



Department Source: Community Development - Planning

To: City Council

From: City Manager & Staff

Council Meeting Date: January 18, 2022

Re: Short-term Rental Regulation Drafting Update (Report)

## Executive Summary

The purpose of this report is to provide a status update on the Planning and Zoning Commission's progress toward preparing regulations to address short-term rentals (e.g., Airbnb) within the city's corporate limits.

## Discussion

At the December 7, 2020 Council meeting consideration of B348-19A was formally withdrawn. This bill sought to adopt a set of zoning regulations that would govern the use of structures within the City for short-term rental purposes subject to use-specific standards in nearly all zoning districts. The bill's withdrawal followed nearly more than two years of public meetings and several Council tabling requests arising from the focused attention on addressing the impacts of COVID-19.

During the December 7, 2020 meeting, several Council members expressed a desire for the Planning and Zoning Commission to take up the topic of zoning regulations again. Specific comments were made (see attached Council minutes) to make the regulations less complicated. There was also a desire to evaluate the impact that such regulations would have upon affordable housing. It was further noted that an "administrative delay" on enforcement of the use was in place until January 31, 2021. B205-21A (attached) extended the "administrative delay" to January 31, 2022.

Given the expressed desire by the Council, the Planning and Zoning Commission (the Commission) began discussion on preparation of new regulations at their June 10, 2021 work session. Since this initial meeting, the Commission has discussed this topic at five (5) additional work sessions held on June 24, September 9, November 4, and November 18, 2021 and January 6, 2022. Copies of the minutes from the meetings held in 2021 are attached.

Within the six meetings held to date, Commissioners have discussed a general framework for the regulations, the desire to have bi-lateral direction/support of Council relating to the standards before a public hearing, the zoning districts in which the use could be permitted, the impacts that such use may have on affordable housing, how special purpose provisions could address the loss of affordable housing, specific definitions relating to owner and non-owner/investor operated STRs, and the desire to have a two-tiered set of regulations. They also have discussed at great length the issue of occupancy, building code regulations, and the intent that any regulations need to be simple to understand, and enforceable.



During the November 18, 2021 meeting, Commissioners directed staff to begin preparing definitions and to start to outline what the desired two-tier process would look like. Allowing STRs in all zoning residential districts was discussed as a possibility; however, would be dependent on the proposed use-specific standards. Commissioners have generally expressed concerns that non-owner occupied/unhosted dwellings would generate significantly greater impacts upon the surrounding developed environment than those that were owner-occupied.

The staff continues to work toward developing the definitions and the two-tier structure desired by the Commission. Additional work session meetings are scheduled and a working draft of the new regulations is tentatively anticipated by the end of March 2022.

A copy of the December 7, 2020 Council minutes, B205-21A, and Planning and Zoning Commission minutes from June 10, June 24, September 9, November 4, and November 18, 2021 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: Organizational Excellence, Tertiary Impact: Not Applicable

### Comprehensive Plan Impacts:

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

## Legislative History

Date	Action
7/19/21	6-month extension of "administrative delay" on enforcement of land use and business regulations pertaining to short-term rentals (Ord. 024694)
12/7/20	Withdrew consideration of B348-19A – an ordinance to establish zoning regulations relating to short-term rentals

## Suggested Council Action

No action required. Report provided for "informational purposes" only.