

Short-Term Rentals

City Council Work Session

January 6, 2020

Short-term Rentals



Short-term Rentals

Session objectives:

- Overview of proposed ordinances – purpose of key provisions
 - References to broader context
 - Paths not taken
- Q and A with Council
- Council comments, discussion of amendments, information needed for public hearings



Short-term Rentals

Recap – Tentative Schedule

- Ch. 29 Development Code amendments introduced November 18, 2019
- Proposed ordinance tabled from December 2, 2019 to January 21, 2020
- Work session tonight
- January 21, 2020 public hearing; amendment sheets
 - Other code chapter revisions to be introduced (Business licenses, lodging taxes, rental certificates)
- February 3, 2020 vote

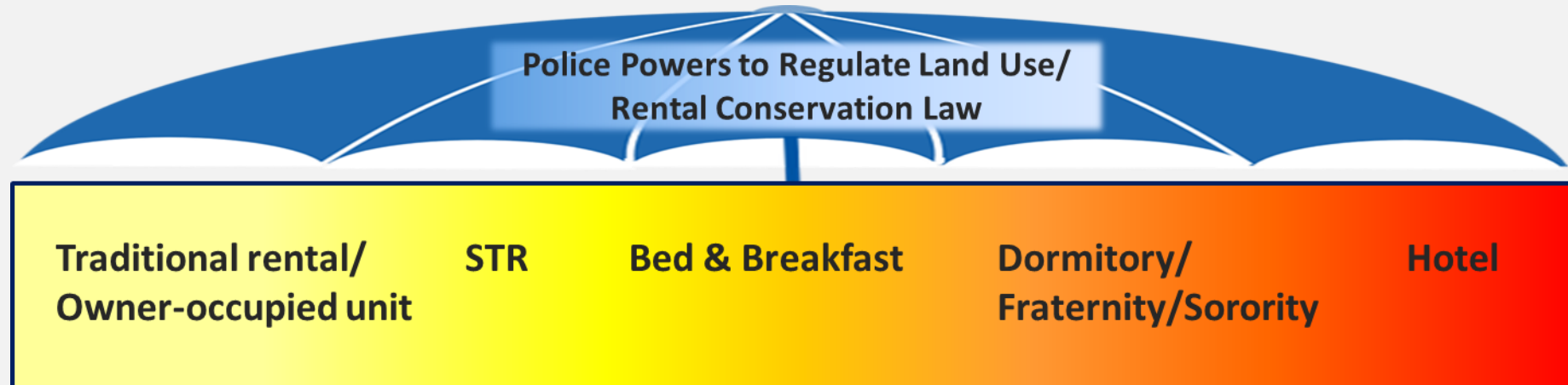
Ch. 29 Amendments

- Amends Chapter 29, Sections 29-1.11 [Definitions], 29-3.2 [Permitted Use Table], and 29-3.3 [Use-Specific Standards].
- Revised definitions for “hotel” and “bed and breakfast”
- New definitions for “short-term rental”, “short-term rental hosted”, “short-term rental un-hosted” and “transient guest”
- Creation of “use-specific standards” governing the establishment and operation of short-term rentals

Ch. 29 Amendments

- A STR is considered a commercial use; however, so is a traditional “long-term” rental. The difference is in the use intensity
- NO commercial use is permitted within a residential zoning district WITHOUT additional “use specific standards”
- An STR and its impact upon traditional neighborhoods is viewed to be less than a traditional B&B in respect to its “use-intensity”
 - This notwithstanding, STRs are more numerous than trad. B &Bs

Regulatory continuum



Key provisions

“Administrative approval” of STRs as option for HOSTED STRs meeting maximum transient guest limits. Owner of record to be on-site except for daytime and/or work hours when guests are present. Primary residence of owner 270 days+

- A number of cities are working toward a regulatory distinction between owner-occupied/hosted and non-owner-occupied.
- Objective is to permit homeowners to be amateur hosts and reduce/eliminate neighborhood impact of STRs run by investors, long-term renters, lodging companies, etc.

Key provisions

Requires designation of an “agent” for all HOSTED STRs. Agent available 24/7 and acts in absence of owner of record. Agent must have local address and is NOT required to be on-site when transient guest are present. Disclosure of agent required as part of “Proof of Ownership” application.

- Someone to be responsible for management of neighborhood responsibilities, e.g., trash out on pick-up day, as well as PoC for City

Key provisions

Occupancy limits; “Hosted” STRs

- R-1 Single-family District: Maximum three transient guests at a time. Bedrooms must comply with property maintenance code.
- R-2, R-MF, mixed-use districts: Maximum four transient guests at a time. Bedrooms in compliance with property maintenance code. No more than one STR unit in two-family, multi-family building or lot.
 - Occupancy and duration limits are common features in other city STR codes

Key provisions

Conditional use required for STRs that exceed standards for administrative approval. That includes:

- Any “unhosted” STR
- Any STR, regardless of hosting status, that exceeds occupancy limits for the particular dwelling unit and zoning classification
- Supplemental conditions apply (notices, proof of ownership, registrations, disclosure of platform[s] used, certificate of compliance, single booking/dwelling)

Key provisions

- Concerns expressed about time/resources required to process CUPs (PZC and City Council actions required)
 - What is the expected volume of CUPs? Conditional use could be thought of as reserved for exceptional properties and appropriate criteria added
 - Several cities have multiple tiers or types of STRs in their regulations

Key provisions

“Awareness” provisions

These include:

- City notice to adjacent property owners of conditional use applications
- Registration requirements (all types)
 - Application forms may be designed such that applicants acknowledge the conditions under which they are to operate (eliminates “Nobody told me I couldn’t...”)
- Rental Certificate of Compliance display provision
- Required STR platform identification

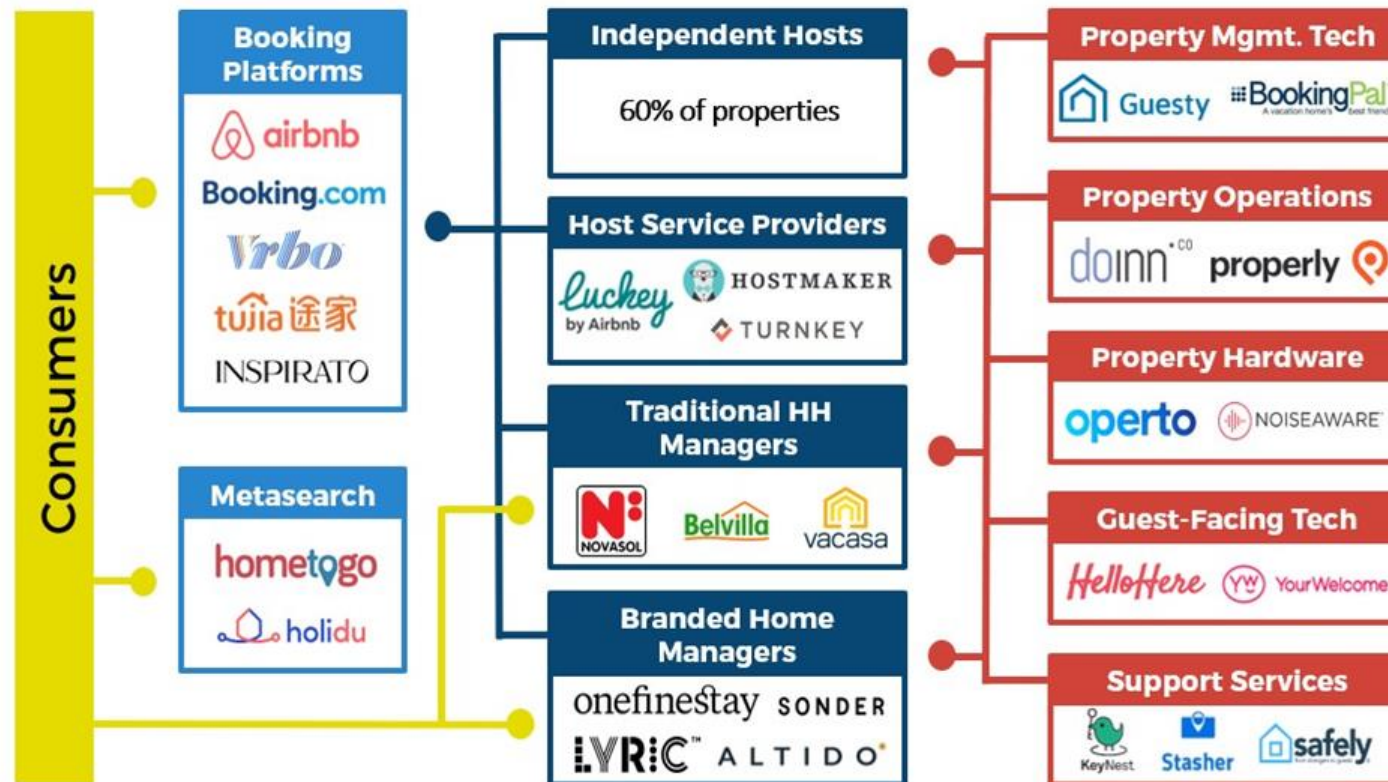
Other Chapters

- Ch. 13 Business Licenses – Adds STRs as a type of business
- Ch. 22 Rental Conservation Law – adds short-term rentals to Rental Certificate Program
 - Dual registration as short- and long-term rental to be permitted
- Ch. 26 Lodging Tax – adds STR to the definition of hotel (for taxation purposes)

Short-term rental “ecosystem”

The Short-Term Rental Ecosystem

Skift
RESEARCH



Concluding remarks

- Short term rentals are here
- Complaints not frequent day-to-day but public review drew out that public concern is there
- Wide variety of options advertised, from \$18 a night campsites to \$3,000 a night luxury house
- STRs continue to evolve, from a room for the night to apart-hotels, from existing dwellings to purpose-built STRs
- STR hosts manufacture location, pricing, duration data
- May have to match tech with tech – STR tracking companies are soliciting local governments

STRs continue to evolve...

