

MEMO

January 14, 2014

To: City Council and City Manager

From: Greg Hoch, Director of the Community Development Department

RE: Vacation Rental Regulations and Proposed Roundtables

Summary

As staff has been working through the revisions to the Land Use and development Code (LUDC) it has become clear that certain issues are more challenging than others. As you all know, a good example of this is the ADU code section and the separate process that was established to discuss ADUs. So too have vacation rentals (VRs) generated more interest than other parts of the LUDC. This became especially apparent at last week's hearing on the variance appeals regarding VRs at 1201 Main.

The majority of the discussion was on VRs as a general topic and disagreement about the current language in the LUDC. While not always relevant to the variance appeals, it was a broad-ranging discussion and highlighted the need to look at VRs more closely as part of this revision process. Staff believes now is an appropriate time to assess and gather additional feedback on the proposed VR regulations.

Proposal

Staff was prepared to briefly address the current VR language at the January 14 joint study session. We will summarize our proposed approach, but we do not have the time to dig into this issue in the detail that we feel is necessary. Staff will give an overview of the regulations (including some changes proposed by Councilor Brant since the last time Council gave direction on the issue in January 2013) and take concise, brief feedback from Council, but we would like to propose a parallel process to deal with the details of the regulations. We think this can be done without necessarily delaying the adoption and implementation of the new LUDC.

We will record all of the feedback received at the discussion at Tuesday night's Council/PC Study Session, the public meeting, and the Planning Commission hearing on Wednesday. Following these meetings, we will also get input from those involved in the VR business through a series of roundtable discussions on the proposed regulations. We will also invite representatives from neighborhood groups, code enforcement officers, and other interested parties to take part in these discussions.

Staff believes we can conduct two, in-depth roundtable discussions in the near future to gather additional feedback while also conducting a brief survey of other community's management of and experiences with vacation rentals. We will then consolidate that feedback, prepare a summary, and propose VR regulations which incorporate the feedback received.

If there are major changes to the ordinance, staff can take the language back through Planning Commission for its recommendation prior to the final Council hearing. If there are only minor changes, we can proceed with an amended draft of the VR ordinance for final adoption by Council prior to the effective date of the full LUDC.

Here is a summary of the proposed parallel VR process and how it coincides with the LUDC adoption schedule:

Action	Date
Joint Study Session includes brief presentation on proposed approach.	January 14
Planning Commission considers current VR language and acts on proposed draft of entire LUDC.	January 15
Staff conducts research on VRs in similar communities, holds two roundtable discussions to gather input from VR owners/managers, code enforcement officials, neighborhood advocates, etc., and conducts public outreach on VRs.	mid-January to mid-February
Council holds public hearing and acts on overall LUDC with VR language as currently proposed.	February 11
Staff completes VR report and drafts recommended ordinance language for presentation at a special Study Session.	TBD
If major changes to VR language are proposed, Planning Commission hears and acts on proposed updated VR standards.	March 24
If major changes are proposed, Council holds hearing on updated VR language and approves as part of the new LUDC, with an effective date for the overall Code to be determined.	TBD

Conclusion

In summary, staff recommends that the Planning Commission and Council adopt the VR language that has been currently advanced. Staff can then undertake a public process specific to VRs. If necessary, we can amend the language through a subsequent public hearing process, preferably prior to the effective date of the overall LUDC.

Staff feels that additional research and public outreach can help the City achieve a high quality result without impeding the overall adoption or implementation of the new LUDC. Staff looks forward to any Council questions or suggestions on this approach.