



MEMO

March 18, 2014

TO: City Council

CC: City Manager, City Attorney, Planning Commission, Vacation Rental Roundtable Participants

THROUGH: Greg Hoch, Director, Community Development Department

FROM: Scott Shine, Planner II, Community Development Department

RE: Possible Amendments to the Proposed Vacation Rental Regulations

Summary

Following extensive research and two roundtable discussions with interested parties including realtors, property owners, vacation rental managers, neighborhood advocates, code enforcement staff, downtown HOA representatives, and lodging industry representatives, staff has prepared this memo on the proposed vacation rental (VR) regulations for Council's consideration as part of the overall Land Use and Development Code adoption hearing.

Possible Amendments

As discussed previously, the focus of this review of the VR standards was on how these standards are applied in the downtown commercial district. However, other amendments have been suggested regarding how VRs are managed throughout the entire community.

The following items are primarily clarifications to the proposed language and do not represent any significant change from what has been proposed. Staff has already included the following revisions in a red-lined version of the proposed regulations:

- Including language in the new LUDC from the 'Purpose/Intent' section of the existing LUDC.
- Adding a specific subsection requiring curbside recycling and bear-proof trash containers.
- Inserting language regarding how existing, permitted, compliant VRs will be brought forward under the new regulations.
- Adding language to clarify the location of parking in residential and commercial areas.
- Including more specific provisions for enforcement of the vacation rental regulations.

In the table below, we have summarized the potential amendments that still need to be discussed. We also provide a brief summary of staff's recommendation regarding the amendments. Council can use this input to deliberate and vote on which amendments should be included in the final draft of the LUDC.

The amendments listed below are not included in the current draft of the proposed VR regulations. Council will need to make specific motions and vote to add them if they so desire.

Please let us know if you have any questions or need any additional information prior to the hearing on March 18.

Summary of Potential Amendments to the Vacation Rental Regulations

Topic	Currently Proposed Code Language	Possible Amendment	Staff Recommendation
<p>Physical Separation</p>	<p>Physical separation is not currently addressed in the vacation rental section of the Code. LUDC Section 2-2-3-9(H)(3) establishes this requirement for separation between commercial and residential uses on the same floor in a mixed use building.</p>	<p>Include the following language in the vacation rental section of the Code, “Vacation rental homes in multi-family residential and mixed-use buildings are not required to comply with the standards in Section 2-2-3-9(H)(3) provided that the applicants submit documentation showing that they have distributed contact information for the local contact person to all unit owners and tenants in the building.”</p>	<p>Staff and roundtable participants supported this amendment as it applies to future buildings, but staff and some roundtable participants believe that a more stringent standard for waiving this requirement in existing buildings should be included.</p> <p>Staff suggests requiring a 2/3 vote of approval from the membership of governing HOAs to have this requirement waived in existing buildings. Where no HOA exists, all unit owners must unanimously agree to allow this requirement to be waived in their building.</p>
<p>Parking</p>	<p>LUDC Section 4-5-2-2 requires one (1) off-street parking space required per bedroom in a vacation rental home.</p>	<p>Include, “For vacation rental homes in the CB, MU-A, or MU-N zones, a unit containing three bedrooms or more may be allowed to reduce their required parking spaces by one space if the following conditions are met:</p> <ul style="list-style-type: none"> a. A limitation on the number of vehicles allowed at the vacation rental is included in the permit governing the vacation rental home, and; b. The unit owner/manager displays the allowed number of vehicles on all advertising for the vacation rental home.” 	<p>This amendment came out of the vacation rental roundtable discussions and the group appeared to unanimously support this amendment. Staff also supports this amendment. Staff believes the amendment can accommodate VRs in commercial/mixed use areas without significant adverse impacts or compromising community goals.</p>
<p>Spacing</p>	<p>LUDC Section 2-2-3-4(G) states, <i>“In the EN-1, EN-2, EN-MF, RM, and RH zones, not more than one vacation rental home shall be located on each street segment. For corner lots, this standard applies along both frontages, and only one vacation rental is permitted on lots that abut the intersection.”</i></p>	<p>Some revisions have been suggested that would remove the geographic buffer that is established by limiting VRs to one per block face in the EN-1 and EN-2 zone districts. It has been suggested that a maximum number of permits be set per neighborhood without a spacing requirement.</p> <p>If Council were to go this direction, a limit of 36 permits in EN-1 and 42 permits in EN-2 would be appropriate numbers. This represents a density increase of approximately 50% from what is currently allowed (approx. 24 in EN-1 and 28 in EN-2).</p>	<p>This was brought up at the last City Council Study Session on VRs and was not discussed in detail at the roundtables. Staff does not support the removal of a spacing standard. Staff feels that the ‘buffer’ provides assurance for the property owners in the neighborhood that one area would not be overwhelmed with vacation rentals and the impacts associated with this use.</p>