

Vacation Rental Annual Fee

Most tourist communities understand the impact vacation rentals have on the supply and need for affordable housing. Our village code provides a mechanism for the council to establish an annual license fee for vacation rentals by a resolution of council, without a need to change the vacation rental ordinance. The fee was intended to cover the cost of enforcement, not just during business hours Monday through Friday, but 7 days a week. There was an anticipation that there would be money from the fees left over to spend on affordable housing projects.

The enforcement costs related to Vacation Rentals exceeded the annual fees collected by a total of \$232,537 over the last seven years.

For just the last full year, enforcement costs were over \$265,000, \$50,000 more than the annual fees brought in. With enforcement costs of over \$265,000, code citations brought in just a little over \$12,000.

The annual fee for the last 18 years has been the same - \$1000/year while the property owners getting those licenses have seen huge increases in their annual rental income – some vacation rentals in Islamorada charge over \$2000/night with the potential to take in over half a million dollars a year. Village costs for enforcement have gone up significantly. The only thing that has not increased is the cost of a vacation rental license.

The Achievable Housing Committee voted 8-1 at their October meeting to recommend that Council pass a resolution to increase the annual fee so that enforcement costs do not have to be paid using our tax dollars. The goal – to pay the enforcement costs and have excess to help mitigate affordable housing needs generated by vacation rentals.

The Village Attorney, Roget Bryan, has suggested that changing the fee could cause the state to take away our grandfathered vacation rental ordinance. The committee is not proposing a change to the grandfathered ordinance but rather a change by resolution as allowed without changing the ordinance.... A process allowed by the ordinance ever since it was passed 18 years ago.

Surely the state of Florida understands that the costs of governing have gone up significantly in the last 18 years.

Many residents of Islamorada have struggled with the adverse impact of vacation rentals – both legally licensed ones and illegal ones. Why not create a vacation rental oversight committee to help with ideas to assure vacation rentals are properly enforced and made as compatible as possible with our residential interests.