



August 5, 2022

FOR YOUR INFORMATION

To: Mayor and Members of Council
From: Maraskeshia S. Smith, City Manager
Subject: Short-Term Rentals Program Update



Staff has prepared a list of frequently asked questions (FAQs) in response to constituent inquiries related to the proposed urgency ordinance which will be presented to Council on August 9, 2022. This information is also available on the City's [short-term rentals website](#).

1. Will the proposed cap apply to hosted short-term rentals (STRs)?

The proposed cap would not apply to hosted STRs.

2. Does the proposed cap eliminate the 1000' separation requirement between new non-hosted STRs?

The proposed cap would not eliminate the 1000-foot separation requirement between new non-hosted STRs (which is any applicant that does not qualify as an operator in good standing).

3. What is the basis for the 215-cap proposed for non-hosted STR Permit issuance?

A cap of 215 was chosen to accommodate all non-hosted STR applications in the queue at the time the Urgency Ordinance was drafted as well as a "cushion" to allow acceptance of applications through the Council hearing date (August 9, 2022). Staff will provide the Council with a current tally of in process non-hosted STR Permit applications at the August 9, 2022, public hearing. The Council may choose to adjust or even eliminate the cap.

4. Will the cap impact existing non-hosted STR Permit applicants?

If adopted, there would be a cap on the number of non-hosted STR Permits that can be issued. Staff recommended the cap at a number that would allow all existing applications to continue being processed. All applications that are currently in the queue will continue to be processed and those which meet all requirements will receive a STR Permit.

5. According to the City's Permit Search Tool, as of 7/17/22, 189 Non-Hosted STR Permit applications have been submitted, which includes applications in all stages of processing - submitted (1), accepted (56), under review (54), issued (78) and denied (4). This reflects less than 215 Non-Hosted STR Permit applications.

The Permit Search Tool indicates the number of *parcels* for which a STR Permit application has been submitted. If a parcel has more than one STR Permit application in process (e.g., a Unit A and Unit B, or in the case of multi-family development), the parcel is counted only once. Note



that approval of more than one STR Permit per parcel in these scenarios may be possible if all applications have been submitted by operators in good standing (who are not subject to the 1000-foot separation requirement).

Adding the 101 non-hosted STR Permit applications that are currently in process and potentially approvable to the 96 non-hosted STR Permits that have been approved/ issued results in 197 potential non-hosted STRs. Based on this data, an additional 18 non-hosted STR applications could be submitted and approved under the proposed cap. It is also possible that some non-hosted STR permit applications currently in process could be withdrawn or denied. This would further increase the number of new non-hosted STR Permit applications that could be accepted and ultimately approved. The Council has full discretion to adjust the cap; including having it reflect the number of non-hosted STR Permits issued and non-hosted STR Permit applications in the queue as of August 9, 2022.

6. Can Code Enforcement begin to issue violation notices and fines to:

- **New Operators that are advertising and operating without a permit, and**
- **STR that simply advertise and operate without even applying for a permit?**

The Code Enforcement team is working with the City Attorney's Office to determine how to best enforce these situations. Note that Code Enforcement Officers have continued to investigate all complaints related to STR operations without a permit.

7. Making effective longer term "permanent" ordinance changes will require that previously issued permits (permissions) be revoked. Since this is likely a difficult pill for many to swallow, discussions about that general concept should begin early on. What are your thoughts about that?

Staff continues to collect feedback and suggestions which will help to inform discussions around a more comprehensive suite of amendments that are anticipated for spring 2023. After Council action on August 9, 2022, staff will develop a community engagement strategy for this fall and winter with plans to return to the Economic Development Subcommittee early next year. This plan will allow staff to present to the Economic Development Subcommittee the lessons we have learned from the initial permitting and code enforcement process, and from ongoing community engagement. Staff will draft additional amendments following Economic Development Subcommittee direction.