

## Software to help city fight illegal rentals

### RENTALS

#### Daytona to use it to pinpoint owners of short-term rentals in areas they're not allowed

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DAYTONA BEACH — A few years ago, Daytona Beach officials realized the short-term rental market had quietly entrenched itself in the city.

Thousands of the rentals, booked through online sites such as Airbnb and Vrbo, have been in areas of the city where they're not allowed. Code enforcement officers have done their best to chase down the

property owners and shut down the illegal rentals, but it's been difficult to find violators and prove what they're doing.

The online advertisements don't provide an address until after a customer has paid for the rental, and it would be time-consuming and costly for code officers to go through the process of booking rentals of every property they suspect might be in Daytona Beach and in a place in the city it's not allowed.

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Now city officials believe they've found a way to use a computer algorithm to pinpoint outlaw short-term rentals and deal with them through the code enforcement process that can result in code citations, daily fines of up to \$5,000 and in some cases orders to shut down the rental immediately.

During Wednesday morning's meeting of the Lodging & Hospitality Association of Volusia County, Daytona Beach Police Chief Craig Capri said the city is moving toward partnering with a company that has software that can track down unauthorized short-term rentals.

The company, Californiabased Host Compliance, has an algorithm that analyzes online advertisements on 54 rental websites, and uses things such as pictures and landmarks to lock in on the address of a property.

"It removes layers," Capri said. "Sometimes they use fake names and addresses."

The software, used by 300 communities nationwide, culls everything including the property's address, owner's name, what the customer paid and when the

used at Wednesday's meeting as a warning call.

Davis, CEO and president of the Hotel & Lodging Association of Volusia County, said the vacation rentals have taken over properties badly needed for affordable housing and have failed to pay sales and bed taxes for years because they operate under the radar.

He said the county's entire hospitality industry — everything from lodging to restaurants — and all of its employees that can't afford local rents that have soared past \$1,000 monthly have been hurt by short-term rentals.

He said Volusia County hotel rentals were down in July, August and September. If hotel revenue drops too much, it will be maids, desk clerks, bartenders and managers who will be hit with layoffs, he said.

Mike Denis, a longtime Daytona beachside resident who has rented out part of his home, said "by renting an unused room, or sprucing up an apartment, short-term rentals often allow people to keep their homes."

Davis said if the county government gets aggressive on short-term rental code enforcement, cities throughout Volusia will be inspired to do the same. Davis criticized the county for not taking action by now.

County Council member Billie Wheeler sat in on

rental was booked.

The system even sends notices of violation to noncompliant owners, Capri said.

“It does the work of 15 people,” the police chief said. “It will help with tax collections, too.” Authorized property owners might be asked to put a sign in their front window that identifies them as an allowed site for short-term rentals, said Denzel Sykes, manager of the city's Code Enforcement Division.

Short-term rentals are allowed only in the city's tourist zoning districts and community redevelopment areas where hotels, motels and bed and breakfast inns are also allowed. Bed and breakfast establishments can also legally operate in residential neighborhoods if the area is in a historic district.

Violators can find themselves in front of the city's Code Enforcement Board or a special magistrate, facing thousands of dollars in fines.

They can also be slapped with an order to shut down immediately if the city declares that they've caused irreparable harm, Sykes said.

“We'll ramp it up,” Capri said. “We're getting a lot of complaints.”

City commissioners will be asked to vote in December on getting into a contract with the company that provides the scanning software, Capri said.

The startup cost would be \$120,000, and then there would be an annual fee that would be based on the number of short-term rentals in the city, Capri said.

Capri sees the \$120,000 as “a good investment.”

Right now, there are an estimated 2,700 short-term rental properties in Daytona Beach, some of which are legal, that advertise on more than 125 websites, Sykes said.

“There's no way one of my inspectors can effectively track these down, cite them and properly move forward the cases on them,” Sykes said.

Two weeks ago, county government officials said they determined there are more than 7,000 short-term rentals in Volusia County. That's double the estimate of just a few years ago. It's a statistic Bob Davis

Wednesday's meeting at the Residence Inn by Marriott Daytona Beach Oceanfront in Daytona Beach Shores.

She said she's going to talk to county staff to start to figure out how to handle the rentals.

“We are not against Airbnb,” Davis said. “They have a right place provided they're in the right place and not illegal.”

In May the city chalked up a victory in a two-year legal fight challenging its prohibition on short-term rentals in areas of Daytona Beach zoned for residential uses.

Circuit Court Judge Leah Case sided with the city's assertion that for decades Daytona Beach's land development code has banned renting homes for less than six months, and that didn't change when the city adopted a new land development code in 2015.

The group of rental property owners who sued the city in July of 2017 appealed the decision to the Fifth District Court of Appeals. No decision has been rendered yet.

One of the plaintiffs in that lawsuit, Mary Synk, said for Daytona Beach to thrive as a tourist destination, the city needs hotels and short-term rentals.

“We desperately need private investment in our blighted beachside areas, and vacation rentals provide the means to accomplish this,” Synk said.

And she's OK with regulations.

“Vacation rentals should be licensed and inspected, and taxed the same as traditional hotel accommodations,” she said.



**A group of Daytona Beach rental property owners were on the losing side of a judge's ruling in May that concluded short-term rentals are only allowed in tourist zoning districts. The only exception is bed and breakfast inns in historic district neighborhoods. The case is on appeal now. One of the plaintiffs in the suit is Mary Synk, shown in the patio area below her beachside rental apartment.**

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