

Staff Report

Vacation Lodging Separation Standard

September 10, 2019

BACKGROUND:

On August 27th City Council reviewed options for adding Vacation Lodging (the use of a dwelling solely for transient lodging and not as a household use) as a principle use to the draft Guest Lodging Ordinances that would amend the Ames Municipal Code Chapter 29 Zoning Ordinance, Chapter 13 Rental Code, and create a new Chapter 35 for Guest Lodging Licensing. City Council directed staff to modify the draft ordinances to allow for Vacation Lodging as a principle use, but to apply a minimum of a 1,000 foot buffer between licensed properties in specific single-family zoning districts. Additionally, City Council directed staff to continue the public hearing for amending the Zoning Ordinance (Chapter 29) and consideration of ordinances amending Chapter 13 and 35 to September 10th to allow for staff to modify the standards per City Council direction. **Due to the need for further direction on the proposed standards, the full draft ordinances are not ready for approval.**

Staff has drafted amendments to Chapter 29 that clarify the categories of Guest Lodging and how to permit vacation rentals with Special Use Permits for one and two-family dwellings and to exempt apartments from a Special Use Permit. The most notable zoning and use issue from Council's prior direction is how to address Village and PRD zoning districts as they have a unique mix of uses. Apartments in Village and PRD will now be treated the same as higher density areas and the other dwelling types will still require Special Use Permits. RLP (Residential Low Park) zoning for mobile home parks also excludes Vacation Lodging due to unique conditions of the sites, but allows for the home share options. A working draft of the zoning use tables is included as informational item to this report.

The primary issue for Council consideration with this report is the proposed 1,000 foot buffer standard that will be included in Chapter 35 (the new Guest Licensing chapter) and not in the Chapter 29. **Staff desires clarification on how to apply the 1,000 foot buffer is necessary to address the process of accepting and approving applications.** Staff believes from comments by interested parties that there are going to be multiple applications for Vacation Lodging at the initial date of application that would be within 1,000 feet of each other. This is likely the case in areas around campus and north of Downtown where there have been higher number of Airbnb types of activities in the past.

The proposed general process for licensing a one or two family dwelling within the A, R-L, FS-RL, RM-O-SFC, UCRM, F-VR, and F-PRD would include the following steps.

1. Register a property as a rental property with the City and received a preliminary inspection report
2. Apply for a Special Use Permit for ZBA approval of Vacation Lodging
3. Apply for a Guest Lodging license subsequent to ZBA approval operating consistent with the Letter of Compliance standards of the Rental Code, including the follow considerations:
 - a. 1,000 foot separation requirement from any one or two family dwelling property as calculated by City of Ames with its Geographic Information System (GIS) within the specified zoning districts, but not from a licensed Vacation Lodging use in a commercial or higher density zoning district.
 - b. In the event an applicant does not complete the Rental Code licensing processing or operates inconsistent with the Rental Code standards the Guest Lodging license can be suspended or revoked.
4. Maintain ownership during licensure. A license is not transferrable to a new owner, the new owner must seek approval of a new license.
5. Establish a requirement that at the time of renewal, a property owner must demonstrate that they did in fact use the property as a Vacation Rental for a majority of the occupied days during the license period. If not, they would need to reapply for licensure.

REVIEW OF SIMULTANEOUS APPLICATIONS:

The key consideration for the proposed 1,000-foot buffer requirement is how to apply it when there could be multiple property owners able to file the application at the same time. Normally, the first complete application submitted would be entitled to complete the process prior to consideration of another competing application. To address the possibility of essentially simultaneous applications, staff has created three approaches for City Council to consider.

Option 1: Date of Complete Application

The default option, absent any other guidance, would be a “first come first served” approach. Once an applicant has registered the property and received approval by the Zoning Board of Adjustment they can proceed to apply for the Guest Lodging License. The License application would be processed by Administrative Services staff by entering it into our permit software system and receiving payment. This process includes a time stamp and would establish the order for review. **It is also likely that this option can implemented through the online portal operated by the Inspections Division so there is no a question of who would be in line first to be processed by a Clerk.** This option requires no consideration by staff of the merits or

intent of the property owner on obtaining a license compared to any other applicant, only its timeliness. This option would also ensure the 1,000-foot separation standard is applied consistently to all properties.

Option 2: Exemption for Initial Application Period

This option is designed to allow an exemption, for a short initial application period, from the 1,000-foot separation standard. In this situation, staff would propose that only properties that already have a Rental Code Letter of Compliance prior to October 1, 2019, not just in process of registering their property, would be exempt from the 1000-foot separation standard for a Guest Lodging License. They would still be subject to the ZBA review and approval of a Special Use Permit prior to applying for a Guest Lodging License. This option could be accomplished by establishing a limited window to apply Guest Lodging licenses without setting a 1,000-foot buffer and then establish a later date for which all applications are subject to the buffer requirement.

A narrow window would be appropriate for this consideration to ensure only those property owners that are truly interested in operating such a use proceed through the process. This option limits the impacts of converting non-rental properties to guest lodging by having a prerequisite of having a current LOC, but would likely allow for substantially more guest lodging establishments overall than the first option.

Option 3: Random Selection for Initial Applications

This option would apply the 1,000-foot separation standard to all applications, but establish a random order for processing applications during an initial application period to establish priority, rather than “first come first served”. This option would include a two-week window to accept applications, but no processing of the applications would occur until the two-week period has expired. Staff would randomly select the applications and establish an order for their review and work down the list to address potential separation conflicts. This option would be similar to the results of the first option, but allows for a period to collect applications and then impartially consider the requests in a random order.

STAFF COMMENTS:

In order to finalize the wording for a Guest Lodging licensing ordinance, Staff requests direction regarding one of the options cited above. All three options are workable, but yield slightly different results within the City Council direction of having a 1,000-foot separation standard for one and two family homes in specific zoning districts. **In the event there is no direction to proceed differently, Option 1 would be the default approach added to a draft ordinance for future consideration by the City Council.**

Due to timeliness of the combined changes for Chapter 29, 13, and 35, staff recommends not holding a public hearing on September 10th and allow staff to re-notice for a future date when complete ordinances have been drafted.