

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHATTANOOGA CITY CODE, PART II, CHAPTER 11, TO ADD NEW DEFINITIONS FOR ABSENTEE AND HOMESTAY RENTALS, CREATE AN APPEALS PROCESS BY AN ADMINISTRATIVE HEARING OFFICER FOR ABSENTEE APPLICANT DISPUTES AND BY THE SHORT-TERM VACATION RENTAL BOARD FOR HOMESTAY APPLICANTS, CREATING THE SHORT-TERM VACATION RENTAL BOARD, AND ESTABLISHING DENSITY AND DISTANCE RESTRICTIONS FOR SHORT-TERM RENTAL UNITS WITHIN THE SHORT-TERM VACATION RENTAL DISTRICT IN NEW SECTIONS 11-510 THROUGH 11-526.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA,
TENNESSEE:

SECTION 1. That Chattanooga City Code, Part II, Chapter 11, be amended by deleting the current sections 11-510 through 11-519 in their entirety, adding new definitions for Absentee and Homestay Short-Term Vacation Rentals in lieu of the current definitions for Owner-Occupied and Non-Owner Occupied Short-Term Vacation Rentals within this Chapter, and substituting in lieu thereof the following new Sections 11-510 through 11-525 as follows:

Sec. 11-510. Definitions.

Code compliance verification form: A document executed by a short-term vacation owner certifying that the Short-Term Vacation Rental unit complies with applicable zoning, building, health, and life safety code provisions. No person shall allow occupancy or possession of any Short-Term Vacation Rental unit if the premises are in violation of any applicable laws including, but not limited to, zoning, building, health, or life safety code provisions.

Short-Term Vacation Rental and/or STVR: Any house or other structure containing no more than five (5) bedrooms within permissible zones which is used, advertised, or held out to the public in part or its entirety to be a place where sleeping accommodations are supplied for pay and such accommodations are provided on a daily or weekly basis for not more than thirty (30) days for overnight stay. For the purposes of this definition, any Short-Term Vacation Rental shall contain no more than five (5) bedrooms, and shall exclude hotels, rooming houses, bed and

breakfast, and boarding houses, or other licensed multi-family dwelling units for rent or lease, as defined in Section 21-67 and/or Section 11-186 and/or Section 38-2.

Short-Term Vacation Rental agent: A natural person designated to be responsible for daily operations by the owner of a Short-Term Vacation Rental on the Short-Term Vacation Rental certificate application. Such person shall be available for and responsive to contact at all times and someone who is customarily present at a location within Hamilton County for purposes of transacting the Short-Term Vacation Rental business. The Short-Term Vacation Rental agent must meet all other requirements set forth by state law.

Short-Term Vacation Rental occupants: Guests, tourists, lessees, vacationers, or any other person who, in exchange for compensation, occupy a Short-Term Vacation Rental dwelling unit for lodging for a period of time not to exceed thirty (30) consecutive days.

Single-Family Detached Dwelling: Single-Family Detached Dwellings are intended to be occupied by one family and entirely surrounded by open space on the same lot. Single-Family Detached Dwellings are an allowed use in multiple zoning districts. For the purposes of allowable uses under this regulation, Single-Family Detached Dwellings also include Single-Family Zero Lot Line Dwellings, townhouses, duplexes, and Single-Family Detached Dwellings developed under a Horizontal Property Regime (HPR).

Multi-Family Dwelling: A building or portion thereof used or designed as a residence for three (3) or more families living independently of each other. Multi-Family Dwellings can occur as a stand-alone use or incorporated into a mixed-use or multi-use development with other residential or non-residential uses.

Short-Term Vacation Rental occupancy. There shall be two designations regarding the occupancy status of a Short-Term Vacation Rental.

- (i) Homestay: A Short-Term Vacation Rental property which is the primary residence of the applicant. “Primary” is defined as the residence of the applicant at least 183 days a year.
- (ii) Absentee: A Short-Term Vacation Rental property which is not the primary residence of the applicant.
- (iii) Appeal: A Short-Term Vacation Rental certificate applicant has the right to appeal a certificate denial from the Development Review and Permitting Division to the Short-Term Vacation Rental Board. The applicant also has the right to appeal a denial or revocation by the Short-Term Vacation Rental Board to Hamilton County Circuit or Chancery Court. Any appeal must be made within 30 days of the date of denial or revocation of any certificate.

Short-Term Vacation Rental district: That certain area of the City of Chattanooga as determined by the Chattanooga-Hamilton County Regional Planning Agency and the Chattanooga City Council as the Short-Term Vacation Rental district and incorporated herein as Exhibit A to this Section as amended from time to time.

Editor's note(s)—A copy of the Short-Term Vacation Rental Overlay District Map, referenced above as Exhibit A, is available for inspection in the offices of the City Council Clerk.

Sec. 11-511. Certificate required.

- (a) No person or entity shall operate a Short-Term Vacation Rental unless a Short-Term Vacation Rental certificate has been first obtained from the City of Chattanooga Development Review and Permitting Division. To obtain a Short-Term Vacation Rental certificate, an eligible applicant must submit an application in compliance with Section 11-513 of this City Code. If approved, a legible copy of the Short-Term Vacation Rental certificate shall be posted within the unit. The City of Chattanooga Development Review and Permitting Division shall establish the information to be included upon the Short-term Vacation Rental Certificate.
- (b) Short-Term Vacation Rentals must be properly maintained and regularly inspected by the owner to ensure continued compliance with applicable zoning, building, health, and life safety code provisions.

Sec. 11-512. Minimum standards for Short-Term Vacation Rentals.

- (a) A Short-Term Vacation Rental may include a primary dwelling unit and/or a secondary dwelling unit, but cannot include uninhabitable structures such as garages, barns, or sheds.
- (b) Dwelling unit must have functioning smoke detectors as determined by the Fire Marshal and other life safety equipment as required by local, state, and federal law.
- (c) Dwelling unit must meet all applicable laws related to zoning, building, health, or life safety.
- (d) No on-site signage shall be allowed except for those Short-Term Vacation Rentals that are at least five (5) acres and have a dwelling unit that is not visible from the public right-of-way, can have directional signs placed on the parcel that shall be at least fifty (50) feet from the public right-of-way. No off-site signage except for designated parking spaces to be used by occupants of the Short-Term Vacation Rental. Such spaces shall not be larger than four hundred thirty-two (432) square inches.
- (e) There shall be no more than five (5) sleeping rooms made available for a Short-Term Vacation Rental site located in Single- Family Detached Dwelling.
- (f) Maximum Occupancy: The maximum occupancy shall be determined by the total of:
 - (i) Two (2) persons per bedroom up to two hundred ten (210) square feet plus an additional two (2) persons.
 - (ii) For bedrooms over two hundred ten (210) square feet the occupant load will be determined by the area of the room divided by seventy (70) square feet plus an additional two (2) persons.
 - (iii) The occupancy maximum shall be conspicuously posted within the Short-Term Vacation Rental unit.
- (g) The Short-Term Vacation Rental owner shall not receive any compensation or remuneration to allow occupancy of a Short-Term Vacation Rental property for a period of less than twenty-four (24) hours.
- (h) The Short-Term Vacation Rental certificate holder shall be responsible for collecting and remitting all applicable room, occupancy, and sales taxes required by state law and the City Code of the City of Chattanooga.

- (i) Adequate on-site parking shall be provided, as determined by the City after considering proposed number of guests, frequency of operations, and availability of on-street parking. As a general rule, parking shall not be allowed on any vegetated area of the premises on which the Short-Term Vacation Rental is located.
- (j) All occupants shall abide by all applicable noise restrictions and all applicable waste management provisions of the City Code of the City of Chattanooga. As per Code Section 25-69, fifty-five (55) decibel level between 9:00 a.m. through 9:00 p.m. and fifty (50) decibel level between 9:00 p.m. through 9:00 a.m. or as otherwise controlled by Section 25-69 for the downtown amplified music district.
- (k) The name and telephone number of the owner of the Short-Term Vacation Rental or the Short-Term Vacation Rental agent shall be conspicuously posted within the Short-Term Vacation Rental.
- (l) The premises of the Short-Term Vacation Rental shall not to have been found to be in violation of any City Code provision within the six (6) months prior to submitting an application for a Short-Term Vacation Rental certificate.
- (m) A Short-Term Vacation Rental shall not be allowed to operate in any capacity on property or within structures that are part of an Affordable Housing PILOT Program.
- (n) Density cap: There shall be a Density Cap of five (5%) percent of certificates for Absentee Short-Term Vacation Rental units in Multi-Family Dwellings. All Multi-Family Dwellings can have a minimum of one (1) unit and a maximum cap of five (5%) percent of the total units within each structure. Properties consisting of twenty (20) acres or more of contiguous acreage with a single owner and Single-Family Detached Dwellings zoning shall be subject to a density cap of one (1) unit per acre up to a total of five (5%) of the total acreage. [Example: If a single property owner has twenty (20) contiguous acres within Single-Family Detached zoning, the owner is eligible to apply for one (1) Absentee certificate], regardless of the placement of the dwelling on the contiguous acreage. If a single property owner has forty (40) contiguous acres within Single-Family Detached zoning with the same conditions, the property owner would be eligible for two (2) Absentee certificates. Properties consisting of five (5) contiguous acres or more with a single property owner and Single-Family Detached zoning would be eligible for a minimum of one (1) Absentee certificate. Within properties owned by a single owner and subject to Single-Family Detached zoning which are in excess of Five (5) contiguous acres placement of STVR units on the property would not be subject to the Five Hundred (500) foot buffer zone set forth in subsection (o).
- (o) Buffer zone: No Absentee Short-Term Vacation Rental site may be located within Five Hundred (500) feet of the nearest Absentee Short-Term Vacation Rental certificate holder within a Single Family Detached zoning district, except as set forth in subsection (n) above. The buffer zone for Single-Family Detached Dwellings to be allowed shall be calculated from the centroid (center) of the structure. All certified Short-Term Vacation Rentals operating as of the effective date of this ordinance shall be allowed to continue as legal non-conforming uses within any Single-Family Detached zone.
- (p) Ownership information and contact information for the Short-Term Vacation Rental agent shall be posted on a public website.

Sec. 11-513. Certificate application; action on certificate application; certificate approval or appeals to the Short-Term Vacation Rental Board.

- (a) *Certificate applications.* The City of Chattanooga Development Review and Permitting Division shall establish the information present on the Short-Term Vacation Rental certificate application as well as what information is required for the completion of said application. Any person or entity wishing to operate a Short-Term Vacation Rental within the limits of the City of Chattanooga shall be required to submit, under oath, the aforementioned application to the Development Review and Permitting Division for review.
- (i) Homestay
 - (A) *Homestay application fee.* The non-refundable application fee for Homestay Short-Term Vacation rentals shall be five hundred dollars (\$500).
 - (B) *Homestay application review.* The City of Chattanooga Development Review and Permitting Division shall review all applications for homestay Short-Term Vacation Rentals. If additional materials are found to be required, a designated representative of the City may ask for them at any time. Upon completion of application requirements as set forth in this Chapter and upon tendering of the requisite application fee the certificate shall be issued.
 - (C) For homestay dwellings, the applicant/owner must be a natural person, not a business entity (*i.e.*, a LLC, corporation, partnership etc.). In instances in which a property is owned by a business entity and the business entity applies for a STVR certificate as a homestay applicant, the Development Review and Permitting Division shall automatically refer the application to the STVR Board, and the STVR Board shall make the decision to grant or deny the application. Any party may appeal the denial of a homestay application by the STVR Board to Hamilton County Circuit or Chancery Court pursuant to T.C.A. § 27-9-101, *et seq.*
 - (D) *Renewal fee.* The annual renewal fee for a homestay STVR certificate is two hundred and fifty dollars (\$250).
- (ii) Absentee
 - (A) *Absentee application fee.* The non-refundable application fee for Absentee Short-term Vacation Rentals shall be five hundred dollars (\$500) in addition to any applicable transaction related fees. This application fee shall be paid in full before any application is reviewed by the Development Review and Permitting Division.
 - (B) *Absentee application review.* The City of Chattanooga Development Review and Permitting Division shall review all applications for absentee Short-Term Vacation Rentals. If additional materials are found to be required, a designated representative of the City may ask for them at any time. Upon completion of application requirements as set forth in this Chapter and upon tendering of the requisite application and certificate fee the certificate shall be issued.
 - (C) Upon application for Short-Term Vacation Rental, the Development Review and Permitting Division shall confirm that the property within question is allowable within the density cap. If the property is not eligible for a certificate based on the density cap, the application will be denied. If the property is eligible for certificate consideration, the application process will proceed.

- (D) An applicant or party in interest is required to be in good standing with any prior STVR certificates which have been issued by the City and shall not have been operating an STVR illegally within the City.
- (E) An applicant or any party in interest may appeal the denial or revocation of an Absentee Short-Term Vacation Rental application to the Short-Term Vacation Rental Board (also referred to as the “STVR Board”) pursuant to T.C.A. § 27-9-101, *et seq.* The applicant or any party in interest may appeal the decision of the STVR Board to Hamilton County Circuit or Chancery Court within sixty (60) days after action is taken by the STVR Board.
- (F) The Development Review and Permitting Division shall notify the Fire Marshal and a City Building Inspector to ensure the property and any associated structures on the property are in compliance with state and local laws. The City Building Inspector shall further notify neighboring properties within five hundred (500’) feet of the proposed structure. Letters of concern from four (4) neighbors will trigger a review by the STVR Board.
- (G) If a property owner requests to be rezoned to residential multi-unit-structure attached and such request is granted, the owner may not apply for an absentee Short-Term Vacation Rental certificate within eighteen (18) months of the rezoning.
- (H) Absentee application lifetime. An application shall be valid for a period of sixty (60) days from the date of application submission. After sixty (60) days an application that has not received a certificate may be discarded. Should an application require a hearing before the Board the sixty (60) day period shall renew the day after the STVR Board grants permission for continuance of the application.
- (I) *Absentee certificate fee.* The cost to secure an Absentee STVR certificate after such issuance is approved is Seven hundred and fifty dollars (\$750). Two hundred and fifty dollars (\$250) of this fee will go directly to the City’s Affordable Housing Fund.
- (J) *Certificate renewal fee.* The annual cost to renew an Absentee STVR certificate is Seven hundred and fifty dollars (\$750). Two hundred and fifty dollars (\$250) of this fee will go directly to the City’s Affordable Housing Fund.

Sec. 11-514. Certificate approval, transferability, conditions, and revocation.

- (a) *Certificate approval.* The Certificate shall be issued for the specific site location and/or address of the proposed Short-Term Vacation Rental provided in the application as set forth in Section 11-513 of this City Code.

Upon receipt of a Short-Term Vacation Rental certificate number, the applicant must display said number on any materials or platforms used to advertise the Short-Term Vacation Rental.

- (b) *Grant or denial of application.* Review of an application shall be conducted in accordance with due process principles and shall be granted unless the applicant fails to meet the conditions and requirements of this Chapter, or otherwise fails to demonstrate the ability to comply with local, state, or federal law. Any false statements or information provided in the application are grounds for revocation, suspension and/or imposition of penalties, including denial of future applications.
- (c) *Revocation.* A Short-Term Vacation Rental certificate which is revoked shall prevent its certificate holder and specific property from applying for a new certificate for Short-Term Vacation Rental for a period of one (1) year from the date of revocation. Prior to any revocation, the owner or the Short-Term Vacation Rental agent shall be cited to the Administrative Hearing Officer for a hearing to establish proof of violations.

Sec. 11-515. Short-Term Vacation Rental annual fee.

- (a) There shall be a Short-Term Vacation Rental certificate renewal fee to be paid annually in addition to any applicable transaction related fees and any taxes required by the State of Tennessee related to the operation of a Short-Term Vacation Rental. Homestay certificate renewal fee is Two hundred and fifty dollars (\$250). Absentee certificate renewal fee is Seven hundred and fifty dollars (\$750). Two hundred and fifty dollars (\$250) of the Absentee renewal fee will go directly to the City's Affordable Housing Fund.
- (b) A certificate may only be renewed if all ownership information provided in and relating to the original Short-Term Vacation Rental application has not changed within the previous certification period and the property has remained in good standing throughout the previous certification year.
- (c) A certificate more than thirty (30) days beyond its expiration date without payment of the annual fee shall not be renewed.

Sec. 11-516. Short-Term Vacation Rental agent.

- (a) The owner of a Short-Term Vacation Rental shall designate a Short-Term Vacation Rental agent on its application for a certificate for a Short-Term Vacation Rental. A property owner may serve as the Short-Term Vacation Rental agent. Alternatively, the owner may designate a person as his or her agent who is over age eighteen (18) and meets all local and state regulatory requirements to fulfill the duties of a Short-Term Vacation Rental agent.
- (b) The duties of the Short-Term Vacation Rental agent are to:
 - (i) Be available twenty-four (24) hours a day, seven (7) days a week to respond to telephone calls from law enforcement, first responders, and/or City designees;
 - (ii) Appear on the premises of any Short-Term Vacation Rental unit within two (2) hours following notification from the City of issues related to the use or occupancy of the premises. This includes, but is not limited to, notification that occupants of the Short-Term Vacation Rental unit have created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of the City Code or other applicable law pertaining to noise, disorderly conduct, overcrowding, consumption of alcohol, or use of illegal drugs. Failure of the agent to timely appear to two (2) or more complaints regarding violations may be grounds for penalties as set forth in this Chapter. This is not intended to impose a duty to act as a peace officer or otherwise require the agent to place himself or herself in a perilous situation;
 - (iii) Receive and accept service of any notice of violation or notice of hearing related to the Short-Term Vacation Rental; and
 - (iv) Monitor the Short-Term Vacation Rental for compliance with laws.
 - (a) An owner may change his or her designation of a Short-Term Vacation Rental agent temporarily or permanently; however, there shall only be one (1) such agent for a property at any given time. To change the designated agent, the owner shall notify the Development Review and Permitting Division in writing

of the new agent's identity, together with all information regarding such person as required by the applicable provisions of this Chapter.

Sec. 11-517. Failure to obtain certificate; enforcement; penalties; revocation and authority of the Administrative Hearing Officer.

(a) Any violation of this Article, including failure to obtain a Certificate, shall be punishable by a fine of up to Five hundred dollars (\$500.00) per violation per day by the Administrative Hearing Officer appointed by the City Council pursuant to City Code Section 21-236 as set forth in Chapter 21, Article VI of the City Code. Each day that the violation continues shall be a separate offense punishable by an additional fine of up to Five hundred dollars (\$500.00) per day. There shall be a rebuttable presumption that a person or entity is in violation of this Chapter if they list or hold out a property as a Short-Term Vacation Rental without first obtaining a Short-Term Vacation Rental certificate. This rebuttable presumption also applies to those dwellings featured on websites whose primary purpose is business related to Short-Term Vacation Rental reservations.

(b) The City reserves the right to revoke any Short-Term Vacation Rental certificate at any time upon notice to the owner or Short-Term Vacation Rental agent and after an opportunity for a hearing before the Administrative Hearing Officer as set forth in this Chapter. Once any property has three (3) documented violations of City Code or State law as a direct result of the operation of the Short-Term Vacation Rental unit no appeal rights from those violations remain. The findings of the Administrative Hearing Officer shall be made based on the procedure set forth in Chapter 11 of the City Code and may be considered as the basis for any revocation. Revocation decisions by the Administrative Hearing Officer may be appealed to the Hamilton County Circuit or Chancery Court pursuant to T.C.A. §§ 27-9-101 et. seq. as referenced in Section 11-513 of this Chapter.

Sec. 11-518. Invalidity of part; private agreements and covenants.

Should any court of competent jurisdiction declare any section, clause, or provision of this Article to be unconstitutional, such decision shall affect only such section, clause, or provision so declared unconstitutional, and shall not affect any other section, clause, or provision of this Article. Additionally, this Chapter shall in no way be used to supersede any privately created agreements or covenants by any homeowner associations or developers restricting certain uses.

Sec. 11-519. Moratorium relating to Short-Term Vacation Rental applications for non-owner - occupied rental properties.

A moratorium on the acceptance of new Short-Term Vacation Rental Applications for Non-Owner, Occupied Rental Properties, which are not the primary residence of the applicant, for a period beginning on the effective date of this ordinance, which began on April 5, 2022, up to and including, July 10, 2023, in order to allow the Chattanooga City Council to review and develop additional regulations to address concerns as to Non-Owner Occupied (Absentee) Short-Term Vacation Rental properties within the City of Chattanooga.

Sec. 11-520. Short-Term Vacation Rental Board – Created; function; composition.

- (a) There is hereby created the Short-Term Vacation Rental Board (the “STVR Board”). This Board will:
- Approve/deny transfers of certificates between owners
 - Approve/deny certificate denial appeals
 - Moderate disputes between property owners to resolve issues before disputes progress to AHO related to:
 - Parking
 - Noise
 - Waste Management
 - Hours of operation
 - Hearing neighbor concerns as part of the absentee application process
 - Steward Density Cap; hear density cap disputes
 - Mediate issues between applicants and the Development Review and Permitting Division.
- (b) The STVR Board shall be composed of nine (9) members. The Mayor of the City of Chattanooga shall appoint five (5) members to the STVR Board, the City Council shall appoint four (4) members to the STVR Board. All prospective STVR Board members shall be subject to confirmation by a majority of the City Council and shall live within areas of the City which have certified Short-Term Vacation Rental properties when appointed and continuously while serving as members of the STVR Board.
- (c) Not less than three (3) members shall be residential and/or commercial property owners who live or conduct business within communities where Short-Term Vacation Rentals are located and who do not operate a Short-Term Vacation Rental property. Not less than three (3) members shall be past or present Short-Term Vacation Rental property owners/certificate holders whose Short-Term Vacation Rental property consistently remained in good standing and in compliance with all applicable local and state laws while their Short-Term Vacation Rental certificate was active. Not less than three (3) members shall have professional experience in urban design, real estate, real estate development, public health, and safety, and/or business ownership. At any meeting of the STVR Board five (5) members shall constitute a quorum to conduct business.
- (d) Appeals of certificate denials may come before the STVR Board:
- (a) By automatic referral from the Development Review and Permitting Division when a business entity applies for a Homestay Short-Term Vacation Rental certificate, pursuant to Section 11-513 (c) (ii) (B) above; or

- (b) By request of an applicant who has been denied a Homestay or Absentee Short-Term Vacation Rental certificate due to non-compliance with any application requirements set forth in this Chapter.
- (c) No appeals shall be considered by the STVR Board of any fines imposed by an Administrative Hearing Officer on any final order establishing a violation under this Chapter. Judicial Review of a final order by an Administrative Hearing Officer shall only occur as set forth in City Code Section 21-247 and/or T.C.A. § 6-54-1017.
- (d) Transfers. Short-Term Vacation Rental Certificates are not transferred by right. Only certificate holders whose Short-Term Vacation Rental properties consistently remain in good standing and in compliance with all applicable local and state laws while the certificate is active may petition the STVR Board to transfer the certificate to another owner. Without approval of the transfer by the STVR Board, the certificate is non-transferable to any other site, property, or location within the City.
 - (i) Transfer fee. Any application for transfer shall be accompanied by a fee of one thousand dollars (\$1,000.00). This entire fee shall go directly into the City's Affordable Housing Fund when the application is processed.
 - (ii) The denial of any transfer by the STVR may be appealed to Hamilton County Circuit or Chancery Court pursuant to T.C.A. 27-9-101 et. seq. as referenced in Section 11-513.

Sec. 11-521. Same – Terms; vacancies.

The terms of the members of the STVR Board shall be for two (2) years. Initially, the members of the STVR Board shall be appointed so that they hold office for staggered terms. Two (2) of the City Council appointments and two (2) of the Mayor appointments shall be initially appointed for one (1) year terms. Two (2) of the City Council appointments and three (3) of the Mayor appointments shall be initially appointed for two (2) year terms. Upon the expiration of the term of any appointed member, a successor shall serve a term of two (2) years. The failure of any member to attend two (2) consecutive meetings or three (3) meetings within any calendar year shall be the basis for removal by the Mayor and reappointment of another member by the Mayor, subject to the confirmation of a majority of the City Council. Should any vacancy occur on the STVR Board by death, resignation, or removal of a member, the member's unexpired term shall be filled by appointment in the same manner as the member vacating the STVR Board was appointed, if possible. No member may serve more than two (2) consecutive terms on the STVR Board.

Sec. 11-522. Same – Homestay Appeal Procedures.

- (a) A Homestay person or entity whose application has been denied by the Development Review and Permitting Division may appeal to the STVR Board for further consideration within 30 days of the staff's decision.
- (b) The aggrieved Homestay applicant must submit a signed, written appeal request to the Director of the Development Review and Permitting Division.

- (c) A copy of the written appeal request and a copy of the denied application and all supporting documentation that was initially submitted with the denied application must be submitted to the Director of the Development Review and Permitting Division at least thirty (30) days prior to the regularly scheduled meeting of the STVR Board to be placed on the agenda. In the case of an automatic appeal referral of a Homestay Short-Term Vacation Rental application, pursuant to Sec. 11-513(c)(ii)(B) above, the Development Review and Permitting Division shall ensure that all required materials are submitted and placed on the agenda.
- (d) In addition to the items set forth in the immediately preceding paragraph, the Development Review and Permitting Division will also provide a written report to the STVR Board and the City Council.
- (e) The STVR Board must establish operating procedures and Certificate standards that affords equal time for the applicant and the Development Review and Permitting staff to present their case during the appeal hearing.
- (f) The STVR Board will consider the issues presented to them in the Development Review and Certificate staff report and during the presentation from the applicant. These issues may include any disputes over whether transfers may occur between owners of Short-Term Vacation Rental properties after they are certified by the STVR Board based on Certificate standards which are adopted by the Board. After hearing both sides and discussing the matter as a body, the STVR Board will then approve the application, approve the application with conditions, or deny the application. The STVR Board must document the reason for approval or denial of an application.
- (g) All decisions and the basis for the decisions of the STVR Board will be documented in writing and submitted by the Director of the Development Review and Permitting Division to the applicant and placed on file in the Development Review and Permitting office.
- (h) If the STVR Board approves an application that was previously denied, the Development Review and Permitting Division shall issue the Short-Term Vacation Rental certificate within twenty-one (21) business days of being notified of the STVR Board's decision to approve the application.
- (i) If the STVR Board denies an application and the applicant wishes to seek further review, the applicant may file a petition in Chancery Court within sixty (60) days after being notified of the STVR Board's decision, as set forth in T.C.A. § 4-5-322.

Sec. 11-523. Absentee Certificate Holders and/or Uncertified Absentee Unit Operator Violations and Appeals Procedures.

- (a) Any violations by certified Absentee certificate holders and/or illegally operating uncertified Absentee unit operator shall be determined by the Administrative Hearing Officer. The Administrative Hearing Officer shall have jurisdiction over such matters in addition to the listed powers set forth in Section 21-232.

- (b) If the Development Review and Permitting Division denies an application for an Absentee Short-Term Vacation Rental certificate, the applicant has the right to appeal the denial from the Development Review and Permitting Division to an Administrative Hearing Officer with jurisdiction over this matter pursuant to Section 21-232. A certified Absentee certificate holder and/or illegally operating uncertified Absentee unit operator who is aggrieved by a final decision by the Administrative Hearing Officer in a contested case has the right to appeal a denial by the Administrative Hearing Officer to Chancery Court for Judicial Review of a final order pursuant to Section 21-247. Any appeal must be made within sixty (60) days of the date of denial or revocation of any STVR certificate.
- (c) Absentee certificate holders and/or illegally operating uncertified Absentee unit operators must be present at the appeal hearing before the Administrative Hearing Officer, regardless of whether the appeal is initiated by the Development Review and Permitting Division or the applicant. Any applicant not present at the appeal hearing shall result in an automatic denial of the Short-Term Vacation Rental Certificate by the Administrative Hearing Officer.
- (d) If the certificate is denied or revoked after the hearing before the Administrative Hearing Officer pursuant to Section 11-517, all applicants must wait twelve (12) months before reapplying for a new Short-Term Vacation Rental certificate.

Sec. 11-524. Same – Limited Scope of Short-Term Vacation Rental Board function.

The review authority of the STVR Board shall be limited to new, first-time Short-Term Vacation Rental applications that are not affiliated with an existing Short-Term Vacation Rental certificate and transfers of certificates between owners as set forth in Section 11-520. The STVR Board shall not review standard renewals for Short-Term Vacation Rental certificates nor the denial of a renewal of a Short-Term Vacation Rental certificate by the Administrative Hearing Officer. The STVR Board shall not have any governance, administrative, nor operational authority over the Development Review and Permitting Division, its director, managers, or staff. All administrative and operational authority over the Development Review and Permitting Division shall be vested in the Mayor and in the Administrator of the department and her or his executive leadership team.

Sec. 11-525. Same – Bylaws; officers; executive committee.

The STVR Board shall adopt and may amend bylaws for the regulation of its meetings and proceedings. It shall also elect as officers, a Chairperson, Vice Chairperson, and Secretary, who will serve as the executive committee for the STVR Board.

Sec. 11-526. Reconsideration of Short-Term Vacation Rental District.

One year from the passage of this ordinance, the City Council will consider lifting the Short-Term Vacation Rental District overlay to allow permitted Homestay and Absentee Short-Term Vacation Rentals citywide.

SECTION 2. BE IT FURTHER ORDAINED, That this Ordinance shall take effect two
(2) weeks from and after its passage.

Passed on second and final reading:_____

CHAIRPERSON

APPROVED:____ DISAPPROVED:____

MAYOR

PAN/CH/JH/mem/v16