Planning and Zoning Commission Work Session Minutes April 24, 2025 Conference Room 1A & 1B - 1st Floor City Hall

Call to Order

Commissioners Present – Brodsky, Geuea Jones, Loe, Ortiz, Placier, Stanton, Walters, and Wilson Commissioners Absent – Williams Staff Present – Craig, Kunz, Halligan, Orendorff, Zenner

Introductions

None

Approval of Agenda

Meeting agenda adopted unanimously.

Approval of Minutes

The April 10, 2025 work session minutes approved unanimously with Commissioners Brodsky and Geuea Jones abstaining.

New Business

A. Short-term Rentals – UDC Amendments Discussion

Mr. Zenner introduced the topic indicating that the Council had directed staff to work on the 3 proposed amendments presented in their work session packet. Mr. Zenner noted that the purpose of the discussion needed to remain focused on the 3 amendments presented which were developed following an analysis of regulatory progress over the approximate 1 year of STR regulation. He noted that the proposed amendments are intended to increase the efficiency of the STR review and compliance process and allow for better allocation of staff, Commission, and Council resources on other regulatory matters.

Mr. Zenner noted that the three changes were 1) to eliminate Tier 1 STRs in their entirety given this level of licensure was not being used by any registrants, 2) revise the number of nights of STR use available to all applicants prior regardless of their ownership/occupant status within the dwelling, and 3) revise the criteria for when a conditional use permit (CUP) would be triggered. He made clear that the proposed revisions **did not** change any criteria about the number of licenses that could be obtained or the fact that a CUP would still be required for particular situations.

Mr. Zenner provided an explanation of each amendment, based on observed data from the past 9 months of licensure actions, for why each amendment was proposed in the format that it was. He indicated that the changes were seen as necessary to increase processing time efficiencies with STR requests given the volume of applications that have not been received. Mr. Zenner noted that the last review of existing STRs within city stood at approximately 475-500 of which only approximately 50 have sought licensure.

There was significant discussion with respect to each proposed revision. Concerns were expressed that eliminating Tier 1 may be premature given the regulation were not in "full" enforcement mode and that the tier was potentially not well understood. There was discussion that this tier was intended to be the least restrictive and allow the "broadest" opportunity for residents (owner/long-term occupant) to participate in the STR market. Mr. Zenner explained that while this was what was desired by the Commission, it was not in fact what was created with the adoption of the regulations for zoning or other areas of the City Code dealing with STRs. All application, inspection, and licensing requirements applied (with the exception of parking) to each Tier equally. He noted that no one has chosen Tier 1 based on the fact that a Tier 2 status with 120-nights requires the same level of effort and regulatory steps.

Commissioner expressed concern that this was not what was adopted. After lengthy discussion on the merits of the Tier, Commissioners ultimately concluded that regardless if the STR standards were in "full" compliance mode or not that retaining the Tier really made limited sense given the other inspection and licensure processes that were required outside of the zoning provisions. Commissioners reluctantly indicated support of removing this Tier from the STR regulations and the renumbering of the remaining Tiers.

Mr. Zenner then proceeded to explain the remaining changes proposed. He noted the first significant change would be the consolidation of the number of nights available for STR use in the new Tier 1 (former Tier 2). This change was based on the fact that most applications submitted were seeking 210-nights even if they were submitted by the "long-term resident". Mr. Zenner reiterated that the inspection and licensure standards were the same for a 120-night or 210-night STR and that having two levels of STR usage based on who was operating the STR was not seen as efficient. He further noted that having the structure this way was confusing to applicants, requires additional staff time to respond to application questions, and creates additional demands for processing CUP applications for the Commission and Council. Mr. Zenner further stated, that there was nothing prohibiting an operator who wanted to "self-limit" there dwelling for STR purposes to do so and asked if that was really something that the City needed to be significantly concerned about given the structure of the remaining STR regulations were not proposed for changes.

Commissioners discussed this revision and noted that by making this change the idea of differentiating between an "accessory" and "primary" use of a dwelling as an STR would be altered. There was Commission discussion on what effects this would have given their current pattern of decision making and if the Commission wanted to continue to 3+ hour meetings to address the likely future licensure needs given only about 10% of the currently identified STRs had come forward. There was general Commission agreement that simplifying this aspect of the regulations was potentially valuable; however, several Commissioners were reluctant given the ordinance was not in "full" enforcement yet.

With respect to these reservations, some Commissioners noted that most applications reviewed were not operating presently for more than 120-nights and that applicants were simply seeking the greatest flexibility to operate and were therefore seeking the 210-night CUP. There were comments offered that suggested once the STR regulations became "fully" enforceable there could be an increase in submittals seeking an "administrative 120-night" licensure just to avoid the CUP process. Several Commissioners acknowledged these outcomes were a possibility, but consideration of how not changing the text as proposed would affect the staff, Commission, and Council's workload was equally as important to consider. With respect to this proposed change, there was no clear preference expressed by the Commission.

Finally, Mr. Zenner explained what the 3 conditions that would trigger an STR application to obtain a CUP. He noted that the first trigger was based on the desired to avoid making "blocks" becoming dominated by STRs and areas becoming "over-concentrated" with them. The second provision was addressing a current STR report topic that deals with "open" regulatory violations (of any kind) or documented STR operational complaints. Finally, the third condition that would trigger a CUP was the proximity to a school which was in effort to address a topic expressed as a concern by Commissioners.

There was Commission discussion on these criteria. Some Commissioners expressed concern that if an application didn't trigger any of the requirements they would automatically be approved. There was a concern that this could lead to issuance of licenses that may be impactful on neighboring residents without proper vetting. Commissioners discussed how not changing the standards could impact the length of the meetings and what, if any, outcomes would change if they continued to hear all cases as the ordinance currently requires. Comments were made that the regulatory process provides new measures to address negative impacts and that those standards needed to be relied on to address poorly operated STRs.

Clarification was sought about how surrounding property owners would be notified if the recommended overall revisions were implemented. Mr. Zenner noted that this could be addressed "post" licensure given the overall amendments are designed to streamline the application/compliance process. To notice/solicit surrounding property owner comments during the application review cycle for what is deemed an "administrative" process would potentially create unintended consequences. The criteria for triggering a CUP relies on existing complaint records not unverifiable complaints from adjacent property owners which is often presented at current public hearings.

Commissioners further discussed the recommendation about spacing of STRs along the same "street frontage" and radially. There was concern expressed with the use of word "street frontage" and that the allowance of 3 within a 300-foot radius was potentially too intense. Mr. Zenner noted that the choice of these criteria where in acknowledgement that once more STRs become compliant there needs to be a way to accommodate them more efficiently. As licensure rates increase it is likely that CUP requests will as well; therefore, there will not be a loss of oversight and fulfillment of the underlying intent of the current regulatory structure. Commissioners were concerned that the changes, especially those relating to "street frontage" could lead to situations creating

"winner/loser" with respect to STR operations. It was noted that the entire regulatory process as presently existing does that already.

There was an expressed desire to modify the recommended spacing standards. Commissioners asked if staff were insistent on the proposed structure given. Staff noted it was not given the other changes proposed in the amendment. Given this response the Commission recommended that the proposed language within the first CUP criterion be changed to just be triggered when 1 approved and/or licensed STR is within 300-feet of another.

The Commission continued its discussion with respect to the second CUP criterion and sought to have an additional element added to text. This additional element was to require a CUP if a previously issued STR Certificate of Compliance had been revoked. Mr. Zenner noted that this was already contained within the Chapter 29 provisions; however, for cross-referencing purposes adding the provision was not seen as an issue.

The Commission sought clarity from legal counsel with respect to the changes discussed. Mr. Craig noted that he would need to look more closely at the changes being proposed but had been taking notes. He stated that he was reviewing the document along with the Commission during the work session and had, in addition to the Commission's requested changes, several of his own. He noted he would coordinate with Mr. Zenner on the final format of the text.

Commissioners also noted that there needed to be additional text added to the new Tier 1 that gave guidance to an applicant possibly reading the revised language that paragraph "B" (i.e. the conditional use standards) was required. Several Commissioners noted that if an applicant were to reading the requirements within the Tier following Paragraph A they may not actually understand that they aren't a "Permitted Use" but rather a "Conditional Use".

Mr. Craig indicated he would look into what language was needed to address the Commissioner's concerns. Mr. Zenner noted, that given the application review process that must be administered before a license application is forwarded through the process this type of applicant oversight would be addressed; however, acknowledged that making the text clearer would be best to avoid any preventable errant application submissions.

Having run out of time within the work session, Mr. Zenner thank the Commission for their contributions with respect to the recommended changes. He noted that this matter would be the topic of the May 8 work session at which discussion was intended to be completed. Following the May 8 work session, it was staff's intent to have this matter prepared for a public hearing before the Planning Commission at an upcoming meeting (likely June 5). Mr. Zenner noted that Council was not expecting to have this matter returned to them for review until after the Commission's public hearing occurred.

Adjournment

Meeting adjourned at 7 pm.

Actions taken:

Motion made to approve the agenda as submitted by Commissioner Loe and seconded by Commissioner Placier. Motion made to approve the April 10, 2025 work session minutes as presented by Commissioner Loe and seconded by Commissioner Wison with Commissioners Brodsky and Geuea Jones abstaining.