

CITY COUNCIL AGENDA ITEM COVER SHEET

Meeting Date: June 27, 2016

To: Honorable Mayor and Members of the City Council

From: Consultant and Staff

Subject: Short Term Rentals – Title 17 – Zoning

Background: In an effort to have the work on Strategy 2 - Regulate and Manage Secondary and Short Term Rental continue forward, the staff and consultant, were asked by the Council to bring back ideas that might help break the stalemate. Attached is a possible way to look at limitations on short term rentals which address livability and availability.

Staff Recommendation: Review the attached memo and see if there is common ground.

Suggested Motion: No suggested motion at this time, but possible direction to staff to return with an updated version of the changes to Title 17- Zoning.

Alternatives: Continue deliberations to July 25, 2016 when a new councilor has been appointed.

Fiscal Impact: None at this time.

Environmental Impact: None

Attachment: Memo to Council "A".

To: City Council
From: Consultant and City staff
Subject: Short Term Rentals and Title 17 – Zoning
Date: June 23, 2016

DEFINITIONS

VACATION HOME RENTAL (VHR) means the transient rental of an entire dwelling unit.

HOSTED HOMESHARE (HH) means the transient rental of a portion of a dwelling while the resident is present.

SHORT TERM RENTAL (STR) means both Vacation Home Rentals and Hosted Homeshares (rented for no more than 30 consecutive days).

EXISTING SHORT TERM RENTALS

In Residential Zones (R-1, R-2 and R-3)

There are approximately 196 potential STRs in residential zones who have submitted licenses as of 5:00 p.m. May 24, 2016. Of these 161 are functioning, meaning they collected and submitted TRT to the City and 35 are proposed but not yet active. These properties may obtain a license and continue until there is a change of ownership under the following provisions:

- 1) Apply for a license and pay fee within 90 days of adoption of the ordinance.
- 2) Comply with Title 5 “good neighbor” and safety standards and other provisions of Title 5.
- 3) Change of ownership (to be legally defined) or failure to fully complete the license application form and pay the fee within 60 days of adoption of the ordinance will result in loss of this status.

In Commercial Zones (C-1 and C-2)

There are 69 potential STRs in commercial zones submitted licenses as of 5:00 p.m. May 24, 2016. Of these 65 are functioning, meaning they collected and submitted TRT to the City and 4 are proposed but not yet active. These properties may obtain a license and continue operations under the following provisions:

- 1) Apply for a license and pay fee within 60 days of adoption of the ordinance.
- 2) Comply with Title 5 “good neighbor” and safety standards and other provisions of Title 5.

NEW SHORT TERM RENTALS

In Residential Zones (R-1, R-2 and R-3)

- 1) Cap the number of fulltime Vacation Home Rentals (i.e., full time whole house rentals that can be rented 365 days a year) in the residential zones at 100. This 100 would be the total number allowed in the future in the residential zones after attrition of the existing VHRs above.
- 2) New licenses for fulltime VHRs in the residential zones will only be available when the number of existing licenses drops below 100. If, and when, licenses become available they will be distributed from a wait list, with 200 ft. spacing required.
- 4) New STRs must obtain a license and comply with all of Title 5 and Title 17 (e.g., parking).
- 5) Prohibit fulltime VHRs in new construction (dwelling units built after date of ordinance) in residential zones.
- 6) Allow owners who live in their homes to use their homes (primary as in it's their residence and they are registered to vote from the address, etc.) as either a VHR for up to 45 days/year or as a HHs for up to 90 days/year with license.

In Commercial Zones (C-1 and C-2)

- 1) Allow new STRs in C-1 and C-2 zones with no cap or spacing requirements.
- 2) New STRs must obtain a license and comply with all of Title 5 and Title 17 (e.g., parking).