

CITY COUNCIL COMMUNICATION FORM

FROM: Rebecca Bessey, AICP, Planning & Community Development Director

THROUGH: Gary Suiter, City Manager

DATE: March 8, 2022

ITEM: Short-Term Rental Policy.

<input checked="" type="checkbox"/>	DIRECTION
<input checked="" type="checkbox"/>	INFORMATION
<input type="checkbox"/>	ORDINANCE
<input type="checkbox"/>	MOTION
<input type="checkbox"/>	RESOLUTION
<input type="checkbox"/>	PROCLAMATION

I. REQUEST/ISSUE & BACKGROUND INFORMATION:

This is an update on Planning Commission's discussion of a draft Short-Term Rental Overlay Zone. Please refer to Attachment 1 for a summary and comparison of two options being considered by Planning Commission. Key definitions, an outline of the STR Licensing program, and implementation details are also included.

II. SUMMARY AND ALTERNATIVES:

Staff is looking for feedback from Council regarding the two draft Overlay Zone options.

III. STAFF RECOMMENDATION:

This is an update. Staff is requesting feedback at this time.

IV. FISCAL IMPACT:

Implementation of a new Short-Term Rental policy and licensing requirement will have fiscal impacts; however, revenues from annual license fees are anticipated to cover the costs of administering and enforcing the new policy and licensing. Anticipated costs include:

- Development of a STR License application/renewal process and review/approval workflow in CityView software. (Upfront cost)
- Public outreach to inform property owners and property managers of new process, requirements, and standards. (Upfront cost)
- Annual contract services for STR monitoring, identification, and auditing (Granicus). (Ongoing cost)
- Increased contract legal services for the City's Municipal Court Prosecutor. (Ongoing cost)
- Increased staffing and potentially a software upgrade for Municipal Court. (Ongoing and potentially one-time software cost)
- Additional enforcement and inspection staff depending, if needed. (Ongoing cost)
- Increased staffing for sales tax licensing, collection, and auditing, if needed. (Ongoing cost)

V. LEGAL ISSUES:

There are no legal issues at this time.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

There are no apparent conflicts or environmental issues at this time.

VII. CONSISTENCY WITH COUNCIL GOALS AND POLICIES:

This item is directly related to Council's goal to address the City's short-term rental issue through adoption of regulatory policies, enforcement rules, licensing procedures, and establishment of a fee structure.

ATTACHMENTS:

Attachment 1: Short-Term Rental Overlay Zone Concepts.

Attachment 2: Staff Presentation.

[Attachment 3: Planning Commission Minutes.](#)

Attachment 4: CAST STR Matrix, April 2021.

Attachment 5: Public Comment.