



**#2022-249**

**UDO Text Amendment – Tourist Homes  
Project Review for Planning and Zoning Commission**

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**Meeting Date:** December 21, 2022 continued to January 18, 2023

**Request:** Amend the Unified Development Ordinance Article 2 and Article 10 to add regulations for Tourist Homes.

**Staff Contact:** Elizabeth Maxwell, 815-356-3605

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**Background:**

- Tourist Homes or Short-Term rentals are currently unregulated by the City.
- There are eight existing homes listed on Airbnb’s website in the City.
- The text amendment was prompted by a complaint the City received from a neighbor of an existing Tourist Home.
- Staff researched other communities to see how short-term rentals were regulated:

COMMUNITY	ALLOWED	STANDARDS
Algonquin	No & Unregulated	
Cary	Yes	Tourist Homes, Multi-family zoning and business districts as a Conditional Use Permit
Chicago	Yes	Vacation Rental, Residential and Business Zoning Districts
Galena	Yes	Vacation Rental, Special Use in Neighborhood Commercial, Downtown Commercial and all Residential Zoning Districts except High Density Residential
Geneva	Yes & Unregulated	No regulations
Lake Geneva, WI	Yes	By right where all residential dwellings are allowed with license
Madison, WI	Yes	Tourist Rooming House, all residential districts w/licensing and reporting requirements

McHenry	Yes & Unregulated	All rental properties are required to register as part of the Landlord Registration program.
Naperville	No	Prohibited
Schaumburg	Yes	Residential rental license, not regulated through zoning so allowed in all districts
St. Charles	No	Contemplated during hearings
Woodstock	Yes & Unregulated	No regulations

- In order to best provide some structure for owners looking to create a short-term rental on their property, staff has proposed adding the use to the ordinance and establishing criteria.
- Amending the UDO would allow Tourist Homes as a Limited Use, similar to traditional bed-and-breakfast uses. Limited Uses are approved by staff, provided they meet the established criteria.
- The existing bed-and-breakfast LUP criteria were used as a base in the creation of the proposed Tourist Home criteria.
- The following is the proposed amendment to the UDO. In addition, taking into consideration the PZC’s last discussion:
  - Staff reduced the distance requirement from 500 feet to 250 feet. This is approximately four R-2 lot widths. This change was to address the concern of limiting property rights within a neighborhood.
  - Regarding the number of occupants, the proposed criteria was revised to include adults and allowing children related to those adults. See below.

**Recommendation:**

ARTICLE 2-300

P = Permitted Use      L = Limited Use Permit      S = Special Use Permit

Overnight Lodging		F	E	RE	R-1	R-2	R-3A	R-3B	R-O	O	B-1	B-2	B-4	M-L	M	W	Use Criteria
	Bed-and-Breakfast Inn	L	L	L	L	L	L	L	L	L				L			
<b>Tourist Homes</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>				<b>L</b>				<b>2-400C-78</b>

ARTICLE 2-400 C

**78. Tourist Homes. Tourist Homes shall comply with the following criteria:**

- a) **General: A Tourist Home must be located more than 250 feet from any other existing Tourist Home in the E, RE, R-1 or R-2 zoning districts, unless the City Council adopts a subarea plan that permits this spacing to be reduced. Measurements shall be made in a straight line, without regard to intervening structures or objects, from the property line of the proposed use to the property line of the existing use. A short-term rental must be located in a structure that is permitted in the zoning district in which it is located.**
- b) **Accessory structures cannot be utilized as a Tourist Home dwelling unit.**
- c) **A maximum of six adult guests and all related children are permitted.**
- d) **Off street parking: The site shall comply with the required number of parking spaces identified in Section 4-200, Off-street parking and loading. Parking areas less than 10 spaces are not required to meet the landscaping requirements.**

ARTICLE 10-200 E

**TOURIST HOMES: The rental of a residential dwelling unit or any portion of a residential dwelling unit for a period of less than 30 consecutive days. Tourist homes shall further be described as a single-family dwelling, or a residential dwelling unit in a multi-unit structure, condominium, cooperative, timeshare, or similar joint property ownership arrangement that is rented for a fee. "Tourist homes" includes vacation rentals. "Tourist homes" does not include: (a) a unit that is used for any non-residential purpose, including event center, banquet facility, wedding venue or another similar uses; or (b) a bed and breakfast establishment as defined by Section 2 of the Illinois Bed and Breakfast Act (50 ILCS 820/2).**

PUBLIC NOTICE BEFORE THE PLANNING AND ZONING COMMISSION OF THE CITY  
OF CRYSTAL LAKE, MCHENRY COUNTY, ILLINOIS

IN THE MATTER OF THE PETITION OF City of Crystal Lake

LEGAL NOTICE

Notice is hereby given in compliance with the Unified Development Ordinance (UDO) of the City of Crystal Lake, Illinois that a public hearing will be held before the Planning and Zoning Commission for the purposes of seeking UDO Text Amendments to make changes to Article 2 and Article 10 to define and allow Tourist Homes.

A public hearing before the Planning and Zoning Commission on this request will be held at 7:00 p.m. on Wednesday, December 21, 2022, at the Crystal Lake City Hall, 100 West Woodstock Street, at which time and place any person determining to be heard may be present.

Jeff Greenman, Chairperson  
Planning and Zoning Commission  
City of Crystal Lake

(Published in the Northwest Herald December 5, 2022)2038638

- e. Trespassing: Stable operators are responsible for preventing trespassing on adjacent properties by patrons and horses.
34. Hotels (except casino hotels), motels and inns. Hotels, motels, and inns must comply with the following standards:
- a. Building setback: The principal building shall be setback at least 50 feet from all property lines.
  - b. Minimum lot area: A hotel, motel or inn shall be located on a property with a minimum lot area of one acre.
  - c. Living quarters area: All living quarters must measure at least 400 square feet gross floor area.
  - d. Area devoted to non-living quarters: Up to 15% of the gross floor area of a hotel, motel or inn may be in non-living-quarter incidental uses (accessory uses), including management/employee offices, meeting rooms, banquet halls, retail services, such as newsstands and gift shops, and similar uses, provided any incidental business is conducted primarily to service guests, and, there is no entrance to such places of business except from the inside of the building.
  - e. Eating establishments: In addition to the accessory uses allowed, up to an additional 20% of the gross floor area of a hotel, motel or inn may be devoted to food service and drinking establishments as an accessory use. The eating establishment(s) may have an entrance from outside the principal building.
35. Resorts. Resorts must comply with the following standards:
- a. Minimum development area: Resorts shall be located on a minimum of five acres.
  - b. Natural features: Resort areas shall preserve and enhance the enjoyment of existing natural land features, including but not limited to water features and tree stands.
  - c. Ownership status: Resort uses shall provide information regarding the ownership status of the proposed use. Resorts that contain units or property that are individually-owned shall be required to provide covenants, conditions, and restrictions indicating the maintenance responsibilities for all units and the grounds of the resort.
36. Bed-and-breakfast inn. Bed-and-breakfast inn uses must comply with the following standards:
- a. General: The owner and/or operator of the bed-and-breakfast use must reside in the bed-and-breakfast dwelling. A bed-and-breakfast use must be located more than 1,000 feet from any other existing bed-and-breakfast use, unless the City Council adopts a subarea plan that permits this spacing to be reduced. Measurements shall be made in a straight line, without regard to intervening structures or objects, from the property line of the proposed use to the property line of the existing use. A bed-and-breakfast must be located in a structure that is permitted in the zoning district in which it is located.

Existing Limited  
Use criteria for  
Crystal Lake  
Bed-and-  
Breakfast Inns.

- b. Guest rooms: A maximum of five guest rooms are permitted. Depending upon the location, the available buffers, and amount of available parking, the Zoning Administrator may restrict the number of guest rooms to a lesser number.
  - c. Meals: Only guests staying in the dwelling, employees, or persons living in the premises may be served meals. Cooking implements including, but not limited to, stoves, grills or ovens are not allowed in the individual guest rooms.
  - d. Duration of stay: Guest stays shall be limited to 21 consecutive days.
  - e. Detached carriage houses or cottages: Detached carriage houses or cottages not exceeding 400 square feet are permitted as one guest room per bed-and-breakfast.
  - f. Off street parking: The site shall comply with the required number of parking spaces identified in Section 4-200, Off-street parking and loading. Parking areas less than 10 spaces are not required to meet the landscaping requirements, but must be screened from all adjacent residences and residential zoning by providing a six-foot tall solid fence in accordance with the provisions of Section 4-700, Fences, walls and screening, or opaque landscaping, in accordance with the provisions of Section 4-400, Landscaping and screening standards, surrounding the perimeters of the parking lot.
  - g. Other applicable regulations: A bed-and-breakfast shall comply with all applicable state, federal and local regulations, including but not limited to 50 ILCS 820 (Bed-and-Breakfast Act), as amended.
  - h. Signs: One sixteen-square-foot freestanding sign (maximum four feet high) and one four-square-foot wall sign are permitted. A sign permit through the Community Development Department is required. **[Amended 6-3-2014 by Ord. No. 7034]**
37. Hostels. Hostels must comply with the following standards:
- a. Screening: Hostels containing outside recreation areas, located adjacent to a residential property shall provide an six-foot tall solid screen consisting of a solid wooden fence, in accordance with the provisions of Section 4-700, Fences, walls and screening, or opaque landscaping along the perimeters of the property, in accordance with the requirements of Section 4-400, Landscaping and screening standards.
  - b. Cooking: Cooking facilities or kitchens are not permitted in the dwelling units.
  - c. Sleeping rooms: Sleeping rooms must be accessed via a common room or hallway, and shall not have individual access to the outside (except those required for emergency exits).
  - d. Signs: One nine-square-foot freestanding sign (maximum six feet high), one four-square-foot wall sign and one six-square-foot temporary sign (maximum six feet high) are permitted. A sign permit through the Community Development Department is required. **[Amended 6-3-2014 by Ord. No. 7034]**

**RECEIVED**

SEP 02 2022

City Manager  
City of Crystal Lake

September 2, 2022

Mr. Eric Helm  
Deputy City Manager  
City of Crystal Lake  
Crystal Lake IL 60014

Per your suggestion we have outlined some but not all of our concerns surrounding the recent purchase and subsequent operation of a commercial business in our neighborhood. Most of the residents of this neighborhood have been here for 20 – 30 – 40 + years. This is a very close-knit neighborhood. Everyone knows each neighbor and we look out for one another.

Having a facility that offers nightly lodging means that none of us individually or collectively can know who is coming or going. We searched the Unified Development Ordinance Section 2-200 Article 2 Section 2-100, for any designation addressing an Airbnb but none seems to be noted. We can only surmise this property operates under the same designation as a B&B or Lodging facility (the latter being a commercial designation). In that regard: “The owner and/or operator of the B&B must reside in the B&B dwelling”. In this case the owner may be in Phoenix, AZ or Milwaukee WI. We really don't know. On the flip side, if it is considered a “Hotel” (even short term), then the R2 designation clearly does not allow this use and should be subject to restrictions set forth in this ordinance to preserve the residential nature of these districts.

Being that there are no permits required or licensing issued it seems like there is no oversight for such commercial entities.

In times like these Community is one of the most important safeguards we have. Allowing this Commercial property to function within a Totally Residential (R2) neighborhood has created many questions from concerned citizens from this neighborhood.

**Concerns are:**

Every night there could be a different person there. There is no way the company offering overnight lodging can know who is there. What background checks and security measures are taken to avoid potentially dangerous customers? At least at a hotel you have to show some ID when you check in. This is all done through the internet. The safety and security this neighborhood have known is now unknown. With the increase in drug traffic and crime this adds one more unknown.

There are several people who travel for business in this neighborhood. Their spouses are very uncomfortable with not knowing who lives next door, let alone who these people are.

Property values would be negatively affected if there were an incident at this commercial property.

College Street is a main artery to Husmann Elementary Grade School. Every day during the school year there are many young children (kindergarten to 5<sup>th</sup> grade) that walk to school down this street. They are not always accompanied by an adult. Not knowing who could be seeking lodging at this property could present another issue. In Crystal Lake persons convicted of a sex crime have to be registered with the city. In this case no one would ever know who is there.

With the influx of drug traffic and the Fentanyl crisis, and being so close to Central High School, this could be a perfect opportunity for increased drug traffic. We have experienced this before in our neighborhood. We dealt with it and the Crystal Lake Police Department investigated it, dealt with it and it was eliminated.

An acceptable resolution to the situation would be to require the standards defined in our ordinance be adhered to, to either rent the property for not less than 3 months or more, live at the property, or sell it to someone who is going to live there.

This is presented on behalf of the following residents of this neighborhood.



Tim & Gail Stegenga  
220 College Street Cell: 815.701.8531

Vern & Bonnie Schultz  
224 College Street \_\_\_\_\_

Jamie Fireng  
210 College Street \_\_\_\_\_

Don & Karen Barkley  
225 College Street \_\_\_\_\_

Jim & Karen Doyle  
175 Rosedale Ave \_\_\_\_\_

Lee & Lisa Montgomery  
240 College Street \_\_\_\_\_

Tony & Ann May  
232 College Street \_\_\_\_\_

Ken & Kristen Moore  
246 College Street \_\_\_\_\_

Ralph Statter  
200 College Street \_\_\_\_\_

Ivan and Leann Ewert  
233 College Street \_\_\_\_\_

Ally White  
164 Lill Ave. \_\_\_\_\_

Jim Jouron, Vice-Chair  
Planning & Zoning Commission  
City of Crystal Lake  
Crystal Lake IL 60014

January 11, 2023

To whom it may concern:

This is the letter that was sent to Eric Helms in August of 2022. It outlines the concerns of some of the neighbors located on College Street and surrounding Streets. I attended the meeting in December and did not know that you had not received this letter. So I'm sending it to each of the Commissioners for their review. The letter is copied below.

Mr. Eric Helm  
Deputy City Manager  
City of Crystal Lake  
Crystal Lake IL 60014

August 26, 2022

Per your suggestion we have outlined some but not all of our concerns surrounding the recent purchase and subsequent operation of a commercial business in our neighborhood. Most of the residents of this neighborhood have been here for 20 – 30 – 40 + years. This is a very close-knit neighborhood. Everyone knows each neighbor and we look out for one another.

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Ally White  
164 Lill Ave. \_\_\_\_\_

Nancy Zegarski  
199 College Street \_\_\_\_\_



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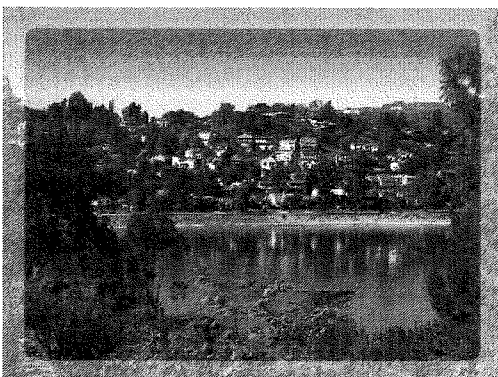
# THE PROBLEM WITH COMMERCIALIZED SHORT TERM RENTALS

Though some hosts occupy their rentals and truly participate in the spirit of “home sharing,” a disproportionate number of rentals belong to commercial users who do not occupy their multiple property listings. Lack of enforcement allows these commercial ventures to wear down the economic and social fabric of residential neighborhoods in a variety of ways. Here are the realities that the optimistic propaganda of the “sharing economy” leaves out:



landlords that can expect a higher rent from tenants planning to operate a short-term rental. More on that here.

**1) Commercialized short-term rentals artificially inflate rental costs.** Commercial short-term rental operators have figured out how to profit from evading city laws and converting long-term living spaces (including those under rent control) into short-term rentals. That means fewer homes on the market for long-term renters, and

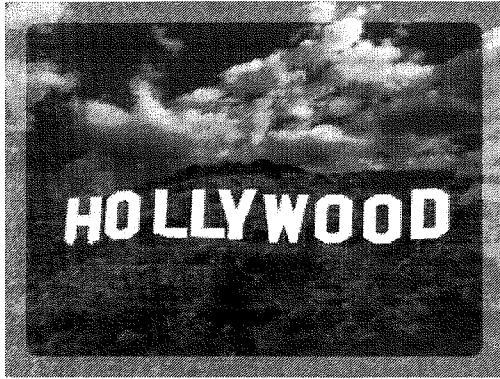


landlords that can expect a higher rent from tenants planning to operate a short-term rental. More on that here.

**2) Commercialized short-term rentals make it impossible for most families to live in their current neighborhoods.** As long-term residents get priced out of your neighborhood, who remains? Only those who already own a home (and don't rent it out short term). Goodbye new families. Goodbye young couples struggling to pay the rent. Goodbye students, artists, and anyone who can't afford to

compete with vacationers' budgets. **Goodbye neighborhood diversity, goodbye**

**affordable/workforce/rent-control housing.**



**3) Illegal short-term rentals attract disruptive visitors.** The influx of out-of-town visitors upsets the peaceful enjoyment of long-standing residential neighborhoods. Short-term renters have no stake in the community, and therefore no reason to care how the neighborhood around them suffers from their vacation activities. Zoning code laws keep hotels out of residential neighborhoods, and exist to

accommodate the inevitable disruptions of tourism. Illegal short-term rentals ignore zoning restrictions and make virtually any residence into a hotel/party house. One creative traveler made his Airbnb rental the site of an orgy.

Are you wondering just how many illegal short-term rentals (Airbnb, VRBO, Globe Properties, Flipkey, HomeAway, OneFineStay, etc.) are in your neighborhood? If you live in Venice Beach, CA, an area of 3.17 square miles, you share your residential neighborhood with approximately 1,000 to 1,500 listings, all of which are illegal in residential neighborhoods. Many of these are **NOT** shared homes; they are stockpiled apartments, houses, duplexes and condos that have been snatched away from the long term rental market.

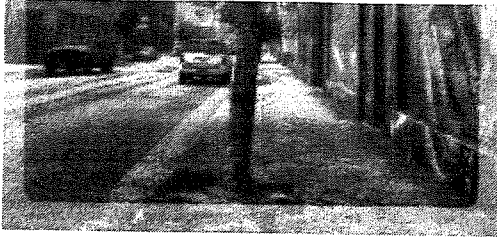


**4) Commercialized short-term rentals are frequently operated without paying taxes that benefit the surrounding communities.** Illegal short-term rentals are unfair to the hotel industry and hotel workers: commercialized short-term rentals rarely follow fire and safety codes, provide worker benefits or pay

transient occupancy taxes.



**5) Commercialized short-term rentals break city laws with impunity.** Airbnb did not become a multi-billion dollar company by facilitating true home sharing. This false impression is part of a carefully calculated misinformation campaign. In reality,



short-term rental platforms make enormous profits from turning a blind eye to illegal, commercialized short-term rentals. Airbnb puts the responsibility to figure out the complicated maze of zoning codes and other municipal requirements squarely on the backs

of the inexperienced and uninformed residents using its services. Airbnb is now 10th in total lobbyist spending for the lodging/tourism industry, and they fund organizations dedicated to limiting regulation of these destructive practices.

**Does all of this frustrate you? Sign the petition to stop short-term rental abuse.**