I. CALL TO ORDER

Present: 8 - Tootie Burns, Sara Loe, Joy Rushing, Lee Russell, Anthony Stanton, Rusty Strodtman, Michael MacMann and Valerie Carroll

Excused: 1 - Brian Toohey

II. INTRODUCTIONS

III. APPROVAL OF AGENDA

Adopt agenda without modifications

Adopt agenda as presented

IV. APPROVAL OF MINUTES

July 18, 2019 Work Session

Adopted July 18 meeting minutes without modification

Adopt minutes as presented

V. NEW BUSINESS

A. Interim City Manager Comments

Mr. Glascock attended to introduce himself to the Commission and invited the Commissioners to introduce themselves. He thanked them for their important work and service to the community.

B. May 2019 and June 2019 Building Permit Reports

Mr. Zenner reviewed the reports with the Commission.

VI. OLD BUSINESS

A. Short-term Rentals - Follow up Discussion

Mr. Zenner provided a recap of the Commission’s review at the July 18 work session. He said they stopped before diving into the use-specific standards, which was hoped to be accomplished this evening. He asked the Commission weigh in on each standard individually. He appreciated the Commission’s work to balance the proposed regulations in terms of the different desires expressed by the public.

There was general discussion on how to work with existing operators to become compliant. There was general discussion recapping the administrative and regulatory process to allow owner-occupied STRs to go through an administrative
approval process under certain conditions. Clear standards on the process for owner-occupied units (i.e. the owner’s primary residence) in terms of registration and also the definitions and administrative procedures for when an owner would be on-site (owner-hosted) and what would be expected if they were not on the premises in terms of management responsibilities were also discussed. There would be different definitions for owner-hosted and owner-occupied. Mr. Zenner said staff would further discuss the amount of time that existing STRs would be grandfathered prior to having to become fully compliant with any adopted regulations. He noted that the discussion of between two and three years needed to be more fully vetted internally. The final length of time would be presented as part of the amended draft regulations.

There was general discussion regarding how licenses may be revoked. Mr. Caldera described the evidentiary and due process-related procedures and needs. Mr. Zenner stated that having a license process was a key enforcement tool since those operating without one could face consequences. It was further discussed that the licensure process would also address the situation of “bad actors” give the license would have provisions dealing with complaints and violations. Without regulations, it is more difficult to address complaints.

Staff would give additional consideration to the specific provisions for violation penalties and the complaint process once there was a clear indication if Council wanted to pursue forward with adoption of STR standards. Mr. Zenner indicated that it was possible the provisions would involve/include how law enforcement would address violations. Some of these considerations would require an understanding of the resources the City would make use of in terms of capacity and the will of Council. Some procedures would also fall under the administrative procedures necessary to implement any adopted regulations. Mr. Zenner also noted that there may be opportunities to work with the online platform providers as well.

Ms. Loe directed the Commission to the review of the use-specific standards as shown in the marked-up copy of the March 1 draft ordinance. There was discussion of the changes that had been made from the previous version to the March 1 version. Commissioners supported 8-0 that the reference to a GIS mapping database may be removed (crossed out C.1). That was more of an internal or administrative function than a regulatory one. The notification of operators to adjacent neighbors was also removed (crossed C.2) as the City would send notice for conditional use permits per standard practice. Section 29-6 of the UDC describes the conditional use notification process.

The Commission discussed the proof of ownership affidavit described in item C.2 of the March 1 draft. This was being worked on by the Law Dept. It may be an annual disclosure or it may be a part of the business licensure process. This was also the place to identify the agent responsible if the owner operator was not available. This would also prevent situations where the non-owner was trying to operate the STR. An agent could run the STR but the owner would have to apply and be authorized to operate the STR.
The Commission expressed concern relating to STRs being operated by LLCs. Mr. Caldera stated he would look into the issue and develop clear application criteria permitting owner hosted STRs to retain the option for administrative approval. The Commission supported 8-0 the requirement for an annual renewal process where the owner of the property and responsible agent, when the owner was not available, would be provided. The Commission asked that a provision be added to the provision that required when any information within the license application changed (e.g., change of contact information, sale of property, etc.), the STR operator would need to let the City know within a specified amount of time, 30 days or so.

For item C.3, property registration, there was discussion to have smooth integration with Chapter 22 of the City’s Code addressing rental registration and how the information was updated. The Commission voted 8-0 to support this section but there needs to be a provision to keep information up to date and staff will look at making sure there is cross-referencing and compatibility with Chapter 22. There was support for the language that STRs must be compliant with all applicable City codes such as the building, fire and other codes that addressed health and safety-related matters.

The Commission discussed item C.4 - dual registration for short and long term rentals. There was a lot of public dialogue asking for this provision. There was discussion if proof of insurance would be required. This could be looked into under the business licensure process. There was support for dual registration so that one inspection could transfer between long or short-term operations. Elements that would be needed annually (such as type of rental, long or short) could be handled through the business license renewal or possibly the rental inspection processes. However, there may be issues using the rental inspection process since it is on a three or six year inspection cycle. If a property owner wanted both short and long term rentals, then the most restrictive regulations between the two would apply if there was a conflict. The Commission voted 8-0 in favor of dual registration process.

For item C.5, posting of a Rental Certificate of Compliance, the Commission voted 8-0 in support. There was discussion of what should be included in the posting and best practices of what could be included. Occupancy approved for the unit, that the unit had a certificate, contact information for the responsible party for any issues, pertinent City laws and expectation such as noise, nuisance parties, trash, parking, etc. were discussed as elements which may be included. The posting would be a regulatory requirement; however, the content containing in the posted maybe included in administrative provisions.

It was noted that the proposed regulations were confusing in regards to renting of rooms versus units. The regulations were drafted with the intent that there was only one active rental occurring at time within the STR and that multiple bedrooms were not being rented out to multiple parties like a boarding house. Commissioners; however, expressed that the way they perceived it being written it seemed like you couldn’t rent out a single bedroom. Staff clarified that an operator
can rent out a bedroom or the whole house or other division of space, but the point was that only one unit of short term rental could offered to a guest at a given time. Staff acknowledged the awkwardness of the language and indicated it would work to clear it up. There was also a need to make sure allowed occupancies for each zone district were also clear in the regulations.

The Commission discussed item C.6, Rental Platform Identification. There was discussion of whether operators should be required to put their City business license or rental certificate number in their advertisement. Staff noted that the purpose of this provision was to have knowledge of which platforms were being used for advertisement to ensuring the proper occupancy for the unit was being advertised. Also, having this information could assist with compliance. Mr. Stanton voted against this provision due to concerns about potentially including the license number. The Commission's vote was 7-1 in favor of the provision.

The Commissioners discussed item C.7, use of dwelling units. There was discussion of the previous comments regarding the concern of better address the prohibition of having multiple parties occupying the same STR concurrently. Staff indicated it would work to make this language clearer and be clear in terms of occupancy. Staff reminded the Commission that occupancy could be increased in the R-2 and above zones via the conditional use process. Mr. Strodtman was not supportive of the restriction prohibiting multiple parties occupying the STR at the same time. The Commission’s vote on the item was 7-1 in favor of the provision with the noted need for clarity.

Item C.8, how ADUs and STRs were handled, was discussed. Could use either the primary or accessory dwelling as the STR, but registration paperwork needed to be clear about which unit was being used as such. Commissioner’s supported the provision with a vote of 7-0.

Item C.9, signage, was discussed. The signage regulations were similar to home occupation, allowed for wayfinding. Signage would be permitted but not required. Commissioner's supported the provision with a vote of 6-0.

Item C.10 was discussed. This was the transfer of rental certificates upon sale. There was discussion that this may be a valuable addition to property. The new ownership would need to be updated in a defined time window, per the discussion previously on how other changes would need to be provided. If owner occupancy changed, there would potentially be a change in the STR approval. There was concern that legal issues would arise if the transfer provision was removed or any conditional use rights were taken away. These concerns would be reviewed by Mr. Caldera and addressed within the final draft regulations.

Ms. Burns felt that rental certificates should not transfer upon sale, and that new property owners would need to start fresh with the registration process. The Commissioner’s vote on this item was split 2 in favor, 2 against, and 2 undecided. It was determined that staff would gather more information and come back with revised language for the Commission to review again.
Item C.11, the revocation of certificates of rental compliance, was discussed. Mr. Caldera described the due process requirements. The benefits of having to go through a conditional use process after revocation were discussed. Commissioner’s voted 6-0 in favor of this provision.

Ms. Loe and Mr. Zenner discussed options for next steps. There was some need for revisions and legal research, but there was more consensus now in terms of how to revise the March 1 draft. Staff could do a clean-up based upon the Commission’s comments and put tougher a new draft for Commission and public review. The Commissioner’s agreed they would review the updated draft at the September 5 work session.

Following this work session, if there were any additional revisions, staff could incorporate them and publish a final public hearing draft. Staff anticipated that the final draft would be on the Commission’s September 19 agenda and would allow for public comment. A formal public hearing would then be scheduled for the Commission’s October 10 meeting.

VII. NEXT MEETING DATE

Mr. Zenner said the Commission could expect two old business items to come back soon for a public hearing, the proposed UDC text amendment for the placement of street trees, and the Rock Quarry Stakeholders Report. He said they would also restart work on the Comprehensive Plan at work sessions in September.

VIII. ADJOURNMENT

Meeting adjourned approximately 7:34 p.m.