

**PLANNING COMMISSION  
MINUTES  
FEBRUARY 14, 2023  
LOWER LEVEL – LIBRARY COMMUNITY ROOM  
702 E. FRONT AVENUE**

**COMMISSIONERS PRESENT:**

Tom Messina, Chairman  
Lynn Fleming  
Phil Ward  
Peter Luttrupp  
Sarah McCracken  
Brinnon Mandel

**STAFF MEMBERS PRESENT:**

Hilary Anderson, Community Planning Director  
Sean Holm, Senior Planner  
Randy Adams, City Attorney  
Shana Stuhlmiller, Public Hearing Assistant

**COMMISSIONERS ABSENT:**

Jon Ingalls

**CALL TO ORDER:**

The meeting was called to order by Chairman Messina at 12:00 p.m.

**APPROVAL OF MINUTES:**

Motion by Luttrupp, seconded by McCracken , to approve the minutes of the Planning Commission meeting on January 10, 2023 Motion approved.

**STAFF COMMENTS:**

Hilary Patterson, Community Planning Director provided the following comments:

- She stated that we have three public hearings scheduled for the March 14<sup>th</sup> Planning Commission meeting.
- She explained that the Short-Term Rental request on the agenda today will go to Council on Tuesday, February 21<sup>st</sup>
- She provided an update of the City's Development Impact Fee update. Staff has been working with the consultant team providing them all the data and working on the capital improvement plans for Police and Fire. She added that staff will continue to keep the commission updated on the process.

**ADMINISTRATIVE: \*\*\*ITEMS BELOW ARE CONSIDERED TO BE ACTION ITEMS.**

1. Applicant: City of Coeur d'Alene  
Request: KCEMSS Impact Fee Request  
Administrative

Sean Holm, Senior Planner introduced Bill Keeley, Chief KCEMSS for the presentation.

Bill Keeley, Chief KCEMSS provided the following statements:

- KCEMSS does not have ordinance authority under Idaho law so we must have a city or county enact and collect our impact fees.
- He stated since this needs to be completed by the City Council, they also need to adopt our CIP. This is why we are coming to Planning and Zoning first to ask for a positive recommendation before going to the City Council for adoption.
- He provided a Power Point explaining who KCEMSS contracts with that includes all Fire Districts/Departments within Kootenai County that supply the employees to operate the ambulances and Quick Response Units.
- He explained the Impact Fee Statue and how the money is collected and what the fees will pay for to provide quality service.

Mr. Keeley concluded his presentation.

**Commission Comments:**

Commissioner Fleming inquired about the 10-year plan. Mr. Keely explained with the purchase of a new ambulance in March that will buy us a year before we will need to buy another ambulance that will be used parttime and then increasing the time the vehicle is used before we will need another replacement. He explained this plan is done in year increments of what we need based on the amount of impact fees collected. We will come back every year with a report on how we are doing.

Chairman Messina explained that the city is looking at their impact fees now and asked if this will also be going to Council in March. Ms. Patterson stated this is on a separate track and won't impact the work we are currently doing on our impact fees. She explained this request is for the commission to recommend to council for the adoption of the KCEMSS CIP including collection of impact fees. Chairman Messina inquired how will that review be handled. Mr. Keeley explained the City collects the fees and we reimburse for administrative services. Then it's our problem. The city is relieved of their responsibilities through the Intergovernmental Agreement. Mr. Adams added that we will look at the amendment of the ordinance and include that in the ordinance or the MOU.

Commissioner Luttrupp inquired what is the process used for identifying new users. Mr. Keely explained new users are identified through patient care reports. Commissioner Luttrupp stated that impact fees are collected on new building permits and asked how are those identified. Mr. Keely explained those are identified from new residential units and new nonresidential square footage (new construction and remodels) at the time of building permits. Commissioner Luttrupp inquired does that information come from the city. Mr. Holm explained when a building permit is issued, the impact fees are calculated. Commissioner Luttrupp inquired how the level of service is determined. Mr. Kelly explained that we look at what our response times are and on average we are 7 minutes 59 seconds. He added impact fees should allow us to keep that same response time and if we aren't making those times, we would need to look at increasing units.

Commissioner Ward noted in the presentation the reference to \$132.00 per residential unit and 7cents

per sq.ft. per nonresidential. He questioned if that is the actual rate that is charged. Mr. Keely explained that is correct and what we are asking the city to collect. Commissioner Ward inquired when the money is collected when a permit is issued do those fees go to you after the administrative costs are deducted and questioned if all that money is spent within the city or is it county.

Mr. Kelley explained that all cities pay into it and all goes county wide. For example, we have been collecting fees in the City of Rathdrum and those fees collected will be applied to new ambulances that will be used in the City of Coeur d'Alene.

Commissioner McCracken inquired if all city departments weighed in on the request and do they feel this is an adequate number. Ms. Patterson explained that the city departments didn't weigh in on this it was up to the county to determine their fees which doesn't affect our impact fees.

Motion by Luttropp, seconded by Ward to approve KCEMSS Impact fee request. Motion approved.

#### ROLL CALL:

Commissioner Fleming	Voted	Aye
Commissioner Mandel	Voted	Aye
Commissioner McCracken	Voted	Aye
Commissioner Luttropp	Votes	Aye
Commissioner Ward	Voted	Aye
Chairman Messina	Voted	Aye

Motion to approve carried by a 6 to 0 vote.

#### **PUBLIC HEARINGS**

1. Applicant: City of Coeur d'Alene  
Request: The City of Coeur d'Alene is considering an amendment to Chapter 17.08, Article X of the Municipal Code to repeal M. C. § 17.08.1030 (G) which allows a 14-day exemption for permits. In addition, it is proposed that current permit holders will be allowed to renew their permit and no applications for new permits will be accepted for one (1) year. A proposed fee increases for the annual renewal of \$84.00 (for a total of \$180.00), and violation penalties for operating without a permit as follows: \$1,000.00 for the first offense, \$2,000.00 for the second, and \$5,000.00 for the third, will be considered.  
LEGISLATE, (0-1-23)

Renata McCleod, Municipal Services Director, provided the following statements.

- Idaho Code allows local governments to implement reasonable regulations in order to protect the integrity of residential neighborhoods. The City adopted Short-Term Rental (STR) regulations on December 5, 2017, noting that the Code would need to be revisited after some time to see if amendments were needed. Since that time, City staff has been requested to research and recommend amendments to the STR Code and the City has hired Granicus, Inc., to conduct research, assist with monitoring and enforcement throughout the year, and operate a 24/7 complaint hotline.
- The desired data points have not yet been provided to the City by Granicus and the March 1, 2023 and the renewal deadline is fast approaching.
- The ad hoc committee came up with recommendations related to the STR Code Amendments including:
  - Repeal the 14-day exemption.
  - Increase penalties for non-permitted STR's.

- Renewals: Current licenses as of February 21, 2023, can be renewed for one year. Some permittees have expressed that they may not renew and others may come in over the next few weeks, so the renewal fee was estimated based on 453 permits continuing (our end of October number).
- Increase the fees for STR permit renewals to \$180.00 to cover staff costs and the Granicus contract.
- Pause the issuance of new permits effective February 21, 2023, until Granicus data is received and analyzed, stakeholder meetings are held, and new/amended code sections are developed to protect the integrity of residential neighborhoods.
- Please note that City Council has not yet determined if there will be a maximum number of permits, how future permits will be reviewed or renewed, and/or whether to impose any other fees associated with the program such as inspections. Therefore, any additional fees would need to come forward through another public hearing.
- The city has conducted public outreach, meetings, and accepted public comments throughout this year.
- Specifically, there have been 13 local media pieces regarding the City's desire to amend the Code since August 20, 2022, seven (7) public meetings were held, a presentation to the Coeur d'Alene Regional Realtors followed by Questions and Answers, and 154 written comments received.
- Staff will continue to conduct outreach and host stakeholder meetings as information becomes available, and continues to receive written comments.

Ms. McCleod concluded her presentation

**Commission Comments:**

Commissioner McCracken commented that she read a few public comments from people who stated that they have come into the City trying to get a permit and was told it was capped. She asked for clarity on new permits and renewals. Ms. McLeod explained that new permits are being accepted but we have shut the "portal" for the new renewals until after the February 21<sup>st</sup> Council Meeting when we get direction from Council on how they want to handle those renewals. Commissioner McCracken questioned if they can renew online or would they have to come to the City. Ms. McLeod explained that they should be able to apply for a new permit online. Chairman Messina inquired if people who had an existing permit can renew once the portal opens up. Ms. McLeod answered that existing customers would be allowed to renew for one year once the portal is open.

Chairman Messina inquired, if the changes are approved by Council, will those changes affect existing or new permits. Ms. McCleod explained the changes would affect new permits. If we were able to put the new code together in 6 months, Council would adopt those new codes with new permits issued under the new code.

Commissioner Ward stated that the City currently has 558 STR permits and asked when the City issues a permit does staff keep track of the location of the STRs. Ms. McLeod explained that the City tracks that information on the GIS map that shows the locations where permits were issued. Commissioner Luttrupp commented that he sees this as a business and complimented staff on getting information from other cites on their process and hiring a company to help with the process.

Commissioner McCracken inquired about the 14-day exemption, which seems hard to track, and questioned if there could be a 14-day window where someone could apply for a permit as a temporary permit especially for events like Ironman. She explained that she is aware of people who rent rooms to people attending this event and that there is an IRS exemption allowing people to rent out their homes for 14 days. So, she wondered if there was some way to accommodate this. Ms. McLeod commented that this is something we could consider when we get ready to do the next round of code changes, but for now, we are just trying to make it simple for this phase tracking renewals.

### **Public testimony open.**

David Wallace stated that this proposed amendment is a solution looking for a problem. He did his own research by obtaining data from the Police and city and found that only 1% complaints were from noise due to short term rentals whereas individual apartment complexes had twice that number . He found that families who come together to hang out isn't the problem. He noted that he went to the website to renew and the button was deleted on the website, so he went down to City Hall and talked to staff. He was told the City isn't issuing renewals yet because Council might change the fee. He was offended by the answer. He has also heard that the City is holding checks because the fees are going up, which is unconstitutional.

Sherry Birkhimer stated that she was one of the first people to get a permit for a Short-Term Rental (STR) in 2017 and has had no problems or complaints from neighbors. She stated that she is concerned that the amount of the permit is going to double because of the influx of other STR's and a company the City has hired to cover costs. She added that she agrees with the penalties for people who don't comply with the rules.

Stacy Armstrong stated that she runs a STR rental property management company in Coeur d'Alene and is part of the Coeur d'Alene Vacation Rental Alliance as board member. She stated that the Granicus data is unfair and that the City Council members rejected a fee increase in December. She understands companies like Granicus are needed to do the "deep dive" but they also market to small cities by spreading fear and offering to do the "dirty work" for Code enforcement. She said this should be done by staff and asked the Commission to please deny the increase. She added that she has worked with the Planning Department on different occasions to make sure our STR rentals are permitted and that city staff works very hard, they are kind and professional, and have always been easy to work with.

Laura Williams, explained that she is an STR owner who rents a room within her home and has a permit and that the fee increase is unfair for in-home STR's. The problems the other people are seeing don't happen with in-home STR's. There should have a separate category for in-house STR's.

Commissioner Luttrupp asked Ms. Williams if she felt the fee should be based on a percentage. Ms. Williams commented that she would be agreeable to a staggered fee based on the size of a rental.

Matt Clapper stated he works for a company called Vacation Rental Authority and before that he worked for VACASA. He stated the topic of neighborhood integrity is personal to each person.

Melissa Radford thanked the Commission for their time and said she is also part of the Vacation Rental Alliance. She commented at a past Council meeting that it was reported that there was 65% non-compliance rate for STR's in Coeur d'Alene. This information was given to the City by this company (Granicus) to entice the City to hire them. She feels that the data is false. She stated that she would like to know the number of complaints given to the city, content of the complaints, if it involved a permitted vs. a non-permitted STR, versus a long time rental or an owner-occupied property, and if the city resolved those issues. She stated there are a lot of positives for STR's and to please don't push these regulations through. She added this is our future.

Commissioner Fleming commented that what we are only looking at are the three points staff explained earlier. She said when you get up to comment, please state if you agree/disagree with those three points.

Ms. Radford commented that the 14-day extension doesn't make sense because the City can't track it, she agrees with the higher fees to be fined if an STR is out of compliance, and the moratorium on short term rentals goes against Idaho State Code.

Jeremy Radford commented we are stakeholders. He read an excerpt out of the Idaho Code regarding emergency ordinances and moratoriums and stated that this ordinance is in violation of that section of the code.

Lisa Zarragoza stated that she is part of the Coeur d'Alene Vacation Rental Alliance. She purchased a

short-term rental a year ago, and that she should have brought a picture of her rental that is next to the neighbor's long-term rental so the Commission could see that we care about long term integrity. She added that the City doesn't have the authority to tell us what we can/can't do with our property.

Josh Surr stated that he has worked with staff on this proposal in 2017 and if we are going to do a moratorium that this is an infringement of property rights and violation of State Law. He understands staff is trying to do the right thing, but feels this isn't the right direction. He explained the first two points are a non-issue, but the moratorium goes against property rights. He added that he looks forward to more stakeholder meetings and the information from Granicus.

Darren Miller, he lives in Coeur d'Alene and there are no positives for this ordinance and the City should be focusing on compliance. He added the fees coming in can make up for compliance and he is opposed to the moratorium.

Katie Berth stated that she purchased her home as an STR and doesn't have an issue with the first two points, but she is against the moratorium.

Holly Hansen stated she is a member of the STR alliance and agrees with the first two items but is against the last one, and questioned where are the regulations for long term rentals.

Ms. McLeod explained the three points that are up for consideration and the penalty section are only for the ones operating without a permit. She clarified that the increased fees are not related to noise or parking complaints. She added this item came forward at Councils' direction and the Mayor directed staff to form an Ad Hoc Committee to evaluate the STR Code. The committee had a lot of dialogue. Staff is open to input and we are looking for direction before the March 1<sup>st</sup> deadline. She explained that permit fees are designed to cover all fees associated with staffing, the necessary cost to purchase software program, or hire another code enforcement officer. Those costs are distributed amongst the business licenses. Ms. Patterson stated that there might be some confusion on the third bullet point and explained that's not a proposal to cap the number of STR's permits by block but to "pause" any new permits through the March/March time frame and to only do renewals past the 21<sup>st</sup>.

Commissioner Luttrupp questioned what is staff trying to do. Chairman Messina explained that we aren't trying to stop STR's. We are gathering information from other cities that are in a similar situation. He added that we are still waiting for the information from Granicus which didn't happen and explained that the public will have plenty of time to comeback and state their positions. Ms. McLeod explained that we see the trend going up with the STR's south of I-90 and we expect to see additional permits in these areas that have high concentrations. Staff asked Council what to do since we have a March renewal date where permits are good for one year. The ad hoc committee recommended to stop any new permits and allow renewal for people who are legal to operate under the current code. Staff hopes to get the information from Granicus and then we can have more stakeholder meetings and to look at the issues affecting the neighborhoods.

Commissioner Mandel explained that she is on the ad hoc committee for this issue and she has heard a number of positive comments about the value of the rental community. The City is trying to balance the integrity of neighborhoods and protecting those in the neighborhoods with those who are following the rules and the economic value tourism brings. She appreciates hearing from the people that are following the rules and, in the meetings, we have heard from law/code enforcement of what is happening in the concentrated areas. This is one of the reasons for the "pause." She commented that she is looking forward to seeing the data from Granicus.

Commissioner McCracken commented that the city has a friendly approach by saying that they haven't issued the \$100.00 fines and instead focuses on using education. She appreciates that approach. She added that some people didn't know about getting a permit and maybe a knock on the door or sending a letter for being out of compliance would be helpful. She agrees if people don't follow the rules there needs to be consequences. She explained for some of these people they are coming out of their slow time of the season and want to make some money. She commented that she struggles with this since we don't have

the data from Granicus in order to make the right decision.

Ms. McLeod explained that most cities do have a license and when someone starts a business operation, they contact the city first. Staff has been trying to get the information out to the groups or people who will tell all their people etc. to let them know about the possible change and trying to get them into compliance.

Jared Reneau, City Police Department on is on the ad hoc committee and is aware of the discussions that have been on STR's. He explained that compliance is a big concern and that the police doesn't know what is or isn't an STR's, because we don't have the staff available to monitor the STR websites and they are not able to issue fines without doing a lengthy investigation. He commented that the people here today are the ones that are complying with the rules and the City wants to help find the people who aren't in compliance. He explained that the number of complaints that we receive in neighborhoods pertaining to noise parking etc. they are small and it is hard to tell if they are related to STR's or regular residents. We don't have the ability to distinguish between the two. Having too many rentals concentrated together does impact a neighborhood. The Police need to work with residents to help solve crimes. He added Coeur d'Alene is an amazing place to live and looks forward to seeing the information from Granicus in order to enforce the ordinance as written.

Commissioner Ward inquired if there is no cap after February 21<sup>st</sup> if anyone that comes in for a permit would be grandfathered. Ms. McLeod explained that a STR permit is good for one year only. She added business license permits are good for a one-year term. Commissioner Ward inquired if there would be a reason to deny a renewal. Ms. McLeod said we haven't had that happen since this was started in 2017 and in order to deny the property, we would have numerous complaints and then we could deny a permit. Commissioner Ward commented if there aren't any limitations, then a year from now the number of permits could triple. So the issue expands. By having rules will help mitigate the problem.

Commissioner Fleming inquired how long does it take to issue a permit that meets the life/safety issues especially if you have 500 in one day to issue. Ms. McLeod explained that we have set up the renewal period to submit stuff by March 1<sup>st</sup> and gives staff till the 30<sup>th</sup> to issue the license.

Mr. Holm explained when we started working on this in 2017 one of the commissioners said this was a "light touch" and it was set up so these permits could be self-sufficient/self-reliant so the applicant has supplied the self-inspections and provided the information. The City hasn't collected that additional information for things like violations and that staff does a good job getting those permits issued. If there is a question, staff will do a "deeper dive" into the application to determine if the space where the owner wants to do the STR is legal or not. The turnaround time is within a couple weeks.

**Public testimony closed.**

**Discussion:**

Commissioner Luttrupp commented that he is confident with the recommendations made by the ad hoc committee members and supports the process.

Commissioner Fleming thinks that number one (14-day exemption) needs to go away and for number two that there needs to be consequences for not adhering to the rules. She said she is confident staff will get the information out to those who have questions. She commented on number three that she supports the ad hoc committee and believes a "pause" is need to help all parties. The City need time to collect all the information to make the right decisions. She stated that Idaho Code 67 65 23 state the authorization of an "emergency moratorium" upon an issuance a of selected classes of permits. She explained that we have the responsibility to protect the rights of the permanent residential property owners and that we should have 182 days of moratorium or 6 months allowed to do under Idaho Code and suggested time frame from March 2023 – August 2023 pause.

Commissioner McCracken stated that she doesn't support the last item because we don't have all the

data to make a decision. Mr. Adams explained that the last point is not for the commission to vote on and will be the decision of the City Council.

**Motion by Fleming, seconded by Luttrupp, to approve Item 0-1-23 Motion approved.**

ROLL CALL:

Commissioner Fleming	Voted	Aye
Commissioner Mandel	Voted	Aye
Commissioner McCracken	Voted	No
Commissioner Luttrupp	Voted	Aye
Commissioner Ward	Voted	Aye
Chairman Messina	Voted	Aye

Motion to approve carried by a 6 to 0 vote.

**ADJOURNMENT:**

Motion by Mandel, seconded by Fleming , to adjourn the meeting. Motion approved.

The meeting was adjourned at 2:11 p.m.

Prepared by Shana Stuhlmiller, Public Hearing Assistant