AGENDA
SPECIAL MEETING OF THE AMES CITY COUNCIL
COUNCIL CHAMBERS - CITY HALL
515 CLARK AVENUE
MARCH 20, 2018

CALL TO ORDER: 6:00 p.m.

CONSENT AGENDA:
1. Motion approving additional program for Proposed 2018/19 Annual Action Plan for Community Development Block Grant Projects
2. Resolution approving Final Plat for Village Park Subdivision, 2nd Addition

WORKSHOP AGENDA:
3. Continued Discussion of Rental Housing Ordinance

COUNCIL COMMENTS:

ADJOURNMENT:
COUNCIL ACTION FORM

SUBJECT: ADDITIONAL PROGRAM FOR PROPOSED 2018-19 ANNUAL ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS

BACKGROUND:

City Council reviewed feedback from Public Forums and directed staff to proceed with preparing a draft Annual Action Plan at its February 27th City Council meeting. As staff has worked to prepare the Draft Plan, we have determined it would be beneficial to include an Acquisition and Reuse program that was not part of the February 27th discussion. Having the Acquisition and Reuse program allows for the City to acquire properties and make them available as affordable housing. The City typically includes this type of program in its Action Plan.

In addition to adding the program to the planned Activities, a budget for the program must be included. Staff proposes to modify the draft Planned Activities and Expenses provided to City Council on February 27th by moving $125,000 from Homebuyer Assistance and $15,000 from 321 State Infrastructure to the following:

<table>
<thead>
<tr>
<th>Proposed 2018-19 CDBG Program Action Plan Activities and Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homebuyer Assistance Program</td>
</tr>
<tr>
<td>Public Infrastructure Improvements Program for State Ave. (Includes CDBG and GO Bond funds)</td>
</tr>
<tr>
<td>Public Infrastructure Program Delivery costs (Engineering, etc.)</td>
</tr>
<tr>
<td>Renter Affordability (Deposits, 1st Month’s Rent &amp; Transportation, Assistance) Programs</td>
</tr>
<tr>
<td>Acquisition/Reuse Affordability Program</td>
</tr>
<tr>
<td>Total Programming</td>
</tr>
<tr>
<td>2018-19 Program Administration</td>
</tr>
<tr>
<td>Grand Total</td>
</tr>
</tbody>
</table>

Final budget figures will be included with the final plan provided for City Council approval in May.
ALTERNATIVES:

1. The City Council can direct staff to prepare a Draft 2018-19 Annual Action Plan consistent with the programs and preliminary budget described above that includes the Acquisition/Reuse program.

   This action will amend the Draft Annual Action Plan by adding the Acquisition/Reuse Affordability Program for $140,345.

2. The City Council can decline to include the Acquisition/Reuse program as part of the draft Annual Action Plan.

CITY MANAGER’S RECOMMENDED ACTION:

The proposed change provides greater flexibility for the City to address affordable housing needs in the upcoming fiscal year. The intent of adding the program would be to focus on a potential acquisition within the NRSA. Addition of the program at this time will allow for staff to incorporate it into the Draft Plan prior to the 30-day public comment period on the Action Plan. City Council previously established the public hearing date of May 8, 2018 for a final decision on the proposed Annual Action Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby directing staff to prepare a Draft Annual Action Plan that includes the Acquisition/Reuse program.
Attachment A
2018 Public Forums Participant Comments/Feedback
February 5th and 6th

A. Infrastructure Project for State Avenue:
   1. Would be nice to see progress on State Avenue since we are paying taxes and it has been taking so long.
   2. Avoid high density units.
   3. What should the thru road/infrastructure look like-through Tripp Street or not.
   4. Permanent affordable housing.
   5. Actual Brick and Mortar.

B. Renter Affordability Programs (Deposit, 1st Month’s Rent, Transportation):
   1. Deposit and 1st Month’s Rental Assistance-could set some aside or not.
   2. If not funded, need capacity from other funders to fill in the gap.
COUNCIL ACTION FORM

SUBJECT: VILLAGE PARK SUBDIVISION, SECOND ADDITION MINOR FINAL PLAT FOR 2126 COTTONWOOD ROAD

BACKGROUND:

Aurora Heights, LLC, property owner, is requesting approval of a Final Plat for Village Park Subdivision Second Addition, a minor subdivision that would divide Lot 12 of the original Village Park Subdivision, into two new lots (see Attachment A – Location Map). A minor subdivision includes three, or fewer, lots and does not require additional public improvements. A minor subdivision does not require a Preliminary Plat, and may be approved by the City Council as a Final Plat, only, subject to the applicant completing the necessary requirements. Following City Council approval, the Final Plat must then be recorded with the County Recorder to become an officially recognized subdivision plat.

The proposed Final Plat (see Attachment B: Final Plat of Village Park Subdivision, Second Addition) creates a two buildable lots from the Lot 12 at 2126 Cottonwood Road. Lot 12, Village Park Subdivision, is presently occupied by two, multi-family buildings, which were constructed in 2017. Lot 12 includes approximately 5.58 acres and is proposed to be divided into Lot 1 (2.91 acres), and Lot 2 (2.61 acres). Lot 1 is located at 2126 Cottonwood Road Avenue, and will be occupied by two existing multi-family buildings. Lot 2 is located at 3400 Aurora Avenue, and will be occupied by two new multi-family buildings.

Proposed Lot 1 has access off of Cottonwood Road and Aurora Avenue. Lot 2 will have access off of Aurora Avenue. There will not be an internal drive connecting the two lots to allow internal circulation.

Site plans for both Lots 1 and 2 have been approved by the Planning & Housing Department. This final plat was a condition of approval of the site plan for the two buildings to be constructed on Lot 2. Public utilities serve both parcels, and sidewalk has been constructed along the frontage for Lot 1, on Cottonwood Road.

The applicant has provided an agreement for the installation of street trees and sidewalks. The agreement requires the financial security for the sidewalks, which must be installed the earlier of three years or prior to issuance of a Certificate of Occupancy for a house on the lot. The street trees are deferred until occupancy with no financial security required. The proposed lots are also subject to the original Village Park Subdivision and Master Plan requirements for public improvements, common area, and easements. An easement for a Shared Use Path extension from Outlot D through the southeast corner of Lot 2 is included in the Plat to implement the requirements of the prior subdivision and zoning approvals.
After reviewing the proposed Final Plat of Village Park Subdivision, staff finds that it complies with the approved Preliminary Plat, adopted plans, and all other relevant design and improvement standards required by the Municipal Code.

ALTERNATIVES:

1. The City Council can approve the Final Plat of Village Park Subdivision, Second Addition based upon findings that the final plat conforms to relevant and applicable design standards, other City ordinances and standards, to the City’s Land Use Policy Plan, and to the City’s other duly adopted plans.

2. The City Council can deny the Final Plat of Village Park Subdivision, Second Addition if it finds that it does not comply with the applicable ordinances, standards or plans.

3. The City Council can refer this request back to staff or the applicant for additional information. (The Municipal Code requires a final decision regarding Final Plat approval be rendered by the City Council within 60 days of the complete application for Final Plat approval of a Major Subdivision. City Council must approve, approve subject to conditions, or disapprove the Application for Final Plat Approval of a Major Subdivision no later than April 28, 2018, to meet the 60 day deadline.)

MANAGER’S RECOMMENDED ACTION:

City staff has evaluated the proposed Final Plat of Village Park Subdivision, Second Addition and determined that the proposal is consistent with the requirements of the Municipal Code.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as described above.
Attachment B – Final Plat of Village Park Subdivision, Second Addition
Applicable Laws and Policies Pertaining to Final Plat Approval

Adopted laws and policies applicable to this case file include, but are not limited to, the following:

**Code of Iowa, Chapter 354.8** states in part:
A proposed subdivision plat lying within the jurisdiction of a governing body shall be submitted to that governing body for review and approval prior to recording. Governing bodies shall apply reasonable standards and conditions in accordance with applicable statutes and ordinances for the review and approval of subdivisions. The governing body, within sixty days of application for final approval of the subdivision plat, shall determine whether the subdivision conforms to its comprehensive plan and shall give consideration to the possible burden on public improvements and to a balance of interests between the proprietor, future purchasers, and the public interest in the subdivision when reviewing the proposed subdivision and when requiring the installation of public improvements in conjunction with approval of a subdivision. The governing body shall not issue final approval of a subdivision plat unless the subdivision plat conforms to sections 354.6, 354.11, and 355.8.

**Ames Municipal Code Section 23.302:**

(10) City Council Action on Final Plat for Major Subdivision:
(a) All proposed subdivision plats shall be submitted to the City Council for review and approval. Upon receipt of any Final Plat forwarded to it for review and approval, the City Council shall examine the Application Form, the Final Plat, any comments, recommendations or reports examined or made by the Department of Planning and Housing, and such other information as it deems necessary or reasonable to consider.
(b) Based upon such examination, the City Council shall ascertain whether the Final Plat conforms to relevant and applicable design and improvement standards in these Regulations, to other City ordinances and standards, to the City's Land Use Policy Plan and to the City's other duly adopted plans.
(c) The City Council may:
   (i) deny any subdivision where the reasonably anticipated impact of such subdivision will create such a burden on existing public improvements or such a need for new public improvements that the area of the City affected by such impact will be unable to conform to level of service standards set forth in the Land Use Policy Plan or other capital project or growth management plan of the City until such time that the City upgrades such public improvements in accordance with schedules set forth in such plans; or,
   (ii) approve any subdivision subject to the condition that the Applicant contribute to such upgrade of public improvements as the need for such upgrade is directly and proportionately attributable to such impact as determined at the sole discretion of the City. The terms, conditions and amortization schedule for such contribution may be incorporated within an Improvement Agreement as set forth in Section 23.304 of the Regulations.
(d) Prior to granting approval of a major subdivision Final Plat, the City Council may permit the plat to be divided into two or more sections and may impose such conditions upon approval of each section as it deems necessary to assure orderly development of the subdivision.
(e) Following such examination, and within 60 days of the Applicant's filing of the complete Application for Final Plat Approval of a Major Subdivision with the Department of Planning and Housing, the City Council shall approve, approve subject to conditions, or disapprove the Application for Final Plat Approval of a Major Subdivision. The City Council shall set forth its reasons for disapproving any Application or for conditioning its approval of any Application in its official records and shall provide a written copy of such reasons to the developer. The City Council shall pass a resolution accepting the Final Plat for any Application that it approves.

*(Ord. No. 3224, 5-25-99)*
BACKGROUND:
The City Council deliberations regarding Rental Housing Code modifications continued at the February 20, 2018 workshop. At that meeting a number of motions were approved that provided guidance to Staff regarding the Council’s preference for certain modifications to the Rental Housing Code. The purpose of this report is to focus on the following six outstanding issues that have been discussed previously by the Council and, where appropriate, provide recommended ordinance language for the Council to approve on March 27, 2018.

You will note, because the moratorium is scheduled to expire at the end of April, the ordinance language that is being recommended in this report refers to University Adjacent Neighborhoods, rather than Moratorium Areas. (See Attachment A for map of moratorium areas)

ISSUE 1 - OPTIONS FOR RENTAL CONCENTRATION LIMITS

The options regulating rental property concentrations range from separation distances between single-family rental properties to setting a maximum percentage for a defined area that could have registered rental properties. Cities have addressed concentration limits in the context of the whole city or as a neighborhood specific issue.

Percentage Limits

The following table highlights a number of communities that were found to regulate concentration of rental property. From Staff’s cursory review of these ordinances, existing rental properties were typically “grandfathered” and permitted to continue unless they ceased to be a licensed rental property. Some communities’ ordinances were challenged and upheld in court, including Winona and East Lansing.

Table 1. Rental Percentage Limitation Examples

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Restriction</th>
<th>Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iowa City</td>
<td>IA</td>
<td>30%</td>
<td>Zoning Overlay</td>
</tr>
<tr>
<td>East Lansing</td>
<td>MI</td>
<td>0%</td>
<td>Zoning Overlay</td>
</tr>
<tr>
<td>Mankato</td>
<td>MN</td>
<td>25%</td>
<td>Block</td>
</tr>
<tr>
<td>North Mankato</td>
<td>MN</td>
<td>10%</td>
<td>Block</td>
</tr>
<tr>
<td>West St Paul</td>
<td>MN</td>
<td>10%</td>
<td>Block</td>
</tr>
<tr>
<td>Winona</td>
<td>MN</td>
<td>30%</td>
<td>Block</td>
</tr>
<tr>
<td>Northfield</td>
<td>MN</td>
<td>20%</td>
<td>Block</td>
</tr>
<tr>
<td>Berkeley</td>
<td>MO</td>
<td>30%</td>
<td>Block</td>
</tr>
<tr>
<td>Steubenville</td>
<td>OH</td>
<td>0%</td>
<td>Zoning Overlay</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>PA</td>
<td>0%</td>
<td>Zoning Overlay- Non-Owner</td>
</tr>
</tbody>
</table>

Notes: The zoning overlays are for limited areas of a community, whereas the percentage limits appear to be city-wide. Block is most commonly defined as what is understood as a square block. It would include properties bounded by street intersections, but does not include properties across the street. Block sizes would then vary depending on if it was a gridded street system or an area...
Many of the communities that restrict the location of rentals include online resources to identify restricted areas with maps and calculated rental concentrations. For example, here is a link to the Winona map. There was no common basis for setting a percentage limitation between the communities. Often the approach was to identify issues for an area related to loss of single-family home owner occupied housing or for parking, crime, and property maintenance complaints.

**Distance Separation**

Staff also identified that some communities focused their limitation on separation distances rather than percentage limits of rental properties. This approach could be applied to any type of rental property or to a specific type of rental property. Some communities focus the separation standards specifically on a defined use of student housing rentals. This separation approach typically allowed non-student rentals or lower occupant levels of less than three individuals and then restricted locations of student based housing that did not meet these prescribed standards.

Often student housing is a defined use or building type that was only permitted by an exception process with specific review standards. This appears to be a favored approach within Pennsylvania jurisdictions as some of the limitations were litigated and the communities’ ordinances were upheld.

The following table describes separation standards for defined student housing and demonstrate how a separation could be applied to any type of registered rental property.

**Table 2. Rental Limitation- Separation Examples**

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Restriction</th>
<th>Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>State College</td>
<td>PA</td>
<td>9x minimum lot width</td>
<td>Shortest distance lot to lot</td>
</tr>
<tr>
<td>West Chester</td>
<td>PA</td>
<td>20x minimum lot width</td>
<td>Shortest distance lot to lot</td>
</tr>
<tr>
<td>Merion Township</td>
<td>PA</td>
<td>500 feet</td>
<td>Shortest distance lot to lot</td>
</tr>
<tr>
<td>Newark</td>
<td>DE</td>
<td>10x minimum lot width</td>
<td>Shortest distance lot to lot</td>
</tr>
<tr>
<td>Allentown</td>
<td>PA</td>
<td>Limit 2 students or a family</td>
<td>Zoning Overlay</td>
</tr>
<tr>
<td>Greenburg</td>
<td>PA</td>
<td>500 feet</td>
<td>Shortest distance lot to lot</td>
</tr>
<tr>
<td>Altoona</td>
<td>PA</td>
<td>250 feet</td>
<td>Shortest distance lot to lot</td>
</tr>
<tr>
<td>St. Paul</td>
<td>MN</td>
<td>150 feet</td>
<td>Shortest distance lot to lot</td>
</tr>
</tbody>
</table>

**Establishing Concentration Limitations For Single Family Rental Properties**

From Staff’s review of literature on single-family rentals and the examples cited above, there is no consensus on what is an appropriate balance of homeownership and rental properties in a single-family area. Therefore, it appears most cities analyze their individual community needs and try to stabilize neighborhood
change with uniform rental concentration limitations. Even across Ames, there is wide disparity between individual blocks and neighborhoods on rental concentration.

To assist in the discussion of potential geographic boundaries and percentage limitations, Staff has provided maps and tables for both the current Moratorium Area (Attachment A) and other similarly situated central Ames neighborhoods (Attachment B). This data includes concentration levels based upon both total number of registered rental dwellings in an area, regardless of zoning, and separately as the concentration of rental dwellings within only a single-family oriented zoning district.

Based upon a review of single family rental properties across the city, limiting rentals to 20% in a defined area by zone would match our general levels of concentration in RL citywide. The ratio would be somewhat higher if factoring all types of zoning districts, such as RM. Setting a 20% ratio would likely be the lowest justifiable percentage limitation based upon the current mix of rental properties in the single-family oriented areas. Setting a standard at 25% or 30% would allow for some flexibility for areas that are near 20%, but would still protect many of the most impacted neighborhoods.

When setting a concentration limit it will be important to define if the standard within a defined area is calculated on the total number of rental dwelling units, total rental dwellings units within specific zoning districts, e.g. RL, UCRM, etc., or by rental dwelling types, e.g. single family, duplex, etc. Staff believes the best approach for evaluating concentration is to account for all rental dwellings within a specific zone that is intended principally for single-family use. For example, in Oak Riverside the RH zoned properties would not count towards the rental concentration limit and only those registered rental dwellings within the UCRM zoning district would count towards the concentration limit. This approach would result in concentration limits based upon RL, RM, and UCRM as shown on the tables and maps provided as Attachments A & B. If concentration limitations were established city-wide it would include FS-RL, F-PRD, Village, and FS-RM.

Much of the discussion on concentration limits has been in relation to the current moratorium areas. As City Council decides whether to initiate a concentration limit, it would be worthwhile to also review the other similarly situated central Ames neighborhoods (Attachment B). Many of these neighborhoods, such as the neighborhood along Ross Road, are close to campus. Additionally, many of these neighborhoods are also at a high level of rental property concentration, such as Old Town. Staff has some concerns if the concentration limits are applied to only the moratorium areas that the effect of buying homes for rental purposes will likely spread to the next tier of neighborhoods around campus that offer affordable purchase prices and have good access to campus from either walking or riding a bus.

Options For Defining The Concentration Areas

- **Citywide Definition**
  The City can define a uniform standard of a “block” for establishing the rental percentage limitation. Following the block model would mean areas as bounded by streets would be the defined block. The size of these blocks will vary across the City. In older gridded street blocks this may include a typical square block of
approximately 16 properties while in newer areas with fewer intersections, such as Northridge, the block area could exceed 60 properties.

Under this option the standard would likely be put into the rental license standards rather than as a zoning standard. This option would be consistent with the Winona example.

- **Property Owner Petition for an Overlay**
  The City could create an option for a Conservation District Overlay that would set rental limits within an individually defined area. Many Cities use conservation overlays and allow for property owners to petition for the overlay for a variety of reasons, including rental restrictions. This is similar to the Historic District petition process. The petition option is analogous to the East Lansing approach. Establishing an overlay would typically be based upon a minimum number of acres or properties and a requirement for a petition signed by a minimum percentage of property owners to have the City consider a rezoning request.

  The intent is to ensure the area fits a defined boundary and a sense of a neighborhood. East Lansing requires a minimum 50 properties and boundaries follow streets or other identifiable boundaries. The petition percentage requirement appears to vary between 51% and 66% of property owners to initiate the process and to have City Council consider a rezoning.

  This approach could be part of either the Zoning Ordinance of Rental Code. As a zoning regulation it should be noted that if 20% of the property owners affected by the regulation are opposed to the change, they can petition the City Council and require a 5/6 City Council approval rather than the typical 4 vote majority standard.

- **City Initiated Overlay**
  Rather than have a property owner initiated overlay, the City can apply a overlay by its own volition. It could be a standard of either the Rental Code or the Zoning Ordinance. No property owner concurrence is needed for this option. As a zoning regulation, it should be noted that if 20% of the property owners affected by the regulation are opposed to the change, they can petition the City Council and require a 5/6 City Council approval rather than the typically 4 vote majority standard.

- **Separation Requirement**
  A different alternative to a rental percentage limitation would be a physical separation requirement. This approach would likely keep a distance of one or two properties between each rental property to ensure there are not highly concentrated areas of single-family rental properties. In many instances this would be a more limiting approach than a percentage limitation. It helps to avoid a localized concentration of rentals abutting one property compared to setting a concentration percentage for a neighborhood. A separation distance for a license single-family rental could be established as part of the rental code standards.
The separation distance is meant to be an alternative to a percentage limitation without stating a maximum limit. While this approach generally would a good job of insulating individuals properties from having multiple properties become rentals adjacent to them, in some unique situations it could allow for a slightly higher overall percentage than a flat cap as described above if rentals were previously concentrated to one side of an a defined area or neighborhood. Staff estimates that a 150 to 200 foot separation distance would be roughly equal to a 15% to 20% overall limitation unless lots are very large in width. A 150 foot separation would typically separate rentals by two or more properties from each other.

How Do Concentrations Limit Impact Existing Rentals?

Staff believes the intent of a setting a concentration limitation is to specifically address single-family dwelling rental properties. Duplex properties have two dwelling units of which mostly both are rented, but in some case only one of the two units is rented. Therefore, Staff would suggest that Duplex properties be exempted from any concentration limit.

The effect of setting a concentration limit would be to prohibit new registrations of single-family dwellings for rental purposes if the proposed rental unit does not conform to a concentration standard. **A key question for the restriction is how to deal with existing registered rental dwellings.** The assumption is that the currently registered dwellings would be grandfathered to continue as rental properties even if they do not meet a concentration limit and there would be no restriction on renewing the letter of compliance.

Staff notes that if existing registered rental dwellings are grandfathered and allowed to renew their Letter of Compliance, the nonconforming status would not permit tear down and rebuilds of dwelling units. Tearing down and replacing a registered rental dwelling would trigger a new registration requirement and if an area exceeds a concentration limit then a new registration could not be approved. However, modifying an existing rental dwelling would not trigger a new registration and would be permissible within an area that exceeds a concentration limit. Additionally, if a registration of a dwelling was to end, a new registration would not be permitted in the future.

### ISSUE 2 – PARKING SPACES TIED TO OCCUPANCY

At the February 20, 2018 Council Workshop, Council directed staff to modify the parking section of the current ordinance to maintain the parking requirements in the moratorium areas and to remove the parking requirements in all areas outside of the moratorium areas. This direction from the workshop also permits for property owners to add parking in non-moratorium areas consistent with current language of the ordinance.

**The current ordinance language allows the addition of off-street parking spaces throughout the City beginning May 1, 2018:**

Sec. 13.406 Exterior Property Areas

(5) Computation of required off-street parking spaces.
Number and dimensions of off-street parking spaces must comply with standards in the Zoning Ordinance Section 29.406, and the following:

(a) A parking space for each vehicle must be no less than 19 feet in length and 9 feet in width, and located upon an approved driveway that leads to the side or rear yard or to a garage. The area allocated for each vehicle must be available for parking at all times. Stacked parking for single family and two family dwellings is permitted for all required parking spaces.

(b) Garage parking spaces shall be counted as approved off-street parking spaces if the required area for each vehicle is available for parking at all times.

(c) Specific site conditions that may prevent compliance with these requirements shall be reviewed and may be approved on an individual case basis by the Building Official.

(d) Single family or two family rental dwelling units with one, two, or three bedrooms shall have at least two off-street parking spaces.

(e) Single family or two family dwelling units with four or more bedrooms shall have at least one off-street parking space for each bedroom accounted for in determining maximum occupancy.

(f) Prior to May 1, 2018, off-street parking spaces shall be limited to a garage, driveway or other legal parking spaces existing as of January 1, 2018. Additional off-street parking spaces may be added after April 30, 2018.

If the City Council should decide to maintain the parking requirements in the moratorium areas, but remove them in all other areas, Sec. 13.406(5)(d-e) would need to be amended to read as follows:

(d) Single family or two family rental dwelling units with one, two, or three bedrooms shall have at least two off-street parking spaces.

(e) Single family or two family dwelling units in the University Adjacent Neighborhoods with four or more bedrooms shall have at least one off-street parking space for each bedroom accounted for in determining maximum occupancy.

How Many Properties Have Insufficient Off-Street Parking To Allow For Four Or More Occupants?

At the February 20, 2018 workshop the City Council requested “data within the moratorium area to estimate the number of four bedroom or greater properties that do not have sufficient parking to allow for four or more occupants under the current ordinance.” The table below shows, by neighborhood, the number of dwellings with four or more bedrooms (155) and the number of those dwellings that have more bedrooms than they do parking areas (29). Of these 29 dwellings, 17 (10%) have the ability to add bedrooms for a total of 23 additional occupants/bedrooms.

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th># of Properties With 4 or More Bedrooms</th>
<th># of Properties With More Beds Than Parking</th>
<th># of Properties That Could Add Parking</th>
<th># of Additional Occupants/Bedrooms That Could Be Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCAN</td>
<td>63</td>
<td>8</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Oak-Riverside</td>
<td>16</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
If Council would like to amend the current ordinance to prohibit the addition of parking in the moratorium areas, the following changes to Sec. 13.406(5)(f) would need to be made (this corresponds to Option 3 on Attachment A):

(f) Prior to May 1, 2018, off-street parking spaces in the University Adjacent Neighborhoods shall be limited to a garage, driveway or other legal parking spaces existing as of January 1, 2018. Additional off-street parking spaces may be added after April 30, 2018.

Staff recommends maintaining the parking requirements in the University Adjacent Neighborhoods only. This will eliminate the parking requirement in all other neighborhoods. In addition, staff recommends allowing the addition of parking throughout the City because the data shows that the impact is relatively small.

<table>
<thead>
<tr>
<th></th>
<th>CCOAMS</th>
<th>42</th>
<th>5</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oak-Wood-Forest</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Edwards</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Westside</td>
<td>23</td>
<td>12</td>
<td>6</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>155</td>
<td>29</td>
<td>17</td>
<td>23</td>
<td></td>
</tr>
</tbody>
</table>

ISSUE 3 - INCREASING NUMBER OF BEDROOMS

At the occupancy workshop on February 20, 2018, Council directed staff 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 areas only.

The current code language reads as follows:

Sec. 13.503(4) Limits based on Zoning District - Maximum Occupancy
(e) The maximum occupancy for a single-family or a two-family dwelling unit shall be based upon compliance with all standards of the Code, including but not limited to parking spaces, area requirements, habitable space requirements, and the following:
(i) Three adult occupants for one, two and three bedroom dwelling units.
(ii) One adult occupant per bedroom, with a maximum of five adult occupants, for dwelling units with four or more bedrooms.
(iii) For rental dwelling units registered as of January 1, 2018, the number of bedrooms for determining maximum occupancy shall be determined by the number of bedrooms listed in the records of the Ames City Assessor as of January 1, 2018, or by the number of bedrooms reflected in the inspection records of the City of Ames Inspections Division as of January 1, 2018, whichever number is higher.
(iv) For rental dwellings for which a registration is being sought after January 1, 2018, the number of bedrooms for determining maximum occupancy shall be determined by an inspection by the Inspections Division.”

To make the changes requested by Council, Sec. 13.503(4)(e) would need to be amended as follows:

Sec. 13.503(4) Limits based on Zoning District - Maximum Occupancy
(e) The maximum occupancy for a single-family or a two-family dwelling unit shall be based upon compliance with all standards of the Code, including but not limited to parking spaces, area requirements, habitable space requirements, and the following:

(i) Three adult occupants for one, two and three bedroom dwelling units.
(ii) One adult occupant per bedroom, with a maximum of five adult occupants, for dwelling units with four or more bedrooms.
(iii) For rental dwelling units located within the University Adjacent Neighborhoods and that are registered as of January 1, 2018, the number of bedrooms for determining maximum occupancy shall be determined by the number of bedrooms listed in the records of the Ames City Assessor as of January 1, 2018, or by the number of bedrooms reflected in the inspection records of the City of Ames Inspections Division as of January 1, 2018, whichever number is higher.
(iv) For rental dwellings located within the University Adjacent Neighborhoods for which a registration is being sought after January 1, 2018, the number of bedrooms for determining maximum occupancy shall be determined by an inspection by the Inspection Division.

The City Council determined that there would be no prohibition on the issuance of building permits in any area. The changes to Sec. 13.503(4) will allow building permits for additional bedrooms to be issued city-wide, but freezes the number of occupants in University Adjacent Neighborhoods only in accordance with the number of bedrooms in existence as of January 1, 2018. Therefore, a four bedroom dwelling in the SCAN neighborhood could add a fifth bedroom, but would still be limited to four adults for occupancy purposes. However, in a zone outside of a moratorium area, the same situation would allow five adult occupants to reside in the home.

### ISSUE 4 - DEPENDENT EXCLUSION

At the February 20, 2018 Council workshop, the City Council determined that it should exclude adult dependents from the number of adults allowed for occupancy purposes. The Council indicated that it preferred to more precisely define what constitutes a dependent." Staff proposes first defining the word “adult” as it is used in the occupancy standards, and then exclude dependents, through the following definition:

Sec. 13.201. TERMS DEFINED
ADULT. For purposes of determining occupancy, an “adult” is an individual 18 years of age or older; excluded from this definition is the dependent of an adult, both sharing as their primary residence the location of the registered rental property. Dependent status shall be demonstrated through a current tax return or court-ordered guardianship or court-ordered conservatorship.

### ISSUE 5 - Owner-Occupied Definition

At the occupancy workshop on February 20, 2018, City Council directed staff to remove the language in the Rental Code that allowed any person other than the owner as listed on the deed to be considered an owner of a property.

Currently, the owner’s relative is also considered an owner of the property and is allowed to reside in the dwelling without the owner also residing in the dwelling. The
relative can have one additional occupant before triggering the rental inspection process. Once the owner, or the owner’s relative, has two roommates, they would be required to register as a rental property.

**The current definition reads as follows:**

**Owner-Occupied Dwelling Unit:** Any townhouse, condominium, or detached dwelling that is occupied as a dwelling by the owner or owner’s relative within the first degree of consanguinity (mother, father, daughter, son, sister, brother); and may include a live-in nanny; live-in nurse; one live-in exchange student; or one roomer.

**Under Council’s direction, the amended definition would read as follows:**

**Owner-Occupied Dwelling Unit:** Any townhouse, condominium, or detached dwelling that is occupied as a dwelling by the owner or owner’s relative within the first degree of consanguinity (mother, father, daughter, son, sister, brother); and may include a live-in nanny; live-in nurse; one live-in exchange student; or one roomer.

The removal of the ‘or owner’s relative within the first degree of consanguinity’ language will require all dwellings not lived in by the deed holder to be registered as a rental. This requirement includes those dwellings purchased by parents for their child to live in, regardless of the number of roommates. In addition, the dwelling would need to be registered if the deed holder allows more than one live-in nurse, live-in nanny, live-in exchange student or roomeer to reside with them.

One potential loophole to the new definition is that a property owner could add their child to the deed. The child would then be considered to be the owner just as the parent would. If the child was on the deed, the dwelling would not need to be registered. It should be noted that the proposed language may require properties that are currently considered owner-occupied and are exempt from the Rental Code to be registered and brought into compliance with the Code. Therefore, any properties currently exempt from the Code in the University Adjacent Neighborhoods may not be able to be registered pending the outcome of the percentage cap discussion.

If the concern is unregistered rentals, proactive enforcement should help eliminate those violations. There are situations other than a parent buying a home for their college student to reside in that will be impacted by this change. For example, a parent that buys a home for their child and spouse to move into while building up credit to purchase their own home. The Rental Code is intended to provide a safe living environment for those with no ownership in the property. It could be argued that someone within the first degree of consanguinity has an equal interest in maintaining the property as the actual deed holder does.

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**ISSUE 6 – HOW TO HANDLE SHORT TERM RENTALS? (AIRBNBS)**
The City Council reviewed options for permitting of short term rentals at the prior workshop. The Council provided direction to proceed with developing standards for both owner-occupied shared short term rentals and whole house rentals where the owner is absent. Staff has prepared the following table (next page) to show a range of permitting options based upon direction from February 20th and staff’s continued research into the issue of permitting short term rentals.

**Staff’s primary concern for short term rentals (STR) is consistency in the definitions of Household Living and Short Term Lodging as it relates to single-family neighborhoods and zoning.** The defining element between the two types of uses is the duration of a stay within a living unit/home. When a STR is accessory to the Household Living use it is generally consistent with single-family zoning. However, if we are to allow for dwellings with no primary resident to be rented for short periods of time as a business that makes the use short term lodging and that type of use is not consistent with single-family zoning. The following table describes STR Type I and Type II as accessory to a primary residence that would be consistent the current zoning hierarchy and STR Type III that is a short term lodging use that is not currently consistent with the single-family zoning allowances.
A negative effect of allowing short term lodging in single-family zoning areas is that it removes a dwelling from the available housing inventory for a regular long term occupant. This could be a negative towards available housing supply and affordability in periods where there are low vacancy rates in single-family homes. The second negative effect could be the transient nature of the guests with no connection to the neighborhood, which does not support building community and neighborhoods through getting aquatinted and familiar with your neighbors.

Staff believes absentee whole house rentals are more of business use than a household living use and should only be allowed in zones that permit short term lodging and not within single-family neighborhoods. Whole house rentals can be permitted when associated with a primary residence and should only be allowed as an accessory use to the primary residence.

A table is shown with details on different types of short-term rentals and their associated standards. The table includes columns for Type of STR, Description, Maximum # of Bedrooms, Maximum # of Guests, Number of STRs Concurrently, Maximum # of Days / Year, Length of Stay, Parking, Signage, Zoning Permitting, Rental Code Registration, Renewal, and Districts Allowing. The table also includes rows for Hosted Home Share, Bed & Breakfast, Home Share, Vacation Rental, and more specific details for each type of rental.
The premise for allowing for STR is that they are an accessory use to a principal residence as an owner occupied home that is not subject to the Rental Code. A principal residence would be based upon a definition identifying the home as the primary place of stay for a natural person householder with documents such as driver license, homestead tax credit, voter registration, etc. Corporations and other non-natural person entities could not meet this definition. This approach is similar to Denver and Ft. Collins Colorado approach of considering STR as accessory to residential dwellings.

Staff proposes that if the duration of the stay exceeds 30 days, the property owner would need to comply with the Rental Code so as not to become a loophole of avoiding registering a rental dwelling. If a property owner wanted to rent the home for a more than 30 consecutive days, and is also present, they would also need to comply with the Rental Code. However, complying with the Rental Code would not exempt a property owner from needing to have occupants meet the length of stay requirement of 30 days or more to meet a household living use standard.

Staff supports defining a home as principal residence and allowing STR as an accessory use. Staff believes allowing for the principal resident to either have a shared homestay or rental of a whole house in accordance with the requirements only reflected in Type 1 and Type 2 can be found to be consistent with the current Zoning Ordinance hierarchy of Household Living residential uses. If Council, concurs, Staff will work to develop a full ordinance reflecting your preference. This would be an amendment to the Zoning Ordinance and require a recommendation from the Planning and Zoning Commission prior to a public hearing with the City Council.
## Current Moratorium Areas

<table>
<thead>
<tr>
<th>Area</th>
<th>Neighborhood</th>
<th>Total Parcels/Condos</th>
<th>Registered DU* - Rental</th>
<th>% Rental</th>
<th>RL Parcels/Condos</th>
<th>Registered DU - Rentals</th>
<th>RL SF Registered DU - Rentals</th>
<th>RL Duplex Registered DU - Rentals</th>
<th>RL Other Registered DU - Rentals</th>
<th>% RL Registered DU - Rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Edwards NA** - RL, PRD, HOC</td>
<td>247</td>
<td>74</td>
<td>30%</td>
<td>159</td>
<td>36</td>
<td>26</td>
<td>10</td>
<td>-</td>
<td>23%</td>
</tr>
<tr>
<td>2</td>
<td>Westside NA - RL, RH, HOC</td>
<td>164</td>
<td>96</td>
<td>59%</td>
<td>156</td>
<td>92</td>
<td>58</td>
<td>17</td>
<td>17</td>
<td>59%</td>
</tr>
<tr>
<td>3</td>
<td>Oak-Wood-Forest NA - RL, RH, PRD</td>
<td>127</td>
<td>42</td>
<td>33%</td>
<td>122</td>
<td>37</td>
<td>26</td>
<td>8</td>
<td>3</td>
<td>30%</td>
</tr>
<tr>
<td>4</td>
<td>College Creek NA - RL, RM, RH HOC</td>
<td>271</td>
<td>154</td>
<td>57%</td>
<td>235</td>
<td>166</td>
<td>81</td>
<td>45</td>
<td>5</td>
<td>71%</td>
</tr>
<tr>
<td>5</td>
<td>SCAN - North - RL, RH</td>
<td>412</td>
<td>217</td>
<td>53%</td>
<td>285</td>
<td>105</td>
<td>87</td>
<td>15</td>
<td>3</td>
<td>37%</td>
</tr>
<tr>
<td>6</td>
<td>SCAN - South - RL, PRD</td>
<td>150</td>
<td>18</td>
<td>12%</td>
<td>99</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>-</td>
<td>5%</td>
</tr>
<tr>
<td>7</td>
<td>Colonial Village - RL</td>
<td>37</td>
<td>11</td>
<td>30%</td>
<td>37</td>
<td>11</td>
<td>4</td>
<td>7</td>
<td>-</td>
<td>30%</td>
</tr>
<tr>
<td>8</td>
<td>Oak-Riverside NA - UCRM, RH, NC, S-GA</td>
<td>305</td>
<td>88</td>
<td>29%</td>
<td>288</td>
<td>84</td>
<td>62</td>
<td>17</td>
<td>5</td>
<td>29%</td>
</tr>
</tbody>
</table>

* DU = Dwelling Unit  
**NA = Neighborhood Association
Moratorium Neighborhoods

1. Edwards NA
2. Oak-Wood-Forest NA
3. Westside NA
4. College Creek NA
5. SCAN NA - North
6. Colonial Village
7. SCAN - South
8. Oak-Riverside NA
Area 4
All Rentals - 57%
RL Rentals - 71%

Area 3
All Rentals - 33%
RL Rentals - 30%

Area 2
All Rentals - 59%
RL Rentals - 59%

Area 1
All Rentals - 30%
RL Rentals - 23%

Rental Percentages
1. Edwards NA
2. Oak-Wood-Forest NA
3. Westside NA
4. College Creek NA

Current Rentals All

Moratorium Areas
Area 8
All Rentals -29%
UCRM Rental - 29%

Moratorium Areas

Rental Percentages
- 8. Oak-Riverside NA
- Current Rentals All
## Central Ames Neighborhoods

<table>
<thead>
<tr>
<th>Area</th>
<th>Neighborhood</th>
<th>Total Parcels/Condos</th>
<th>Registered Dwelling Units (DU) - Rental</th>
<th>% Rental</th>
<th>RL Parcels/Condos</th>
<th>RL Registered DU - Rentals</th>
<th>RL SF Registered DU Rentals</th>
<th>RL Duplex Registered DU Rentals</th>
<th>RL Other Registered DU Rentals</th>
<th>% RL Registered DU Rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>South Brookside - RL</td>
<td>60</td>
<td>3</td>
<td>5%</td>
<td>60</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>11</td>
<td>North Brookside - RL</td>
<td>98</td>
<td>7</td>
<td>7%</td>
<td>98</td>
<td>7</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td>7%</td>
</tr>
<tr>
<td>17</td>
<td>Ross Rd - RL</td>
<td>222</td>
<td>46</td>
<td>21%</td>
<td>216</td>
<td>46</td>
<td>22</td>
<td>12</td>
<td>12</td>
<td>21%</td>
</tr>
<tr>
<td>18</td>
<td>North of Ontario - RL, RM, RH</td>
<td>146</td>
<td>61</td>
<td>42%</td>
<td>114</td>
<td>37</td>
<td>24</td>
<td>13</td>
<td>0</td>
<td>32%</td>
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<tr>
<td>19</td>
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<td>29%</td>
<td>109</td>
<td>32</td>
<td>11</td>
<td>21</td>
<td>0</td>
<td>29%</td>
</tr>
<tr>
<td>20</td>
<td>N Dakota - Ross - RL, S-GA</td>
<td>214</td>
<td>31</td>
<td>14%</td>
<td>214</td>
<td>31</td>
<td>14</td>
<td>17</td>
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<td>14%</td>
</tr>
<tr>
<td>21</td>
<td>Grand/Duff/13th/16th - RL</td>
<td>237</td>
<td>46</td>
<td>19%</td>
<td>235</td>
<td>46</td>
<td>21</td>
<td>25</td>
<td>0</td>
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<tr>
<td>22</td>
<td>Grand/RR/13th/16th - RL</td>
<td>167</td>
<td>32</td>
<td>19%</td>
<td>167</td>
<td>32</td>
<td>9</td>
<td>20</td>
<td>3</td>
<td>19%</td>
</tr>
<tr>
<td>23</td>
<td>Summit Ave - RL</td>
<td>70</td>
<td>23</td>
<td>33%</td>
<td>70</td>
<td>23</td>
<td>19</td>
<td>4</td>
<td>0</td>
<td>33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Area</th>
<th>Neighborhood</th>
<th>Total Parcels/Condos</th>
<th>Registered Dwelling Units (DU) - Rental</th>
<th>% Rental</th>
<th>RM Parcels/Condos</th>
<th>RM Registered DU - Rentals</th>
<th>RM SF Registered DU Rentals</th>
<th>RM Duplex Registered DU Rentals</th>
<th>RM Other Registered DU Rentals</th>
<th>% RM Rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Emanon NA and Roosevelt NA - UCRM, DSC, HOC</td>
<td>423</td>
<td>91</td>
<td>22%</td>
<td>378</td>
<td>91</td>
<td>38</td>
<td>39</td>
<td>14</td>
<td>24%</td>
</tr>
<tr>
<td>13</td>
<td>North Old Town NA - UCRM, RM</td>
<td>171</td>
<td>35</td>
<td>20%</td>
<td>123</td>
<td>32</td>
<td>13</td>
<td>28</td>
<td>5</td>
<td>26%</td>
</tr>
<tr>
<td>15</td>
<td>Sunrise - UCRM, RM/O-SFC, S-GA</td>
<td>133</td>
<td>22</td>
<td>17%</td>
<td>119</td>
<td>29</td>
<td>16</td>
<td>9</td>
<td>4</td>
<td>24%</td>
</tr>
<tr>
<td>14</td>
<td>Historic Old Town NA - RM/O-SFC</td>
<td>176</td>
<td>59</td>
<td>33%</td>
<td>41</td>
<td>20</td>
<td>4</td>
<td>4</td>
<td>49</td>
<td>49%</td>
</tr>
<tr>
<td>16</td>
<td>Downtown - RM, DSC</td>
<td>169</td>
<td>73</td>
<td>43%</td>
<td>123</td>
<td>53</td>
<td>2</td>
<td>3</td>
<td>43</td>
<td>43%</td>
</tr>
</tbody>
</table>

*DU = Dwelling Unit

**NA = Neighborhood Association
### Rental Percentages

- **10. South Brookside NA**
- **11. North Brookside**
- **12. Emanon NA and Roosevelt NA**
- **13. North Old Town**
- **14. Historic Old Town**
- **15. Sunrise**
- **16. Downtown - No NA**
- **17. Ross Rd**
- **18. North of Ontario**
- **19. Garfield-N Dakota**
- **20. N Dakota-Ross**
- **21. Grand/Duff/13th/16th**
- **22. Grand/RR/13th/16th**
- **23. Summit Ave**

### Ames Central Neighborhoods

- **18. North of Ontario**
- **19. Garfield-N Dakota**
- **20. N Dakota-Ross**
- **21. Grand/Duff/13th/16th**
- **22. Grand/RR/13th/16th**
- **23. Summit Ave**

**Current Rentals All**
Ames Central Neighborhoods

Rental Percentages

13. North Old Town
14. Historic Old Town
15. Sunrise
16. Downtown - No NA
21. Grand/Duff/13th/16th
Current Rentals All

Area 13
All Rentals - 20%
UCRM Rentals - 26%

Area 14
All Rentals - 33%
RM Rentals - 49%

Area 15
All Rentals - 17%
UCRM Rentals - 24%

Area 16
All Rentals - 43%
RM Rentals - 43%

Area 21
All Rentals - 19%
RL Rentals - 20%
Ames Central Neighborhoods

Rental Percentages

- 17. Ross Rd
- 18. North of Ontario
- 19. Garfield-N Dakota
- 20. N Dakota-Ross
- Current Rentals All

Area 17
All Rentals - 21%
RL Rentals - 21%

Area 18
All Rentals - 42%
RL Rentals - 32%

Area 19
All Rentals - 29%
RL Rentals - 29%

Area 20
All Rentals - 14%
RL Rentals - 14%