

**Planning and Zoning Commission Work Session Minutes**  
**April 21, 2022**  
**Conference Room 1A & 1B - 1<sup>st</sup> Floor City Hall**

**Call to Order**

Commissioners Present – Burns, Carroll, Geuea-Jones, Kimbell, MacMann, Loe, Placier, Rushing, and Stanton  
Commissioners Absent – None  
Staff Present – Teddy, Thompson, Zenner, C. Smith, R. Smith

**Introductions**

**Approval of Agenda**

Meeting agenda adopted unanimously.

**Approval of Minutes**

April 7, 2022 work session minutes adopted as presented.

**New Business**

**A. FY 2023 Capital Improvement Plan Overview**

Mr. Zenner described the upcoming Capital Improvement Program (CIP) review schedule. He said the CIP was updated annually and was a long-range budget document for capital improvements of all types. He said the attachments and dashboard were for the Commissioners to review ahead of time so that they may ask questions of the department staff which would attend at the May 5 meeting, with the goal of preparing a memo at the May 19 meeting with their recommendations. As in the past, the Commission would be expected to comment on the upcoming projects and offer recommendations to the Council and insight based upon their knowledge of recent development requests, growth metrics, the Commission's work program, and planning processes such as the implementation of the Comprehensive Plan and area plans. The Commission may also identify if they perceive a mis-match of projects relative to community goals and needs. Mr. Zenner asked the Commission to review the CIP dashboard. He noted the same attachments would be attached to the May 5 work session agenda. There was general discussion of the upcoming review schedule and the Commission's review role.

**Old Business**

**A. Short-term Rental Regulations – Occupancy Standards**

Chairman Loe introduced the topic and described the attachments she had provided the Commission to help illustrate how occupancy may be calculated for different housing floor plans and room sizes based upon the IPMC (International Property Maintenance Code). The IPMC contains standards related to property maintenance, including occupancy standards, and is used by the City's Office of Neighborhood Services in conjunction with administration of the Rental Conservation Law - Chapter 22 of the City Code.

Mr. Zenner and Ms. Loe described the need for a framework to calculate occupancy for the purposes of STR licensure. This would be the first step for limiting the number of occupants; they would also discuss other potential limitations to guest numbers and regulations to address neighborhood concerns using "use-specific standards" (e.g. parking regulations, etc.) as the ordinance was drafted. Mr. Zenner noted that

maximum occupancy (i.e. density) could be calculate either based on the square footage of the entire dwelling or based upon the number of bedrooms.

There was general discussion of density based upon dwelling units and as an entire structure. The IPMC was based upon each dwelling unit, Mr. Zenner said. How transient guests and occupancy by bedroom were defined in previous (un-adopted) versions of the proposed STR regulations were discussed. Concerns with the definition of a family, both in how it was determined and the potential legal issues associated with it, were discussed. The definition of a family is still used in long-term rentals to permit occupancy of three unrelated persons in the R-1 zone and four in the R-2 and R-MF (multiple family) zoning districts. Challenges and benefits of using the same standard for STRs was debated.

The Commission has noted fair housing concerns of using the definition of a family in previous discussions- there have been court challenges to the effect. The benefits of not using the family definition and only using the IPMC with use-specific standards was discussed. Ms. Loe discussed the illustrations that she had prepared and staff distributed and how this option may work for discussion by the Commission. She proposed that at the end of the meeting's discussion the use of the IPMC may be voted upon as a density/occupation calculation option.

Ms. Geuea-Jones said using the IPMC makes sense. She cited concerns she had with using the definition of a family moving forward. She said the IPMC provided a clear line based upon math, and had less interpretation guess-work. It was more quantitative rather than qualitative. She desired a clear standard. She proposed they vote on using the IPMC first, and then vote on a potential cap of eight or ten guests as a hard cap regardless of the occupancy possible under the IPMC.

Ms. Carroll said she agreed with Ms. Geuea-Jones. She preferred the IPMC as it was a simple reference without recreating the wheel.

Mr. MacMann said he wanted as simple a process and as clear a measurement as possible. He was concerned of confusion or issues with using square footage calculations for some persons.

Ms. Burns described the comments she had heard in the previous ordinance processes. She was concerned about neighborhood impacts. She said that if the IPMC dictated occupancy, then there may not be the ability of a specific site and a neighborhood to accommodate that occupancy, causing issues to the neighborhood. She cited traffic, parking and trash as negative impacts. She had concerns with the use of living rooms as bedrooms and the negative impacts of such allowance.

Ms. Kimball said she would be interested in the IPMC but also a cap at 10. She posed questions for discussion and to reach clarity on the use of bedrooms in the IPMC space calculations. There was general discussion.

Mr. MacMann said it would be difficult to pull back later if too much occupancy was allowed initially, and it was found to be an issue that needed to be scaled.

There was discussion on how the presence of the owner (and their family members) in owner-occupied STRs and how occupancy would then be calculated with the IPMC. The owner family would be counted as individuals relative to the total occupancy allowance. The Commission discussed how this would work as they had voted to have owner-hosting in residential districts or a registered agent available to guests. STR use would be considered an accessory use in the zoning code.

Ms. Burns said the use of the IPMC was unfair, in her opinion, to long-term rental operators and neighborhoods as it was a different standard of occupancy.

Ms. Geuea-Jones suggested they have three votes on three separate questions with the understanding that the framework they choose would come before use-specific standards for other concerns. The first vote would be whether to use the IPMC or not as the standard for occupancy. The second would be a cap of 10 or 8 persons total. And the third vote would be if there should be a conditional use permit (CUP) or administrative waiver process to allow greater density in commercial zones (but no more than could be safely accommodated based upon the IPMC's calculations of habitable square footage).

Mr. Zenner noted that 10 persons was the maximum number of guests in the lodging house definition for guest occupancy of five rooms defined as bedrooms in the IBC.

Ms. Smith noted that the third vote would apply to residential properties in commercial zones. There was general discussion that commercial properties, such as hotels, permitted in commercial zones (and build under commercial codes) would not be applicable to such a process for additional density as it would be handled differently under building codes.

Ms. Placier presented hypothetical scenarios to help the Commission clarify the application of the IPMC square footage based upon the examples Ms. Loe had provided. She discussed how bedrooms may be setup in different ways. There was discussion on the common use of studio space, such as in finished basements, and how this layout would be used for occupancy calculations. Ms. Placier described the need for safety standards and the inspection process for safety.

The use of how occupancy was defined in terms of preserving affordable rentals was discussed. Mr. MacMann described a real-world example he had come across when homes are split into multiple dwelling units and how bedrooms or spaces are often carved out, not always to the betterment or safety of renters. He discussed various concerns.

There was discussion of "problem rentals" and how some neighborhoods were burdened with more rental issues and potentially more STR issues due to their location relative to campus, downtown, the stadium, and other generators of guests and renters.

Some Commissioners noted that the existing real estate community may have familiarity with the IPMC. The difference between zoning and building codes on regulating safety versus land use impacts was also discussed. Mr. Teddy said the building code was for the safety of occupants, and the zoning code was designed for the protection of neighbors and neighborhoods. There would be opportunity to use site-specific analyses to help apply the zoning-related aspects of the ordinance as it was drafted and administered. Issues of flooded basements was also cited as an inspection concern for safety as some basements are not dry all the time and if rented when dry, there may be underlying mold issues from times of flood.

**There was a reiteration and additional discussion on the three votes proposed by Ms. Geuea-Jones. Ms. Carroll seconded Ms. Geuea-Jones first motion, to use the IPMC to determine the occupancy of STRs.**

Ms. Loe called the question after discussion was complete. Voting yes or no on the use of the IPMC for occupancy: MacMann, NO; Burns, NO; Stanton, YES; Carroll, YES; Geuea-Jones, YES; Kimball, YES; Loe, YES; Rushing, NO; Placier, YES. Motion passed 6-3.

There was discussion on the second vote proposed by Ms. Geuea-Jones **to limit the total occupancy to either eight or ten persons** as had been briefly discussed as potential cap numbers in prior discussions.

While Ms. Geuea-Jones had proposed the second vote to be made in her initial framing of the issues, Mr. Stanton was the Commissioner to make the motion. Mr. Stanton made a motion to cap the maximum occupancy at eight persons as a hard cap in addition (“not to exceed”) to the IPMC. Ms. Geuea-Jones seconded the motion.

There was discussion on the motion. It was noted that any such hard cap would first be subject to whether the dwelling unit’s square footage and layout supported that number of persons; if the dwelling unit under the IPMC permitted fewer persons that would be the cap, and any use-specific standards-related caps would also apply. There was discussion on how a dwelling unit is determined using the IPMC. The occupancy would be for each dwelling unit on a site, so if a structure had multiple dwelling units, the IPMC calculation would be applied to each unit.

There was discussion on the “guiding principles” the Commission were using to inform their ordinance development process- they desired to keep the ordinance as simple as possible and wanted it to apply as equally as possible without specific “carve-outs” or loopholes they had perceived as developing during previous ordinance processes. They felt such carve-outs addressed the business practice of a few vocal minority operators. The Commission saw such amendments as a downfall of previous ordinances that had been proposed for STRs (but not passed).

There was additional discussion on how they could tighten up the ordinance for negative externalities and unintended consequences by using real-life examples to see if the desired outcome of the ordinance was achieved when applied. This “code-breaking” exercise could help to make the regulations better thought-out as it was common for operators to try to stretch any regulations in their favor as a natural occurrence in a rational system. There was discussion on how the rental certificate could specify occupancy for each unit once each unit had been evaluated when the ordinance was in place. The fact that enforcement was often complaint-driven was also discussed.

After discussion on the second vote as made by Mr. Stanton was complete, Ms. Loe called for a vote of the Commission. **Voting yes or no on eight persons as a maximum cap on a dwelling unit’s occupancy:** MacMann, YES; Burns, NO; Stanton, YES; Carroll, YES; Geuea-Jones, YES; Kimball, YES; Loe, YES; Rushing, YES; Placier, YES. Motion passed 8-1.

There was discussion on the potential for a **third vote to allow a waiver or CUP process to permit occupancy above eight but no more than the IPMC in residential properties located in a commercial zone.** How such a process may work or what it would look like was discussed. There could be an administrative or regulatory (e.g. CUP) process. The types of site-specific conditions and neighborhood-level analysis related to occupancy in such situations was briefly discussed. Whether a commercially-zoned property was adjacent to other commercial properties, or adjacent to residential properties, was the type of scenario the Commission felt would warrant consideration. The impact of residential versus commercial building codes and the possible presence of sprinkler systems was discussed as another factor to consider. There were many elements and scenarios the Commission may need to consider herein. Ms. Smith suggested they bring this discussion back due to the need to think about such scenarios.

The Commission said they would also like Ms. Smith to provide a new data update. They had appreciated the previous data update on the landscape of the STRs locally, and would like to have that research updated with current information as a way of helping to craft future “use-specific standards”. Ms. Smith said she could provide a data update comparing present data points with previous data to show trends and the current landscape of STR numbers and operation metrics.

Mr. Zenner asked if the Commission wanted the staff to start to prepare potential use-specific standards to begin to react to, noting the Commission had identified areas of concern that may be addressed by such

standards, such as trash, parking, landscaping and screening. The Commission said that the public would be interested in knowing how such issues would be addressed.

Mr. Zenner said they could have a data update and the beginnings of use-specific standards for the Commission's reaction at the second meeting in May (May 19). He said they would welcome staff guests from several department to discuss the CIP at the next meeting.

## **ADJOURNMENT**

Meeting adjourned approximately 6:56 pm

## **ACTION(S) TAKEN:**

Motion made by Commissioner Geuea-Jones, seconded by Commissioner Kimball, to approve the agenda as presented. Motion passed unanimously. Motion made by Commissioner Geuea-Jones, seconded by Commissioner Kimball, to approve the April 7, 2022 work session minutes as presented. Motion passed unanimously.