

**Planning and Zoning Commission Work Session Minutes**  
**June 20, 2019**  
**Conference Room 1-B - 1<sup>st</sup> Floor City Hall**

**ATTENDANCE:**

Commission Members Present: Burns, Carroll, MacMann, Rushing, Stanton, Toohey

Commission Members Absent: Strodtman, Russell

Staff: Caldera, Bacon, Smith, Palmer, Teddy, Zenner

**ADJUSTMENTS TO AGENDA:** None

**TOPICS DISCUSSED**

**Old Business -**

- **Short Term Rentals Potential Text Amendments- Discussion**

Mr. Teddy provided a recap of the year-long process to date to gather public input and consider potential regulations for short-term rentals. He said the last public hearing held by the Commission was March 21, and then the item was withdrawn to allow more consideration of public input at the April 18 meeting. He said in the interim period, the Commission had pivoted to spend time working on Medical Marijuana regulations and the 2020 Capital Improvement Program (CIP). He said the Commission's work program was now open to resume work on short-term rentals. He said the Commission may host one or more additional public input sessions and would ultimately need to host a public hearing.

Ms. Loe discussed strategies for getting through the draft regulations as there were areas where finding consensus had been challenging. She suggested the voting model used to draft the medical marijuana regulations had some benefits to finding common ground on specific elements. She reviewed with the Commissioner the three questions provided in the staff memo to further continue the discussion on the draft regulations. She said staff had prepared the questions to focus on the greatest points of contention during the public and Commission discussion of the most recently proposed regulations (dated March 1).

- (1) When should owner hosting be required and what should defines an "owner hosted" STR;
- (2) Should STR be allowed in the R-1 district and if so how;
- (3) Should STR registration and inspection follow the proposed structure offered in Draft # 3 or just utilize the registration process currently used for long-term rental.

There was general discussion on whether the STR regulations should be put on hold until rental efficiency standards called for in the Climate Action Plan were put in place. This may take a while to develop and go through Council and generally the Commission could proceed on STR and reevaluate any future conservation standards for overlap or opportunities.

There was general discussion on the first point in terms of how "owner hosted" should be defined. Ms. Rushing presented information on other places that required the owner on premises, and that she thought the owner should have to be on-site. There was discussion on if the owner must be present when the guest is on the property, and what type of documentation would be necessary for operators identifying as "owner hosted" operators. There was discussion of the 270 day residency provision in the present draft. There was discussion of the need for flexibility for operators to respond to family needs or business travel but also to have a responsible party in town if issues arose. Enforcement was also discussed as challenging. Concerns about empty houses were also identified as a concern. There was general consensus that having a responsible party available to answer immediate issues or concerns was desirable. Discussion was held on if this could be a neighbor or friend

or a hired management company. Being available within a short period of time was the goal, not necessary need to hire a professional service. The owner-hosted element was to help prevent empty houses and to have better behavior as it was a primary residence.

Mr. Zenner provided information that the present draft required a conditional use permit for the R-1 zone. He said most of the City was zoned R-1, and as such, most operating STRs were also in the R-1 zones. He said in current draft non-owner-hosted are conditional uses in the residential zones. He asked what would make the Commission comfortable.

Commissioners discussed options in terms of models and potential tools to remedy issues cited by neighbors. The use of conditional use permits was discussed as an option for some of the models. How to define a responsible party could be discussed later. There was general discussion of Ms. Rushing's motion. There was an amendment suggested by Mr. MacMann to allow for 270 days to define owner-hosted but that if the owner would not be present on the site, that an agent or accountable person be assigned or available. There was general discussion on if or how this requirement would address their concerns and the types of documentation and information that may be requested of operators at the time of permitting and annual renewal. There was discussion that owners and their agents should be available within thirty minutes, but the consensus was how to define a responsible party and how quickly they had to be available could be further refined later. The Commission voted four in favor and three in disfavor to define owner-hosted as in the draft but to require a responsible party be available should the owner not be on-site.

There was general discussion on whether STRs should be allowed in the R-1 district at all, and if so, how. The Commission had four votes of yes. There was discussion on the STR model's beginnings and evolution over time as the sharing economy has developed. Mr. Stanton said he wanted more regulations as the model become more complicated, such as investors with multiple properties in STR. He said it became more commercial as the model became larger and the realm of control became looser.

Some Commissioners felt a conditional use permit may not be needed for a single owner with one hosted STR, but may be needed for multiple STRs. There was discussion of tailoring any conditional use permit process for STRs. Generally, conditional use permits run with the land not the owner. There was discussion of how CUP (conditional use permit) might be structured and how long term rental certificates might transfer to short term and vice versa. The transferability of STR permits and or licensure was discussed when property sold. The ability to transfer the property right for a STR within 30 days or a specified amount of time may be possible administratively. It would be valuable for sellers. There were pros and cons. Mr. Caldera would look into transfer provisions and potential sunshine clauses on permits/licenses. They wanted to avoid administrative burdens but also have mechanisms to re-certify or re-evaluate properties to have some teeth to address operators with issues. There could be similar streamlining processes to the present three and six year rental compliance and inspection cycles to make it simple for operators without complaints or a poor record.

There was additional discussion on the conditional use permitting process as a tool in terms of the pluses and minuses. Some Commissioners were concerned with the case load for the Commission and the Council if they had to review hundreds of STRs at once. There were other discussion points on the potential for grandfathering existing ones to bring them into compliance right away and then cycle through the evaluation and re-registering process. There were concerns and opportunities expressed in terms of leveling the playing field, enforcement, and the granting of rights. Mr. Caldera would provide additional direction. The Commission voted to accept the present language that a conditional use permit be required on any short-term rental in the R-1 District. The motion failed to pass.

There was general discussion on the need to look at the definition of hotel and bed and breakfast again in terms of the definition of a unit being “rented”. This was to have clarity amongst definitions. This may also need to be looked at in Chapter 22, not just Chapter 29 of the City’s Code of Ordinances. Also needed to look at the less than 31 days standard for clarity and how it matched the state definition. This was a minor technical element to correct.

The next work session meeting would be July 18. The Commission would resume their discussion on STRs at that work session. Once the discussion was concluded the Commission could hold a listening session to hear feedback from the public on any draft revisions. A public hearing would need to be held prior to forwarding a recommendation to the Council

**ACTION(S) TAKEN:** Made motion (Toohey, seconded by Burns) to approve agenda as submitted. Made motion (Burns, seconded by Toohey) to approve the June 6, 2019, minutes as submitted. Meeting adjourned approximately 6:57 p.m.