

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Rafael A. Paz, Acting City Attorney
DATE: October 13, 2021

SUBJECT: REFERRAL TO THE LAND USE AND SUSTAINABILITY COMMITTEE TO DISCUSS THE APPLICABILITY OF THE CITY'S LAND DEVELOPMENT REGULATIONS ("LDRs") TO THE CO-OWNERSHIP OF SINGLE-FAMILY HOMES, AND WHETHER AMENDMENTS TO THE LDRs ARE NECESSARY TO ADDRESS EMERGING BUSINESS MODELS.

ANALYSIS

At the request of Commissioner Mark Samuelian, the above discussion item has been placed on the October 13, 2021 City Commission meeting agenda as a referral to the Land Use and Sustainability Committee.

Pacaso, a tech startup based in San Francisco, recently announced that it is expanding into the South Florida real estate market. Pacaso's business model is to facilitate fractional ownership in single-family vacation homes. Investors can purchase as little as a one-eighth (1/8) interest in each home. According to the attached article published in *The Real Deal*, "[t]hrough a network of local real estate agents, Pacaso helps investors set up limited liability companies for joint ownership, and collects fees from the buyers to manage, maintain, and facilitate access to the home"

On its website, Pacaso states that properties may be "used only by owners and registered guests," and "no rentals [are] allowed." (Source: <https://www.pacaso.com/blog/what-is-short-term-rental>). City Code Section 142-905 prohibits the lease of single-family homes for periods of time less than six months and one day (i.e. on a "short-term" basis). The City's short-term rental prohibition applies to single-family homes regardless of ownership (e.g., whether owned by a single owner or multiple owners).

The purpose of this discussion is to examine how the City's Land Development Regulations ("LDRs") would apply to this new business model, and whether any new amendments to the LDRs would be necessary to address potential impacts to residents' quality of life.

Please do not hesitate to contact me if you have any questions.

SUPPORTING SURVEY DATA

N/A

Applicable Area

Not Applicable

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-14?

No

Does this item utilize G.O. Bond Funds?

No

Strategic Connection

Non-Applicable

Legislative Tracking

Office of the City Attorney/Planning

Sponsor

Commissioner Mark Samuelian

ATTACHMENTS:

Description

- [The Real Deal article](#)