

MINUTES OF A CONTINUED MEETING OF THE  
COEUR D'ALENE CITY COUNCIL  
HELD IN THE LIBRARY COMMUNITY ROOM  
ON OCTOBER 24, 2022 AT 12:00 P.M.

The City Council of the City of Coeur d'Alene met in continued session with the Planning Commission in the Library Community Room held at 12:00 P.M. on October 24, 2022, there being present the following members:

James Hammond, Mayor

Woody McEvers ) Members of Council Present  
Dan Gookin )  
Dan English )  
Kiki Miller )  
Amy Evans )  
Christie Wood )

Tom Messina ) Members of the Planning Commission Present  
Jon Ingalls )  
Lynn Fleming )  
Brinnon Mandel )  
Sarah McCracken )  
Peter Luttrupp ) Members of Planning Commission Absent  
Phil Ward )

**STAFF PRESENT:** Randy Adams, City Attorney; Renata McLeod, City Clerk; Hilary Patterson, Community Planning Director; Sean Holm, Senior Planner; and Kelley Setters, Deputy City Clerk.

**CALL TO ORDER:** Mayor Hammond called the meeting to order and noted that the purpose of the meeting was to discuss possible amendments to the Short-Term Rental (STR) code and to receive public comment.

**STAFF REPORT:**

Municipal Services Director Renata McLeod stated staff was seeking input on possible amendments to the STR Ordinance, hiring a STR compliance company to assist with permitting and code enforcement, and increasing violation fees.

City Attorney Randy Adams said Idaho Code § 67-6539 was signed into law in 2017, with the purpose of prohibiting a city or county from enacting or enforcing an ordinance that has the express or practical effect of prohibiting STRs or vacation rentals. He noted it granted the authority for a jurisdiction to implement **“reasonable regulations as it deems necessary to safeguard the public health, safety and general welfare in order to protect the integrity of residential neighborhoods in which STRs or vacation rentals operate.”** It also classified short-term or vacation rentals as a “residential land use” for zoning purposes. He said the legislature gives cities the ability to protect the integrity of neighborhoods in regard to STRs and the law states you may not restrict STRs in a manner that is more prohibitive than rentals in general. He said the City adopted the existing STR Ordinance (Chapter 17.08, Article X. STRs) in 2017. He noted each proposed change to the regulations would be looked at individually to ensure they met the intent of the law.

Community Planning Director Hilary Patterson said the City Council had directed staff to bring forward options to evaluate and possibly amend the STR Ordinance. She noted reasons for amending the code included a well-documented housing crisis, a lack of available for-rent and for-sale housing units, the strain on the residential long-term rental market by having a significant number of STRs that were not available for long-term rentals, the growing number of STRs in the community, the high number of unpermitted STR units, and complaints from residents about the high concentration of STRs in certain neighborhoods impacting their quality of life and the integrity of the neighborhoods. She said they were looking at ways to mitigate illegal STRs and create more opportunities for long-term rentals for the community. She noted it was the City’s priority to protect neighborhood integrity and staff had researched similar codes for communities throughout Idaho and the U.S. to explore other possible ways to mitigate impacts on residential neighborhoods. Staff also met with several STR compliance companies (Host Compliance, GOV-OS, Granicus, etc.) to learn about their services and to have a snapshot assessment of the total number of STRs operating within the City. She said there were 22,000 housing units in Coeur d’Alene, and so far, 453 permits had been issued for STRs in 2022. She noted 3.9% of the housing stock was being used as STRs, with 5.5% of the housing stock in neighborhoods south of I-90. She mentioned information staff had received from Granicus, Inc. showed there were currently 1098 listings, with 864 unique rentals, and STRs had grown by 140% since 2016. She said there were neighborhoods which were being severely impacted, and noted the Garden District and Sanders Beach/E. Mullan areas were the most impacted by over saturation. She said staff had prepared items for consideration which included: duration of stay, parking, type of unit allowed, zoning, location and quantity, occupancy, ADUs, fees, enforcement, and increasing permit fees/violation fees. She said staff was seeking input and guidance from the City Council and the Planning Commission on the proposed amendments. She said the following potential amendments were brought forward for discussion: Create a buffer/proximity restriction when issuing STR permits, create a lottery/point system for issuance, one-to-three year permits, require an on-site inspection, proof of liability insurance, minimum 2-night stay, limit the total number of permits, occupancy standard based on number of bedrooms, limit one (1) STR per person/business/owner group, increase the violation fees, and hiring of a STR compliance company. She noted violations fees for noise/parking were proposed at \$1,000 for the first offense, \$2,000 for the second, and \$3,000 for the third. Violations for operating without a permit were proposed at \$3,000 for the first violation; second or more violations would be \$5,000. She said staff would appreciate input

on the before mentioned items, and additionally, would like direction on how to issue permits. She said it would be important to hire a STR compliance company to assist with enforcement as there was not enough staffing capacity currently in the City to keep up with enforcement, checking rental sites, and enforcing violations and fee collections. The compliance company costs could be covered by higher permit fees.

Senior Planner Sean Holm said when the City passed its STR ordinance, it was done with the direction from Council to take a light touch in regard to enforcement, with the intention of revisiting the regulations in a few years and that was what the City was now doing. He said there were currently 864 units identified in the City and 411 were currently unpermitted and operating illegally. He said 411 non-permitted units equaled \$117,135 in fees not paid to the City this year. He noted half of the STR units in the City were held by out of state owners. He said the regulations that were working well included the good neighbor policy, notification to neighbors, requiring a site plan/floor plan, responsible party requirement, and violations were clearly noted. He said what wasn't working was there was no consideration of the concentration of STRs, compliance with advertisements (listing permit numbers), enforcement of violations, no 24/7 hotline available, and the lack of an inspection process. He said many cities that staff had researched were looking at altering their current codes. He noted staff had prepared the following recommendations: create a 300ft buffer zone, cap the total number of permits, permit valid for one-to-three years, create a waiting list, permit expires upon sale of property, provide liability insurance in the amount of \$1million, 2-night minimum stay, remove the 14-day exemption, on-site inspection for fire safety, building code, and occupancy, one (1) permit per owner/business/group, hire a code compliance company to assist with tracking violations, and consider increased penalties for non-compliance. He said it was recommended to set a limit of units per block/area, set a limit based on housing stock, and set occupancy standards based on the number of bedrooms. He noted compliance company services could include ongoing property and owner identification, notification letters, document violations, issue violation letters, 24/7 hotline, issue permits, and collect funds.

Ms. Patterson reiterated that staff were looking for feedback on how to issue permits (first-come, first served, lottery, point system), cap on permits, occupancy standard, length of permit, minimum stay, proof of liability insurance, violations, on-site inspections, limit of one (1) STR permit to owner/group/business, STR compliance company level of service, and remove the 14-day exemption. She mentioned the next steps were stakeholder outreach, continue to accept public comments, meet with the Board of Realtors, hire a third-party to identify all STRs, determine code amendments, and then present to City Council.

## **DISCUSSION:**

Commissioner Messina asked how new regulations would apply to currently permitted STRs, with Ms. Patterson responding permits were issued for one (1) year and new regulations would be implemented at the time new permits were issued.

Commissioner Ingalls asked about areas needing improvements, what fees are allowed to be collected and could fees be increased to hire enforcement. Mr. Holm noted that fees could be

increased and be used for enforcement of the code. Mr. Ingalls asked if thought had been given to regulate STRs by zone, with Ms. Patterson responding that staff had looked at separate options in commercial zones; however, many commercial zones were backed by single family residential zones. Mr. Adams noted Idaho code called for all STRs to be treated as residential zoned uses.

Commissioner Fleming noted the permits should be limited to one (1) per person/group/owner. She asked if there had been any substantial difference in complaints associated with STRs vs. other properties, with Ms. McLeod responding neighboring property owners were reaching out directly to the responsible party and not reporting directly to the City.

Commissioner Mandel asked how occupancy limits would be enforced, with Ms. Patterson responding they could be tracked by using the advertisement, parking spaces, and neighboring property owner notifications of violations.

Commissioner McCracken asked for clarity as to why the 14-day exemption was being requested to be removed, with Ms. Patterson responding it was difficult to track them for compliance. Commissioner McCracken asked how the City would monitor STRs that ceased to operate and how would a permit be issued to the next owner on the waiting list, with Ms. Patterson responding the permit would expire at the end of the permit year, and if the City was notified prior to expiration, they would issue a permit to someone on the waiting list. Commissioner McCracken asked how many property owners had multiple properties, with Ms. Patterson noting staff had identified multiple properties were owned by one owner/ company.

Councilmember English asked if the 300ft buffer was equal to one (1) city block, and did the current permittees have life safety inspections, with Mr. Holm responding the 300ft buffer was generally equal to a city block and that anyone pulling a building permit would have their property inspected as part of the permit process. Councilmember English said he was concerned with the amount of the noise fine and asked what was the basis for the amount, with Ms. Patterson responding it was the amount used for compliance with current City codes. Mr. Adams noted the City currently had a noise ordinance and the fine was up to \$1,000. Ms. McLeod said the compliance company would track noise complaints, forwarding those in progress to the police department which could be tracked through a police report. The company would document all other complaints and have evidence prior to the issuance of any fines.

Councilmember Miller asked if there was an example of the point system, with Ms. Patterson responding points would be awarded for off-site parking, on-site manager, no violations, etc.

Councilmember Gookin asked Mr. Adams if limiting STRs to one (1) per owner was regulating ownership, with Mr. Adams responding the City was within its jurisdiction to limit the number to preserve neighborhood integrity and quality of life. Councilmember Gookin stated he didn't think the 2-night minimum would be enforceable, with Ms. Patterson responding it would limit the turnover of people in the rental even if someone decided to stay only one (1) night. He said he liked the \$1,000 noise violation fine, and noted that prior to 2017 STRs were illegal within the City.

Councilmember Wood asked in regard to the misdemeanor charge, had there been discussions on a tiered violation system before becoming a misdemeanor.

Mayor Hammond called for a five-minute recess.

Mayor Hammond called the meeting back to order at 1:07 p.m.

**PUBLIC COMMENT:**

Melissa Radford, Coeur d'Alene, noted her family had purchased a second home in Coeur d'Alene to use as a vacation rental, made many upgrades and turned it into a STR. She noted they later sold their home and relocated to Coeur d'Alene fulltime. She said her and her husband started the CDA Vacation Rental Alliance and they currently had 322 members. Their goal was to help neighbors and business owners realize the benefits of STRs. She noted they were in support of the ordinance as it was currently written.

Caleb David noted he was a realtor and they were all on the same team. He said there were many opportunities in Coeur d'Alene to support tourism with the use of STRs. He said there were already rules for STRs and to focus on those currently on the books.

Ed Arevalo noted he has seen how STRs affect communities during his law enforcement career. He noted he spends 50% of his time in Coeur d'Alene and follows all laws and instructions given by the city when he rents his property during his time away. He said he would like more information on the proposed new laws.

Brett Lewis said he was a local real estate professional, and affordability had been discussed at prior meetings. He said permitted STRs were less than 3% of local homes sold and they did not contribute to the housing shortage. He feared many service businesses would suffer if STRs were limited. He noted Idaho was a right to rent state and the new ordinance may be a breach of constitutional rights.

Steve Reters, Coeur d'Alene, noted the topic was governmental power, and Council was tasked with finding the perfect solution and suggested creating a subcommittee to monitor short-term rentals.

Jeremy Radford, Coeur d'Alene, spoke of the benefits brought to the community by STRs and mentioned a one-bedroom unit would have the following benefits to service jobs in the City: property management, lawn service, house cleaning, and many more.

Angela King said she was broker and owner of King Realty, a STR owner, and asked Council to create a short-term rental commission to be funded by the STR permit fees. She stated STRs were an important resource for the community.

Terri Fjetland noted she was a STR owner and it wasn't appropriate to include Sandpoint's STR requirements in the City's proposed amendments. She asked that data be looked at by the City before making impactful changes, enforce violations of non-compliant units, and the CDA Vacation Rental Alliance would like to be a part of the solution.

Holly Hansen noted she was a realtor and property owner in the community. She agreed with what prior commenters had said and asked what would come of rentals that were removed from a STR. She noted long-term rentals were not as well maintained as STRs. She asked to keep rules as currently written and hire a third-party to monitor illegal rentals.

Courtney Tritten, Coeur d'Alene, has lived in area for 46 years and her and her husband had invested in a multi-unit home in the Garden District. She said they rent two (2) units as long-term rentals, and the other as a STR. They rely on the rentals, including the STR, as a source of income. She asked for enforcement of those who were non-compliant and not to limit those who operated legally.

Barb Crumpacker, Coeur d'Alene, noted she lived in the area for years and there were STRs near her who didn't shovel the snow in the winter and parked their many vehicles and boats on the street. She said her preference was fewer STRs and that may lessen the local labor shortages.

Phyllis Cavallo, Coeur d'Alene, noted she lived in a small gated community of 40 and there was a STR in front of her property. She noted the STR operated illegally for many years, and was permitted as a STR in 2022. She noted by permitting one STR, the other 39 resident's quality of life had been impacted. She suggested hiring a third-party to regulate STRs.

James Miller, Coeur d'Alene, recommended the City make regulations for STRs. He said there were many in his neighborhood. He would like to regulate off-street parking, limit occupancy numbers, and establish fines for non-compliance, noise, etc.

Elton Bain, Coeur d'Alene, noted that the City could look at South Lake Tahoe as an example of how STRs caused a deterioration of neighborhoods. He said enforcement and regulation was needed for STRs in order to protect neighborhoods.

Kara Beidler, Coeur d'Alene, noted she has lived in the City since 2013, and had purchased a second home to use as a STR. She said the reason they decided on a STR was to maintain their property in pristine condition and review each renter. She supported the 2-night minimum and enforcing the current regulations. She asked that the focus be on non-compliant properties. She would like to see data from the City justifying the proposed changes.

Jim Volke, Coeur d'Alene, noted he would like common sense rules in place in regard to STRs. He said the integrity of the neighborhoods should be a priority and staff recommendations were warranted. He would like to change the sign regulation to require a STR sign at all STRs in residential neighborhoods.

Angela Gotvernes, Coeur d'Alene, noted she did not agree with the lottery proposal. She agreed with limiting STRs per block and to allow current STR owners to continue to be permitted.

Jan Marie, Coeur d'Alene, noted she had worked in the hospitality business for many years, liked staff's recommendations, and would like to enforce what's already on the books. She suggested to limit the numbers per block, provide off-site parking, signage at STRs including permit info, on-site inspections, one (1) permit per owner, and was in support of staff's recommendations.

Sarah Grenfell, Coeur d'Alene, mentioned there were two (2) classes of STRs in the area. On-site owner vs. unoccupied owner. Owner unoccupied units were typically second and third homes and were pricing out local buyers. She asked to cap the number of STRs of owner unoccupied units.

Kathryn Mack, Coeur d'Alene, mentioned she was local and they own a STR near their home. She said they were invested in keeping neighborhood standards high, and noted STRs were rented by families and she advocated for local ownership. She noted her family was struggling with the rising cost of living and owning a STR helped her family afford living in the area and to support local businesses.

Cathy Erjen, Coeur d'Alene, said she was grateful for the work on the ordinance amendments and had previously asked Council to issue a moratorium on STRs. She said safety and stability for Coeur d'Alene residents was important and she agreed with the buffer zone, and hiring of a compliance company. She asked Council to keep City neighborhoods first.

Lee Moyer, Coeur d'Alene, said he was a STR owner asked if the ordinance amendments were approved, could they later be appealed.

David Schlaztes, Coeur d'Alene, noted he lived in the Sanders Beach area and there were five (5) STRs in the area by unoccupied owners. He said there were issues with cars parked all around his property. He mentioned the STR owners and property management companies were very nice but hard to contact. He said problems related to the STRs in his neighborhood were on-street parking, garbage, urinating and vomiting outside.

Cameron Napata, Coeur d'Alene, noted he had a STR and had owned it since it was built. He would like to postpone the STR discussion for a year, and noted the property owners who cashed out in the past two-years were the problem. He mentioned STRs were their lively hoods.

Jim Loper, Coeur d'Alene, noted he owned a STR in the area and had recently made improvements to the property and had hired local contractors. He mentioned renters supported local businesses as well. He believed his home was an improvement to the block and the staff recommendations were too restrictive and he would like a more balanced approach. He would like to see data to support the more restrictive rules and that current rules should be enforced.

Jesse Emitter, Coeur d'Alene, said he owned a STR and had a variety of guests visit with no complaints. He mentioned he lived on the same street as his rental and the renters were people looking to visit for a longer term. He was in favor of regulating STRs, noted rentals were currently

slowing down, and suggested the focus be on non-compliant STRs. He said the lottery process wouldn't give confidence to invest in properties, and a phased approach would be the best.

Todd Butler, Coeur d'Alene, noted a few options to consider were a tiered system, limit the permit until the owner was a resident for 3-5 years (which may open up long-term rentals), 7-day minimum to 14-day maximum, and he was not in favor of caps or buffer zones.

Lisa Zarragoza said she was a member of the CDA Vacation Rental Alliance and was deeply invested in the community and supported the enforcement of the ordinance as it currently stands. She said she was in support of creating a local short-term rental commission.

Eric Mack, Coeur d'Alene, stated he was a long-time resident and it was hard to afford to live in the area. He said he had bought a second home to use as a STR, and was worried if the proposed amendments were adopted, he may have to leave the area. He was not in support of the lottery system.

Matt Clepper, noted he managed vacation rentals and none of the STRs outside of city limits were regulated. He said he always tried to meet the neighbors of the units he managed. He said his experience with STRs is that there were very limited problems, and he was in support of existing regulations.

Diane Nottage, Coeur d'Alene, said she was a local property manager since 2005. She noted tourism was important to small businesses. She would like regulations to address all short-term rental options (STRs, hotels, motels) the same and work together for a common goal. She mentioned she had worked with the state taxing authority and there were options for collecting fees. She volunteered to be a part of the commission if created.

Brandon Quigley, Coeur d'Alene, noted he owned STRs in multiple states. He said he had worked with the Host Compliance Company in the past, and felt it was a money grab to use a compliance company. He mentioned parking and noise issues should be handled by the appropriate department of the City. He said the total number of STRs would be determined by the supply and demand of the area. He would like to take a methodical approach and work toward what was currently on the books.

## **DISCUSSION:**

Mayor Hammond thanked the audience for their respectful and positive public comments. He noted a few of the proposed ideas were excellent and there were good items to consider. He said he was intrigued by the idea to create a STR commission and other ideas brought forward. He said they would like to protect and preserve the integrity of the City neighborhoods.

Ms. McLeod said staff would appreciate any further direction Council and Planning Commissioners would like to provide.



Commissioner Fleming stated control of the 2-day minimum and 14-day exemption weren't enforceable and should be removed from the discussion. She also noted she wasn't in favor of signage at STR properties as they would stand out for crime. She mentioned she had travelled the world and noted that Venice, Italy was a good example of what the City didn't want, due to the number of rentals, there was no life in the streets of Venice, and balance was needed.

Councilmember Gookin stated Coeur d'Alene was great because it was a community and there needed to be fair regulation in order to preserve the community. He was opposed to creating another committee, would like to ban STRs in gated communities, limit numbers in neighborhoods to preserve those neighborhoods, prioritize an on-site manager, provide off-street parking, take into account when unit was first permitted, and limit them to one (1) per owner. He said the City had been thriving before STRs were permitted in 2017, and would continue to do so.

Councilmember English said it was important to hire a third-party compliance company, cap the number of STRs and suggested using attrition, look at parking issues, occupancy limits, and he was in favor of creating a STR commission.

Councilmember Miller asked staff to prepare a FAQs document about the legalities of regulating STRS which could be posted on the City's webpage. She asked for additional analysis on the areas presented and to check the legality of the new ideas brought forward.

Mayor Hammond asked the Planning Commission to bring forth three (3) Commissioners, and asked for two-three Council members to volunteer to work with staff on final recommendations.

Commissioner Messina was in support of hiring a third-party compliance company and would like additional information on their services, and noted the City needed enforcement. He was not in favor of creating a STR commission.

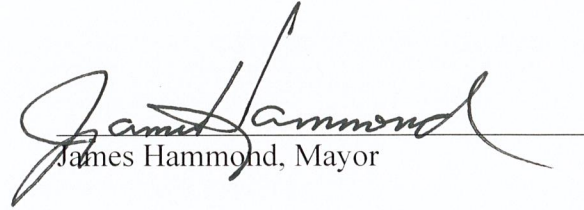
Councilmember Wood would like staff to do an analysis on enforcement, compliance company services, and was in support of the creation of a committee. She would like more information regarding current City off-street parking requirements.

Commissioner McCracken noted a good starting point would be enforcement of the current rules and there were current court challenges being litigated they should be aware of. She noted it would be prudent to proceed slowly and continue to look at property rights.

**ADJOURN:** Motion by Messina, seconded by McCracken, that there being no further business of the Planning Commission, this meeting is adjourned. **Motion carried.**

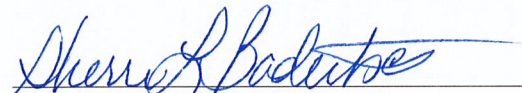
**MOTION:** by Miller, seconded by Wood, that there being no further business of the City Council, this meeting is adjourned. **Motion carried.**

The meeting adjourned at 3:07 p.m.



James Hammond, Mayor

ATTEST:



Sherrie L. Badertscher  
Executive Assistant