pending the issuance of conditional use zoning permits to be issued by the Board of Architectural Review and Development (BOARD) as applicable.
- Short-term rental license applications will be reviewed in the order received.
- Applications received prior to November 1, 2023 will proceed with a \$30 fee; applications received after November 1, 2023 will require the new application fee of \$500 as outlined in this ordinance.
- Any Person that applied for a short-term rental license during or prior to the moratorium will need to reapply using the new application process and forms. Those that previously applied will have 30 days from the adoption of this ordinance to submit new applications. The time and date of the original application will be maintained. All applications received after 30 days of adoption will be processed in the order received.
- Short-term rental license will only be issued upon the receipt and acceptance of short-term rental applications that have provided all necessary supporting documentation, including zoning approval.

ATTACHMENT A
HISTORIC DISTRICT CAPS & MAP:

1. Austinburg; No more than 10 with no more than one per block face.
2. Downtown Commercial; Unlimited (Inclusive of 150 license cap).
3. Downtown Commercial Expansion 1996; Unlimited (Inclusive of 150 license cap).
4. Downtown Commercial Expansion 1991; Unlimited (Inclusive of 150 license cap).
5. Downtown Commercial Expansion 2001; Unlimited (Inclusive of 150 license cap).
6. Emery-Price; No more than 4 with no more than 1 per block face.
7. Helentown; No more than 15 with no more than 1 per block face.
8. Holy Cross; Host-Occupied only.
9. Lee-Holman; No more than 5 with no more than 1 per block face.
10. Lewisburg; No more than 5 with no more than 1 per block face.
11. Licking Riverside; No more than 5 with no more than 1 per block face.
12. Linden Grove Cemetery – Not Permitted
13. Main Strasse; No more than 25 with no more than 1 per block face EXCEPT in the TUMU zone within the Main Strasse Historic District (the commercial area) no more than 3 per block face.
14. Mutter Gottes; No more than 12 with no more than 1 per block face EXCEPT on 4th and 5th Streets, there may be no more than 3 per block face.
15. Ohio Riverside; Host Occupied Only
16. Ohio Riverside Expansion of 1987; Host Occupied Only
17. Ritte's Corner; No more than 5 with no more than 1 per block face.
18. Ritte's Corner Expansion 2000
19. Seminary Square; No more than 4, with no more than 1 per block face
20. Wallace Woods; No more than 5 with no more than 1 per block face.
21. West 15th (Historic); No more than 1.

Historic Districts of Covington Kentucky



ATTACHMENT B

SHORT-TERM RENTAL AGENT DUTIES:

- Manage the business affairs of the short-term rental unit, including responsibility for all advertising.
- Be reasonably available to handle any problems arising from use of the short-term rental unit.
- Appear on the premises of any short-term rental unit within one hour following notification from the City that occupants of the short-term rental unit have created unreasonable noise or disturbances, engaged in disorderly conduct, overcrowding, consumption of illegal drugs or excess alcohol; or other issues related to the use or occupancy of the premises.
- Keep his or her name and emergency contact phone number and the license number of the unit posted in a readily visible place in the short-term rental unit.
- Provide tenants with instructions to comply with noise, parking, occupancy and curfew ordinances.
- Provide his or her name and emergency contact phone number to adjoining property owners.
- Receive and accept service of any notice of violation related to the use or occupancy of the premises.
- Monitor the short-term rental unit for compliance with the ordinance.
- List the short-term rental license number on each hosting platform; a rental agent may not use a hosting platform that does not provide a field for the City license number.
- Ensure compliance with the City's solid waste and recycling rules, including trash collection schedule.
- Provide access to the unit upon request by code enforcement or police officials responding to complaints.

ATTACHMENT C

OPERATING RULES

- **Nondiscrimination:** The owner or rental agent shall not decline a potential guest, impose different terms or conditions, or discourage or indicate any preference for or against a guest based on race, gender, sexual orientation, gender identity or expression, color, ancestry, national origin, age, disability, familial status, or military status.
- **Maximum occupancy:** The number of occupants shall not exceed two (2) adults per bedroom, plus two additional persons; regardless of the number of bedrooms the maximum occupancy of a short-term rental shall not exceed twelve persons, including children.
- **Minimum stay required:** The short-term rental may not be for a period of less than one night.
- **Event Advertising Restriction:** The rental agent or tenant shall not advertise or promote a special event, or allow the advertising and promotion of a special event (e.g. event center, banquet, wedding, reception, reunion, bachelor or bachelorette party, concert, or any similar activity that would assemble large numbers of invitees) to be held on the premises.
- **Special Events Prohibited:** The rental agent or tenant shall not allow, suffer or permit an event center or special event as described above to be held on the premises.
- **Posting of Host Rules:** The owner or rental agent operating a short-term rental shall provide a notice of instructions (also known as "host rules") to occupants staying at the premises. The notice shall instruct the occupants as to all applicable City regulations pertaining to short-term rentals. These include, but are not limited to, occupancy restrictions, limits on parking, trash pickup, prohibitions on special events, limits on noise, and curfew times.
- **Posting of License Number:** The License Number shall be posted on the premises along with the contact information of property owner and rental agent.
- **Advertising:** A valid, active short-term rental license number issued by the City shall be included on every hosting platform listing or any newspaper, magazine, brochure, website, or mobile application advertisement.
- **Noise:** The owner, rental agent or tenant of a short-term rental shall not allow, permit, or make any noise that would be in violation of the City's noise ordinance.
- **Parking restrictions:** The rental agent may not allow parking of vehicles on public streets not in accordance with City ordinances.