

CITY COUNCIL COMMUNICATION FORM

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

THROUGH: Gary Suiter, City Manager

DATE: November 16, 2021

ITEM: Short-Term Rental Policy Update.

<u> X </u>	DIRECTION
<u> X </u>	INFORMATION
<u> </u>	ORDINANCE
<u> </u>	MOTION
<u> </u>	RESOLUTION
<u> </u>	PROCLAMATION

I. REQUEST/ISSUE & BACKGROUND INFORMATION:

In June of this year, City Council initiated a review of Vacation Home Rental (VHR) and short-term rental policies and enacted a moratorium on the issuance of new VHR Permits. The purpose of the moratorium was to temporarily suspend the issuance of new permits to allow for the process of researching and implementing code changes.

Council 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

The following is a summary of relevant dates and previous Council direction:

June 8	Staff presented to Council a recommended 4-month community engagement plan. [Process for code changes was to be presented following community engagement period.]
June 10	Council enacted a 90-day moratorium by emergency ordinance. *

July 12	Staff introduced a range of STR policy options at a Planning Commission worksession.
July 13	Staff introduced to Council a range of STR policy options and presented PC input. Council requested additional information regarding several options.
July 20	Council continued discussion of policy options and directed staff to begin drafting an overlay zone. Council passed First Reading of ordinance extending the moratorium through December 13, 2021. *
August 17	Council discussed overlay zone options.
August 24	Council passed Second Reading of ordinance extending the moratorium through October 31, 2021. * Council held an executive session to receive legal advice related to short-term rental regulations.
September 7	Council directed staff to schedule a PC worksession on September 23.
September 20	Council directed staff to hold additional PC worksessions on overlay zone concept prior to drafting an ordinance.
September 23	Planning Commission worksession on draft STR overlay concept.
October 11	PC worksession on draft STR overlay zone concept (Subzone B limitations and nonconforming status)
October 12	Council passed First Reading of ordinance extending the moratorium through January 31, 2022 and revising its applicability to exclude certain streets. *
October 19	Council passed Second Reading of ordinance extending the moratorium through January 31, 2022 and revising its applicability to exclude certain streets. *
October 25	PC worksession on draft STR overlay zone concept (rezoning process)
November 15	Tentatively scheduled PC worksession on draft STR overlay concept (overlay subzone boundaries)
January 31	Current expiration of VHR permit moratorium. *

* Moratorium only applies to new VHR permits. VHR's are defined as short-term rentals of single-family dwellings and duplex units. Please refer to Attachment 1 for a map of the locations where the VHR moratorium applies. Also, please note that the moratorium does not apply to short-term rentals of multiple-family units.

II. SUMMARY AND ALTERNATIVES:

Planning Commission has held three worksessions to discuss the STR overlay concept and provide feedback to staff. At least one to two additional worksessions will likely be needed to provide staff with adequate feedback to draft an ordinance. Staff intends to prepare a draft ordinance for public hearings

as soon as possible with the goal of adoption hearings being scheduled prior to the expiration of the moratorium.

III. STAFF RECOMMENDATION:

There is no staff recommendation at this time. We are providing an update and looking for Council to confirm prior direction.

IV. FISCAL IMPACT:

n/a

V. LEGAL ISSUES:

n/a

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

n/a

VII. CONSISTENCY WITH COUNCIL GOALS AND POLICIES:

This item relates to Council's Housing goal to modify short-term rental policies.

ATTACHMENTS:

ATTACHMENT 1: Moratorium Applicability Map.

ATTACHMENT 2: Staff Presentation.

ATTACHMENT 3: Public Comment