



# Certificate of Use Program & Home-Based Businesses



City Commission Meeting  
May 18, 2022



# Outline



- › Certificate of Use Program
  - › Challenges
  - › The CU Program
  - › Program Process
  - › Program Applicability
  - › Program Comparisons
  - › Fees
  - › Revenue Projections
  - › Expected Outcome
- › Home-Based Business Amendments
- › Recommendation



# Certificate of Use – Challenges

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- › Addressing life safety concerns
- › Addressing environmental concerns
- › Protecting failing infrastructure
- › Protecting quality of life
- › Proactive efforts considering recent preemption from Tallahassee



# Certificate of Use — Challenges

- › Life Safety Concerns

- › Illegal Construction
- › Building Permits
- › Code Compliance
- › Fire Prevention

- › Threats to Quality of Life

- › Home-Based Businesses
- › Tallahassee local law preemptions

## Hollywood resident running car rental business out of home, outraging neighbors



*Residents of one South Florida street are fuming after a neighbor opened a car rental business at his house.*

**HOLLYWOOD, Fla.** – Residents of one South Florida street are fuming after a neighbor opened a car rental business at his house.

# Certificate of Use — Challenges

## › Environmental Concerns

- › Violation of plastic straw, Styrofoam and plastic bags laws
- › Abandoned shopping carts/Illegal dumping sites
- › Improper disposal of industrial/medical chemicals
- › Failing Infrastructure
  - › Massive repair costs
    - › Lift Station #14, NW 10<sup>th</sup> Ter.
      - › Rags, fats, oils and grease
      - › New Grinder, Replace pumps
      - › Staff overtime expenses
      - › **Over \$150,000 per incident**



# Certificate of Use — The CU Program

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- › Verification that a proposed business is in a location that is:
  - › Properly zoned and use is permitted
  - › Has the appropriate Building Certificate of Occupancy
  - › Does not have open liens and code violations
  - › Meets Fire regulations
  - › Complies with applicable environmental regulations
  - › Complies with other local, State or Federal regulations
  - › Is not limited by moratoriums or other restrictions
  - › Has appropriate parking spaces, meeting parking demands and expectations

# Certificate of Use – Program Process



# Certificate of Use - Program Process

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## APPLICATION

- › CU application completed online
- › Application fee paid
- › All required documents submitted online at time of application
- › Application reviewed for completeness
  - › Within 1-2 business days of submission

## STEP 1



# Certificate of Use - Program Process

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- › Application will be concurrently reviewed for review and inspection
  - › Zoning
  - › Building
  - › Fire
  - › Environmental
  - › Police (when required by code)
- › Reviews and Trade Inspections will be completed within 2-3 business days

# Certificate of Use - Program Process

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CU INSPECTION

STEP 4

- › Final inspection by BTR inspector
  - › Verify that there is no unpermitted construction
  - › Verify that the business is consistent with the application
  - › Will identify any potential code violations
    - › Minor issues will not affect the issuance of the CU
    - › Major issues will require remediation before the issuance of the CU

# Certificate of Use - Program Process

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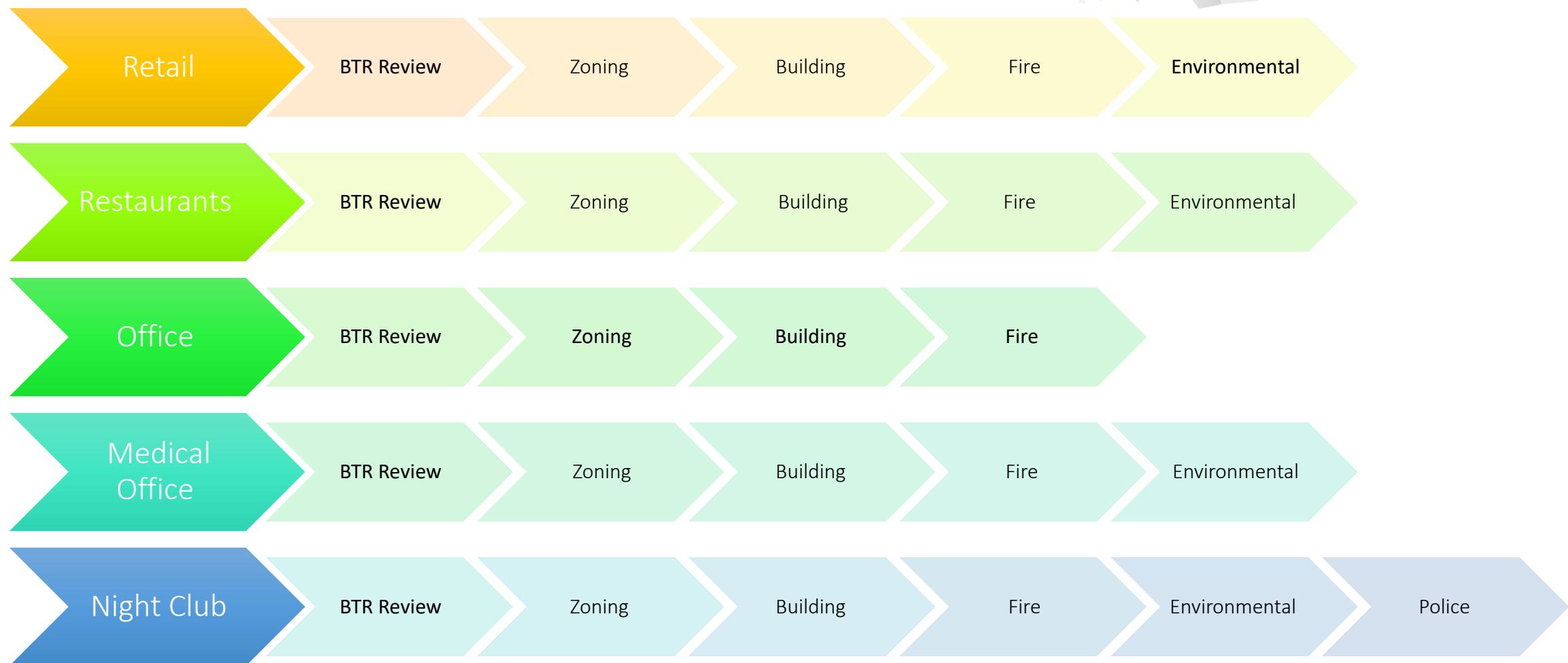
CU Payment  
And Issuance of CU  
& BTR

- › Invoice for CU fee, issued electronically
- › Invoice for BTR fee, issued electronically
- › Once fees are paid both the BTR and CU are issued
- › All certificates will be issued electronically, via email

STEP 5

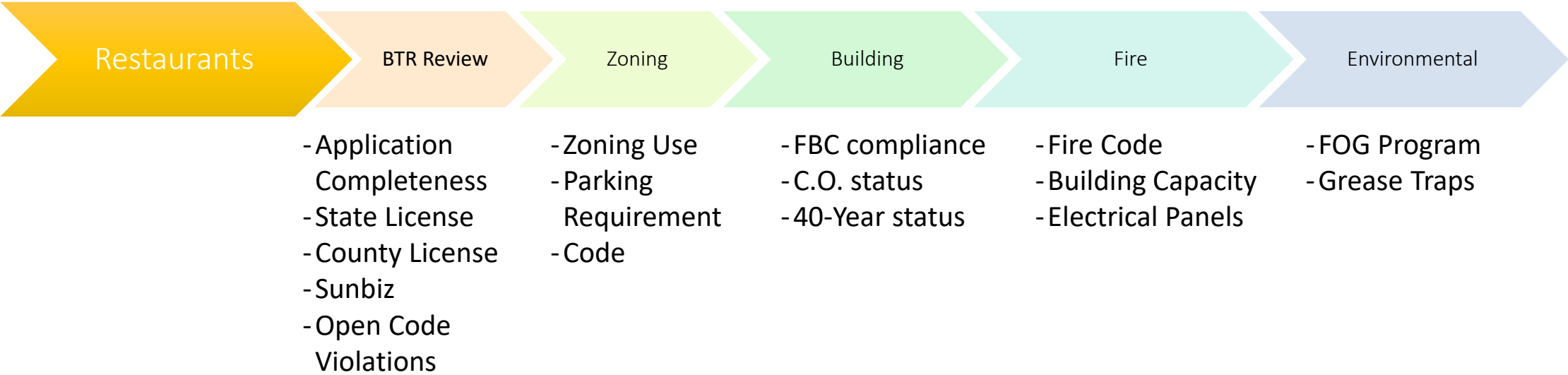
# Certificate of Use - Program Process

› Example of Reviews



# Certificate of Use - Program Process

› Example of Reviews and Inspections



# Certificate of Use – Program Process

- › After issuance
  - › Annual renewal
    - › In conjunction with the BTR renewal
    - › Online
  - › Annual Inspection
    - › The City's goal is to visit each business once per year
    - › Identify any potential code issues
    - › Unpermitted construction
    - › Business operating outside of the initial approval
    - › Potential environmental hazards or violations



# Certificate of Use - Program Applicability

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- › Existing Businesses
  - › Once adopted, existing businesses with a valid BTR will effectively have a CU
  - › Application will be required, application fee waived
  - › CU fee will be required
  - › Initial inspection will be conducted
  
- › New Businesses
  - › Once adopted, new CU and BTR application process will be required for all new businesses within the City.

# Certificate of Use - Program Applicability

- › A CU shall be required for:
  - › All commercial businesses, including but not limited to
    - › Office Uses
    - › Retail Uses
    - › Restaurants
    - › Commercial properties containing multiple tenants
    - › Multi-family apartment buildings
    - › Residential Rental Units
    - › Vacation Rentals
    - › Home Based Businesses



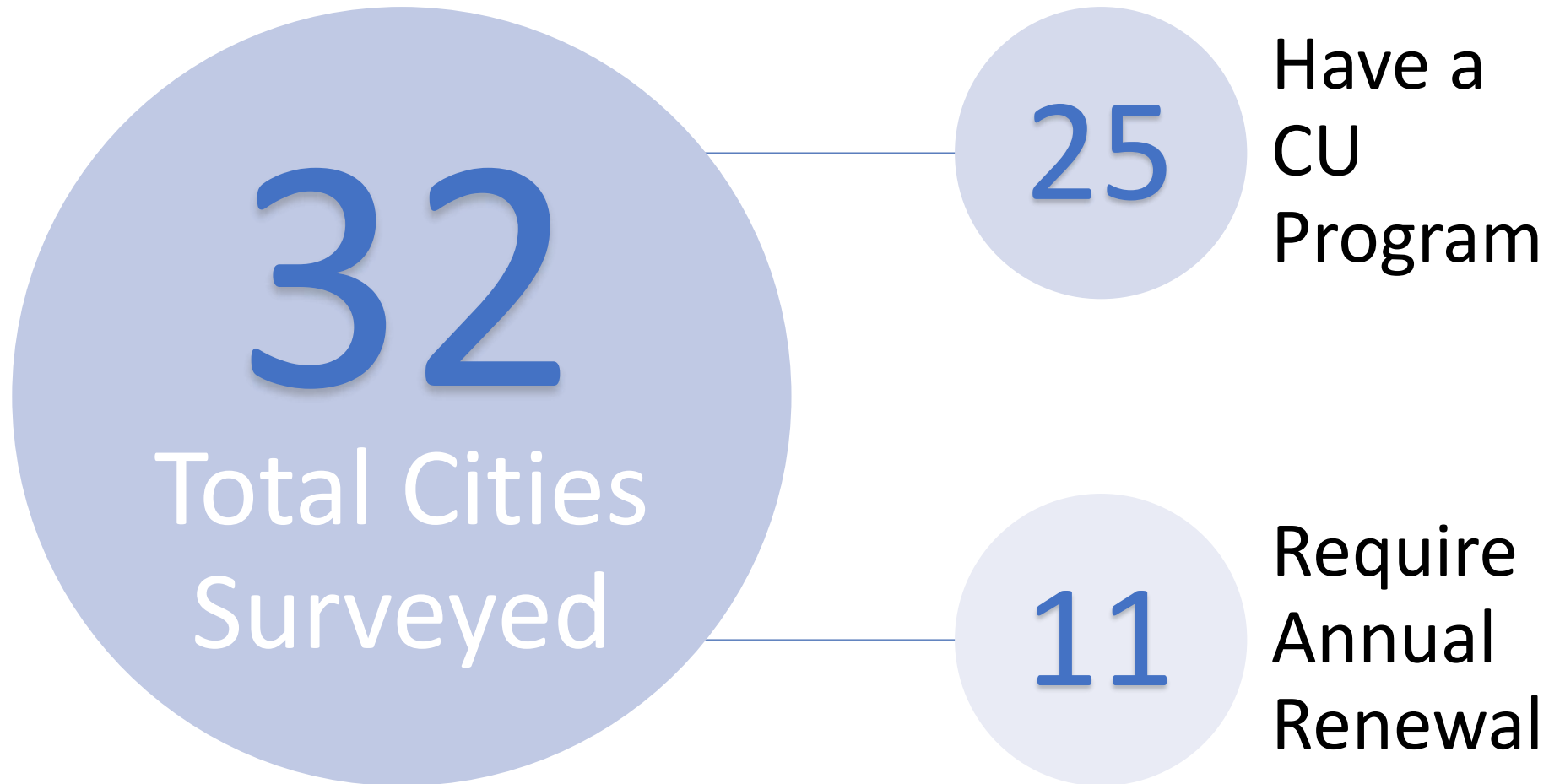
# Certificate of Use - Program Applicability

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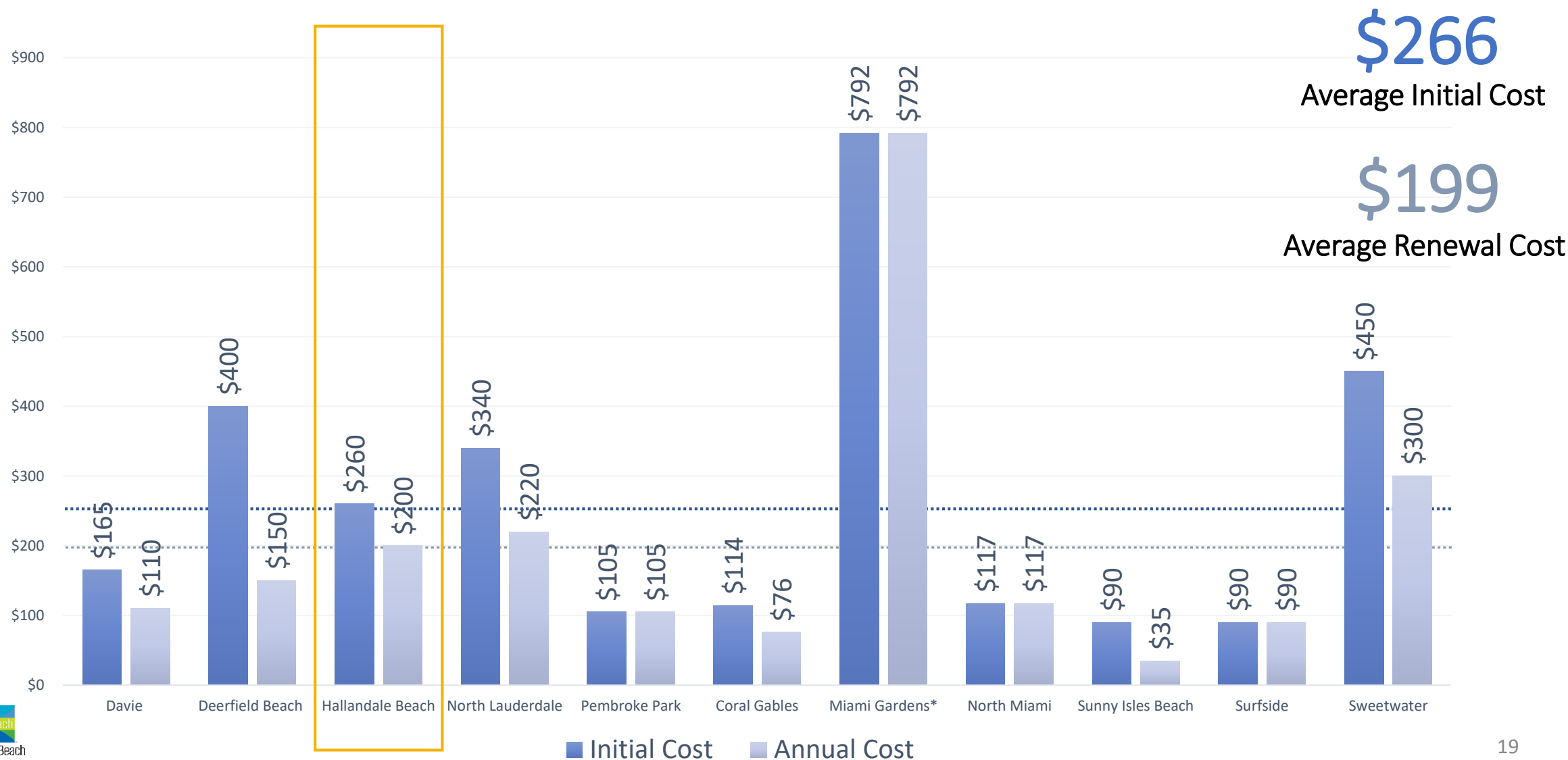


- › The following businesses/uses are exempt from the CU
  - › Condominiums
    - › Condo Registration is still required
    - › CU still required for individual units rented as either long-term or on a short-term basis
  - › Professions (ex. Doctor, Lawyer, Barber...)
    - › Individual professional shall be exempt from the requirements of the CU, provided that they obtain an individual BTR and are conducting business from a location that possess a valid CU and BTR
  - › Mobile Businesses, with no physical location within the City

# Certificate of Use – Program Comparisons



# Certificate of Use – Program Comparisons



# Certificate of Use – Fees



## › Proposed Fees

FEE	Amount
Application Fee (only applicable to initial application) Non-Refundable	\$60
Home-Based Businesses	\$100
Vacation Rentals	\$200
Residential Apartment Buildings	\$150 +\$10 per unit
Rental Units (including single-family homes)	\$100
All Other Commercial Uses	\$200

› CU fees, based on use category will be due October 1<sup>st</sup> of each year.

# Certificate of Use – Revenue Projections

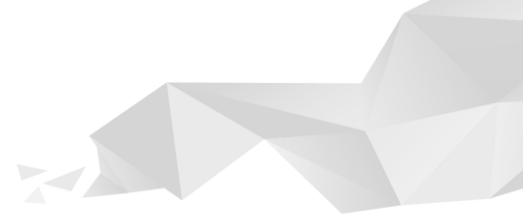


- › Potential Revenue
  - › FY22-23

	#	Fee	Total
<b>Application Fees – New Businesses Only</b>	800	\$60	\$48,000
<b>CU Fee – New Businesses Only</b>	300	\$200	\$60,000
<b>Rental Units (New)</b>	500	\$100	\$50,000
<b>Existing Businesses</b>	1,560	\$200	\$312,000
<b>Existing Home-Based Businesses</b>	40	\$200	\$8,000
		<b>Total</b>	<b>\$478,000</b>

# Certificate of Use – Expected Outcome

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- › Streamlined application process for new businesses
- › Applications and payments accepted online
- › Concurrent application reviews by multiple disciplines
- › Ability for applicants to track application progress
- › Early detection of code violations
- › Reduced BTR delinquency rate
- › Inventory and monitoring of Home-Based Businesses

# Home-Based Business Amendments

- › House Bill 403
  - › Signed by the Governor June 29, 2021
  - › Preempts local governments from regulation aspects of home-based businesses.
  - › Home-based business may be operated in any residential property.
  - › May not be prohibited, restricted, regulated, or licenses in a manner different from other businesses, except as otherwise provided by the bill.
  - › Many of the City's current regulations are no longer enforceable
  - › Amendments are being proposed so the City Code is consistent with FL Statute 559.955 as amended by HB-403.



# Home-Based Business Amendments



## › Proposed Amendments

- › Allowing up to two (2) employees that do reside in the home to work at the home-based business.
- › Increasing the percentage of the residence that may be utilized for the home-based business from 25% to 49%.
- › Eliminating the prohibition on customers and supplies.
- › Prohibiting vehicles and trailers associated with the home-based business from parking in the right-of-way.
- › Allowing commercial vehicles and equipment to be stored on the site, provided they are not viable from the right-of-way or adjacent properties.
- › Removing regulations that prohibit a home-based business from using their residential address and phone number in advertisements.
- › Specifying that an annual CU and BTR are required for home-based businesses.
- › Eliminating regulations for live/work dwelling units, as this use must comply with the home-based business regulations.



# Recommendation

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- › Planning & Zoning Board
  - › This item was heard by the Planning & Zoning Board on March 22, 2022
  - › The item received a favorable recommendation, by a vote of 3-1
  
- › Staff
  - › Staff recommends that the City Commission approve the item and set the second reading for June 15, 2022



# Certificate of Use Program & Home-Based Businesses



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