

Scenarios for Allowing Short-term Rentals in Residences

1. Allow with Conditional Use Permit (current policy). Pro: Greatest control over land use impacts. Con: Cost of compliance for owners may be prohibitive, discourages economic development.
2. Take a laissez-faire approach, make STRs legal and require only a Business License. Pro: Minimizes regulatory burden and cost of entry. Con: Least control over land use impacts.
3. Hybrid (combination of 1 and 2):
 - a. Business license
 - b. Dwelling must either be owner's (or family member's) primary residence
 - c. Transient Lodging taxes same as hotel
 - d. Set presumptive fine for violations high enough that it discourages illegal STRs
 - e. Maximum monthly stays per unit
 - f. Limit on number of guests
 - g. Inspection requirements
 - h. Allow in residential zones only
 - i. City-wide quota
 - j. Parking Requirements

Current Policy:

Two different standards- "Bed and Breakfast" and "Vacation Rentals"

Bed and Breakfast (5-2.2.100.C):

- Must be owner-occupied
- Maximum 4 bedrooms/8 guests
- Allowed outright in Commercial Zones
- Business license required
- Conditional Use Permit Required in Residential Zones
 - Notice to neighbors
 - Public Hearing
 - Planning Commission Approval

Short-term Vacation Rental (5-2.2.100.I):

Same as B&B requirements except...

- Not permitted in commercial zones (even with CUP)
- No requirement for residency
- Must provide 2 off-street parking spaces in the same lot as the rental unit
- Maximum occupancy of one person per 200 square feet & not more than 16 people