

Date: April 14, 2022
To: Planning and Zoning Commission Members
From: Patrick R. Zenner, Development Services Manager
Re: Short-term Rental Occupancy Limits

As part of the Commission's on-going discussions relating to the topic of Short-term Rental (STR) regulations and use-specific standards it was noted that the issue of STR occupancy was yet undefined. In light of this finding, there was significant discussion at the Commission's April 7, 2022 work session which culminated in staff being asked to provide the standards contained within the International Property Maintenance Code (IPMC) for additional context. The occupancy standards of the IPMC are utilized by the Office of Neighborhood Services (ONS) in the determination of compliance with room square footage requirements applied to long-term rentals. These standards are in addition to the occupancy limitations applied by zoning district contained within the definition of "family".

Several members of the Commission have expressed concerns in applying the occupancy limits contained within the definition of "family" to STRs given the challenge it would create in enforcement. Additionally, it has been noted that the International Building Code (IBC) has occupancy limits for a "lodging house" and that those limits could potentially be used as a maximum (upper limit) of STR occupancy if desired. Prior discussion on this topic has placed significant emphasis on not creating a standard of STR occupancy that would exceed that of the IBC in efforts to avoid an unnecessary conflict.

The original STR ordinance proposed establishing occupancy limits for STRs based on the area requirements for **bedrooms** found within IPMC and capped the "bedroom" occupancy to no more than two persons. Additionally, the original regulations proposed incorporating the occupancy limits found within the definition of "family" to address the maximum number of "transient" guests in the dwelling unit (i.e. up to 3 transient guests in the R-1 district and up to 4 in R-2 and above). The original standards also proposed an option to increase occupancy via approval of a CUP. These original proposals may still be viable options for the Commission to consider; however, may also be considered overly cumbersome in the administration of an efficient set of STR regulations.

It is staff's opinion that a hard "maximum" cap be established for transient guest occupancy regardless of the zoning district. If desired, the CUP process previously proposed could be considered for increases in that cap for selected STR tiers subject to a unique set of criteria. If this approach were taken, clarity would be provided to owners on the frontend as to what type of STR they would be operating and what process for gaining approval of an application would be necessary. Additionally, utilizing a "hard-cap" approach may also make it easier to differentiate between how a dwelling occupied by the primary resident and transient guest simultaneously could be addressed.

It is staff's hope that the Commission can resolve the matter of occupancy during the upcoming work session so focus may shift to the other use-specific standards that need to be developed. Staff appreciates the Commission's focus and looks forward to wrapping up this phase of the STR process soon.

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