



**A CONTINUED MEETING OF
THE CITY COUNCIL
March 31, 2017, 12:00 Noon
LIBRARY COMMUNITY ROOM**

AGENDA

A. CALL TO ORDER

B. WORKSHOP WITH THE PLANNING COMMISSION

1. DISCUSSION ITEMS:

- a. Short-Term Rental Ordinance

Presented by Sean Holm

C. ADJOURNMENT

NOTE: The City will make reasonable accommodations for anyone attending this meeting who requires special assistance for hearing, physical or other impairments. Please contact the City Clerk at (208) 769-2231 at least 24 hours in advance of the meeting date and time.

Vacation Rental Packet for Joint Workshop

(March 31, 2017)

Today's discussion will be based on the following bullet points. Some items will have sub categories. It will be presented as a PowerPoint and questions from Planning Commission & City Council are encouraged!

- Ordinance at a glance
- Efforts to date (Including changes to Ord. since last meeting)
- Idaho HB#216
- ADUs and how they function/fit into the equation
- Q&A

Proposed Short-Term Rental regulations at a glance:

- A permit will be required for all vacation rentals. No grandfathered units.
- Accessory Dwelling Units (ADU) and associated principal units do not qualify as vacation rentals.
- A responsible party must be available 24/7 while the unit is occupied by a renter in case of valid complaints.
- Owner/manager must include permit number on all advertisements.
- Occupancy will be in accordance to existing residential definition of "family".
- 2 day minimum stay required.
- Limited exemption for non-vacation rental unit stays

Recap of Vacation Rental efforts to this point in time:

- Joint workshop (January 2016)
- Online survey & Results (March-April 2016)
<https://youtu.be/j3OEGlsh8NY?t=1h2m40s>
- Draft ordinance & supporting materials (+ comment period)
- Planning Commission workshop (January 2017)
<https://www.youtube.com/watch?v=L0ZxSILyiQc>

Refresher

The need for a vacation rental ordinance has been discussed internally for many years. Nancy Stricklin, former city attorney, issued an interpretation about short-term rentals back in 1995. It was determined at that time that rentals of less than one month are considered transient in nature (Hotel/motel use). The discussion resumed in November 2014 when staff heard from residents that the city needed to regulate vacation rentals because of impacts to neighborhoods. Staff also received comments from bed and breakfasts on how they were being impacted by vacation rentals and asked, "Why are we regulated differently?" Staff also saw the number of vacation rentals increase exponentially within our community.

Vacation Rentals

Background:

The number of vacation rentals has steadily been increasing in the neighborhoods around downtown Coeur d'Alene over the last several years. IRONMAN, Art on the Green, 4th of July, and other community events, as well as the year-round recreational opportunities surrounding Coeur d'Alene, help generate a demand for vacation rentals. Websites such as VRBO, AirB&B, TripAdvisor, Vacasa, FlipKey, cdagetaway, vacationhomerentals, and Craigs List, and several local property management companies have made the vacation rental business convenient for homeowners and investors who are looking to make income.

Year-round vacation rentals are also becoming more prevalent and visible in the community, with some rental properties hanging banners and signs advertising year-round vacation rentals.

Vacation rentals are not currently permitted in residential zones in the city; however, this is not clearly stated in the Municipal Code and it has also not been strictly enforced. Enforcement has largely been complaint-based. Former city attorney, Nancy Stricklin, wrote a legal interpretation in 1995 regarding weekly residential rentals. Rentals of less than one month are considered transient (similar to hotel/motel use) versus semi-permanent. Therefore, this legal interpretation continues to be the stance of the city for rental properties in residential zoning districts – including primary residences and accessory dwelling units.

A vacation rental ordinance would legalize vacation rentals in Coeur d’Alene and could establish important performance standards to help ensure that they are compatible in residential neighborhoods. Vacation rentals are not unique to Coeur d’Alene and the desire to clarify where and how they are permitted is becoming commonplace in communities nationwide. Local communities have begun regulating vacation rentals. Sandpoint has a vacation rental ordinance, the City of Spokane recently adopted a vacation rental ordinance, and the City of Kellogg and Kootenai County are both proposing vacation rental ordinances.

Recent Changes to Ordinance by Legal (After Planning Commission Workshop January 14, 2016)

Note that the language below is a “running list” of the items that Legal addressed concerning the proposed changes *after* the workshop:

- 17.08.1020(C) – since only Residential Dwellings can be used as a short term rental, the additional language is unnecessary and might create an ambiguity.
- 17.08.1030(F) – covenants, conditions and restrictions are covered in 17.08.1010(B). I think lease agreement should be included in that section as well and have done so.
- 17.08.1040(A) – I don’t have a problem with the rewording of the section and have made the change.
- 17.08.1040(B)(5) - I don’t have a problem with the rewording of the section and have made the change.
- 17.08.1040(B)(6) – since 17.08.1040(G)(2) is under “Signs and Advertising,” I assumed this referred to the house number on the outside of the house which has to be per Fire Department regs. (B)(6) refers to the posting inside of an escape route and I just added the address and emergency contact numbers because that made sense. I have changed (G)(2) from “address number” to “street number,” to be consistent with the Code (12.40.020) and to make it clear what is being required.
- 17.08.1040(C) – I think the language used allows the Responsible Party to use a binder if he/she wants. Leaving a binder in the unit would comply with the term “provide.” I don’t think we want to get too specific and should leave the actual method of “providing” up to the owner.
- 17.08.1040(G)(1) – I don’t have a problem with rewording this subsection, but I have modified your requested language slightly.
- 17.08.1040(I) – I did mean “in,” but I’ve taken it out completely since I didn’t use it before “DC.” I included “permit requirements” in the first part of the sentence where it belongs and reworded it to make it more clear.

- I think the added language for 17.08.1030(B)(5) is probably better placed as 17.08.1030(A)(1). The requirement to notify the City if information in the application changes in already in 17.08.1030(C).
- Re Zoning (17.08.1040(I)) – I prefer my wording for the following reasons. MH-8 and DC are not residential or commercial zones, at least by title. Therefore, I said they were permitted in all residential zones (R-1 through R-34), all commercial zones (C-17 and C-17L), and MH-8, and DC. That is, there are four categories of zones in which they are permitted, not just two. Also, there is no need to say what zones are excluded. If you only mention LM and M, what about NW, NC, and CC? This creates an ambiguity.
- Generally, wherever the term “telephone number” appears, I changed to “contact number” to cover both landlines and cell phones.
- 17.08.1030(B)(3) – eliminated the requirement for a telephone number (landline) of the Short-Term Rental itself.
- 17.08.1030(B)(5) – renumbered it as 17.08.1030(C) because it really belongs in a separate subparagraph, and adjusted the following lettered paragraphs.
- 17.08.1040(A) – no change actually. Just want to point out that it does specifically prohibit use as a Short-Term Rental for both an ADU and the associated principal dwelling.
- 17.08.1040(B)(5) – new paragraph requiring the Responsible Party to provide notice of the use and his/her telephone/cellular phone to residents within 100 feet of a Short-Term Rental. Question for you: do you want it to be a written notice, which would make it easier to prove that it was done and also gives a record of the contact number to the neighbors to prevent potential errors in translation?
- 17.08.1040(B)(6) – new paragraph – posting of the address, emergency numbers, and the escape plan, pending Sean’s communication with Fire. Questions for you: Does the Fire Department want to approve the diagram or do we rely on the drawing skills of the Responsible Party? Do you care if it is posted at the front door and can it be posted anywhere (i.e., a convenient closet)?
- 17.08.1040(D)(1) – left it as is because, frankly, I don’t remember how the Commission left it except that they were unhappy about the number “5.”
- 17.08.1040(D)(2) – eliminated the hours; added that Guests could not stay overnight.
- 17.08.1040(G)(1) – changed it to “no signs allowed” because referring to the Sign Code was not sufficient.
- 17.08.1050(B)(3) – changed “repeated” to three or more in a calendar year.
- 17.08.1050(B)(3)(c) – added the missing period.

Minutes from January 14, 2016 (Joint CC & PC workshop: Vacation Rentals):

STAFF REPORT: Planner Sean Holm noted that the number and popularity of the vacation rental use in Coeur d’Alene has increased over the years. The current city code does not allow for vacation rentals within a residential zone; however, it has not been strictly enforced. A 1995 legal interpretation set forth the standard that rentals of less than one month are not allowed as they are deemed transient rather than a semi-permanent use. He also noted that the only city code that most closely relates to vacation rentals is the bed and breakfast code; however, there are some clear differences. Mr. Holm explained some of the positives and negatives of the possible use of vacation rentals including travelers having choice, revenue to owners, more money spent locally with some of the negatives being possible

disturbances to the neighborhood; vacant property during slow times, excess parking, trash and safety issues. He reviewed items for possible consideration that included a registration process; inspection of site for safety and parking; and noted enforcement as the key to the program.

DISCUSSION: Councilmember Edinger asked how many complaints the City has received. Mr. Holm said that he has received complaints regarding signage that has been posted in front of rental properties by vacation rental companies. Councilmember Edinger asked how the vacation rental signs differ from for sale signs. Mr. Holm explained that business signage is different than the temporary use for home sale signs. Code Enforcement Officer Sean Youngman stated that he received one official complaint last summer regarding signage. Chief White noted that police patrol receives calls regarding noise complaints associated with vacation rentals. Municipal Services Director Renata McLeod said that the business licensing division receives calls from vacation rental business's inquiring if the City has regulation or a registration process, as that is the norm in the industry. She noted that her staff has received approximately 10 inquiries in the last couple of weeks.

Mayor Widmyer clarified that staff needs direction as to what should be allowed or not and that the city will need to demonstrate the ability to enforce proposed regulations. He said that he would not like a code as restrictive as Sandpoint. Councilmember Miller requested that staff seek input from vacation rental business operators, the Idaho Lodging Association, Chamber and other stakeholders before drafting the ordinance. Councilmember Gookin suggested staff look at two regulations; one for owner occupied; the other for non-owner occupied investment properties. Commissioner Messina believes that enforcement will be important to include and for staff to research how other cities do their enforcement.

Discussion ensued regarding reasonableness of occupancy; what length of time is reasonable to regulate; neighborhood preservation; parking; and investment properties.

Motion by Edinger to table the issue until next winter. Motion Failed due to the lack of a second.

MOTION: Motion by Gookin, seconded by McEvers to direct staff to develop codes regulating vacation rentals including registration; inspection; enforcement; a two week per year exemption; and to gather public input during code development.

DISCUSSION CONTINUED: Councilmember Edinger expressed concern with enforcement of another code with current staff resources. Chairman Jordon expressed concern with differing opinions, but assured the Council that the Commission will take input during the drafting of these regulations.

Motion carried with Edinger voting no.

Planning Commission Minutes from April 12, 2016

Vacation Rental – Update on survey and public input

Sean Holm, Planner, provided a PowerPoint with the results from a public survey on the city website. He commented that he has already started drafting a Vacation Rental Ordinance, and is seeking input from the Planning Commission and public for the items that they might want included in the ordinance.

Commissioner Ingalls questioned what the driving-force is behind vacation rentals, and stated that if he owned a house in Fort Grounds as a vacation rental, he feels that those parking passes would be used by the people renting the home. He questioned the need for new regulations when we have a lot of strong homeowner associations within the city.

Mr. Holm stated that staff has had complaints in the past from people living in a neighborhood that has a neighbor or knows of someone who is renting their home in this manner and is disruptive. He stated as

an example, in Hawaii they do restrict how many vacation rentals a person can own, but they do regulate vacation rentals and because there are so many, a lot of the locals can't afford to live in town because the homes are prohibitively expensive.

Commissioner Ingalls inquired if he decided to rent his house out two times a year, for a week each, would he be breaking the law.

Mr. Holm answered no, and explained that within this ordinance, there are exceptions that a person is allowed to rent their home for a grand total of fourteen (14) days per calendar year, and that those days can be broken into no more than two (2) stays. He stated the homeowner would not be required to apply for a short-term rental permit in that situation.

Commissioner Luttrupp stated he would like to have a police report submitted indicating the number of complaints they have received.

Commissioner Rumpler inquired about any safety features, such as smoke detectors or fire extinguishers that would need to be provided by the homeowner ensuring the renter that the home is safe.

Mr. Holm concurred and stated he has previously discussed this with the Fire Department, who perform inspections on homes, and stated that they are surprised how often homes do not have any functioning smoke alarms or fire extinguishers.

Commissioner Rumpler feels that safety should be considered and hopes that this ordinance will be able to address those issues.

Commissioner Ingalls inquired if other jurisdictions are required to perform inspections.

Mr. Holm stated that some cities do and some don't, and it's based on having adequate staffing available to do those inspections.

Commissioner Ward stated that this is great, but how is staff going to get people who have a vacation rental to obtain a permit.

Mr. Holm stated enforcement is done through complaints and stated there is an old saying "Don't irritate the neighbor and they won't complain".

Commissioner Messina recommended that a list be required for the tenant showing proof for safety items in the house.

Mr. Holm stated that the Fire Department already has a pamphlet that they give to people after they do a home inspection that could be used for this purpose.

Commissioner Green inquired if staff knew how much these permits will cost.

Mr. Holm stated that staff has not determined that yet.

Commissioner Rumpler feels this is a new form of commerce and it should be regulated like other businesses in the city.

Commissioner Fleming stated this is the future. She feels the city shouldn't be responsible and cited that she had a friend who has a vacation rental in the city and the person who was renting the property had

an accident involving a barbeque, and thankfully the homeowner had adequate insurance. She agrees that this should be run as a business and that owners need to pay taxes to run this business.

PUBLIC COMMENTS:

Larry Chmura stated that he would like to know how many complaints the city gets on vacation rentals and thinks this is going to get expensive for the vacation rental owner and commented that "If it's not broken don't fix it".

Cheryl Lantz stated that they own a vacation rental business in town and would like to answer a question that came up earlier on a formula to decide occupancy. She explained that when they meet with a client and do a home inspection, they base the occupancy on the square footage of the home. She stated that the properties they manage are family oriented that have additional rooms with doors and extra-large bedrooms to sleep more than one person.

Commissioner Ingalls questioned if she feels the city needs a vacation rental ordinance.

Ms. Lantz stated, as a business owner, we don't need any more regulations, but would recommend that if there is an ordinance, to have a "light touch" and commented that if someone has a vacation rental they should be required to pay the required taxes that having a business generate to be fair.

Commissioner Luttrupp inquired if there are any criteria to be considered if an owner contacts your agency.

Ms. Lantz explained that there are federal guidelines that need to be followed which is discussed with the client and that the property owners do set their preference for the type of people they are looking for as a tenant, but caution them that discrimination is not allowed.

Debi Melknonian stated that they manage three vacation rentals and have enjoyed the numerous people who rent their properties. She commented that the insurance is more expensive, but agrees that this is a business and insurance is necessary to protect the owner and the client. She also agrees with the "light touch" approach to these regulations, and feels it is time that long-term vacation rentals should be regulated. She stated that she is impressed how immaculate the homes are left after her client's leave the property.

Commissioner Ward commented that once the city has the process in place, it would be nice to have the available rentals online with a 1-10 scale rating system. He inquired if renters are required to have their own renter's insurance.

Ms. Melknonian stated that they don't require proof of renters insurance from their clients, but they use a great security company that screens their applicants.

Dan Geiger stated that he has owned a vacation rental for 10 years in the Fort Grounds. He explained that a few years ago, he and his wife decided that they wanted to share their home and offered it to a group of people who were curious about the neighborhood. He stated since then, he has had the same people rent his property every year, because they love the area. He explained that he has great neighbors who report to him if there are any parties or disturbances in the neighborhood. He feels that these homes are self-regulating. He added that the people who rent his home have been quality people who leave the home spotless after it is used. He concurs with other testimony that a "light touch" ordinance would be best.

Matt Clapper stated he manages vacation rentals for Vacasa and oversee thirty homes and that they determine the occupancy after they inspect the home on how many bedrooms the home has available. He stated that with every client, they make sure the home is equipped for safety and if the home is lacking they will provide those items to insure the occupant's safety.

Terry Nash stated that he works for a vacation rental company (Vacasa) and concurs that a "light touch" is best for regulating vacation rentals. He feels that if they are required to have occupancy regulations, then hotels should be required to do the same. He commented that if he lives in a neighborhood and had a choice between a vacation rental and a regular rental, he would choose a vacation rental. He explained that most vacation rentals are family owned and well-maintained. He would agree to set the minimum stay for a vacation rental at two nights. He stated they do require the owners to provide proof of insurance and they screen their renters.

Commissioner Luttrupp asked if he could explain his screening process.

Mr. Nash stated, as an example, if you are contacted by one party and then they state they are going to split the rental, then that is a "red flag" that they are looking for a place to have a party.

Eva Carleton stated that she disagrees and stated the city doesn't need to have regulations on vacation rentals. She explained that she has had a vacation rental for a number of years, and doesn't feel there needs to be anymore fees. She stated that she has never had a problem getting quality people to rent her homes and that in the many years she has had a rental, nothing has been damaged. She commented that she is an attorney and carries liability insurance to cover anything that should happen on the property. She feels that vacation rentals are important and often accommodate the overflow of what the hotels can't handle.

Commissioner Fleming commented that the city is trying to make this a legal process since vacation rentals have become so popular. She stated this is a business and the owners should have to pay their share of taxes.

Holly Hansen explained that she had the good fortune to buy the house next to hers and turn it into a vacation rental. She stated that since then people who live on her street have asked her advice how they can turn their long term rentals into vacation rentals. She stated that she likes the idea of an ordinance and likes all the previous testimony; having a "lighter touch" ordinance. She recommended to staff when permits are issued to have a link on the city website for available vacation rentals, so that someone looking for one can have a useful tool. She added it would be a great tool for other vacation rental owners to use also. She also said she would like thereto be a contact person 24/7.

Kathrine Boss stated that she lives in the Fort Grounds neighborhood and is concerned about density. She feels allowing vacation rentals with high turnover changes the feel of the neighborhood and you then don't get to know your neighbors.

Minutes from January 24, 2017 Meeting

Sean Holm, Planner provided the proposed short-term rental regulations at a glance:

- A permit will be required for all vacation rentals. No grandfathered units.
- Accessory Dwelling Units (ADU) and associated principal units do not qualify as vacation rentals.
- A responsible party must be available 24/7 while the unit is occupied by a renter in case of valid complaints.
- Owner/manager must include permit number & number of off-street parking stall(s) for units on all advertisements.

- Occupancy will be in accordance to existing residential definition of “family”.
- 2 day minimum stay required.
- Limited exemption for non-vacation rental units stays.

Why is an ordinance necessary? Currently vacation rentals are not a legal use within the city limits. The ordinance will legitimize vacation rentals if passed and allow them to operate within the city limits. The legality of an ordinance has been asked about numerous times, the state and federal government have allowed states to pass down these powers to the cities to allow zoning of properties. Up to this point in time, efforts have been:

- PC & CC Joint Workshop (Jan. 2016)
- Online Survey (Jun. 2016)
- Draft Ordinance & Comments (Oct. 2016)

A joint workshop with City Council and the Planning Commission was held in January 2016, where it was decided the notification of citizens was not effective, prompting staff to create an online survey, held in June 2016. Staff compiled the results and used feedback from PC, CC, and the public, to create the first draft of an ordinance. Since then, the draft has been released and an additional workshop is to be held January 2017 by PC, which will include public comment to fine tune the current draft.

The outline of the discussion was based on the following bullet points:

- **Community Input:** The survey results showed that 486 citizens (61% of respondents) would support a vacation rental ordinance.
- **Goals:** To maintain the neighborhood character, track housing stock and affordability, study macro VRBO trends, and establish balance/fairness and clear reasonable rules.
- **Key issues:**
Occupancy: Is based on the definition of “family” within 17.02.055 of the Coeur d’ Alene municipal code which is:
 1. One or more persons who are unrelated by blood, marriage, or adoption;
 2. No more than 4 persons who are unrelated by blood, marriage or adoption living together as a single housekeeping unit; or
 3. No More than a total combination of 5 persons related and unrelated living together as a single housekeeping unit.

Parking: Staff is aware that many houses have little to no off-street parking, forcing installation of parking could have unintended consequences with the loss of front/rear yards. Thought should be given how to best handle off-street parking for vacation rentals that will provide the best solution for residents. Sometimes it is based on number of bedrooms or the use.

Exemption: Allow to rent for 14 days per calendar year. No more than 2 stays and 14 days total. The public survey was in favor of this exemption.

Length of stay: Diane Norton manager for Idaho tourism provided data on when people drive to a vacation destination how many nights do they typical stay. The data showed 2 to 6 days. Staff felt this was a good number on which to base a 2-night minimum stay.

Advertising: All advertising shall include the city permit number and the maximum number of vehicles accommodated by off-street parking space.

Enforcement: Repeat violations would result in the permit being revoked and order that no new permits shall be issued for up to 3 years.

PUBLIC COMMENTS:

Daryl Elliff stated concerns of the vacation rental use being a commercial endeavor not within the parameters of a single family residential use.

Commissioner Jordan stated the zoning ordinance regulates all of the property in the city and under the zoning ordinance you have CC&R's/HOA which is regulated by the people in the neighborhood. Randy Adams, City Attorney followed up by stating this proposed ordinance does not overcome the CC&R's.

Ann Melbourn stated she would like to have a limit on the number of vacation rentals in a neighborhood and has concerns with the guest turnover and feels it changes the character of the neighborhood. Other concerns are lack of parking and suggested small discrete signage.

Will Butler stated he has a vacation rental house on Lakeside Avenue. The house has been a rental for 11 years. Since using it as a vacation rental it is better taken care of and he has built relationships within the neighborhood. Currently, there are 4 off-street parking spaces. He had concerns with the occupancy limit, an example given was 10 women rented his house for a bachelor party and he had no complaints. He does not like the definition of "family" and feels the minimum age requirement should be 18 years old not 21.

Matt Clapper manager of the Vacas Vacation Rental Management Company stated currently he manages 25 within the county and about 6 to 8 properties within the city. He thanked Mr. Holms for his hard work in putting this together and feels it is fair and useful. Stating that prior to renting to guests they are informed on parking requirements, occupancy, and the minimum age limit to rent is 21. The adjacent neighbors are provided with a 24 hour manned 1-800 number. There is no signage.

Mary Ann Landers stated she lives in Fort Grounds and knew when she chose the neighborhood that it is the busiest place in town and don't mind noise. The neighborhood has had restricted parking for several years which requires a parking permit to park on the street. She has lived there 30 years and states the streets are empty most of the time except on Fourth of July.

Terry Nash property manager for Vacation Rentals stated he works with the HOA's and has built relationships with the homeowners in the neighborhoods and does extensive background checks on guests. He wanted to know the permit cost.

Mr. Holm stated it is premature to determine at this time, but would like to keep the fees low.

Tracy Stokes had concerns on the limits of 5 persons and the definition of "family" where did the 5 come from? It is to limiting.

Mr. Holms stated that it is currently in the code and applies to all residential uses.

Commissioner Jordan clarified that if it is all family you can have 20 people but if not everyone is part of the family the limit is 5, which is the current city ordinance.

Tom Torgerson President of the Coeur d' Alene Association of Realtors stated that staff has done a good job. They have no issue and would try to work with the commission and possibly use the ordinance as a model to use statewide. They would like to see changes to the limit on number of person not related, the 7am to 10pm time restriction, need clarification of the 24 hour contact person and keeping records for 4 years. The administration fee seems fair and reasonable.

Commissioner Rumpler asked Tom if he had any suggestions on addressing the time issue.

Mr. Torgerson suggested using the current noise ordinance.

Commissioner Luttrupp asked on ideas on limits of persons.

Mr. Torgerson replied when you define "family" people could utilize that and take it into discrimination issue against the city and some scary thing like that.

Megan O' Dowd stated she lives downtown with her family and has two accessory dwelling units (ADU's) and one single family home. Her primary concern is the prohibition against ADU being used as vacation rentals (short-term rentals) and stated that current code requires the owner to occupy a residence on the property. She states this makes sense to maintain and monitor the property. Parking is not an issue usually guests all come in one car. They are being regulated by the state tax commission and they are required to pay sales tax and hotel/motel tax. She thinks neighborhoods regulate themselves and don't think the noisy partying would happen.

Holly Hansen has concerns with long term rentals having multiple cars and people and thinks vacation rentals are better overall. The homes are well maintained, no garbage and couches in the yard. The long term rentals are usually not maintained. People who purchase these want them as an investment and use them as a vacation home or have as a possible home in the future in this area.

Patti Jester stated she lives in the Fort Grounds neighborhood and has been there since 1979. She has 3 vacation rentals behind her currently and has experienced the very best and the very worst of it. The best was a family with 10 children who were very respectful and this was an option for them to stay at a vacation rental vs. a hotel which would be the cheaper option for a family of that size. They have also experienced camp run amuck, people camping in the back yard and in trailers in the front yard. Stated that vacation rentals in Hawaii are based on occupancy by what the home can occupy and they license based on a particular number of guests. They are very strict about the number. If you break this you lose your license. She asked questions if ADU's would be under this. Do they need to be licensed? Her observation in the Fort Grounds neighborhood is that it has become a mixed use and commercial vacation rental use. I bought into a neighborhood/community and not a row of Motel 6's.

Mr. Holm stated that questions/comments regarding ADU's and vacation rentals will be taking all of them into consideration as we move forward.

Commissioner Jordan asked how the surrounding neighbors would contact the vacation rental person if they had a disturbance or complaint.

Mr. Holm stated that everyone that lives within 100 feet will be provided the 24/7 contact person if there is a disruption.

Mr. Holm explained the purpose of an ADU was determined by the previous Council that it was written as a month to month not as a hotel/motel use and to provide affordable housing.

Ms. Anderson added that ADU's do not have parking requirements.

Commissioner Luttrupp asked if it is easy to get an ADU license.

Mr. Holm stated there is a notice to title that is recorded at the county and it is relatively easy.

Commissioner Luttrupp does not agree with having the signage requirement but based on the current code. It is too big.

Commissioner Messina asked if it was necessary to have a sign at all.

Mr. Holm stated that most vacation rental agencies discourage signs because of the potential that people will know it is an empty home.

Commissioner Ingalls gave kudos to staff on a great product and that there is not a lot more that needs to be done just a few little tweaks and not to get hung up on things such as the "family" definition which currently applies to all homes within the residential zone. Agreed to strike the 7-10pm time limit and let the city's current ordinance dictate and strike the 4 year bookkeeping requirement.

Commissioner Jordan liked the idea of a "light touch" and make amends in the future if needed. He also stated that the definition of "family" really doesn't make sense and would be difficult to enforce.

Commissioner Rumpler questioned how old is the ordinance that defines "family".

Ms. Anderson said she would look into it.

Mr. Adams, City Attorney stated the definition most likely preceded 2011.

Commissioner Fleming stated she would discourage all signage because it changes the feel of the neighborhood; the age limit of 21 should remain. She felt the vacation rental property managers could make the guests aware of the City Code noise ordinance. She likes the 24/7 contact person and the 2 day minimum stay. She suggested making it mandatory to have a land line in the home.

Commissioner Jordan stated the Commission agrees on about 80% of the ordinance. Discussion followed and the Commission decided to strike the 4 year recordkeeping, strike the 7am to 10pm time restriction, keep the two night minimum stay, prohibit any exterior signage, add language to notify neighboring properties within 100 feet of the vacation rental providing them with the 24/7 contact person and redefine the occupancy language.