

City of Warrenville

MEMORANDUM

TO: Mayor, City Council, and City Administrator White
FROM: Amy Emery, Director of Community & Economic Devt AÆ
SUBJECT: SHORT-TERM RENTAL GOALS
DATE: March 5, 2025

The purpose of this memo is to provide information about short-term rentals (STR). While no formal action is requested, this memo is being shared to provide the City Council an opportunity to become familiar with, ask questions about, and provide feedback to set direction for development of any requirements later this year.

What are Short-Term Rentals (STR)?

STR can be generally defined as including a residential unit that is rented wholly or partly (e.g., single floor or bedroom) for a fee of less than 30 consecutive days. STR are often viewed as an alternative to a traditional hotel room.

STR In The News

STR have been on the radar recently as some communities have had issues with larger homes being rented out for parties and events that have disturbed residents living in the neighborhood surrounding the home. In other communities, residents have asked for STR opportunities as a means to gain income to help offset their housing costs. In December, Airbnb proactively sent unsolicited information to community leaders across the region, including Warrenville, to offer regulatory advice.

Warrenville Values and Strategic Plan Relationship to STRs

As a community that supports private property rights and encourages entrepreneurial spirit, STR can be viewed as an opportunity for property owners. Recognizing the rising costs of homeownership, a STR unit can offer a means to generate revenue to help the homeowner with expenses. With responsible owners, a STR can go virtually unnoticed in a neighborhood. Problems arise if maintenance is lacking, parking is not adequately provided, and occupants do not respect the neighborhood setting.

STR are directly tied to two of Warrenville's Strategic Plan Goals:

- #1 Energetic and Healthy Economy
- #5 Safe and Healthy Neighborhoods

Do STRs Exist in Warrenville?

Warrenville has eight advertised short-term rental units. This was determined from a review of common internet-based rental sources. Private room rentals not advertised through these sources are unknown. The following listings were found in Warrenville. All were listed on Airbnb. There were no active private property owner listings on Booking.com or VRBO. It is worth noting that

several Warrenville hotels do use all these websites to advertise rooms as well. Given the location of some of the units (upper story, basement, accessory unit), Community Development is investigating permitting and inspection history for each unit.

TABLE 1: WARRENVILLE SHORT TERM RENTAL INVENTORY					
UNIT TYPE	# BEDROOMS	Whole Unit?	LOCATION	COST/NIGHT	Years in Business/reviews/ratings
Apartment (top floor of home with independent entrance)	2	Y	29W522 Batavia Rd	\$125	3 Months 20 reviews 4.85 rating
Townhouse	4	Y	Torch Parkway	Varies - \$220	2 years 92 reviews 4.69 rating
Townhouse	4	Y	Torch Parkway	Varies - \$212	10 Months 88 reviews 4.39
Townhouse	4	Y	Torch Parkway	Varies - \$230	2 years 51 reviews 4.67 rating
Bedroom for Rent*	1	N	29W350 Townline Rd	\$45	6 years 189 reviews 4.93 rating
Bedroom for Rent*	1	N	29W350 Townline Rd	\$42	6 years 189 reviews 4.93 rating
Home (Pole Building Conversion)	2	Y	27W172 Galusha	\$172	3 years hosting 10 reviews 5.0 rating
Lower Level Studio	1	Y	3 Elizabeth Ave	\$70	8 years hosting 87 reviews 4.87 rating

*2 Bedrooms in Basement for Rent. It has separate entrance from upper level. Kitchen and half bath facilities shared.

How do Comparable Communities Address STR?

The response to STR varies significantly between communities. Research from Warrenville's Comparable Communities reflects this situation. There was little consistency and no apparent trends. The varied comparable community response demonstrates STR regulations is very much a local matter to be resolved as the community believes it is most appropriate. A summary of requirements is provided below:

COMMUNITY	INSPECTION REQUIRED	REGISTRATION OR LICENSE REQUIRED	HOTEL TAX RATE	NOTES
Current Warrenville	No	No	5%	Tax not currently collected for STR
Glen Ellyn	Yes	Yes, hotels (\$300 +\$10 for each room)	5%	Hotel license required for transient or extended stay units (single family and duplex are exempted)
Naperville	N/A	N/A		Banned per Ord 20-087
Wheaton	Yes	Yes, hotels	5%	Permitted accessory residential use, owner must live on site during rental period
Lisle	No	Yes, hotels (\$50)	5%	No language found addressing STR specifically
Willowbrook			6%	Airbnb listed in definition of hotel, other than for taxes no other regulatory language found
Roselle	No	Yes, hotels and STR	5%	Must be owner occupied, 3-30 days only, parties prohibited, owner can only have one STR
Clarendon Hills			5%	No language found addressing STR specifically
Aurora			3%	Hotel definition for licensing excludes BnB, etc., hotels require a license, for taxes it could include STR, no specific STR language found
Darien	N/A	Prohibited		
Lemont		Only allowed in the downtown district, by special use	5%	tax language may exclude STR (10 or more rooms)
Montgomery			5%	No language found addressing STR specifically
North Aurora			3%	Allowed only in the industrial district, hotel tax may exempt STR (20 or more rooms)
Oakbrook Terrace	N/A	Prohibited	6%	Bed and Breakfast Considered Commercial Use
West Chicago	Yes	Yes, \$50	5%	single family allowed, attached SF requires SUP, prohibited in apts or condos, owner must normally occupy home, only allowed 1 in City, only 3-30 day rentals, no off-site parking, parties prohibited
South Elgin			3%	No language found addressing STR specifically
Schaumburg	yes	Yes, \$175 STR	8%	
Hoffman Estates	N/A	Prohibited		

Goals for Regulating STR in Warrenville

With only eight units, none of which have been the subject of any complaints and all of which have very high visitor reviews, Warrenville does not have an STR problem. As a community, Warrenville does not seek to create regulations for problems that do not exist. However, the community is very mindful of fairness and safety. As such, staff will prepare a registration requirement for City Council consideration later this year.

When considering new rules, processes or regulations, it is best to begin with goals. With respect to STRs, staff would recommend focusing on **(1) safety, (2) property owner rights, and (3) neighborhood compatibility**. To honor these goals, staff would pursue a balanced approach when developing any proposed registration requirements to consider the needs of residents, renters, and neighbors with the development of requirements and materials aimed at:

- 1) ***Ensuring rentals are safe.*** This may involve education or potentially a life safety inspection to verify units are compliant with building and fire codes. Through registration, the City will maintain a line of communication to share information about owners' rights, fire safety and more. In addition, registration will alert public safety officers (police and fire) that additional occupants may be at a location during an emergency response.
- 2) ***Respecting owner's rights.*** Supporting property owners' choice to create a short-term rental in any residential or mixed-use residential development by establishing a simple registration path like any other home-based business (vs. special zoning).
- 3) ***Minimizing impact to neighborhoods.*** Educating property owners, neighborhood associations and tenants about their rights and responsibilities is important. Considerations include:
 - Parking provided on-site
 - Signage restrictions
 - Restrictions on large parties and other gatherings
 - Minimum number of nights to stay
 - Requirements for property owners to use the property as their primary residence
 - Limits on the number of licenses granted to a single individual or entity
 - HOA awareness and property maintenance expectations
 - Liability Insurance

Recommendation

No formal action is required. This item is provided for general discussion to obtain City Council input about STR impacts on Warrenville and the three proposed regulatory goals for any registration requirements.