

## FREQUENTLY ASKED QUESTIONS

# What is the primary objective of the Atlanta STR Ordinance and how does the Ordinance accomplish that objective?

The primary objective of the Ordinance is to reduce the overall numbers of STR's. The ordinance accomplishes this objective by imposing two requirements: (1) Only residents of the City of Atlanta may apply for a license, and (2) Each resident is limited to two STR's: his/her primary residence and one additional dwelling unit.

# Which ownership models will meet Atlanta's licensing requirements, and which are likely to fail?

Resident Owner's residence + one additional dwelling unit:

- The owner's primary residence on a property with an "accessory dwelling unit" ("ADU"); or
- The owner's primary residence + one additional dwelling unit in a different location.

Probable outcome: APPROVAL. These applicants fit squarely within the regulatory requirements: Atlanta residence seeking primary residence + one additional dwelling unit.

Resident Owner's primary residence + two or more dwelling units.

Probable Outcome: **APPROVAL** of the primary residence + one dwelling unit and **DENIAL** of any additional dwelling units. An Atlanta resident may obtain a license only for his or her primary residence plus one additional dwelling unit.

Georgia resident that does not reside in the City of Atlanta with one or more STRs in the City.

Probable Outcome: **DENIAL.** The City is interpreting the Ordinance to limit STR licenses to Atlanta residents only.

Out-of-State Owner with one or more additional dwelling units.

Probable Outcome: **DENIAL**. The City is interpreting the Ordinance to limit STR licenses to Atlanta residents only.

An Atlanta resident operator with a master lease for two or more units in a multi-family property. The operator does not reside on the property.

Probable Outcome: APPROVAL OF ONE UNIT AND DENIAL OF ADDITIONAL UNITS. Atlanta residents are entitled to an STR license for their primary residence and only one additional dwelling unit.



## What is a "grandfathered" or nonconforming use?

A grandfathered or nonconforming use is a use existing prior to the enactment of an ordinance that renders the use non-conforming and illegal.

In this context, it is expected that the following applicants would be entitled to continue operating their units as legal nonconforming uses: (1) an applicant who does not reside in the City of Atlanta, (2) an applicant who owns or operates more than one dwelling unit in addition to his/her primary residence, and/or (3) an applicant that is an LLC or other legal entity that is not owned by an Atlanta resident and/or an entity that operates multiple units.

## Do I need to apply for a STR license even if I believe my application will be denied?

**Yes.** You must apply for a license to protect your right to continue operating your STR's as legal nonconforming uses. Failure to apply may result in waiver of your legal rights.

### What is the deadline for filing an application?

For STR's that are currently in operation, the City has set an application **deadline of March 31, 2022,** failing which the owner will be considered in violation of the Ordinance.

## What is the "bundle of rights" and will AMSTRA's attorney include this claim in the litigation.

The "bundle of rights" is a concept describing all the legal rights that attach to the ownership of real property. They include the right to lease, sell, use, encumber, exclude, enjoy, and devise by will, to name a few.

In Georgia, as in most states, property ownership and attendant rights are subject to regulation by local governments exercising "police powers" related to the public health, safety, and welfare granted by statute and the Georgia Constitution. There are limitations on local governments' exercise of police powers affecting property rights.

Our attorney, C. Wilson Dubose has represented a significant number of property owners in lawsuits involving attempts by local governments to prohibit or limit the rental of residential dwellings to others on a short term basis. As you can see from Mr. Dubose's attached bio, he is well-qualified to protect our legal rights.



### AMSTRA needs your support now.

Time is of the essence. The City of Atlanta has announced that individuals who continue to engage in or advertise short-term rental activity after March 31st without having applied for a short-term rental license (STRL) will be in violation of the City of Atlanta's Short Term Rental Ordinance. To protect your rights, we must file our lawsuit by April 1st.

- BECOME AN AMSTRA MEMBER TODAY.

  If you are an STR owner, operator, or a property manager, go to www.AMSTRA.org and become a member today. Your membership entitles you to information, guidance and webinars regarding your legal rights and current information on the status of our work.
- 2 CONTRIBUTE TO AMSTRA'S LEGAL FUND.

  AMSTRA has established a Legal Fund to finance all legal fees and expenses in the federal case estimated at \$60,000 to \$80,000. We cannot protect your legal rights without the financial support of every member who stands to benefit from the litigation.

**CLICK HERE to contribute your fair share.** We are asking everyone who stands to benefit from the litigation to donate just 1% of your annual rental income to save 100% of your income. Do not depend on the generosity of others to save your business.

**Help us meet our goal of fundraising goal of \$60,000-\$80,000 by April 1st.** If we are unable to reach this goal, our attorney may require personal guarantees for outstanding legal fees from some members.

We accept donations by check payable to "Atlanta Metro Short Term Rental Alliance." Mail your contribution to AMSTRA, 855 Ormewood Ave., Atlanta, GA 30316. Include your name and note that payment is for the "AMSTRA Legal Fund." If you are mailing a check, please notify us by email to admin@amstra.org.

**NOTICE:** Donations to the Legal Fund will be devoted exclusively to legal fees and expenses in the Atlanta case. Funds exceeding the actual legal costs will be refunded pro rata. Donations to the AMSTRA Legal Fund are not deductible for federal income tax purposes as charitable contributions. Consult your tax professional to determine whether your contribution is deductible as an ordinary and necessary trade or business expenses.

3 SPREAD THE WORD.

**Together we can protect your legal rights.** Ask your fellow owners and property managers to join AMSTRA and contribute to the Legal Fund. Without the collective involvement of the entire STR community, this lawsuit will not be an alternative.



# ATTENTION: All Atlanta Short Term Rental (STR) Owners and Operators

Your short term rentals are at risk of being shut down effective April 1, 2022.

AMSTRA estimates that thousands of STR's will <u>not qualify</u> for a license under Atlanta's *Short Term Rental Ordinance* that took effect March 1, 2022.

### Those unlikely to qualify for a license are:

- Applicants who do not reside in the City of Atlanta;
- Applicants who operate more than one STR in addition to his/her primary residence; and
- Applicants that are entities operating multiple STR's through an LLC or other legal entity.

## AMSTRA has a plan to save your business.

### INTRODUCING AMSTRA

The Atlanta Metro Short Term Rental Alliance (AMSTRA) is a nonprofit, all volunteer association of short term rental owners and property managers. AMSTRA has applied for status as a Section 501(c)(6) nonprofit organization.

On the advice of counsel, we believe STR's in operation on and before February 28, 2022 are legally entitled to continue operating as legal nonconforming or "grandfathered" uses even though they will **not** qualify for a STR license under the Atlanta Ordinance.

As a trade association, AMSTRA is in the unique position of being able to *file one lawsuit* to *protect the rights* of <u>all</u>. AMSTRA has engaged C. Wilson Dubose of the Dubose Law Group LLC to file a lawsuit in federal district court to protect the rights of AMSTRA's members.

We believe that Mr. Dubose is the most qualified attorney in Georgia to represent our members' interests. Mr. Dubose was lead counsel in the landmark case of Morgan County v. May, 824 S.E.2d 365 (2019) where the Supreme Court of Georgia confirmed the right of property owners lawfully renting their properties short term to continue doing so despite a subsequent ordinance banning or restricting that use.

### C. WILSON DUBOSE

DuBose Law Group LLC 1511 Eatonton Road, Suite 200 Madison, Georgia 30650 706-342-7900

C. Wilson DuBose is a founding member of DuBose Law Group LLC, based in Madison, Georgia. Before starting his own firm in 2000 he was managing partner in the Atlanta office of the national firm of Schnader Harrison Segal & Lewis, based in Philadelphia, and was previously the managing partner of the Atlanta-based firm of Griffin Cochrane & Marshall, which has since merged with what is now Eversheds Sutherland. He has also been a partner in the Atlanta office of Kutak Rock.

### PRACTICE AREAS

Mr. DuBose is an experienced commercial litigator, construction lawyer, ADR advocate and neutral. His litigation experience is broadly-based and includes representation of small to medium-sized companies as well as national entities. The geographic reach of his practice includes the states of Georgia and South Carolina, as well as representation in other states with the permission of the Courts of those states. His cases have involved numerous areas of substantive law, including:

- Breach of contract
- Corporate shareholder disputes
- · Real estate disputes
- · Civil rights
- Local government disputes
- Environmental
- Professional liability
- Antitrust
- Insurance coverage
- Federal and state taxation
- · Public procurement
- Business torts
- · Construction claims and defects
- · Labor and employment
- Product liability
- Toxic torts
- Intellectual property
- Personal injury
- Banking
- Commercial Litigation
- Wills and Estate Administration

Mr. DuBose has represented a significant number of property owners in disputes and lawsuits involving attempts by local governments in Georgia to prohibit or limit the rental of residential dwellings to others on a short-term basis. He was lead counsel in *Morgan County v. May*, 824 S.E.2d 365 (GA 2019), in which the Supreme Court of Georgia confirmed the right of property owners who

have lawfully rented on a short-term basis to continue doing so, despite the existence of laterenacted local ordinances that attempt to categorically ban short-term rentals. He has addressed similar issues in numerous other Georgia counties and cities.

In addition to his litigation practice, Mr. DuBose has served as a neutral arbitrator and mediator in numerous cases for the American Arbitration Association and other ADR providers. He has served as principal outside counsel to many closely held corporations and limited liability companies, and has handled incorporations, shareholder agreements, partnership and LLC formations, employment agreements, corporate reorganizations, purchases and sales of assets, restrictive covenants, distribution agreements, dissolutions, and other corporate-related matters.

For more than 35 years, Mr. DuBose has received Martindale-Hubbell's AV rating, the highest rating bestowed by that organization's peer-reviewed rating system. He has also been chosen by his peers as a Georgia Superlawyer for the last 17 years in the areas of business litigation, construction law and appellate practice. He is a past chairman of the Litigation Section of the Atlanta Bar Association and has served on the faculty of trial advocacy programs sponsored by the National Institute of Trial Advocacy (NITA). He was also a contributing editor of NITA's Master Advocate's Handbook and has spoken at a number of continuing legal education seminars.

### BAR AND PROFESSIONAL LEADERSHIP ACTIVITIES

A significant portion of Mr. DuBose's professional career has been devoted to leadership within every level of the organized bar, including:

- President and Board Member, Atlanta Bar Association
- Chairman, Litigation Section, Atlanta Bar Association
- Board Member, Atlanta Bar Foundation
- Secretary and Executive Committee Member, State Bar of Georgia
- Board of Governors, State Bar of Georgia
- Chairman of Indigent Defense Committee, State Bar of Georgia
- House of Delegates, American Bar Association
- Fellow, American Bar Foundation
- Elected Member, American Law Institute
- Chairman, Georgia Public Defender Standards Council
- Member, Supreme Court of Georgia Commission on Indigent Defense
- Executive Committee, Georgia Committee for Ethical Judicial Campaigns
- Board of Trustees, Georgia Institute for Continuing Legal Education

#### HONORS AND AWARDS

Mr. DuBose has been honored on numerous occasions for his service to the legal profession and our system of justice, including the highest honors bestowed by the State Bar of Georgia, the Atlanta Bar Association and the Southern Center for Human Rights. His awards include:

- Frederick Douglass Equal Justice Award Southern Center for Human Rights
- Distinguished Service Award State Bar of Georgia
- Leadership Award Atlanta Bar Association
- Access to Justice Award The Litigation Section of the American Bar Association

- Gideon's Hero Award National Legal Aid and Defender Association
- Indigent Defense Award Georgia Association of Criminal Defense Lawyers
- Commitment to Excellence Award Georgia Indigent Defense Council

Mr. DuBose has also been recognized in Who's Who in American Law and Who's Who in America.

**EDUCATION:** 

• Harvard University - A.B., magna cum laude, 1971

• University of Virginia – J.D., 1974 (Virginia Law Review)

**BAR ADMISSIONS:** 

Georgia and South Carolina

**COURT ADMISSIONS:** 

• Georgia – All trial and appellate courts

• South Carolina – All trial and appellate courts

• United States District Courts – No. Dist. of Ga.; Middle

Dist. of Ga.; Dist. of S.C.

• United States Court of Appeals - Fourth Circuit; Fifth

Circuit; Eleventh Circuit

• United States Supreme Court

ADR AFFILIATIONS:

 American Arbitration Association – National Panel of Commercial

• Construction Industry Arbitrators

· Resolution Resources Corp.

• The Closure Group Inc.