

Staff Report

Department of Planning & Community Development

Project Overview

Project Name	Short-Term Rental Overlay Zone
Project Code	PL20220134
Project Type	CDC Text Amendment
Project Description	Text amendment to adopt the Short-Term Rental Overlay Zone by adding a new Section 238 and amending Sections 101, 103, 200, 300, 302, 306, 307, 701, 702, 703, 706, and 720
Applicant	City of Steamboat Springs
Report Prepared By	Rebecca Bessey, AICP Director of Planning & Community Development
Planning Commission	April 28, 2022
City Council	May 17, 2022, June 7, 2022

Background

In June 2021, City Council directed staff to provide a range of policy options for regulating short-term rentals. In July 2021, City Council and Planning Commission identified the following three issues as the purpose of the policy discussion and any potential code changes:

- Housing supply and availability
- Neighborhood character
- Overall community character

Staff presented a range of options to consider for regulating short-term rentals. After several work sessions, City Council indicated support for further exploring disincentives and directed staff to move forward with improved enforcement and to work with Planning Commission to draft a Short-Term Rental Overlay Zone.

Description

Generally, the proposed text amendments will eliminate definitions, references, standards, and processes related to Vacation Home Rentals, Vacation Rentals, and (Temporary Use) Short-Term Rentals and replace them with definitions, references, and standards for newly defined terms of Short-Term Rentals and Hosted Short-Term Rentals. If adopted, these CDC amendments would be implemented concurrently with a new Short-Term Rental License Code to be adopted as Article IX of Chapter 12 of the Municipal Code. The STR Overlay Zone is comprised of three zones and six subzones:

- Zone A: Unrestricted – short-term rentals are permitted by-right, and there are no limits on the number of STR licenses to be issued.
- Zone B: Restricted – short-term rentals are permitted by-right subject to limits/caps on the number of STR licenses to be issued per subzone.

- Subzones B1-B6 as depicted on the STR Overlay Zone Map attached to the Zone Map Amendment packet PL20220133.
- Zone C: Prohibited – short-term rentals are prohibited.

Hosted short-term rentals are permitted in all zones and are exempt from the limits/caps in Zone B. All short-term rentals and hosted short-term rentals will be required to obtain an annual STR License per the proposed Short-Term Rental License Code to be adopted as Article IX of Chapter 12 of the Municipal Code.

Specifically, the proposed Short-Term Rental Overlay Zone and related text amendments include the following:

- Amend Section 200.C.4 to include reference to STR Overlay Zone. (Proposed amendment also includes correction to add missing reference to the adopted Airport Overlay zone.)
- Add Section 238 to establish purpose of STR Overlay; create subzones: A Unrestricted, B Restricted, and C Prohibited; establish standards for short-term rentals; and create a process for STR Overlay Zone Map Amendments to be reviewed.
- Amend Tables 300-1, 300-2, and 300-3 to eliminate references to terms: Vacation Home Rental, Vacation Rental, Short-Term Rental (Temporary Use), and replace with terms: Short-Term Rental and Hosted Short-Term Rental.
- Amend Section 302.E to delete Vacation Home Rental and Vacation Rental definitions and use standards and replace with definition for Short-Term Rental.
- Amend Section 306.D to replace reference to vacation home rentals with short-term rentals and add definition for Hosted Short-Term Rental.
- Amend Section 307.A to delete definition and use standards for the temporary use short-term rental.
- Amend Section 701.A.1 to replace reference to vacation home rental with short-term rental.
- Amend Table 702-1 and 703-1 to eliminate reference to Vacation Home Rental Permits.
- Amend Section 706 to delete Vacation Home Rental Permit process.
- Amend Section 720 to reference Short-Term Rental Overlay Zone Map Amendment process.
- Amend Section 101 to eliminate references to vacation home rentals.
- Amend Section 103 to correct numbering error. (Note: no changes are proposed to existing code language related to Nonconforming Uses.)

Project Analysis

The following section provides staff analysis of the application as it relates to sections of the CDC. It is intended to highlight those areas that may be of interest or concern to Planning Commission, City Council, Staff or the public.

Criteria for Approval: CDC Text Amendment

Approval Criteria Summary	CONSISTENT?		
	YES	NO	NA
Compatible with the community plan	✓		
Error or goal/objective	✓		
Public health, safety, and welfare	✓		

CDC Section 723.B – Text amendments shall be evaluated and may be approved if one of the following criteria exist:

1. The proposed amendment is compatible with the preferred direction and policies outlined in the Community Plan and other applicable adopted plans.

CONSISTENT

The proposed amendment is intended to adopt a regulatory framework that provides areas for short-term rental uses that are complementary to and supportive of the community's downtown and resort areas and minimizes potential negative impacts of short-term rentals on the community's housing supply and residential neighborhoods. This intent furthers the preferred direction and policies outlined in the Community Plan, including improving the community's core areas of downtown and the mountain resort area, maintaining the area's sense of community, and providing affordable and workforce housing.

2. The proposed amendment will correct an error or will further a public goal or objective.

CONSISTENT

The proposed amendment, to be implemented concurrently with a new Short-Term Rental License Code, will further City Council's stated goal of addressing the City's short-term rental issues through adoption of regulatory policies, enforcement rules, licensing procedures, and establishment of a fee structure.

3. The proposed amendment is necessary to ensure public health, safety, and welfare.

CONSISTENT

The purpose of the proposed amendment is to minimize negative impacts of short-term rentals on housing supply and affordability, neighborhood character, and overall community character.

Staff Findings

Staff finds that the Short-Term Rental Overlay Zone Text Amendment, PL20220134 to adopt the Short-Term Rental Overlay Zone by adding a new Section 238 and amending Sections 101, 103, 200, 300, 302, 306, 307, 701, 702, 703, 706, and 720, is CONSISTENT with the Criteria for Approval for a CDC Text Amendment.

Recommended Motion

Planning Commission recommends approval of PL20220134, a CDC Text Amendment application to to adopt the Short-Term Rental Overlay Zone by adding a new Section 238 and amending Sections 101, 103, 200, 300, 302, 306, 307, 701, 702, 703, 706, and 720.

Attachments

- A. Project Timeline
- B. Proposed Text Amendment
 - B1. Sections 200, 238, 302, 306, 307, 701, 706, 720, 101, 103
 - B2. Section 300, Tables 300-1, 300-2, and 300-3
 - B3. Section 702, Table, 702-1
 - B4. Section 703, Table 703-1

- C. Draft STR Licensing Code
- D. Staff Presentation (to be added)

A. Project Timeline

Project Timeline

Project Code: PL20220134

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	DATES	NOTES
Presubmittal Meeting		
Application Submitted		
DEVELOPMENT REVIEW TEAM		
DRT Letter		
Resubmittal		
DRT Letter		
PUBLIC NOTICE		
Newspaper Notice	4/18/2022	
Mailed Notice		
Property Posting		
Mineral Rights		
PUBLIC HEARINGS		
Planning Commission	4/28/2022	
City Council	5/17/2022	
	6/7/2022	

NOTES
