



Department Source: Community Development - Planning

To: City Council

From: City Manager & Staff

Council Meeting Date: November 18, 2019

Re: Short-term Rentals

Executive Summary

This report accompanies the introduction of draft ordinance amendments concerning short-term rentals. Considering the length of time elapsed since Council referred the matter of short-term rentals to the Planning & Zoning Commission, as well as the divisive nature of the topic, staff agrees with recent Council suggestion that the topic be placed on a work session agenda.

Discussion

At the November 4, 2019 City Council meeting, the Council discussed short-term rentals during comments of Council and requested a work session on the topic. Suggestions regarding the process include 1) Separate public hearing and decision-making meetings; 2) The possibility of a special meeting; 3) The possible referral back to Planning & Zoning Commission with directions; and 4) A Council work session on all of the above, plus time to receive a briefing from staff on the process and time to review potential amendments to the draft ordinance.

As Council is aware, the Planning & Zoning Commission deadlocked 3-3 on recent amendments to Chapter 29, the Unified Development Code in connection with short term rentals. In general, the draft ordinance would permit short term rentals subject to compliance with defined use-specific standards which place an emphasis on relatively small-scale owner-occupied or "hosted" arrangements, and allow for approval of non-hosted rentals only by a case-by-case, conditional use process.

While the P & Z deliberations could not produce a recommended ordinance, the Commission was thoughtful about the topic and produced a list of issues for further discussion which have been included in the staff report on the ordinance. These are:

- 1) a preference for "hosted" verses "un-hosted" STRs,
- 2) a shared concern with the conditional use process, but a belief if that was what it would take to get the regulations "right" the additional burdens of vetting each application needed to occur,
- 3) possible limits the number of STRs authorized to a single individual as well as within particular locations,
- 4) concern regarding the loss of affordable housing,
- 5) accommodation of families to stay within a single STR through adjustment of the transient guest occupancy limits,



- 6) looking at the Tuscaloosa model, but not following it for fear of becoming elitist,
- 7) balance the original “sharing economy” intent of STRs with that of a commercial business model,
- 8) utilize taxes and fees that will be collected to hire staff to administer the regulations,
- 9) concern regarding the addition of a “designated agent” and its possible creation of a loophole for “hosted” STRs especially in the R-1 district, and
- 10) support for guest occupancy limits and administrative approval for “hosted” STRs only.

Considering that short-term rentals and the online platforms that enable them are a fast-evolving phenomenon, writing an ordinance that covers every contingency is a challenging task. A work session could help staff identify what Council views as the most important components of an STR ordinance and respond accordingly.

In addition, staff can brief Council on the companion pieces to the Ch. 29 amendments pertaining to business licenses, lodging tax, and rental inspection certificates.

Fiscal Impact

Short-Term Impact: n/a
 Long-Term Impact: n/a

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Public Safety, Secondary Impact: Economy, Tertiary Impact: Social Equity

[Comprehensive Plan Impacts:](#)

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

Legislative History

Date	Action
N/A	N/A

Suggested Council Action

Refer short-term rentals to a Council work session.