

CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** October 13, 2025

SUBJECT: TR25-05, Ordinance No. 3922, Public hearing and consideration of city-initiated text amendments to Sections 118-1, 118-631, and 118-633 for the purpose of considering the addition of short-term rental housing use and additional short-term rental regulations. CONTINUED FROM THE SEPTEMBER 8, 2025, CITY COUNCIL MEETING.

PRESENTER: Cori Reaume, Director of Planning

SUMMARY:

This item is a continuation of the public hearing originally opened and conducted on September 8, 2025 to consider amending the City's zoning ordinance for the purpose of adding a short-term rental use definition, adding a new use to the permitted table of uses, and identifying any specific districts or conditions under which such new use may operate.

GENERAL DESCRIPTION:

The September 8th public hearing on this topic was extended to this meeting in an effort to allow for a thorough review of the public input received as of that time. Staff presented a number of proposed changes to the draft ordinances during a work session held on September 22nd.

At this time, the City Council will continue the public hearing, and consider action on establishing the new use, identifying which districts in which short-term rentals may be permissible, and establish conditions under which they may operate.

As a part of the zoning ordinance, the City has outlined a process by which any short-term rentals in operation on the date of the ordinance's passage may be permitted to continue operating. The proposed ordinance indicates a requirement to complete an initial registration by January 31, 2026. This would include submission of an acceptable application which complies with all established STR regulations, a successful inspection, and compliance with the City's hotel occupancy tax requirements.

As part of the initial registration process, all STR operators will be required to provide proof of payment for any applicable hotel occupancy tax owed to the City. Alternatively, the STR operator may provide proof of an approved payment arrangement for payment of back taxes.



A recap of the remainder of the ordinance is outlined below:

Section 118-1 – “Definitions” would be amended to include the following:

Short-term rental (STR) means a dwelling that is:

- (1) *Used or designated to be used for residential purposes, including a single-family residence or a unit in a multi-family residential building;*
- (2) *Rented wholly or partly for a fee; and*
- (3) *Rented for periods of less than 30 consecutive days.*

As shown in the graphic below, short-term rentals would be permitted in the following districts: R7-MF, C-1, C-2, Town Center Neighborhood Core, and Town Center Neighborhood Center. **The Planning & Zoning Commission on September 4, 2025 recommended removal of the Town Center-Neighborhood Center from the permitted districts below.**

		SECTION 118-631: TABLE OF PERMITTED USES																					
[#] = Conditions. Reference Section 118-633 for specific conditions to listed uses. P = Permitted by Right S = Special Use Permit Required [Blank] = Not Permitted NP = Not Permitted B = Defers to Base Zoning District A = Ancillary	Conditions	RESIDENTIAL DISTRICTS							NON-RESIDENTIAL DISTRICTS							TOWN CENTER							
		RE-1 & RE-2	R-1	R-2	R-3	R-4-D	R-6-T	R-8	MH-1	R7-MF	O-1	LR	C-1	C-2	OC	I-1	I-2	U	AG	TC-Edge	TC-General	TC-Center	TC-Core
H. COMMERCIAL USES																							
Short-term rental	31								P			P	P								P	P	

If approved, this ordinance would allow short-term rentals to operate in either single-family or multi-family properties within the identified zones, or in the case of C-1 and C-2, in existing legal nonconforming single-family homes.

The conditions column (31) references additional land use regulations, including a reference to a requirement that short-term rentals comply with other new short-term rental regulations in Chapter 18. For multi-family short-term rentals, STRs can occupy no more than five percent (5%) or 1, whichever is greater, of the total units in the complex.

Along with the proposed zoning ordinance amendment, the City Council is simultaneously considering the aforementioned amendment to Chapter 18. Businesses, Article XII. Rental Housing, to add a new Division 3 which would provide for a registration requirement and other regulations related to short-term rentals. This item will be presented separately.

The regulations outlined in Chapter 18 are generally consistent with previous discussions on the topic, including annual registration and inspections, compliance with maximum occupancies, establishing parking requirements, reinforcing compliance with hotel occupancy tax payments, provision of local point of contact, and other general neighborhood/community protections.



The new regulations will allow for the City to more closely monitor any such properties for violations, and in instances where there have been multiple violations, the City reserves the right to revoke a registration.

Additionally, in separate agenda items, the City Council will conduct a public hearing and consider amendments to the City's Transit Oriented Development portion of the zoning ordinance to consider inclusion of the short-term rental use and designated zoning districts.

Ordinance 3922 includes zoning regulations only for the non-TOD zoning districts. Should the City Council desire to adopt zoning restrictions for both the TOD and non-TOD areas, that may be accomplished most easily through adoption of a consolidated ordinance - Ordinance 3922-B following the conclusion of this public hearing and the public hearing for item C.5.

Public Comment: All public comments received by October 2, 2025 are included with item C.5. Any additional comments received between October 3, 2025 and the time of the meeting will be provided to you at the meeting.

Planning and Zoning Commission: The Planning & Zoning Commission conducted an initial public hearing on September 4, 2025 and recommended by a vote of **5-0** for approval of the proposed ordinance, with the following changes: Removal of the 50-unit minimum for multifamily STRs, modification of the multifamily STR cap to "5% or one, whichever is greater," and removal of the Neighborhood Center character zone from the use table.

RECOMMENDATION:

Conduct and close the continued public hearing.