



CITY OF WARWICK

FRANK J. PICOZZI, MAYOR

MEMORANDUM

To: Honorable Members of the Special Legislative Commission to Review and Provide Recommendations for Policies that Deal with Numerous Economic and Social Short-Term Rentals Issues Concurrently

From: Sean Henry, Principal Planner/Special Projects Coordinator, City of Warwick

Date: October 11, 2023

Re: City of Warwick Short-term Rental Ordinance

The City of Warwick (“the City”) passed a Short-term rental (STR) ordinance at the end of February 2023, after the General Assembly had overridden the Governor’s veto for the state’s STR law. The intent of our ordinance is to minimize negative impacts of short-term rental usage on the neighborhoods in which they are located, while still providing an opportunity for property owners to utilize their dwelling units for use as a short-term rental. The City contemplated creating an STR license, however state law has not granted licensing authority for STRs, therefore an STR permit was created to fold into the city’s existing E-permitting system. If the property owners meet the criteria of the ordinance, they can obtain an STR permit. There were many members of the public that were involved in drafting and modifying the ordinance, many STR owners and other stakeholders testified at the public hearings held by the City Council.

Eligibility for Short-term rental use

The STR use was added to the Warwick Zoning Ordinance use table as a permitted use within the City’s residential and Village (mixed use) zones. STRs are not permitted in the City’s commercial or industrial zones. A zoning map of the city has been provided for reference. The City uses the same definition for short-term rental unit as the state, which identifies a rental term of less than 31 days. Additionally, there are prohibitions against STRs being located within certain types of dwelling units, those being:

1. Accessory family dwelling units.
2. Accessory structures.

3. Dwelling units that have been designated as "Affordable" or are otherwise below market rate, such as those units that are subject to housing or rental assistance and/or deed restrictions.
4. Dwelling units subject to any requirement of local, state, or federal law that prohibits the leasing or subleasing of the unit or use of the unit as a short-term rental.
5. Dwelling units that are subject to two or more violations of any municipal ordinance or state law or regulation in a 12-month period related to excessive noise, improper disposal of trash, disorderly conduct, parking, or any other nuisance behavior.
6. Dwelling units that are subject to any outstanding building, sanitary, fire, zoning, or property maintenance code violations.
7. Dwelling units on properties where weddings or other special events are occurring.

Applying for a Short-term rental permit

The STR permit is obtained by the property owner filing through the city's Building Department. The applicant submits their contact information, information about the subject property, their State STR Registration number, and the contact information of a 24-hour emergency contact who could be the property owner or a local representative on behalf of the owner. Finally, the property owner must attest, "I hereby certify that I have the authority to make this application, that the application is correct, and that I agree to conform to all applicable codes and ordinances." The unit must first be registered with the RI Department of Business Regulation (RI DBR) in order to obtain a permit from the City.

Permit fees and approval process

The permit fee is \$250 per dwelling unit per year. Once the owner applies for the permit, a review process begins that undertaken by the City's Building Department and the city's Fire Marshal. Each dwelling unit receives an inspection from both entities in order to ensure that the unit proposed for rental meets state fire codes and minimum building codes and doesn't present a danger to the health and safety of the occupants. Some units may need to undergo repairs or improvements in order to be approved. The inspection also aids in determining what the maximum allowed occupancy for the unit can be, which is based on two factors: the amount of parking that the unit can support and the number of bedrooms, both as determined by the Building Department. If issued, the STR permit states the number of bedrooms for the unit.

Compliance

As of September 25, 2023, the RI Department of Business Regulation (RI DBR) has registered 72 units for rental within the City of Warwick (64 are active, 8 are inactive).

The City of Warwick has received 41 STR permit applications since the passage of the STR ordinance in February 2023. Of those 41 permit applications:

- 13 permits have been issued.
- 16 properties have been inspected and are awaiting repairs.
- 12 properties have either incomplete applications, have not yet been inspected, or have non-responsive applicants.

Enforcement

Violations of the STR ordinance are enforced as zoning violations, administered by the Warwick Building Department and, if necessary, adjudicated by the Warwick Municipal Court. At this early stage of the process, any state-registered rental properties that have not yet obtained a local STR permit are sent a letter from the City instructing the owners to apply for a permit. Because the state law was already in place at the time, the city uses the state STR registration list to aid in enforcement within the city. However, due to the state's registration list relying upon property owners to voluntarily register, city staff is aware that there could be and likely are properties listed for rent online that have not registered with RI DBR nor applied for their local STR permit.

If the online rental platforms were required to supply the state with the list of properties available for rent on their platforms directly, rather than relying on property owners to register independently, it would be easier for the City to identify the properties that still require an STR permit. Much in the way that the state has elected to collect taxes directly from the rental platforms rather than relying on property owners to independently remit tax dollars for their units, the state could elect to collect registration data directly from the rental platforms in order to ensure that every unit is properly registered.