

**MINUTES OF THE SPECIAL MEETING
OF THE AMES CITY COUNCIL**

AMES, IOWA

FEBRUARY 20, 2018

The Ames City Council met in special session at 6:00 p.m. on the 20th day of February, 2018, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor John Haila presiding and the following Council members present: Bronwyn Beatty-Hansen, Gloria Betcher, David Martin, Amber Corrieri, Tim Gartin, and Chris Nelson. *Ex officio* Member Rob Bingham was also present.

Mayor Haila advised Council and the audience that no action will be taken at this meeting. This is purely a conversation and dialogue. The only motions made tonight will be on language or actions brought back to staff. Mayor Haila asked the public to not repeat the same argument and to refrain from any negativity. Compromise will be required with this issue. The objective tonight is to address some of the issues that were brought to the Council's attention. The Ordinance as written now is available online.

RENTAL HOUSING ORDINANCE: Building Official Sara Van Meeteren stated that the first issue is whether there will be an increase in bedrooms allowed after the moratorium is lifted. The current Ordinance states that an owner is limited to the number of bedrooms that are recorded as of January 1, 2018. The moratorium that is in place prohibits the properties within the moratorium from pulling a building permit. If the goal of the Council is to prevent the increase in occupants one way is to prohibit any building permits that would increase the number of bedrooms. This would be difficult for staff to try to determine what the owner's intent is with the building permit. The other option would be to allow building permits to be pulled for anything, but freeze the number of adult occupants. Bedrooms could be added but, the number of adult occupants is still frozen to the number as of January 1, 2018. No action by Council will result in this scenario.

Ms. VanMeeteren added the option if Council approved the increase of occupants. That would mean that a building permit could be pulled to increase the number of bedrooms and adult occupants. There will still be a cap of five adult occupants. Items that need to be considered if that is done is whether Council will allow the expansion of the footprint of the structure, enclosure of existing parts of the house such as porches or decks, and whether to allow conversions; rooms that are not currently a bedroom but by adding a smoke detector or other small features it could be used as a bedroom but no structural changes.

Council Member Martin inquired if the number of occupants and or bedrooms for a property could change from the sale of that property. Ms. VanMeeteren responded that the sale alone does not change that. If a Letter of Compliance is removed and then reapplied for the first inspection would determine number of bedrooms and number of occupants.

Council Member Beatty-Hansen asked to clarify if after the moratorium owners have the ability to expand the footprint of the structure, enclose porches, and allow conversions. Ms. VanMeeteren confirmed that could be done. There is nothing to prohibit the type of building permit that can be

applied for.

Building Official Van Meeteren stated that the second issue is similar to the first just dealing with parking. The Council must decide either to allow addition of parking to increase the number of adult occupants or to have it frozen. The decision to have the parking frozen will prohibit the increase in the number of off-street parking spaces. There may be more bedrooms in the house than parking spaces, but the number of occupants could not increase because the parking spaces are not available. Currently the Ordinance states after the moratorium is over an owner can add parking. Another option is to allow additional parking, but freeze the number of occupants.

Ms. VanMeeteren continued with the option of Council allowing for additional occupants. Council could allow unlimited number of spaces or put a cap on it and allow for the increase in occupants. This can still be difficult for some owners because Zoning Ordinances are still in affect. Planning Director Kelly Diekmann added that Zoning Ordinances are the most stringent and front yard parking is not permitted in any zone. Low-Density neighborhoods also have a 60% coverage restriction. Ms. VanMeeteren noted that if Council would allow for the increase in parking it would be necessary to know of any preference on how people would be able to park in the rear yard or alley.

City Attorney Mark Lambert stated that Issue #3 is dealing with a minor becoming an adult while living with family while renting and the definition of adult. The language that has been used is defining an adult generally and 18 and older, but for the purpose of this Ordinance a dependent of an adult who resides at the same address would not be considered an adult. Council Member Martin inquired about how to define dependent. Mr. Lambert stated that it could be defined like the IRS, once the person turns 24 he/she is no longer a dependent. Dependent could also not be defined and deal with each situation. This would also affect the situation of elderly parents. Council Member Gartin asked who would decide if a person constitutes as an adult or dependent. City Attorney Lambert stated that the City would have to make a determination.

Director Diekmann stated Issue #4 is whether the desire is to establish overlays for rental concentration or another method of separation. There are a couple of choices that could be made for rental concentration. Some options are a City Council Zoning action, an application process from a neighborhood petitioning the Council, or establish separation requirements based on zones.

Ms. VanMeeteren introduced Issue #5 being whether the Ordinance should apply City wide or just to certain zones. Initially the Ordinance was to be in just RL zones, but the Ordinance at this time is City-Wide with no overlay. This is easier to educate the citizens. Council Member Gartin interjected that there is not enough data to show the rental issues are affecting all neighborhoods. There will need to be a balance. Ms. VanMeeteren suggested to meet in the middle with an overlay. This would be applied wherever Council deems necessary. The problem is to have to decide what happens to the areas outside of the overlays. Decisions on whether the outside areas would be more or less restrictive.

Council Member Martin understood the Ordinance drew distinction between RL and RM zones. Director Diekmann clarified that the Ordinance states that the single-family building is the same throughout the City, but if an apartment building or dwelling house it will be the plus one more than

number of bedrooms up to five. Dwelling house is a single-family home that could be populated with up to five people if the increased parking could be provided and the standards are a bit different. If the standards are met, one or two more people could reside there. Ms. VanMeeteren noted that if in RM or RH a property owner could designate the house as a dwelling house.

Building Official Van Meeteren addressed Issue #6 penalties that should be imposed against property owners for multiple Rental Housing Code violations. The first option divides penalties and violations into two different types. Simple misdemeanors are noise and public nuisance calls that the Police Department handles. The second category is nuisance violations those are things handled by Inspections on how the property is used; garbage, furniture, over occupancy, and parking. This does not include structural things that would be looked at during a normal inspection; such as a loose railing or peeling paint.

Ms. VanMeeteren continued to explain a point system for the violations. A cumulation of five points would result in the suspension of their Letter of Compliance (LOC). If the LOC were to be suspended that would evict the tenants. Not to disrupt the current lease Council could make the suspension affective the following August. Another approach to violations would be to apply a tiered-fee system. This would penalize the landlords after so many violations by adding a certain fee to their regular registration fee. The next year would be a higher fee. The LOC could also be suspended or revoked. The third approach is consistent with the current *Municipal Code*. All landlords are started with a four year LOC. If there is a poor inspection the LOC will be cut down a couple of years. The *Municipal Code* allows for a one year LOC if there is an over-occupancy violation. A two-year LOC will be presented if there has been two or more verified property maintenance infractions. This *Code* has not been well utilized. The Final option would be to keep what is in the *Code* and add some of the other options. Staff would like to keep the Ordinance and enforce more. Reports would come back to the Council.

Council Member Gartin expressed concern about pulling an LOC from a landlord. The tenants would have to be evicted which would cause a problem for the landlord to pay the mortgage. Council Member Martin questioned what leverage a landlord would have on the tenants that receive the noise violations. Ms. VanMeeteren responded that some landlords have that covered in the lease. Once so many violations have occurred the tenants would be evicted.

Director Diekmann informed Council of Issue #7 being Short Term Rental (STR). The current Code treats a Short Term Rental as a Bed and Breakfast. There are three ways to consider dealing with Short Term Rentals. The first would be to maintain the status quo - have to get a Bed and Breakfast permit (accessory). In a single-family home someone can rent out up to two bedroom and in higher density a person can rent out up to five bedrooms. Parking must be provided for the guest rooms and go through the Zoning Board of Adjustments. The amount of times renting out a bedroom does not matter, the property would still need to be registered as a Bed and Breakfast. Council Member Gartin asked if there is a requirement that the owner live in the house. Mr. Diekmann answered that the property owner has to be there, because it is considered accessory to that house. There is a requirement that the property owner or homeowner is the applicant for that Bed and Breakfast.

Mr. Diekmann explained the following options:

Option 1 - Create an administrative process that doesn't involve going to the Zoning Board of Adjustments (ZBA) each time. Council would have to decide the particular amount of days that would not be disruptive to a neighborhood and the property would not be run as a full time business. A definition of a Short Term Rental would be established in the Zoning Ordinance, the number of days or stays allowed would be established, and the property would be exempt from the Rental Code because the owner would have a self interest in maintaining the property.

Option 2 - The rental of a whole house with no intent of residing there ever and make available on a Short Term Rental basis is not allowed in the Code. If an owner were to rent a whole house, the average stay must be at least 60 days. That is the tenure that the Zoning Ordinance has described as household living. If the amount of stay is sporadic that would not be considered household living and would be considered hotel/motel use as short term lodging that is not allowed in single-family area because that is a business. There would have to be an Ordinance to allow for whole house rentals, that distinguishes STR from hotels/motels. Staff believes it would be appropriate to add some definitions around STR. Even the use of status quo would probably need to define as a separate use. The addition of an allowance as an accessory use to the primary resident to be able to do some incidental short stays throughout the year. The whole house rental without an owner living there would be different. A Bed and Breakfast could be done everyday of the year which is a business with a homeowner living there. "Homestay" version there would be a limit on the days. If an owner wanted to exceed that number a Bed and Breakfast permit could be applied for.

Building Official VanMeeteren concluded with Issue #8 the exemption of roomers in the Rental Code. This is mostly the issue of parents purchasing a house for child and that child has someone living with them. The current Code exempts owner-occupied dwellings from being registered as a rental. The definition of owner-occupied allows for live in nanny or nurse, exchange student or one roomer. A roomer is a friend living with the child. Two friends would be two roomers and the house would need to be registered as a rental. City Council will need to decide if the philosophy is to reduce unregistered rentals or if the definition of a roomer should be changed. Ms. VanMeeteren suggested that if the desired result is to reduce unregistered rentals there would be a better means to enforce without changing the definition. Changing the definition could have unintended consequences because the friend living with the child is only one situation.

Council Member Betcher inquired about the ability to use consanguinity. City Attorney Lambert stated that the law change states that familial or non-familial status of the tenants as a basis of Rental Code can not be used. The City is using familial status between the owner and their child living there, not between tenants. Ms. Betcher asked if the problem is the use of the consanguinity definition for the owner; meaning if it weren't there and a child were living in the house it would have to be considered a rental. Ms. VanMeeteren confirmed that was correct.

Council Member Corrieri inquired about ways to better regulate the types of homes that are violate the intent of the roomer. Ms. VanMeeteren stated that staff is educating realtors, doing pre-sale inspections and trying to stay up on education and get the word out so owners will know what to do to be in compliance with the Rental Code.

Public Forum: Steve Bock, 661 Xandu Place, Ames, stated he represents the Ames Rental

Association, and believes the new ordinance needs to take place quickly because it impacts many people. He said it is affecting the values of peoples' property, and buyers are concerned about possible restrictions. Council Member Gartin stated that there is a realization that this is causing a lot of uncertainty in the market, and Council is working on a balance for a variety of different interests.

Al Warren, 3121 Maplewood Road, Ames, believes that the City Council should allow some time to pass before the impact of the new Ordinance can be determined. Mr. Warren stated that until the impact on the neighborhoods can be measured, Council should be less restrictive on some issues. He said that a property owner should be allowed to remodel their home, and if a new space is added within the home, it is likely someone will want to occupy it whether the room is labeled as a den or a bedroom. He would rather have the rooms be inspected and approved by the City to ensure safety standards are met than to have the rooms be labeled as something other than a bedroom. Mr. Warren believe roomers should be eliminated, as one would not be able to control the changeover of single-family homes by not eliminating it. He stated that if someone is moving into Ames and renting a home, they are more than likely going to have more than one roommate. If safety is a concern, inspections need to occur. As a landlord, he cares about safety and liability because he does not want to be sued by a renter. He clarified that if a person living in a home and is paying another person to live in that home, it is considered a rental situation.

Nancy Marion, 2226 Jensen Avenue, Ames, stated that she is a realtor and also an owner of several single-family rental homes in Ames. She stated that she is not interested in maximizing occupancy, but rather she is interested in having the best tenants to maintain her rentals. She believes her properties are never identifiable as rentals because they are maintained well. Ms. Marion stated that in 2013, Ames experienced a housing shortage, sparking the interest of small investors owning investment properties, which profoundly affected the real estate market in the community. Due to the increase of costs in single-family homes and the increase of multi-family apartments, many investors are no longer interested in buying property because of the competition. She believes Ames is at a peak, and a downward trend in people buying single-family homes will occur soon. She added that the number of sales going to investors has slowed due to housing prices and supply.

Kelly Junge, 401 East 14th Street, Ames, stated he has an owner-occupied duplex, but will be moving into a recently purchased home nearby. He stated that the duplex will need to become a rental because half of the duplex is currently rented, and the other half is owner-occupied. He asked if there is a City-wide ban on rentals between distances, what chance does a duplex have if it is to be 150 feet away. He added his duplex is located on a corner, and duplexes are also located on the other three corners nearby.

Laurel Scott, 2122 Prairie View West, Ames, informed Council that she felt the term "familial status" was being misused. According to her, the term means that a person has someone under the age of 18 living with them, and the term is protected by the federal government but the term "familial relationship" is not. In the Iowa Code, one cannot discriminate against familial status. Ms. Scott added that when people purchase a home in Ames, they assume they can do such things like add a bedroom, finish space, or use available parking. She believes that a change in the Ordinance harms those people, and does not understand why value can be taken away from dwelling homes, but not

others.

Mr. Gartin explained that in some cases, the value of a home will decline, but that is not the intention. He stated that they are trying to find a solution to benefit the whole community,

Ms. Scott stated that she is on board with benefitting the whole community, but feels some of the things being put forth are too restrictive, for example, parking in neighborhoods that are not near campus. She believes there has never been an issue with parking in those neighborhoods and it would be cost prohibitive to homeowners in those neighborhoods to add parking. She would like the restrictions to be tailored to the neighborhood, and not have them community-wide.

Bart Baudler, 14751 Wildwood Drive, Clive, stated that a year ago, he purchased a home on Pearson Avenue, where his son currently lives. He stated his concern is about the recorded number of bedrooms. He feels that homes should be reviewed thoroughly to accurately list the number of bedrooms. Owners may have a different opinion as to how many bedrooms are in their rental. Mr. Babler also asked for the consideration of driveway improvements.

Shannon Stack, 1613-24th Street, Ames, stated her and her husband began renting out the basement in the home last October as an Airbnb, and have received a lot of positive feedback. She explained that it allows for guests to visit Ames at a cheaper cost than a hotel, and it gives back to the community. The Airbnb also allowed her to provide a second income for her family while having an illness and being a stay-at-home mom. She stated that she is willing to pay for inspections and any necessary certificates to continue. Ms. Stack is in favor of Airbnb in Ames.

Ryan Houck, 65697-190th Street, Nevada, stated that he owns several duplexes in Ames and has hosted a registered, non-owner-occupied Airbnb rental. He feels there is a need for Airbnbs, and explained the wide range of guests he has hosted. He stated that he takes pride in what he does, and believes he is offering a safe place for guests to stay and helping them feel like a native of Ames. He added that although he has a non-owner-occupied rental, he does have a letter of compliance.

Leslie Kawaler, 2121 Hughes Street, Ames, stated she is speaking on behalf of SCAN, and asked that the email sent on February 15 be included in the minutes of the workshop. She said their neighborhood has been described as having family-oriented dynamic and being relatively owner-occupied for years, and is fighting to maintain that. She stated that SCAN has never viewed rentals as negative, but believes rentals become problematic for low-density neighborhoods only when there are too many rentals housing too many occupants in one specific area. She said that if rentals trickled out of the dense campus areas into surrounding areas, there would be a positive outcome for all neighborhoods. SCAN has submitted a map of their requested overlay, and also is requesting for a freeze on the addition of bedrooms for occupancy in rental units, no additional parking spaces, and annual rental inspections. SCAN's short term goal is to prevent further conversions of owner-occupied homes to rentals in already out-of-bounds neighborhoods.

Sandra McJimsey, 2236 Storm Street, Ames, stated she is speaking on behalf of SCAN, and believes there is an imbalance that threatens the stability of their neighborhood. The imbalances could be addressed through an overlay, and standards are needed to restore a balance that would stabilize the

neighborhoods well into the future, and to also preserve and ultimately reverse the dwindling supply of affordable owner-occupied housing. SCAN urges the standards regarding parking and bedrooms are kept in order to maintain the character of the neighborhood.

Barbara Pleasants, 516 Lynn Avenue, Ames, stated she is President of SCAN. She stated that SCAN should be treated as one entity in opposing any rental cap. The current level of over 40% rental properties, is past the point where a minimum distance between rental properties or a cap for each block would be appropriate. She urges a 20% cap for all of SCAN as a unit, with the result that there be no further conversions of owner-occupied to rental allowed, including parent-purchased properties. This would need to be an action by Council. She commented the cap would help to stabilize the neighborhood, and also suggested extending the current moratorium in Campus impacted areas in order to work out the details.

Becki Christianson, 304 E. 16th Street, Ames, stated that she has been an Airbnb host for almost a year. Ms. Christianson has met many great people and enjoyed being a host. She explained how reviews can be given by both the guests and host. She further requested that Council work with the hosts when developing policies.

John Wolseth, 241 Village Drive, Ames, stated that he is representing College Creek/Old Ames Middle School Neighborhood Association. He commented the neighborhood agrees with SCAN's proposal. He added that if an overlay is put into place without a mechanism of moving rental-occupied homes into an owner-occupied sphere, then there is no reason for discussion because neighborhoods like his will never reach a balanced level. He said the letter of compliance would be inherited with the property, and therefore, create an artificial situation in which those rentals will continue to have greater value on the market than those that do not. He clarified that he would like the letter of compliance to end whenever there is a transfer of title, and the overlay rental percentages be put into place for an entire neighborhood rather than by block. Mr. Wolseth also clarified that is speaking on behalf of the steering committee of the neighborhood association, and does not have a formal position statement from the whole association.

Tam Lorenze, 311 South Maple, Ames, stated that students are not bad; students are valuable. The entire City of Ames benefits from the students and should also bear the burden. Certain areas of the town or certain neighborhoods should not be excluded from having students there. An overlay is not necessary.

Joanne Pfeiffer, 3318 Morningside Street, Ames, emphasized the importance of having a balance of owner-occupied and rental dwellings in neighborhoods. She noted that the data collecting came back that owner-occupied is needed in the College Creek/Old Middle School neighborhood.

Paul VonTersch, 2122 Prairie View West, Ames, stated that he owns a couple of properties in Ames. Mr. VonTersch commented that his property does have a current LOC but the driveway is not wide enough. His concern is that he will not be able to make improvements and whether his property could continue to be a rental. Council Member Beatty-Hansen stated that current rentals are able to be grandfathered in. He added that rental regulations should not be placed on areas where there is not many rentals. Mr. VonTersch did not understand the tying of parking spaces with occupancy.

He is also not in favor of the suspension or removal of the LOC. The problems with tenants that violate the rules should not affect the landlord's future tenants. Mr. VonTersch's opinion is to stay with the current fining of reducing the amount of time in between inspections.

John Engleman, 3312 Cedar Lane, Ames, encouraged the Council to create an Ordinance to regulate Airbnbs. He said this is happening in Ames and it should be regulated; maybe there should be a percentage of those allowed in certain areas.

Tony McFarland, 323 5th Street, Ames stated his concerns with confirmation of grandfathered parking situations. Council Member Beatty-Hansen confirmed that parking would be grandfathered. Ms. VanMeeteren state that properties with current LOCs would be able to grandfather in the parking situation.

Mr. McFarland stressed his uncertainty with the elderly parents situation and other special circumstances. He realizes that it was stated it would be case by case, but doesn't feel like he has a basis to start off of. Mr. McFarland is in favor of letting the free market balance the rentals.

Rebecca Mills, 1015 Roosevelt, Ames, advised Council that when there is a violation, there is a delay as to when She advised that if there is a violation, there is a delay as to when the owner receives notice of it and getting certified mailings out. Ms. Mills is in favor of personal responsibility to the residents. She would like the City and owners to be on the same side.

Ralph Ring, 1606 South Duff, Ames, stated that he feels students are labeled as the "rental concentration issues." There is a need for rental properties around ISU. Let the free market work. Mr. Frame thinks that the laws that the City already has should be enforced. He noted that sometimes over-reactions have unintended consequences.

The meeting recessed at 8:08 p.m. and reconvened at 8:22 p.m.

Council Member Gartin suggested that Council approach this by first discussing whether this ordinance should be City wide or just for the areas under the moratorium. Mr. Gartin stated that he felt a need to tailor the Ordinance back to the neighborhoods highly affected under the moratorium. Council has not received data that supports community-wide rental occupancy issues. Council Member Corrieri asked if that comment was to mean that there should be no occupancy limits in the other neighborhoods. Council Member Gartin responded that neighborhoods outside the Campus area need attention too, just separate from the moratorium neighborhoods.

Director of Planning Kelly Diekmann and Planner Julie Gould identified the areas that are included in the moratorium. He noted that a map is able to be seen online for moratorium boundaries. Planner Gould stated there are official Neighborhood Associations that are identified on the City's Neighborhood Association Map. They are active and the City has a contact for them.

Council Member Betcher conveyed that there has to be regulations for all single- and two-family properties. The moratorium area will need different restrictions than the neighborhoods outside of Campus, but there will be an unbalance of rentals if both areas are not restricted in some way. If the

restrictions are similar with not much distinction, then it may not be any more beneficial than having the Ordinance be City wide and City staff educate the citizens on what the Ordinance is and what it means. *Ex-Officio* Rob Bingham stated that it needs to be kept simple.

Council Member Beatty-Hansen reiterated a comment from a public speaker that the City is not sure of the effects and may not be for awhile. There will be a time of uncertainty while things play out. *Ex-Officio* Bingham added that because some students have already signed leases for next year, it may be a year and a half to two years before noticing the effects if there are any. Council Member Corrieri added that she is in agreement with balance, but also the need to see how things play out.

Council Member Nelson stated that ideas that work in one part of town may not work in another. There has to be a balance and one that is enforceable. He feels things need to be as simple as they can be.

Council Member Gartin agreed with the need for Ordinances that are easy to enforce. There is not evidence of a problem City wide. Council Member Beatty-Hansen confirmed that the Ordinance now is for RL neighborhoods City wide. Council Member Betcher stated that Council needs to be careful about driving the problems to another area. Mr. Gartin stated that parking challenges are different in one part of town than another. Mr. Bingham said that if there is an overall cap across the City, it would make for easier decisions. City Manager Schainker added that if the Council were to put an overlay on an overlay, it would make it even more complicated.

Council Member Gartin stated that he feels there must be a City-Wide baseline for rental occupancy. City Manager Schainker clarified that to mean that the regulation would apply to all zoning areas throughout the City limitations within a unit. Director Diekmann added that the one-two and three bedroom units all have the same base level occupancy. The four and five bedroom units have to meet both bedroom and parking requirements.

Council Member Nelson inquired about the parking previously approved as City-Wide. Council Member Martin stated that counting the number of rentals is more important than the number of occupants within those rentals. If parking is the issue then parking regulations are needed rather than limiting the occupants. Council Member Nelson stressed this is a way to regulate density.

Council Member Gartin reiterated Council Member Nelson in stating that parking is a lever to minimize density. He feels that occupancy needs to be tied to bedrooms and parking in Campus impacted areas, but there needs to be some flexibility outside of those areas. Council Member Corrieri feels that parking should be dealt with through enforcement and not through rentals. Council Member Martin suggested to explore the control of density in the affected areas through the use of occupancy of the house without talking about parking. Council Member Betcher stated the main goal is not to get the cars off the street, but it coincides. The parking requirement is there for limiting the number of occupants and manage density. If it is across the City, it makes for ease of implementation and education.

Moved by Beatty-Hansen, seconded by Corrieri, to direct staff to modify the Ordinance to maintain the parking requirement in the moratorium areas only.

Council Member Martin asked how many properties would benefit from having four or five parking spaces in the moratorium area. Building Official VanMeeteren stated that she felt it would be minimal but the only data is from the SCAN Neighborhood. Mr. Martin stated that data is needed to decide if outside the moratorium it is not needed to have parking to be an input to the number of occupants in a unit, then determination with data within the moratorium area that it has minimal impact it could be simplified. City Manager Schainker clarified that there are no other parking requirements outside of the moratorium. City Member Corrieri confirmed. Director Diekmann summarized that the motion is that in the moratorium areas follow the parking and bedroom requirements as they exist in the Ordinance today. Outside the moratorium delete two, four, and five space parking requirements.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Martin, seconded by Gartin, to direct staff to prepare the data within the moratorium area to estimate the number of four bedroom and greater properties that do not have sufficient parking to allow for four or more occupants under the current Ordinance.

Vote on Motion: 6-0. Motion declared carried unanimously.

Council Member Betcher stated that occupancy needs to be limited by bedrooms and that needs to be frozen as of January 1, 2018. She has an issue with enclosing sun rooms and porches for use as bedrooms simply to get more people into the property. Ms. Betcher indicated that she likes the Ordinance the way it is in the moratorium area. Mr. Bingham offered his opinion that there should be an allowance for this with perhaps putting certain regulations or standards on it.

Moved by Gartin, seconded by Beatty-Hansen, to tie the occupancy to the number of bedrooms that were counted as of January 1, 2018, and that number be frozen in the moratorium area only.

Council Member Corrieri stated that she is not in favor of that motion because an owner should be allowed to invest in their property within reason and done safely to increase the value of their property.

Council Member Beatty-Hansen inquired about what happens when the bedroom count varies. Building Official VanMeeteren stated that people were given a certain amount of time to file a discrepancy with the City. If Inspections could not figure out the reason for the discrepancy an inspection was done. A handful of inspections were done. A number is now tied to the property. The bedroom count would be off the inspection now. Mr. Diekmann added the January 1, 2018 cap is on registered rental properties. New rentals are based on a new inspection.

Council Member Betcher stated that she could support the alterations of a house could not alter the existing structure of externals other than adding a new addition or doing an internal reconfiguration. Adding bedrooms would be okay, but not adding occupants in the moratorium area. The ability of adding on and creating more bedrooms makes it more difficult to go back to single-family homes.

Council Member Gartin clarified that the motion is freezing the number of tenants based on the

number of bedrooms as of January 1, 2018, in the moratorium areas only. Council Member Beatty-Hansen confirmed that in non-moratorium areas people will be allowed to add bedrooms and occupants up to the cap of five.

Vote on Motion: 4-2. Voting aye: Betcher, Martin, Beatty-Hansen, Gartin. Voting Nay: Nelson, Corrieri. Motion declared carried.

Moved by Betcher to allow the expansion of the footprint of the structure to be permitted, but not the enclosure of a structure (porch) or renovation of an existing room.

Council Member Betcher withdrew her motion based on the ability to enforce.

Moved by Betcher, seconded by Nelson to not allow the expansion of the footprint of the structure, or the an enclosure of a structure such as a porch in the moratorium only.

Vote on Motion: 3-3. Voting Aye: Betcher, Nelson, Martin. Voting Nay: Beatty-Hansen, Gartin, Corrieri. Mayor Haila voted nay to break the tie. Motion failed.

Moved by Beatty-Hansen, seconded by Corrieri, to direct staff to proceed with the recommendation for the use of the definition of a dependent.

Vote on Motion: 6-0. Motion declared carried unanimously.

City Manager Schainker stated that staff is recommending to come up with an Ordinance for Airbnbs only allowed for only owner-occupied. Council Member Corrieri stated that there should be an allowance for non-owner occupied short-term rentals. There should be a permitting process and fee. Council Member Betcher gave her opinion of the necessity of owner-occupied full house rentals. Director Diekmann advised that Airbnbs collect hotel/motel tax. The tax is collected by the State and sent back to the City. A whole house will be needed to be treated as a rental.

Move by Beatty-Hansen, seconded by Nelson, to allow non-owner occupied buildings to be used for Short Term Rental, but be subject to the Rental Code, and owner-occupied be regulated as “home stays” are administratively approved.

Council Member Beatty-Hansen stated the main reason of having non-owner-occupied rentals being subject to the Rental Code is for safety not numbers. Council Member Betcher inquired on if Airbnbs would be allowed if overlays were in place. City Manager Schainker noted that if there were a vote on concentrations direction for staff would be needed. Council Member Gartin stated that in the moratorium areas Airbnbs will need to be counted for concentration purposes, because of the main goal. Council Member Corrieri asked if that would include owner-occupied. Mr. Diekmann added that the owner-occupied houses for short-term rental would not be registered as a rental.

Vote on Motion: 5-1. Voting aye: Beatty-Hansen, Corrieri, Gartin, Martin, Nelson. Voting nay: Betcher. Motion declared carried.

Council Member Betcher indicated that she would like to redefine owner-occupied to cutout those degrees of consanguinity which would count owners which would lead to the house not being registered as a rental and could cause more enforcement problems than a roomer. *Ex officio* Bingham stated that many students have parents that purchase a home as an investment and will sell when the student has completed college. Not necessarily the best idea to remove this as an option. The approach could come from the enforcement side. Ms. Betcher added that this would just to have a house register as a rental. It is for those that are collecting rent. Council Member Beatty-Hansen added that there may not be that many examples. The problem is a child living with three roomers, then that house should be adhering to the Rental Code. Director Diekmann stated that this will come back to the concentration of rentals in the particular area. Ms. Betcher added that these properties become just as problematic as rentals in creating neighborhood stability. Council Member Gartin reminded the Council to think of other circumstances, other than just students.

Moved by Betcher, seconded by Corrieri, to remove the consanguinity clause from the Ordinance.

Ex officio Bingham asked what the penalties are for these offenders. Council Member Corrieri stated registration of being a rental and a penalty for non-registration. Building Official VanMeeteren stated there is a penalty of \$500 per day once found guilty.

Voting aye: Betcher, Corrieri, Martin. Voting nay: Beatty-Hansen, Gartin, Nelson. Mayor Haila voted aye to break the tie. Motion declared carried.

The Council decided to continue with the status quo for Issue 6 on the approach for imposed penalties. It was noted that by the end of the year, staff will bring back data on the success of stepped-up enforcement.

City Manager Schainker stated that a majority of Council would like to proceed with implementing concentration areas. Staff has identified them as neighborhoods. Council Member Corrieri stated that she feels a robust conversation about what a reasonable percentage is has to happen. Mayor Haila concluded that more work will be done at the Council Workshop on March 20.

Moved by Betcher, seconded by Beatty-Hansen to adjourn at 10:31 p.m.

Diane R. Voss, City Clerk

John A. Haila, Mayor

Stacy Craven, Recording Secretary