



Our vision of Coeur d'Alene is of a beautiful safe city
that promotes a high quality of life and sound economy
through excellence in government

GENERAL SERVICES/PUBLIC WORKS COMMITTEE
with
Council Members Wood, Evans, English
September 12, 2022, 12:00 p.m.
Library Community Room
702 Front Avenue

AGENDA

*****ITEMS LISTED BELOW ARE CONSIDERED TO BE ACTION ITEMS**

- Item 1 Provide Feedback on possible amendments to the Short-Term Rental (STR) Ordinance
– Community Planning Director Hilary Anderson, Municipal Services Director Renata
McLeod, City Attorney Randy Adams, Senior Planner Sean Holm

The City of Coeur d'Alene will make reasonable accommodations for anyone attending this meeting who requires special assistance for hearing, physical or other impairments. Please contact Juanita Knight, Senior Legal Assistant, at (208) 769-2348 at least 24 hours in advance of the meeting date and time.

**GENERAL SERVICES/PUBLIC WORKS COMMITTEE
STAFF REPORT**

DATE: AUGUST 22, 2022

**FROM: HILARY ANDERSON, COMMUNITY PLANNING DIRECTOR,
SEAN E. HOLM, SENIOR PLANNER,
RENATA MCLEOD, MUNICIPAL SERVICES DIRECTOR, AND
RANDY ADAMS, CITY ATTORNEY**

**SUBJECT: SHORT-TERM RENTAL ORDINANCE CONSIDERATIONS &
ENFORCEMENT DISCUSSION**

DECISION POINT:

Staff is seeking input on possible amendments to the Short-Term Rental Ordinance, hiring a short-term rental (STR) compliance company to assist with permitting and code enforcement, and increasing violation fees.

BACKGROUND:

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 short-term rentals or vacation rentals. 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 short-term rentals or vacation rentals operate.” It also classified short-term or vacation rentals as a “residential land use” for zoning purposes.

The City adopted the existing Short-Term Rental Ordinance (Chapter 17.08, Article X. Short-Term Rentals) in 2017.

According to an analysis done by Host Compliance in August 2021, there were 645 unique short-term rental units within the city limits of Coeur d’Alene. As of August 2021, we had 228 permitted short-term rentals. Today we have 380 permitted short-term rentals in the City of Coeur d’Alene. Of those permit holders, 184 have a homeowner’s exemption, which equates to 48% of the permits belonging to locals who live on the property where the short-term rental is located. The City has had a 32% increase in permits in ten months. If there is a correlation between the number of permit holders and the total number of short-term rentals in our community (including unpermitted units), it is likely that the number of short-term rentals has increased since that time and may be closer to 800 or 850 total short-term rental units in Coeur d’Alene. There are approximately 24,000 housing units in the City. Therefore, if we have 800 short-term rentals within the City, this would equate to 3.3% of the housing stock.

The City Council has directed staff to bring forward options to evaluate and possibly amend the Short-Term Rentals Ordinance. Reasons for amending the code include a well-documented housing crisis, a lack of available for-rent and for-sale housing units throughout Kootenai County that is severely impacting many local businesses and major employers related to retaining and recruiting employees, the strain on the residential long-term rental market by having a significant number of short-term rentals that are not available for long-term rentals, the growing number of short-term rentals in the community, the high number of unpermitted short-term rental units, and complaints from residents about the high concentration of short-term rentals in certain neighborhoods impacting their quality of life and integrity of neighborhoods.

Staff researched similar codes for communities throughout Idaho and the U.S. to explore other possible ways mitigate impacts on residential neighborhoods and for permitting requirements. Staff also met with several short-term rental compliance companies (Host Compliance, GOV-OS, etc.) to learn about their services and to have a snapshot assessment of the total number of short-term rentals operating within the city limits.

Staff met with Council Members Miller and Gookin to hear their ideas about options to consider with a possible code amendment, their concerns with the current ordinance/impacts of short-term rentals on neighborhoods, and review the Short-Term Rental “Pick List” document (see attachment) of options for consideration for a possible code amendment with topics including:

- | | |
|-------------------------|---|
| • Duration of Stay | • Occupancy |
| • Parking | • ADUs |
| • Ownership | • Fees |
| • Type of unit allowed | • Enforcement |
| • Zoning | • Increasing Permit Fees/Violation Fees |
| • Location and Quantity | |

PURPOSE:

The purpose of Chapter 17.08, Article X, was to establish regulations for the use of Residential Dwellings as Short-Term Rentals to safeguard the public health, safety and general welfare, to protect the integrity of the City’s neighborhoods, to establish a system to track the Short-Term Rental inventory in the City, to ensure compliance with local performance standards, to provide a means of contact for the Responsible Party of a Short-Term Rental, to establish a Good Neighbor Policy for Occupants of Short-Term Rentals and their guests, and to allow private property owners the right to fully and efficiently utilize their property without undue regulation or interference.

Possible amendments to the ordinance would be considered necessary to safeguard the public health, safety and general welfare in order to protect the integrity of neighborhoods in Coeur d’Alene, and to respond to the complaints and issues that neighborhoods have been experiencing in the years since the ordinance was adopted. Staff is seeking input and guidance from the General Services/Public Works Subcommittees prior to scheduling a joint workshop with City Council and Planning Commission that will have an opportunity for public comment.

POSSIBLE AMENDMENTS FOR CONSIDERATION:

The attached draft Ordinance incorporates the following potential amendments for discussion:

- Limiting STRs to owner-occupied properties within residential zones (no owner-occupancy limitations in commercial zones)
- Requiring a minimum 2-night stay
- Removing the 14-day exemption
- Clarifying what qualifies as a residential unit for short-term rentals
- Increasing the violation fees. First offense treated as a civil penalty. Subsequent offenses are subject to a civil penalty of \$3,000. Violators would also be subject to a misdemeanor citation which carries a fine of up to \$1,000 and/or imprisonment up to 180 days.

Staff would like input on the items listed above. Additionally, staff would like direction on whether to require the following changes, and any other possible changes the Ordinance:

- Requiring off-street parking in residential zones order to issue a STR permit, and limiting the number of cars allowed based on the number of off-street parking spaces.
- Requiring inspections by City staff with the initial permit to verify permit information and check for life-safety issues (fee to be charged for inspections). Renewals could have an additional inspection, be done as a Self-Inspection, or be done as a certification that conditions have not changed since initial inspection.

If there are other items that City Council members would like staff to consider or data to gather prior to stakeholder input and a joint workshop with the Planning Commission, it would be helpful to receive feedback at the General Services/Public Works subcommittee meetings.

OTHER CONSIDERATIONS:

Staff feels that it is imperative to hire a STR compliance company to assist with strict enforcement as there is not enough staffing capacity in Municipal Services, Planning or Police to keep up on any strict enforcement, checking rental sites and enforcing violations and collections. If City Council would like to add an inspection by City staff with the initial permit, that may require hiring an additional staff member. Some of these costs could be covered by higher permit fees.

DECISION POINT RECOMMENDATION:

City Council Members should provide feedback on possible amendments to the Short-Term Rental Ordinance, hiring a STR compliance company to assist with permitting and code enforcement, and increasing violation fees.

Attachments:

- Possible Amendments to STR Ordinance for Discussion (Chapter 17.08, Article X. Short-Term Rentals)
- STR Code “Pick List” – Options for Consideration (7/15/22)

17.08.1010: PURPOSE:

A. The purpose of this article is to establish regulations for the use of residential dwellings as short-term rentals to safeguard the public health, safety and general welfare, to protect the integrity of the City's neighborhoods, to establish a system to track the short-term rental inventory in the City, to ensure compliance with local performance standards, to provide a means of contact for the responsible party of a short-term rental, to establish a Good Neighbor Policy for occupants of short-term rentals and their guests, and to allow private property owners the right to fully and efficiently utilize their property without undue regulation or interference.

B. Nothing in this article shall be construed so as to nullify or override any lease agreements, or covenants, conditions, and restrictions applicable to the property that may prohibit or restrict its use for short-term rental purposes.

17.08.1020: DEFINITIONS:

GOOD NEIGHBOR POLICY: Shall mean the list of general rules of conduct, best practices, and standards of respect prepared by the Planning Department and required to be provided to occupants and their guests utilizing short-term rentals within the City.

OCCUPANT: Shall mean the person or persons who contract with the responsible party for use of the short-term rental.

OWNER-OCCUPIED: Shall mean real property in which the person who holds the title to the property, or an immediate family member, uses it as their primary residence for more than six (6) months in a calendar year. Homeowner occupied tax exempt status shall be considered to be proof of homeowner occupied status for the purposes of this Code.

RESIDENTIAL DWELLING: Shall mean a legally permitted single unit providing complete and independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation. Tents, recreational vehicles, campers, unpermitted tiny homes, detached carriage houses and bonus rooms, sheds and other outbuildings, tree houses, watercraft, and similar units not designed for permanent residential use, and residential units that are deed restricted from having short-term rentals, are excluded from this definition.

RESPONSIBLE PARTY: Shall mean the owner of a residential dwelling being used as a short-term rental, as well as any person designated by the owner who is responsible for compliance with this article by an occupant and any guests utilizing the short-term rental. The responsible party shall provide for the maintenance of the property and ensure compliance by the occupant and any guests with the provisions of this article, or any other applicable law, rule, or regulation pertaining to the use and occupancy of a short-term rental. The owner of the property shall not be relieved of responsibility or liability for noncompliance with the provisions of this article, or any other applicable law, rule, or regulation pertaining to the use and occupancy of a short-term rental because of the designation of another responsible party. All responsible parties shall be at least twenty-one (21) years old.

SELF-INSPECTION CHECKLIST: Shall mean the current form approved by the City for use with a short-term rental application.

SHORT-TERM RENTAL: Shall mean a residential dwelling which is rented for thirty (30) days or fewer, and which is sometimes referred to as a “vacation rental.” This term does not include a bed-and-breakfast facility, an RV park ([Auto Camp](#)) or campground, or a hotel or motel.

17.08.1030: PERMIT REQUIRED:

A. An applicant for a short-term rental permit must be the owner of the residential dwelling to be offered for rent. No person with less than a fee ownership interest may apply for a short-term rental permit.

1. A short-term rental permit is valid only for the residential dwelling identified in the application. An applicant shall file a separate application and obtain a separate permit for each residential dwelling to be used as a short-term rental.
2. A short-term rental permit is non-transferable.

B. Prior to offering a short-term rental to the public, the owner of the residential dwelling shall complete an application on a form provided by the City and file it with the City Clerk or his/her designee. The application shall include:

1. The owner’s legal name, date of birth, contact number, both physical and mailing addresses, and email address;
2. If the short-term rental is to be operated or managed by someone other than the owner, the name, date of birth, contact number, both physical and mailing addresses, and email address for a responsible party with day-to-day authority and/or control over the short-term rental;
3. The address of the short-term rental;
4. The signatures of the owner and other responsible party, if any, agreeing and acknowledging that they are jointly responsible for the compliance by the occupant and any guests with all applicable laws, rules, and regulations pertaining to the use and occupancy of the short-term rental, and for any unreasonable noise, disturbances or disorderly conduct by the occupant and/or guests while utilizing or while on the property of the short-term rental; and
5. The fee established by resolution of the City Council.

C. If any information required by subsections B1 through B4 of this section changes, a responsible party shall promptly advise the City.

D. At the time an application is filed with the City, a responsible party shall complete and file with the City the self-inspection checklist. A new self-inspection checklist shall be completed and filed with the City each year thereafter during which the short-term rental will be offered to the public.

E. Short-term rentals are not a grandfathered use. All short-term rentals in the City must have a permit to operate.

F. A short-term rental permit expires on March 31 of each year; provided, if the residential dwelling identified in the application is sold or title is otherwise transferred, the permit shall automatically expire upon the transfer of title.

1. To renew a short-term rental permit, the holder shall submit an application for renewal on a form provided by the City to the City Clerk or his/her designee, together with the renewal fee.

2. The renewal application must be submitted after January 1 and by March 1 of each year. A permit for which a renewal application is not submitted by March 1 shall expire on March 31.

3. If a permit has expired, a new application shall be required.

~~G. Subject to subsection 17.08.1010B of this article, any residential dwelling in the City may be rented without a permit for no more than fourteen (14) days per calendar year, where those fourteen (14) days are divided into no more than two (2) stays.~~

17.08.1040: STANDARDS:

Barring other restrictions and limitations on qualifying units as noted above under 17.08.1020: Definitions "Residential Dwelling," in addition to deed restrictions and CC&Rs restricting short-term rentals, and other Municipal Code requirements, the following standards shall apply.

A. Accessory Dwelling Units And Properties With Multiple Dwelling Units:

1. An accessory dwelling unit (ADU), as defined by subsection 17.02.030E of this title, ~~which existed on the effective date of this article~~ may be rented as a short-term rental, provided that, ~~except in the C-17, C-17L, and DC zoning districts,~~ either the principal dwelling or ADU on the property must be Owner-occupied ~~by a majority owner of the property or an immediate family member of the property owner more than six (6) months out of any given year.~~

~~2. After the effective date of this article, an ADU may only be used as a short-term rental if the required impact fee is paid for the ADU. Once the impact fee is paid, either the principal dwelling or ADU on the property must be occupied by a majority owner of the property or an immediate family member of the property owner more than six (6) months out of any given year.~~

~~32.~~ A principal dwelling and its associated ADU may not both be rented out concurrently as short-term rentals. The owner of a property with a principal dwelling and an associated ADU must designate which dwelling unit will be rented as a short-term rental in the application for a permit. The designation may not be changed without providing the City advance notice in writing.

~~43.~~ For ~~properties-parcels~~ with more than one dwelling unit, including multiple lots developed as a single parcel, only one dwelling unit per ~~property-parcel~~ may be used as a short-term rental at any one time. if one of the dwellings on the property is owner-occupied.

B. Duplex And Multiple-Family Housing:

1. If multiple units in a duplex or multiple-family housing (including condominiums and apartments) are owned by the same person or persons, only one unit may be used as a short-term rental.

2. The owner(s) of multiple units in a duplex or multiple--family housing must designate which dwelling unit will be rented as a short-term rental ~~and advise the City of said designation~~ in the application for a permit. The designation may not be changed without providing the City advance notice in writing.

C. Duties Of Responsible Party:

1. A responsible party must be available twenty--four (24) hours per day, seven (7) days per week, for the purpose of responding within sixty (60) minutes to complaints regarding the condition of the short-term rental or the conduct of the occupant of the short-term rental and/or their guests.

2. A responsible party shall obtain the name, address, and contact number of each occupant of a short-term rental.

3. A responsible party shall provide the information required in subsection B2 of this section to the City at the City's request, if available.

4. A responsible party, upon notification that any occupant or guest has created any unreasonable noise or disturbance, engaged in disorderly conduct, or committed a violation of any applicable law, rule or regulation pertaining to the use and occupancy of a short-term rental, shall promptly respond in an appropriate manner within sixty (60) minutes and require an immediate halt to the conduct, and take such steps as may be necessary to prevent a recurrence of such conduct. Failure of the responsible party to respond to calls or complaints regarding the condition, operation, or conduct of an occupant or guest in a short-term rental in an appropriate manner within sixty (60) minutes shall constitute a violation of this article.

5. A responsible party shall prepare a written notice, and shall mail or deliver the notice to all residents and owners of property abutting or across the street from the short-term rental, which notice shall state the intent to operate a short-term rental and the number of bedrooms that will be rented to overnight guests, and include information on how to contact the responsible party by phone.

6. A responsible party shall post on or near the front door of the short-term rental a notice which includes the address of the rental, emergency contact numbers, and a diagram showing emergency exit route(s) approved by the Fire Department.

D. Information Provided To Occupants:

1. At the time of each occupancy of the unit, the responsible party shall provide to the occupant of a short-term rental the following:

- a. A current copy of the short-term rental permit;
- b. The name and contact number of all responsible parties;
- c. A copy of the Good Neighbor Policy as approved by the City Planning Department;
- d. A notice of the trash pick-up day, and applicable rules and regulations pertaining to leaving or storing trash on the exterior of the dwelling; and
- e. Parking locations and requirements.

E. Occupancy:

1. The maximum number of overnight guests occupying a short-term rental shall not exceed the definition of "family" as provided in subsection 17.02.055B of this title.

2. Guests of an occupant may use a short-term rental only when an occupant is present and may not stay overnight.

3. A responsible party may rent either the entire residential dwelling or one bedroom of the residential dwelling to an occupant. All requirements for a dwelling unit must be accessible to all occupants (provisions for living, sleeping, eating, cooking, and sanitation). Under no circumstances shall a responsible party rent individual rooms in a short-term rental to different occupants for the same night or nights.

4. No recreational vehicle, travel trailer, tent, or other temporary shelter shall be used as a short-term rental or in conjunction therewith to provide additional sleeping areas or otherwise.

5. The minimum stay for a short-term rental is two (2) consecutive nights.

F. Outdoor Storage:

1. Storage of equipment, inventory, or work-related items other than vehicles, shall be within the residence or a permitted accessory building. Outdoor storage and storage containers are prohibited. For purposes of this article, the term "storage container" refers to industrial and commercial shipping containers and buildings, including PODS and like containers, which are designed to be portable and/or temporary and which do not meet the design criteria for accessory buildings. The term does not include sheds or small storage buildings intended for incidental residential use and which are compatible with residential use.

G. Parking:

1. All occupants and guests shall, to the greatest extent possible, utilize any off-street parking of the residential dwelling which constitutes the short-term rental. On-street parking by occupants and guests shall be governed by the applicable provisions of chapters 10.20, 10.22, 10.24, and 10.27 of this Code.
2. An ADU, built after the effective date of this article and used as a short-term rental, requires one off-street parking space in addition to parking spaces required for the principal dwelling.

H. Signs And Advertising:

1. No sign indicating that the residence is a short-term rental or that it is for rent or lease shall be displayed such that it is visible from any other public or private property.
2. The street number of a short-term rental shall be posted in accordance with Fire Department IFC requirements.
3. All advertising for the short-term rental shall include the City permit number and the maximum number of vehicles accommodated by off-street parking spaces.

I. Trash:

1. Trash and refuse shall not be left stored within public view except in proper containers for the purpose of collection by the authorized waste hauler on scheduled trash collection days.
2. The short-term rental property shall, at all times, be kept in a neat and sanitary condition, in compliance with the requirements of title 8 of this Code.

J. Zoning:

1. Subject to the standards and restrictions applicable in each zone, the standards and restrictions contained in this article, and any permit requirements, the use of an owner-occupied residential dwelling as a short-term rental is permitted ~~as a right~~ in all residential and ~~MH-8 commercial zoning districts, the MH-8 zoning district~~ provided that the residential dwelling is installed as required by State law, and by right in commercial zones (C-17, C-17L and DC) if occupancy requirements can be met per the Building Code. In infill overlay districts (DO-E, DO-N and MO), the ability to have one or more short-term rentals will be determined based on the underlying zones (residential versus commercial) per the criteria above.

17.08.1050: VIOLATIONS; PENALTIES:

A. Violations:

1. It is unlawful for any responsible party to offer for rent a short-term rental or to operate a short-term rental without a City permit.
2. It is a violation of this article if a responsible party, or an occupant or guest knowingly and willfully violates any provision of this article.

B. Penalty:

1. For a first offense, the violator shall be subject to a civil penalty in an amount established by resolution of the City Council.
2. For any subsequent offense, the violator shall be subject to a ~~misdemeanor, pursuant to section 1.28.010 of this Code~~ civil penalty in the amount of three thousand and no/100 dollars (\$3,000.00). The violator shall also be subject to a misdemeanor citation, with the penalty as provided in Coeur d'Alene Municipal Code § 1.28.010.
3. In addition to any other remedy or procedure authorized by law, for three (3) or more violations of or failure to comply with any of the standards of this article in a calendar year, the City Clerk or his/her designee ~~may~~ shall revoke any or all of the owner's permits and, in addition, ~~may~~ order that no new permit shall be issued for ~~up to~~ three (3) years pursuant to the following procedures.
 - a. Prior to the revocation of any permit or the denial of a permit for repeated violation of the provisions of this article, written notice of the reasons for such action shall be served on the owner and/or responsible party in person or by certified mail at the address on the permit application. Revocation shall become final within ten (10) days of service unless the owner and/or responsible party appeals the action. The owner and/or responsible party shall provide the appeal in writing to the City Clerk or his/her designee within ten (10) days of receipt of the notice. The written notice of appeal must state the reasons for the appeal and the relief requested.

b. Should the owner and/or responsible party request an appeal within the ten (10) day period, the City Clerk or his/her designee shall notify the owner and/or responsible party in writing of the time and place of the hearing.

c. Appeals shall be heard by a neutral Hearing Officer designated by the City.

d. ~~For good cause shown, t~~The Hearing Officer ~~may~~shall affirm ~~or reverse~~ the decision to revoke or deny a permit unless the owner and/or responsible party demonstrates legal excuse for the violations. ~~The Hearing Officer may affirm, reverse, or modify a decision to deny a new permit upon a showing of good cause.~~

Background Information:

- **Idaho State Statute:**

TITLE 67: STATE GOVERNMENT AND STATE AFFAIRS

CHAPTER 65: LOCAL LAND USE PLANNING

67-6539. LIMITATIONS ON REGULATION OF SHORT-TERM RENTALS AND VACATION RENTALS.

(1) Neither a county nor a city may enact or enforce any ordinance that has the express or practical effect of prohibiting short-term rentals or vacation rentals in the county or city. A county or city may implement such 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 short-term rentals or vacation rentals operate. A short-term rental or vacation rental shall be classified as a residential land use for zoning purposes subject to all zoning requirements applicable thereto.

(2) Neither a county nor a city can regulate the operation of a short-term rental marketplace.

- **Local Market:**

According to an analysis done by Host Compliance in August 2021, there were 645 unique short-term rental units within the city limits of Coeur d’Alene. As of that date, we had 228 permitted short-term rentals. Today we have 337 permitted short-term rentals in the City of Coeur d’Alene. We have had a 32% increase in permits in ten months. If there is a correlation between the number of permit holders and the total number of short-term rentals in our community (including unpermitted units), it is likely that the number has increased since that time and may be closer to 800 or 850 total short-term rental units. There are approximately 24,000 housing units in the City. Hypothetically, if we have 700 short-term rentals within the City, this would equate to almost 3% of the housing stock.

The City Council has directed staff to bring forward options to evaluate and possibly amend the Short-Term Rentals Ordinance ([Chapter 17.08, Section X](#)) that was adopted in 2017. Reasons for evaluating the code include a well-documented housing crisis, a lack of available for-rent and for-sale housing units throughout Kootenai County that is severely impacting many local businesses and major employers related to retaining and recruiting employees, the strain on the residential long-term rental market by having a significant number of short-term rentals that are not available for long-term rentals, the growing number of short-term rentals in the community, the high number of unpermitted short-term rental units, and complaints from residents about the high concentration of short-term rentals in certain neighborhoods impacting their quality of life and integrity of neighborhoods.

The following represents a “Pick List” of options to consider for a possible code amendment. Please see NOTES below for how to review the list.

NOTES:

* **Blue** text reflects the current code.

* Each item below has a note as to whether it is limited to one option, or if multiple options can be applied in the STR Code Amendment (see **red** text).

Duration of stay (Only choose one option)

- **Minimum 1 night stay**
- Minimum 2 night stay (staff recommended this upon creation to discourage “bachelor style” parties)
- Minimum stay of something less than 30 nights
- *Optional:* Remove 10-14 day exemption for permit. Any STR use should require a permit if there are any stays less than 30 day within a calendar year.

Parking (Can choose more than one option)

- **No additional parking required (must use existing off-street parking first before using on-street parking)**
- Apply minimum city parking standard by zoning/type of unit
- Add additional parking beyond minimums based on metrics (bedrooms, SQ FT, or ?)
- Limit number of vehicles allowed and make that a requirement of the permit and STR listing
- *Optional:* If unit has 4+ bedrooms and the maximum occupancy exceeds 16 people, additional off-street parking would be required **and** the STR permit would require a Special Use Permit (These metrics can be modified to a different number of bedrooms and number of people.) (This could have unintended consequences if we require more off-street parking, unless the SUP criteria is that the off-street parking already exists.)

Ownership (Can choose more than one option)

- **Not owner occupied** – no requirement for units to be owner occupied – currently, if there is a principal dwelling and an ADU, one must be occupied by an owner or immediate family member more than six (6) months in a calendar year
- **Allow only 1 STR per owner for duplex & multi-family properties** (e.g., apartments, fourplex)
- Owner occupied – limit to only owner occupied units (could be based on Home Owner’s Exemption) * see additional Notes on page 10
- Split (Limit the number of non-owner STR permits, but allow an unlimited number of owner occupied STR permits)
- No limit on commercially zoned C-17 and C-17L properties or owner occupied units, but have a cap on non-owner occupied units (*Sandpoint model*). Create a waiting list and a lottery system. (*Sandpoint has a cap of 35 permits per year for non-owner occupied units, and a wait list*).

NOTE: this would still limit single-family lots with more than two or more units, apartments and other single ownership multi-family properties from only having one STR per property, even if zoned C-17 or C-17L.

- Allow only 1 STR per owner and group of owners (e.g., LLC or LLCs with same or mix of owners)

Type of unit allowed (Can choose more than one option)

- Single family/duplex, multi-family, condo (ADUs below)
- Mix of or limitation on unit types allowed or restricted as STRs
- Clarify that only one STR is allowed in duplex, triplexes, other multifamily projects, with any residentially-zoned property, and restrict residentially-zoned properties from being condo platted as a loophole to having multiple STRs (*separate code amendment required for condo plat language*).

Zoning (Can choose more than one option)

- Downtown Core
 - DC
- Residential
 - R-1, R-3, R-5, R-8, R-12, R-17, R-34 (by SUP)
- Mobile Homes
 - MH-8
- Commercial
 - C-17, C-17L
 - *Could consider no limit on STR permits if zoned C-17 or C-17L (Sandpoint example), again with preferred limitation on multi-family only allowing one STR permit per owner/owner group*
- Manufacturing (Residential not allowed except caretaker's units)
 - M, LM
- Historic Overlay District (future designation with neighborhood opt-in) – *possible restriction or further limitation on spacing of STRs?*

See Residential Zoning District Percentages table on the next page.

For reference, the percentage of each zoning district by land mass in the City is provided here:

Residential Zoning Districts (Percentage)			
DC	1%	R-12	15%
R-1	3%	R-12(PUD)	1%
R-3	18%	R-17	4%
R-3(PUD)	2%	R-17(PUD)	1%
R-5	1%	MH-8	2%
R-8	11%	C17	16%
R-8(PUD)	6%	C17(PUD)	4%
R-8(SF)	1%	C17L	3%

Location & Quantity (Can choose more than one option)

- **Free for all** – no maximum number of permits, no restrictions on location, no spacing limitations, no restriction on how many a person or group can own
- Proximity - Set limit on number of units per block and/or neighborhood/area of the City (need to determine method) (Kiki suggested 30% within 300 feet) (Dan suggested limiting permits by proximity rather than having a specific cap on the number of permits that can be issued)
- # per street frontage (see Sean's examples on page 6)
- Total # maximum (Set limit based on percentage of all housing stock (example 1% = 250 STRs allowed) (need to determine method))
- Lottery System – will probably need to be triggered if we implement proximity, # per frontage and/or total maximum (consider two year STR permits?) *** see additional Notes on page 10
- Further limitations in historic districts? (with neighborhood opt-in historic overlay designation – as approved by the City Council)
- No limitation on C-17 and C-17L zoned properties, as noted above (Sandpoint model)
- Other??

Occupancy (whole vs partial) (Can choose more than one option)

- Number of people
 - **Definition of "Family"**
 - By bedroom (see note below about Special Use Permit for 4+ bedrooms)
 - By SQ FT
 - Set maximum # (can apply to just adults, can also apply to vehicles)
 - Free for all, limited only by life safety considerations (would need additional input from Building and Fire on life safety)
- Partial occupancy (rent one or more bedrooms, owner occupancy situation)
 - **1 bedroom**
 - 2 bedrooms
 - 3 or more is a "Boarding house (by SUP)"

- Special Use Permit if over 4 bedrooms and in impact areas (Ketchum model)
- Set Occupancy standards, add to violation list (based on # of bedrooms)

NOTE: We need clear guidance on occupancy.

ADUs (Only choose one option)

- Allowed
 - ADU or home ok to be STR, but the other unit must be owner occupied 6 months + 1 day (need input on what to allow for the remainder of months if this option remains the same)
- Not allowed to be a STR

- Notes on progression of ADU allowances by code over time:
 - ADUs required one owner occupied unit- no STR; then,
 - Rent both out as long-term stays (owner occupied went away); then,
 - ADUs allowed to be STRs subject to other unit being owner occupied 6 months + 1 day

Fees (Can choose more than one option)

- Increase renewal fees (example: Sandpoint charges \$157 for owner occupied the 1st year and \$105 for renewals, and \$210 for non-owner occupied the 1st year and \$157 for renewals)
Increase fees for violations (*see violations list*)
- Higher fees for non-owner occupied than owner-occupied (Sandpoint model).
- Add inspection fee and have Code Enforcement do inspections for bedrooms, smoke detectors, parking, site plan, emergency contact information, good neighbor policy, etc. This would not be a life/safety inspection done by Building or Fire. (*Bonner County has a compliance officer conduct an inspection to ensure the proposed vacation rental conforms to the information submitted and approved in the application.*)
- Add Technology Fee that could apply to getting permit information into GIS and also assist with paying for a 3rd party company to manage the program and do enforcement
- Annual fees based on allowable occupants per unit? (Kiki suggested \$2,000 for 2 per unit, \$4,000 for 4 per unit, etc.)

Enforcement (Can choose more than one option)

- Light-touch (low fine threshold \$200?, few/no fines issued, 3 strikes and we might ban for timeframe)
- Medium touch (raise fines, issue fines, and/or seek to find/validate them, no permit=get one)
- Heavy touch (large fines, no warnings, and/or caught w/o permit=instant ban)
- Increase fines for owners in violation of the code
- Violations for Noise/Parking
 - \$1,000 first offense; \$2,000 second; \$3,000 third - **OR**

- Consider 2 strike rule with fine and immediate revocation of permit, and restrict them from getting a new permit for 3+ years – no third chance to comply. With \$1,000 first offense and \$2,000 second offense. *(See bullet point “2 strike rule” option below.)*
- Violations for operating without a permit
- \$3,000 first violation; \$5,000 second violation
- Violations for incorrectly advertising/property managers
 - Must post license number on all listings or be subject to fines
- 2 strike rule. Only allow 2 violations. If a third violation, the permit should be revoked and the owner is not eligible for an STR permit again for 3+ years. *Should apply to the owner on any of their properties and not just the subject property with the violation.*
- Grant 90 days for unpermitted rentals to come into compliance, or be in violation.

Other Considerations: Pets, trash, noise/partying, inspections, fees, enforcement, moratorium, taxes, RVs, Tiny homes, anticipation of Coeur Housing, Mobile home parks (1 vs many lots), infill districts. Restricting Condo Plats for duplexes and other properties to prevent a duplex from turning into two short-term rentals on one property.

City Council to Provide Direction to Staff for Possible Immediate Actions

(see possible options below)

- Increase enforcement of STRs now that are operating without permits, even if the number and spacing will ultimately change with a code amendment. Consider providing 90 days for unpermitted to come into compliance, or be cited. Valid until permit renewal required, currently March 31 every year, subject to whatever City Council passes from then on.
- Feedback/direction on preliminary Council preferences for operational characteristics of STRs (e.g., good neighbor policy items parking, trash, noise; and/or neighborhood spacing and violations/enforcement).
- Increase violation fees now while we work on the STR code amendment.
- Increase permit fees now while we work on the STR code amendment.
- Moratorium on new STR permits while we evaluate the code and possible amendments.
- Provide direction on ownership and occupancy (including ADUs 6 months + 1 day).
- Compliance: Use of compliance software/group to find and track STRs in Coeur d'Alene, or at least to get baseline data to allow staff to make initial contact with non-compliant units in the marketplace at a point in time. Preliminary cost estimate is \$20,000 to provide initial analysis and data of all STRs within city limits (permitted and unpermitted).
 - A full year of service which includes: address verification, compliance monitoring, permitting/registration, tax collection, 24/7 reporting hotline, and rental activity monitoring is approximately \$54,000. Based on current permits, cost per STR would be in the range of \$160/year to cover this service. *(Host Compliance - Aug. 2021 estimate)*
 - There may be an opportunity for cost savings by using the same company that Kootenai County is evaluating, GovOS. Services include: identification, compliance, 27/7 hotline, registration, and tax filing. Initial estimates are in the range of \$36,000 per year, or, \$110 per STR/year. *(GovOS - May 2022 estimate)*
 - Companies that provide this service use software “scrapers” that retrieve data across a multitude of STR platforms. The city does not have the capacity or technology to monitor the STR marketplace.
 - This is a quickly changing market and data changes often when STRs are added, removed, or rented. An initial analysis would consist of a single snapshot in time.
 - Code Enforcement could work in conjunction with compliance company, if approved.
 - STR fees would need to be adjusted to cover the cost, if approved.
- Begin an Awareness Campaign to inform all local STR owners about the requirement for a permit and code provisions. This would be ideal to do in conjunction with, or leading up to increased enforcement.
- Other ideas, feedback, questions??

Examples of how # Per Street Frontage could work, and also the potential challenges with this approach. Most blocks are set up as opposite facing, but we need to think about how to handle anomalies if this is going to be the new model. Such as Corner Lots, Frontages on more than 2 sides, and Super Blocks.

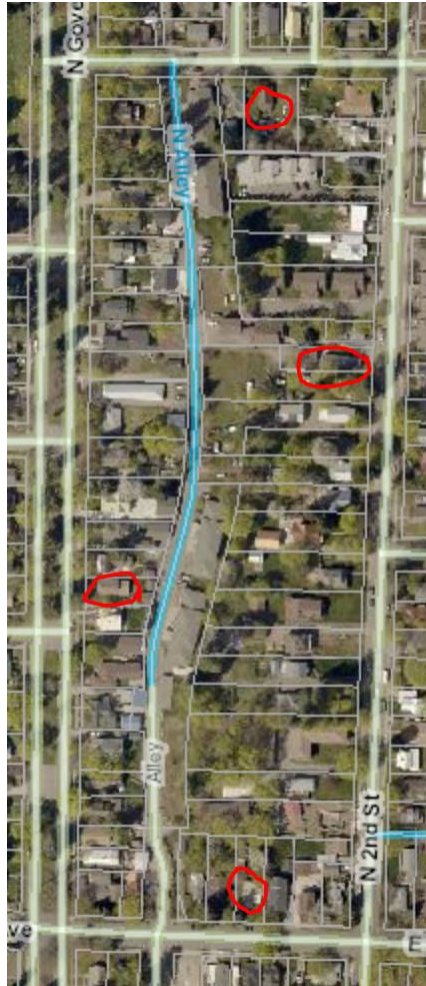
- Corner lots. By address, by front door, or? *Could this lead to weird outcomes?*



- Frontages on more than 2 sides.



- “Super blocks” over 600’ in length



Proximity might yield a more uniform result...?

NOTES:

*** Owner-Occupied:**

It would be if there is a principal unit and an ADU, or if there is just one unit and the owner lives there for 6+ months of the year and rents it out as an STR the rest of the year.

We should also clarify somewhere the STR usage/restriction if there is a principal residence and an ADU with a STR permit, that the owner-occupied cannot also be used as an STR while not occupied for the remaining months.

Sean called Aaron Qualls (past Planning Director for Sandpoint). He said that they use the county's homeowner's exemption as proof of owner occupancy. As Hilary said, it would allow for an ADU (or) main home to be an STR... or, the existing home to use a bedroom allowing the owner to leave for less than ½ year and other time as a STR.

An ADU as STR incentivizes ADU construction (as we are seeing now in CDA) because it can be used full time if owner-occupied become required.

Commercially zoned/mixed use zones did not have a limitation in Sandpoint. They also have a 1500 ft. from downtown exemption for structures w/ 10 or more units. This was done for condos across the bridge and probably does not apply to CDA.

Randy clarified that under current code the language would allow the owner-occupied unit to be rented month-to-month outside the 6 months + 1 day while the ADU continued to be an STR. We should get Council's opinion on this.

**** Lottery System**

Aaron Qualls (past Planning Director for Sandpoint said they quit proximity when the code was updated in 2018. They moved to owner occupied which helped to keep the "integrity of neighborhoods".

For non-owners there was a numerical limitation (35 max) and after quota was met people were put on a waiting list which implies more than one year as an STR. It was not clear how turnover was happening?
<https://www.sandpointidaho.gov/str>

Based on State of ID code, these are residential uses.

Additional consideration, consider a limitation on length of time for some turnover of the non-owner STR market. They can still be rented furnished or unfurnished, month-to-month or annually. This prevents speculation and the STR model must take into account being able to survive if the unit loses STR status. it just must rent for 30+ days until the lottery is in their favor at some point in the future.

GENERAL SERVICES/PUBLIC WORKS



August 22, 2022

Short-Term Rentals (STRs) History and Current Facts

- No STR ordinance=Prohibited use
- Idaho State:
Statute §67-6539 (2017)
- City of Coeur d'Alene:
Ch. 17.08, Art. X (2017)
- Housing crisis / affordability
- STR market now...

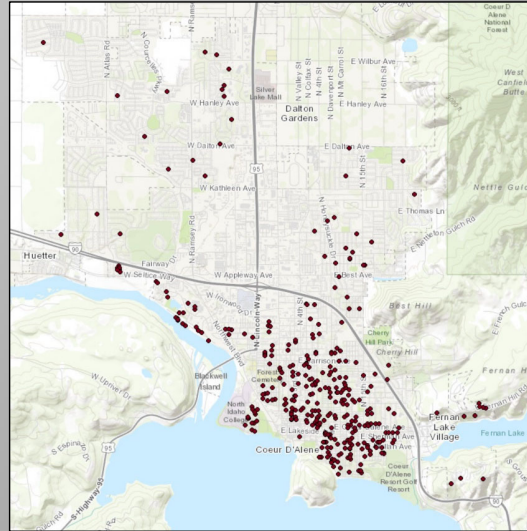
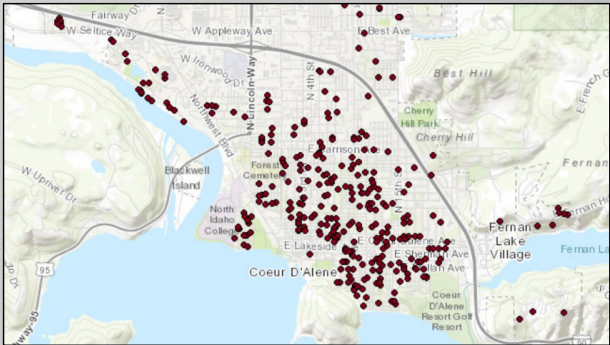


(Photo courtesy of: Host Compliance)



Short-Term Rentals (STRs) Map & Location Data (8.16.2022)

- **381 permitted** vacation rentals
- 184 have homeowner exemption
- Concentrated south of I-90



Short-Term Rentals (STRs) Ordinance Considerations



(Photo courtesy of: simplysuccess.com)

- | | |
|------------------------|-------------------------|
| • Duration of Stay | • Location and Quantity |
| • Parking | • Occupancy |
| • Ownership | • ADUs |
| • Type of unit allowed | • Fees |
| • Zoning | • Enforcement |



Short-Term Rentals (STRs) Draft Ordinance

- Owner occupied
 - **R-#, MH-8**
- Commercial exemption
 - **C-17, C17L, DC**
 - **1 per owner/per parcel**
- Minimum 2-night stay
- Remove 14-day exemption
- Increasing the violation fees



Short-Term Rentals (STRs) Discussion



- Integrity of neighborhoods
- “Pick list” attributes
- Enforcement & fines
- Compliance contract?
- Permit fees



Short-Term Rentals (STRs) Decision Point Recommendation

City Council Members should provide feedback on:

1. Amendments to the Short-Term Rental Ordinance
2. Hiring a STR compliance company to assist with permitting and code enforcement; and,
3. Increasing violation fees

