



Mary Davis

Division Director, Housing &amp; Community Development Division

**TO:** Councilor Duson, Chair  
Members of the Housing and Community Development Committee

**FROM:** Mary P. Davis, Division Director  
Housing & Community Development Division

**DATE:** October 22, 2018

**SUBJECT:** Order 67-18/19 Amendment to Chapter 6 Re: Short Term Rentals  
("automatic right to renew" for registered mainland, non-owner occupied short-term rental units that renew prior to January 1.)

The Housing Committee met on July 31, 2018 and voted unanimously (2-0 Cook absent) to forward this proposed amendment to the City Council with a recommendation for passage. Order 67-18/19 received a second reading on September 17; council action was postponed to the first council meeting in November to allow the Housing Committee to complete their work on a package of amendments to Chapter 6, Article VI, Residential Rental Unit Registration Requirements, as it applies to Short-term Rental Units.

The amendments being considered by the Housing Committee may cover some of the issues contained in the amendment mentioned above. It is anticipated that the package of amendments regarding short-term rentals will be ready for council action on November 19.

Therefore, the Housing Committee may consider a recommendation to the City Council that action on this item be postponed to November 19, along with a recommendation that the City Council not approve the Amendment outlined in Order 67-18/19 in favor of the more amendments currently being considered by the Housing Committee.

**MEMORANDUM**  
**City Council Agenda Item**

**DISTRIBUTE TO:** Jon Jennings, Ethan Strimling, Michael Sauschuck, Sonia Bean, Nancy English, Danielle West-Chuhta, Deivy Periana

**FROM:** Planning and Urban Development and Housing and Community Development

**DATE:** August 17, 2018

**SUBJECT:** Amendment to Chapter 6 section 6-154, Allocation of Short Term Rentals

**SPONSOR:** Housing Committee, Councilor Jill Duson, Chair

The Housing Committee met on July 31, 2018 and voted unanimously (2-0, Cook absent) to forward this item to the City Council with a recommendation for passage.

**COUNCIL MEETING DATE ACTION IS REQUESTED:**  
**1<sup>st</sup> reading September 5, 2018 Final Action September 17, 2018**

**Can action be taken at a later date:**  Yes  No (If no why not?)

**PRESENTATION:** Staff will be available for presentation

**I. ONE SENTENCE SUMMARY**

The Housing Committee voted to recommend changes to clarify the ordinances with respect to the renewal of non-owner occupied, mainland short term rental units, which are subject to the 300 unit city-wide cap, to ensure an automatic renewal process and clarify that the lottery process is only available if there is a waitlist for registrations.

**II. AGENDA DESCRIPTION**

Chapter 6, Article VI of the City Code governs the registration of both long term and short term rentals, and § 6-151(a)(1) requires that rental units must be registered and renewed annually. The ordinance imposes a cap on mainland, non-owner occupied short term rental units, limiting the number of registered units in the City to 300. Section 6-154 describes the allocation of registrations for non-owner occupied mainland short-term rental units as on a “first come, first registered basis,” but also provides that “The City Manager or his or her designee may institute a lottery process at his or her discretion.”

The proposed amendment to § 6-154 adds an “automatic right to renew” for registered mainland, non-owner occupied short term rental units that renew prior to January 1. It also clarifies that the lottery process will only be used to choose applicants off a waitlist once the 300 cap is met. If an existing registration is not renewed by January 1, the applicant would forfeit his or her automatic right to renew. However, registration would still be available if the 300 cap had not been met or if the application was chosen off the waitlist.

If the non-owner occupied mainland short-term rental unit registrations are not automatically renewed, there is the possibility, as the short-term rental industry grows, that valid registered units may not receive renewal under the current first-come, first-registered process or under the lottery process. This change gives owners certainty about their ability to continue operating, so long as they renew in a timely fashion.

### **III. BACKGROUND**

Housing Committee Chair Duson introduced this amendment to the Housing Committee on July 31, to add an “automatic right to renew” for registered mainland, non-owner occupied short term rental units that renew prior to January 1, and to clarify that the lottery process is only available if there is a waitlist for registrations.

### **IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED**

The intended result is to amend the existing ordinance to ensure an automatic renewal process for non-owner occupied mainland short-term rental units.

### **V. FINANCIAL IMPACT**

**Not applicable**

### **VI. STAFF ANALYSIS AND BACKGROUND THAT WILL NOT APPEAR IN THE AGENDA DESCRIPTION**

### **VII. RECOMMENDATION**

On July 31, 2018 the Housing Committee voted unanimously (2-0, Cook absent) to forward this item to the City Council with a recommendation for passage.

### **VIII. LIST ATTACHMENTS**

Red lined version of current and proposed changes to Chapter 6, Article VI, section 6-154

**PLEASE REMEMBER THAT BACKUP ITEMS HAVE TO BE SINGLE SIDED.**

Prepared by: Victoria Volent

Date: August 17, 2018

### **Current Ordinance; Section 6-154**

Sec. 6-154. Allocation of Short Term Rentals.

The limitations on the allocation of short term rental units identified in section 6-153(b) shall be allocated each year on a first come, first registered basis. Once the total number of units identified in section 6-153(b) has been reached, a waitlist will be formed to help gauge market demand. The City Manager or his or her designee may institute a lottery process at his or her discretion.

### **Proposed Amendment to Section 6-154**

~~The limitations on the allocation of~~Non-owner occupied mainland short term rental ~~units~~ registrations, which are limited ~~identified in~~by section 6-153(b), shall be allocated ~~each year~~ on a first come, first registered basis. Once the total number of units identified in section 6-153(b) has been reached, a waitlist will be formed to help gauge market demand. The City Manager or his or her designee may institute a lottery process at his or her discretion to allocate any registration that becomes available after the formation of the waitlist.

Valid non-owner occupied mainland registrations may be automatically renewed each year upon application and payment of the registration fee, so long as the renewal is complete by January 1 of that year. Failure to renew by January 1 shall result in the forfeiture of the automatic right to renew the registration of a unit, and re-registration shall only be available if the limitations in 6-153 (b) have not been reached, or if the applicant is chosen off of the waitlist.