

MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT THE LIBRARY COMMUNITY ROOM

December 5, 2017

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene City Library Community Room, December 5, 2017 at 6:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

Dan Gookin) Members of Council Present
Kiki Miller)
Amy Evans)
Loren Ron Edinger)
Woody McEvers)
Dan English)

CALL TO ORDER: Mayor Widmyer called the meeting to order.

INVOCATION: Pastor Kevin Schultz with the Vine Church provided the invocation.

PLEDGE OF ALLEGIANCE: Councilmember McEvers led the pledge of allegiance.

AMENDMENTS TO AGENDA: The Mayor noted that Other Business, Item 1. Authorize the allocation of \$50,000 from the Parks Capital Improvement Fund for the new Skate Park and Accept ignite cda Funding and Item 2. Council Bill No. 17-1034 - Complete Streets Ordinance have been removed from the agenda and will be heard at a later date.

MOTION: Motion by McEvers, seconded by Edinger to add Council Bill No. 17-1038 in reference to the A-4-12 Annexation with Scott Stephens for 1354 Silver Beach Road to the agenda. This item was not included on the original agenda due to a staff oversight; however, it is required to complete the annexation agreement that was listed on the agenda.

Motion carried.

CONSENT CALENDAR: Motion by Miller, seconded by Edinger, to approve the consent calendar.

1. Approval of Council Minutes for the November 21, 2017 Council Meeting.
2. Approval of Bills as submitted and reviewed for accuracy by Finance Department
3. Approval of General Services Committee Minutes for the meeting held on November 27, 2017
4. Setting of Public Works and General Services Committee meetings for December 11, 2017 at 12:00 noon and 4:00 p.m. respectively
5. Annual Road and Street Financial Report for year ending September 30, 2017.

6. **Resolution No. 17-071-** A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING THE BELOW MENTIONED CONTRACTS AND OTHER ACTIONS OF THE CITY OF COEUR D'ALENE, INCLUDING APPROVAL OF A MAINTENANCE/WARRANTY AGREEMENT WITH, AND ACCEPTANCE OF IMPROVEMENTS AND SECURITY BY, ASPEN HOMES AND DEVELOPMENT, LLC, FOR ALPINE POINT – S-2-17; APPROVAL OF LEASE AGREEMENT RENEWAL WITH RANDY AND AKIKO FOLK DBA THE TIKI HUT FOR FOOD CONCESSIONS AT INDEPENDENCE POINT; AND APPROVAL OF A COOPERATIVE AGREEMENT FOR MUTUAL AID ASSISTANCE WITH THE IDAHO DEPARTMENT OF LANDS (IDL).

ROLL CALL: Evans Aye; Miller Aye; McEvers Aye; Gookin Aye; English Aye; Edinger Aye.
Motion Carried.

COUNCIL ANNOUNCEMENTS:

Councilmember McEvers noted that Diana Jackson was the winner of the CDATV survey drawing for a new IPad and they have been unable to reach her. If you know her, please have her contact City Clerk Renata McLeod at City Hall.

Councilmember Gookin thanked the student in attendance tonight.

The Mayor requested the appointment of Ashley L. McCormack, PhD, MSW to the Arts Commission.

MOTION: Motion by Edinger, seconded by McEvers to approve the appointment of Ashley L. McCormack, PhD, MSW to the Arts Commission. **Motion carried.**

RESOLUTION NO. 17-072

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING AN ANNEXATION AGREEMENT WITH SCOTT AND CAROL STEPHENS FOR 1354 SILVER BEACH ROAD.

MOTION: Motion by McEvers, seconded by Edinger to approve **Resolution No. 17-072**, approving an Annexation Agreement with Scott Stephens for 1354 Silver Beach Road.

DISCUSSION: Mr. Gridley noted that the joint well agreement between the applicant and abutting property owner took a long time to negotiate. Councilmember Gookin said he would be opposing this request as he opposed the original annexation because no requirement was included to require connection to city water and sewer services. Mr. Gridley noted that the owner has his own well and septic and he is welcome to connect to city services once annexed; however, the expense to run the pipe would be high. Councilmember McEvers thought the City always required connection with an annexation. Mr. Gridley noted that most of the time that is the reason people request annexation and oftentimes Panhandle Health will not renew septic permits for failed systems, but in this case, the septic is still approved. Councilmember Edinger

asked why it took five years to be annexed. Mr. Gridley reiterated that the City Council approved the annexation five years ago; however, one of the conditions was that the owner reach an agreement with the abutting neighbor, and it took that long for him to reach an agreement with that neighbor. There were some issues with the construction of the home with county building codes, and egress and ingress easements needed, which are standard requirements, and it has taken the applicant this long to settle these matters. Councilmember English noted that he was not on the Council when it was approved, and feels it makes sense that they should have had to connect to city services. He felt there should be a compelling reason if it did not fit the normal criteria. Mr. Gridley noted that the main reason for annexation was that the building on the property did not meet County setbacks and would meet City setbacks and he could not sell the property without resolving the issue. Mayor Widmyer felt that it would be better for the members of the Council who were not present in 2012 to get more information before moving forward with the annexation agreement. Councilmember English concurred that he would appreciate more information. Councilmember Miller asked if there would be a legal precedent set by this action with regard to not requiring connection to city sewer and water. Mr. Gridley confirmed that it would not be a precedent.

MOTION REMOVED by McEvers with the concurrence of Edinger.

MOTION: Motion by McEvers, seconded by Edinger to table Resolution No. 17-072 for more information to be provided at a later date.

ROLL CALL: McEvers Aye; Gookin Aye; English Aye; Edinger Aye; Evans Aye; Miller Aye.
Motion carried.

(LEGISLATIVE) V-17-6 - VACATION OF THE 20' EMERGENCY VEHICLE ACCESS EASEMENT LOCATED BETWEEN LOT 8 AND LOT 9, BLOCK 1 OF THE GRAYSTONE SUBDIVISION

STAFF REPORT: Engineering Project Manager Dennis Grant explained that the applicant, Shay & Eric Wallace, are requesting the vacation of a portion of the 20' emergency vehicle access easement located between Lot 8 and Lot 9, Block 1 of the Graystone Subdivision. He noted there is no financial impact to the city. The emergency vehicle access easement on the subject property was originally installed with the Graystone Subdivision in 2003 and then modified/recorded in 2007. The Fire Department has stated that the easement is no longer used and is not recognized by the Fire Department for emergency access. The unused easement portion would allow the homeowners to install landscaping up to their property lines. The Development Review Team was informed about this vacation and did not have any concerns. He noted that he sent out 24 notices and received two responses; one in favor, and one opposed.

DISCUSSION: Councilmember Gookin asked if the opposing party explained why they opposed. Mr. Grant noted that he made contact with the party and they expressed concern that they understood the area was intended for fire access.

Mayor Widmyer called for public comments with none being received.

COUNCIL BILL NO. 17-1035

AN ORDINANCE OF THE CITY OF COEUR D'ALENE, VACATING AN EMERGENCY VEHICLE ACCESS EASEMENT IN THE GRAYSTONE SUBDIVISION, RECORDED IN BOOK 'T' OF PLATS, PAGE 492A, RECORDS OF KOOTENAI COUNTY, GENERALLY DESCRIBED AS A 20 FOOT EMERGENCY VEHICLE ACCESS EASEMENT LYING IN THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 50 NORTH, RANGE 3 WEST, BOISE MERIDIAN, COEUR D'ALENE, KOOTENAI COUNTY, IDAHO; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE AND AN EFFECTIVE DATE HEREOF.

MOTION: Motion by Gookin, seconded by Evans, to dispense with the rule and read **Council Bill No. 17-1035** once by title only.

ROLL CALL: Gookin Aye; English Aye; Edinger Aye; Evans Aye; Miller Aye; McEvers Aye.
Motion carried.

MOTION: Motion by Gookin, seconded by Evans, to adopt **Council Bill 17-1035**.

ROLL CALL: Gookin Aye; English Aye; Edinger Aye; Evans Aye; Miller Aye; McEvers Aye.
Motion carried.

(LEGISLATIVE) V-17-7 - VACATION OF THE GOOD PEOPLE CONDOMINIUMS PLAT, BOOK K OF PLATS, PAGE 106 LOCATED AT 1421 AND 1423 KALEIGH COURT

STAFF REPORT: Engineering Project Manager Dennis Grant explained the applicant, Anne Anderson (on behalf of Charles A. Olson), is requesting the vacation of the Good People Condominiums plat (Book K of Plats, Page 106). The location is at 1421 & 1423 Kaleigh Court. The Good People Condominiums plat was recorded in 2007 as a part of Lot 10, Block 1, of the Jae's Place plat, which was recorded in 2005. The purpose of this request is to provide for a simpler form of ownership. He noted that he sent out 26 notifications and received no responses.

Mayor Widmyer called for public comments, with none being received.

COUNCIL BILL NO. 17-1036

AN ORDINANCE OF THE CITY OF COEUR D'ALENE, VACATING THE GOOD PEOPLE CONDOMINIUMS PLAT (BOOK K OF PLATS, PAGE 106) LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 50 NORTH, RANGE 4 WEST, BOISE MERIDIAN, CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE AND AN EFFECTIVE DATE HEREOF.

MOTION: Motion by English, seconded by Edinger, to dispense with the rule and read **Council Bill No. 17-1036** once by title only.

ROLL CALL: English Aye; Edinger Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin Aye.
Motion carried.

MOTION: Motion by English, seconded by Evans, to adopt **Council Bill 17-1036**.

ROLL CALL: English Aye; Edinger Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin Aye.
Motion carried.

(LEGISLATIVE) 0-3-17 – SHORT TERM RENTAL ORDINANCE – MUNICIPAL CODE CHAPTER 17.08

STAFF REPORT: Senior Planner Sean Holm explained that the proposed code is intended to legalize short-term rentals within the city limits, maintain neighborhood character, track housing and stock affordability, study macro VRBO trends, establish balance/fairness, and set clear and reasonable rules. He reviewed the previously held public workshops and input opportunities that have occurred since January 2016, including a survey that received over 600 responses, including a recommendation of approval from the Planning Commission. Mr. Holm explained that House Bill 216 was signed into law on April 4, 2017 that will go into effect January 1, 2018. The proposed code helps the city comply with those new laws. Some of the proposed standards included in the code include a minimum of a 2-day stay, and an exemption for a short-term rental of one unit/bedroom. He further explained that the permits would be renewed annually and that permit numbers must be posted on all advertisements and is non-transferable. There must be an emergency contact person listed for someone who can resolve issues within a 60-minute window after notification. Within the unit, they must post a safety plan and the contact information for the responsible party. The application will be made available on-line for ease of use. He noted that staff has prepared a “Good Neighbor flyer” that will be provided to renters by the owner. Additionally, the code only allows one unit per owner per parcel to be rented as a short-term rental, to aid in the prevention of multi-family units turning into pseudo-hotels. The code proposes to allow the use of an accessory dwelling unit (ADU) or associated principal dwelling unit as a short-term rental, not both. Newly developed ADU’s will trigger payment of associated impact fees (estimated to be \$1,700) and require one parking stall be provided on site. Mr. Holm explained the notification process to include notice to adjacent neighbors rather than the 100-foot buffer, as done in Portland, Oregon.

DISCUSSION: Councilmember McEvers asked for clarification regarding the 14-day only requirement and the two-day minimum. Mr. Holm noted that the exemption is if the property is only rented for less than 14 days a year, in which case they would not need a permit. However, beyond 14 days per year would require a permit. The minimum stay of two days helps elevate the problem associated with one-night stays, such as a bachelor party disrupting the residential neighborhood. Councilmember McEvers asked for clarification regarding the 100-foot buffer versus the adjacency measurement and how to deal with rentals within the same block. Mr. Holm explained staff’s recommendation is to use the adjacency requirement rather than the 100-

foot requirement and would use the philosophy if there were any doubt to send the notice. Councilmember McEvers asked if there were any restriction on number of units within one block. Mr. Holm explained that the City of Sandpoint uses a 300-foot buffer and it did not seem to accomplish the desired result, so the proposed regulation does not include a restriction. Councilmember Evans asked if the required safety plan needs to be approved by the Fire Department and if there will be any inspections of the unit. Mr. Holm clarified that there will be a self-certified process and no inspections will be done. Councilmember Gookin asked for clarification regarding concerns associated with a one-night stay. Mr. Holm explained that through the responses and input received at the Planning Commission level it was noted that a one-night stay is a hotel type use and the input from Terry Nash, who provides property management for short term rentals, indicated that the one night stay tends to be more problematic. The statistics from the state regarding people traveling via vehicle found that 90% of those travelers stay two or more nights. Councilmember Gookin believes that this will push business to the County as hotels and motels that do not operate under those rules. He asked if there was an example of anywhere of self-inspection that has worked. Mr. Holm noted that he is not aware of any other city that has allowed self-inspection. However, the amount of staff time and the liability of the City conducting inspections was cost prohibitive, and staff did not feel that it was a great use of staff time and opens more potential for other types of code violations to be noted. Councilmember Gookin questioned the ability for neighbors to do anything about the short-term rental approval after being notified. Mr. Holm clarified that it would not affect approval; however, it provides contact information for the responsible party if there is an issue down the road. Councilmember English noted that he had mixed feelings about the neighbor notification and if the emergency contact information can be found on the city website with the addresses clearly marked. Mr. Holm explained that staff is working on the mapping for internal use. There is potential for the vacation rentals to become targets for criminal activities during vacant times if locations are published. Councilmember Miller expressed concern that when a city permit is attached to the property it may give a renter some sense of security that it was inspected by the city and asked if there is liability incurred by not inspecting. Mr. Holm noted that staff had discussed liability at length with the Legal Department. The consensus was that by doing an inspection, it would give more liability to the City than having the owner conduct a self-inspection themselves, and the permit has legal language about accurate information. Councilmember Edinger asked who would be policing the regulations. Mr. Holm clarified that within the first 60 minutes the responsible party is responsible to resolve complaints; thereafter, it would be a Police Department call. The code has progressive enforcement with the first strike against the owner being noted, the second strike can be a misdemeanor, and the potential for revocation with the third time violation.

Mayor Widmyer called for public comments.

PUBLIC COMMENTS:

Holly Hansen noted that she owns several properties in Coeur d'Alene, including some on North Military Drive. She stated that she is a real estate agent in Coeur d'Alene and has seen many changes in the area. On North Military Drive, she has witnessed many college students living in the area and there were parties that went on all night, contrary to what occurs with short-term rentals. Short-term rentals tend to be quieter and have higher maintenance standards to attract

occupants. She supports vacation rental versus long-term rental. She felt that notifications could go to the neighbors but felt it should be clear if it was lived in or a vacation home. She felt that long-term rental companies do not maintain the properties the same way. The two-night stay requirement is great, as she has witnessed the one-night bachelor party rental. She did not think that it would be worthwhile to give out property manager numbers, as she does not have any luck getting them to return the call versus a personal owner of a vacation rental who would be responsive. She noted that the success of the rental is based on reviews. She does not agree that the fees for vacation rentals should be \$200 because the property owners have high costs of maintaining the property and felt it should be more like \$50.00.

Councilmember McEvers asked if she was opposed to long-term rentals. Ms. Hanson said that she supports all rentals; however, she would like long-term rentals to be better maintained. Councilmember Gookin asked what the economics of long-term versus short-term were. Ms. Hanson explained that annually the difference in revenue is better for short-term rentals as there is less wear and tear and the property is being cleaned all the time.

Tom Torgerson, 4808 Fernan Hill Road, noted that he is the President of the Association of Realtors and does not understand why the City needs to be involved in the economics of a private business. He noted that the code development has come a long way from the onset of the discussions and this version is less restrictive than the original. He expressed appreciation that the City has listened to their prior comments and incorporated many of them. He stated that he does not agree with the two-night stay requirement, as that should be market driven. He is opposed to the six-month occupancy clause for ADU's requiring a family member or the owner to live in one of the units. He felt that the code was a bit regulatory and burdensome to the owner. He expressed concern with the duplex and multifamily housing code. He understood apartment buildings with one parcel owner and not wanting it to be an illegal hotel; however, condo units have active home owner association that address it, and each unit has its own parcel number and he felt this section of the code should be further clarified. One of his biggest concerns is the maximum number of overnight guest and being associated with the definition of family, as it is risky to define a family and would urge the city to remove any definition of a family from all codes. He noted that policing the issue would be difficult.

Councilmember Gookin agrees that family definition does not make sense and agrees with the one-night stay and enforcement concerns. He noted that he lives in the Fort Grounds and believes that the over population of rentals removes a neighborhood feel and makes it appear as a commercial zone. Mr. Torgerson believes that private property rights usurp the other property owners and the new state law does not allow the city to prohibit short-term rentals.

Councilmember Miller asked for clarification regarding Mr. Torgerson's position on the six-month occupancy clause for property owners that own two structures on one property. Mr. Torgerson noted that the code says that an owner must live there six months out of the year and it is not clear if that means that they are not allowed to rent it as a vacation rental. Additionally, he felt that once the impact fee is paid it should not matter if the owner is there for 6 months or not.

Larry Chmura, 2990 Nettleton Gulch Road, noted that he owns a rental on Silver Beach Road. He thinks there are too many regulations and the City does not need so much say on what people

do with their property. He would like to hear statistics on complaints for long-term rentals versus short-term rentals.

David Groth, 719 Woodland Drive, believes a gentle hand approach is reasonable. He would like the City to allow private properties to be fully utilized without burdensome regulations. With the Ironman coming to town he rented his property for short-term and later built an apartment over his garage, which he has been renting since 2006. He has rented both the house and the loft for short-term rentals and has rented the house for long-term. He wants to have all options for use of his property, so is concerned about the six-month occupancy regulation. He believes that it is a fear-based clause, rather than based on experiences like those that he has had. Mr. Groth noted that he has had only one noise complaint from a neighbor during the rentals. He has had very respectful neighbors and he likes the good neighbor policy. He has had people stay for one night rental often and he has to do more cleaning but they pay a larger price than a hotel because that is their choice. He noted that travel is changing and he enjoys staying in neighborhoods through short-term rentals as a different way of travel.

Terry Nash noted that he is the business development manager for an Idaho residential property management company named VACASA, and they exclusively work with vacation rentals. They manage properties in 23 states and 8 countries. He noted that their company works with a lot with regulations, codes, and homeowner associations. He has been working with the City for the past two years and it has been arduous process and he encouraged the Council to not vote on this code unless they are familiar with House Bill 216 as he believes the code infringes on homeowner rights and is concerned that the section regarding duplexes and condos contains violations of House Bill 216. He noted that he agrees with the regulations applicable to apartments. Mr. Nash felt that it was not a good idea to notify neighbors, with the exception of condos, as what a business does with their property should not be up to the neighbors as well as concerns with privacy. He provided information on the industry and clarified that they do require two night stays and that their typical guests are families. He requested that the Council not manage by expectation or fear. He noted the condominium on the waterfront in the city of Ponderay that is an exception to their 300-foot buffer zone, and the condominium association has requested not be the exception, as they would be inundated with vacation rentals. He noted that this type of industry allows homeowners to keep family homes in family ownership by providing a source of income to pay mortgages and taxes.

Councilmember McEvers asked if Mr. Nash has helped with the development of the code. Mr. Nash confirmed he has been involved with the staff over the past two years. He also noted that he has worked with many municipalities and believes that there should be guidelines and the code should have a light hand. Councilmember Gookin felt that it was the norm to notify neighbors when there is a commercial operation within a residential zone. Mr. Nash said he does not believe anyone should tell an owner what he or she can and cannot do with their land as long as they are not violating any existing code. Councilmember Gookin asked who should regulate the number of night stays that should be allowable. Mr. Nash felt that it should be by the private business and that the online reviews regulate the industry and it is not in the owner's interest to have a one-night stay.

Rita Snyder, 818 Front Avenue, noted that she has rented her property out for 7 years both as a long-term rental and recently as a vacation rental by owner. She noted that the wear and tear on the long-term rental was much higher. She noted that within her neighborhood, there are quite a few short-term rentals and her neighborhood has never looked better. This is entrepreneurship at its best and she has traveled throughout the country and noted that in Italy they encourage vacation rental by owner as it brings success to the citizens. She agrees with a light hand code and noted that people have made a lot of investment into their home for rentals. She is concerned that there are only a few people complaining and then the City makes regulations accordingly. She felt that the reference to family for occupancy was wrong and that the size of the rental determines the amount of renters. She thinks the City should remove the reference to family. In a year, she has about the same economic gain from a three-month period of short-term rental versus long-term rental.

Mayor Widmyer asked City Attorney Mike Gridley to clarify any legal issues regarding House Bill 216. Mr. Gridley explained that the bill does regulate what a City can do; however, the City can create regulations for the health and welfare of the neighborhood and he does not believe there is a conflict with the proposed code. Mayor Widmyer asked if there are any laws regarding occupancies within hotel rooms. Mr. Holm confirmed that there are occupancy limits based on the building type that are set by the Fire Department. Mayor Widmyer suggested that the size of a rental could determine the occupancy amount similar to a hotel. Mr. Holm noted that staff agrees with that on some level, but each rental unit would have to be reviewed and staff is not sure how to apply a shifting standard fairly. The definition of family is already in city code and clarifies that four unrelated people can occupy a rental and a maximum of five people if some are related, and as many as you want if related.

Ann Melbourn, 210 Forest Drive, said that she realizes the short-term rentals are here to stay but neighborhoods near the lake are taking the brunt of the impact. She noted that those properties purchased for investments are vacant nine months out of the year and cause a ghost town feel. She felt that there should be some regulations regarding the number of units allowed on a block. She would like the regulation that requires an owner be in residence 6 months out of the year for units on the same lot to remain in the code.

Councilmember Gookin asked if self-enforcement for parking in the Fort Grounds was working. Ms. Melbourne stated that she felt it was a joke. Councilmember English if she meant that if there was a house or two down the street was vacant it was a bad thing. Ms. Melbourne confirmed that she felt it was bad and that if over a third of the homes are vacation rentals they are empty a lot.

John Redal noted that he believes there is a difference between short and long-term rentals. He agrees the short-term rentals are well maintained and long-term rentals are harder to monitor items and keep them in good condition. He noted that he owns a duplex in downtown, and that he just made more investments in the property to use it as a vacation rental. He felt that the concerns about a ghost town are not a reason to look to regulate vacation rentals. He has been renting properties for 25 years, and the problems he has had with vacation rentals are nothing compared to long-term rentals. He believes that people want to come and stay in a family atmosphere and not eat out every night and that the market will take care of itself.

Maryann Landers, 112 Forest Drive, noted that she has a vacation rental in Mexico that she inherited from her family, which she has listed on Air B&B and VRBO. She also has a local home that she had Ironman competitors stay in and later rented it during Ironman, and has a condominium on Indiana Avenue that is frequently rented on weekends. She has lived in Coeur d'Alene a long time and it rains about 8 months out of the year so this is a seasonal destination and a place for snowbirds and the provision that you have to be in a home for 6 months is not reasonable. Most of the neighbors are able to buy an expensive property and pay a high tax for 12 months, and it is not any one's business if it is occupied or vacant. Many neighbors have multiple homes and come here for three months a year. She noted that she has never heard the definition of family and would like to better understand it, but feels it is a term from the 1950s and not applicable in current times and seems discriminatory. She feels the City has a reasonable noise ordinance on the books and does not understand why people complain that a unit is vacant and on the other hand do not like to see cars parked on the street or hear people. She believes that Ironman prompted the industry and has really improved a lot of people's income and has been good for business. She would like to see very little regulation for short-term rentals.

Will Butler, Harrison, Idaho, said that he did not think that the good neighbor policy should include the occupancy information. The family requirements would exclude two foursomes of golf buddies.

Chad Oakland, 2697 Espinosa Drive, noted that the definition of family is already in the city code and the ADU regulations already exist with the residency requirement. He believes it is cost prohibitive to buy a home for \$500,000 and make it a vacation rental. He felt that there will be some rentals but it will not be the market majority.

Public testimony was closed.

DISCUSSION: Mr. Holm concurred that the ADU and occupancy regulations are already in the code. Property rights include the right to buy, sell, own and the right to exclude the rest is set by state and local government regulations. The regulations are trying to balance the rights of neighbors and rights of owners. The original ADU regulation included the requirement that one unit was to be owner-occupied and intended for the ADU to aid in affordability. The six-month occupancy requirement of an ADU was included in the initial code for that reason.

Councilmember Miller asked if there is a notice to the title that clarifies that the owner of the property must occupy it six months out of the year. Mr. Holm confirmed that it is on the title and subsequent buyers would be notified via the title. He noted that a duplex is allowed one short-term rental unit per property per owner. He noted that he has heard of many homeowners associations going defunct, so they should not be dependent upon them to regulate rentals. The fee is intended to cover staffing costs without additional licenses or inspection fees. The ongoing costs for renewal will be lower. Councilmember English asked what kind of city expenses are tied to that fee. Mr. Holm explained that it would include a review from the Planning Department, Municipal Services issuance of the permit, and code enforcement costs. He has received a couple complaints on vacation rentals; however, they were all within the county, so it appears to be managed well with the City. Councilmember Gookin noted that the City definition

of family might need to be reassessed in the future. Councilmember Edinger asked if staff felt the code should be sent back to the Planning Commission. Mr. Holm felt that the request for a new definition of family or amendments to the ADU code could go back, but did not feel it would change much within the short-term rental code. He noted that there have been many changes since the first iteration and believes it could be approved tonight and Council could feel good about it with a review in a couple of years. Mayor Widmyer noted that in following the development of this code through the last couple of years the City has received the same comments from the Planning Commission and staff. A lot of time and effort has been put into this code and it is now up to this body to sort through all of this and come up with a final recommendation.

Councilmember McEvers feels that the family definition could be changed and wondered if the ADU occupancy could also be changed. Mr. Holm noted that the definition of family would require a separate code amendment, as it is used in reference to residential zones as well as the changes to the ADU code. Councilmember McEvers asked if there were any options for duplex/condos. Mr. Holm noted that staff would be comfortable in a duplex situation for both sides to rent short term but not in multifamily units, as that would be a pseudo hotel. Mayor Widmyer asked for clarification in a 12-unit condominium where there are 12 owners as opposed to a 12 unit multifamily complex. Mr. Holm confirmed they are different due to separate ownership. Councilmember Evans asked if the family definition were amended at a later date would it automatically amend this ordinance. Mr. Gridley noted that the definition has been something that has been discussed over the years and changes were not desired in the past and clarified that any number of people related is unregulated. Councilmember Evans asked if three couples were to vacation together would they be allowed in our City. Mr. Gridley explained that there is some self-regulation and enforcement because if there were no complaint it would not be regulated. Mr. Holm clarified that under the current code it only allows two bedrooms of your house to be rented for 30 days or longer and anything more than that is considered a boarding house.

Councilmember Gookin does not think the light touch works nor will self-inspection and he wanted to have higher standards for non-owner occupied units. He believes that House Bill 216 ends residential zones and there is nothing the City can do about it. He proposed that a vacation rental could be managed through a home occupation permit.

MOTION: Motion by Gookin seconded by McEvers that vacation rentals are approved through a home occupation permit with the exception of pseudo hotels.

ROLL CALL: English No; Edinger Aye; Evans No; Miller No; McEvers No; Gookin No.
Motion failed.

DISCUSSION CONT.: Councilmember McEvers loves the term “light touch” and felt this was a light touch in comparison to other regulations within the city. He could agree to self-inspection, and other things would work out. He does not think this is a forever situation and other places have enacted regulations so it is not unique, but needed as we are evolving as a city. Councilmember Evans requested that the City Attorney address the idea of Home Occupation Permits. Mr. Gridley noted that it would need to be clarified with an amendment to the home

occupation code. Councilmember Gookin felt that they might need to notify neighbors if increased traffic is expected. Mr. Holm noted that the current home occupation code requires that the owner live in the unit and does not allow employees without a special use permit. Councilmember English gave his support of the light touch, and thinks the presented code is a good combination of a light touch rather than no touch. There are biases in all directions when it comes to private property rights of residential neighborhoods and free market. He noted that maintaining the neighborhood is a higher priority to him so he would be in favor of starting with this code so that something gets going, as short-term rentals are not currently permitted under city code. Councilmember Miller felt that the City should move forward as the house bill is going into effect and it would allow people to legally operate a short-term rental, within the city limits. She does like the light touch and would support allowing a one-day stay, and that the other ordinances can be addressed at a different time. She noted that with the modification to the code to allow a one-day rental she would move forward with this code proposal.

Mr. Holm clarified that multifamily includes three units and above would not be allowed to have multiple vacation rentals. Councilmember Miller asked for clarification regarding how many duplexes, owned by the same person, could be rented. Mr. Gridley clarified that if the duplexes are on separate parcels, one unit per duplex could be used as a short-term rental. Councilmember Miller clarified that she does not want the code to restrict someone from buying several duplexes and being able to have half the units be short-term rentals.

MOTION TO MODIFY: Motion by Miller seconded by McEvers to modify the proposed ordinance to eliminate the minimum stay requirement in the “Definition” section, subsection F.

DISCUSSION: Councilmember McEvers asked why parcels for duplexes are treated differently than ADU's. Mr. Holm explained that it comes down to lot size as a single-family house requires 5,500 square feet of property and a duplex requires 7,000 square feet. A single-family lot would allow an ADU on the smaller lot size, as long as one unit is owner occupied, essentially allowing duplex density. Councilmember Gookin noted that he would not support the code as he would like to see more cut from the code.

ROLL CALL: English Aye; Edinger Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin No.
Motion to modify carried.

Council Bill No. 17-1037

AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, ADDING A NEW ARTICLE X, SHORT-TERM RENTALS, TO CHAPTER 17.08 OF THE COEUR D'ALENE MUNICIPAL CODE; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE PUBLICATION OF A SUMMARY; AND PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Motion by McEvers, seconded by Evans, to dispense with the rule and read **Council Bill No. 17-1037** once by title only.

ROLL CALL: Edinger No; Evans Aye; Miller Aye; McEvers Aye; Gookin Aye; English Aye.
Motion carried.

MOTION: Motion by McEvers, seconded by Miller, to adopt **Council Bill 17-1037**.

ROLL CALL: Edinger No; Evans Aye; Miller Aye; McEvers Aye; Gookin No; English Aye.
Motion carried.

EXECUTIVE SESSION: Motion by McEvers, seconded by Evans to enter into Executive Session under Idaho Code 74-206 (a) to consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need, (d) to consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code.

ROLL CALL: Gookin Aye; Evans Aye; Edinger Aye; English Aye; Miller Aye; McEvers Aye.
Motion carried.

The City Council entered into Executive Session at 8:51 p.m. Those present were the Mayor, City Council, City Administrator, and City Attorney. Council returned to regular session at 9:14 p.m.

NOMINATION OF APPOINTMENT OF CITY ADMINISTRATOR - TROY TYMESEN

MOTION: Motion by Edinger, seconded by Evans to confirm the appointment Troy Tymesen as the City Administrator. **Motion carried.**

RECESS: **Motion** by McEvers, seconded by Evans to recess to Thursday, December 7, 2017 at Noon in the Library Community Room located at 702 E. Front Avenue for a Workshop with the Kootenai County Commissioners. **Motion carried.**

The meeting recessed at 8:15 p.m.

ATTEST:

Steve Widmyer, Mayor

Renata McLeod, CMC, City Clerk