



Department Source: Community Development - Planning

To: City Council

From: City Manager & Staff

Council Meeting Date: December 19, 2022

Re: Short-term Rental Regulations Update (Case #45-2023) - Report

## Executive Summary

Beginning in June 2021, the Planning and Zoning Commission have been actively working on the drafting of proposed regulatory standards addressing the topic of short-term rentals. This activity followed the original preparation of standards on the same topic between 2018 and 2019. An ordinance was introduced in November 2019 which was subsequently amended, remanded to the Commission, and then removed from further consideration by Council in December 2020. At the time of its removal from consideration, Council requested that a new ordinance be prepared that was simplified and also evaluated the impact that such operations have on the City's affordable housing stock.

The attached report, supporting STR analysis, and draft regulations are the product of the Planning and Zoning Commission and staff's approximately 1.5 years of research and regulatory drafting efforts. The attached report and proposed regulations are the subject of a scheduled Council work session on December 19th. Based upon work session discussion and direction, the Commission is prepared to move forward with a formal review/comment period on and scheduling of the required public hearing.

## Discussion

In June 2021 the Planning and Zoning Commission began review and preparation of land use regulations addressing the topic of short-term rentals (STRs). This effort was undertaken following the Council's consideration of a 2019 proposed ordinance on the same topic. The 2019 ordinance underwent initial Council public hearings, multiple Council amendments, was remanded to the Planning and Zoning Commission for reconsideration, and was removed from further Council consideration in December 2020. At the time of its removal, Council requested that a simplified ordinance be prepared that also evaluated the impact that such operations have on the City's affordable housing stock.

The attached report, STR analysis, and draft regulations are the product of 1.5 years and 22 Planning Commission work sessions. The report provides an overview of the Commission's approach to the proposed regulations and is supplemented by STR analysis initially performed by former Senior Planner Rachel Smith and furthered by the research and analysis efforts of Commissioners Carroll and Loe. The report also outlines five "core" principles the Commission used to evaluate each proposed regulatory provision against prior to its inclusion in the draft. The proposed regulation's provisions were adopted by the Commission through a voting process whereby only those provisions attaining majority support were included.



At the onset of this activity the Commission stated a desire to have greater unity relating to the proposed provisions internally and at the Council level. To this end, the Commission anticipated the opportunity to discuss its research and findings with the Council to ensure that whatever regulatory package was presented to the public it had gone through a Council-Commission vetting process first.

The opportunity to discuss the attached report, Short Term Rental analysis, and regulations with the Council at its December 19th work session fulfills the Commission's stated objective and marks the completion of the first phase of this re-initiated regulatory development process. The Commission seeks the direction of the Council as to how it should proceed given the work that has been accomplished to date.

A copy of the Commission's STR Update Report, local STR analysis, and proposed regulations are attached for review.

### Fiscal Impact

Short-Term Impact: N/A

Long-Term Impact: N/A

### Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Resilient Economy, Secondary Impact: Inclusive Community, Tertiary Impact: Organizational Excellence

Comprehensive Plan Impacts:

Primary Impact: Economic Development, Secondary Impact: Livable & Sustainable Communities, Tertiary Impact: Land Use & Growth Management

### Legislative History

Date	Action
December 2020	B348-19 removed from further Council consideration
March 2020	Planning Commission returns remanded B348-19A to Council with recommendation of denial
February 2020	Council amends and remands B348-19A to Planning Commission for reconsideration
November 2019	Amendment to Chapter 29 introduced to create standards for short-term rentals (B348-19)

### Suggested Council Action

Direction to proceed with public inspection/comment period and public hearings.