



CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

*25 West Fourth Street
Saint Paul, MN 55102*

*Telephone: 651-266-6700
Facsimile: 651-266-6549*

Date: April 6, 2017
To: Neighborhood Planning Committee
From: Kady Dadlez, 651-266-6619
Re: Revisions to the Short Term Rental Zoning Study and Proposed Zoning Code Amendments

Attached is the staff memo for the Short Term Rental Study and Proposed Zoning Code Amendments. Note that it has been revised based on discussion at the Neighborhood Planning Committee on March 29, 2017. For your reference, below is a summary of the revisions to the memo.

1. Under the licensing discussion, a reference was added regarding plans for a modest license fee and annual renewal for short term rental dwelling unit licenses.
2. Under certificate of occupancy discussion a reference was added regarding how complaints about short term rentals would be handled. The definition of owner occupied was added as was a note that the owner of an owner occupied short term dwelling unit does not need to be present during the rental period unless otherwise required to do so. In addition, a discussion about whether to require an "agent" was added.
3. Under the zoning section a discussion was added regarding regulating the frequency/number of stays. In addition, a discussion was added about creating a provision that would require a conditional use permit for non-owner occupied short term rental units.
4. Under the discussion of the proposed amendment a provision was added to require a conditional use permit for multi-unit buildings with more than 4 units. This is something that should have been included in the initial staff memo.
5. A new section was added to explain in greater detail why the definition of family is used to determine occupancy. Included in the discussion is an explanation about why other methods such as number of bedrooms and the fire/building codes are not used.
6. The table interpreting family was revised to make it easier to understand.
7. The language in the proposed ordinance was updated to reflect the change discussed earlier: require a conditional use permit for more than four short term rental dwelling units in multi-unit buildings. Also added was a reference to what P and C refer to in the tables (principal use and conditional use).
8. A graphic was added at the end of the memo showing the number of units allowed in various types of housing (single family, duplex, triplex, etc.).



CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

*25 West Fourth Street
Saint Paul, MN 55102*

*Telephone: 651-266-6700
Facsimile: 651-266-6549*

Date: April 6, 2017

To: Neighborhood Planning Committee

From: Kady Dadlez, 651-266-6619

Re: Short Term Rental Zoning Study and Proposed Zoning Code Amendments

Background

What are short term rentals?

One facet of the sharing economy is the online, short term rental of houses, apartments, and condominiums. Continued growth of the sharing economy enabled by technology has led to an increase in websites (host platforms like Airbnb and Expedia) which efficiently enable individuals (hosts) to offer space and for renters to find space. In addition, listings for big events like the Ryder Cup which was recently held in the Twin Cities can be posted on sites like Craig's list months or a year in advance and picked up by a real estate agent that will broker the deal between the owner and renter.

The definition of a short term rental varies by municipality since each chooses to regulate differently. Generally speaking, a short term rental is a dwelling unit, bedroom, or couch rented for a period of less than 30 consecutive days, with or without the owner present. Some jurisdictions use other terms, including vacation rental, timeshare, and tourist rooming house.

Short term rentals in Saint Paul

Short term rentals are occurring in Saint Paul. While there is no official count, there are more than 250 online listings in the City, see attached map. During the recent Ryder Cup event, Airbnb alone reported more than 3,400 guests in the Twin Cities metropolitan area. Ramsey County was home to more than 500 of these.

Under current regulations, short term rentals are not permitted in the City's Zoning Code and there is no licensing requirement. Consequently, existing short term rentals are illegal. Saint Paul is a place of economic vitality and wants to respond to changes in the economy so that innovations are not stifled. The City does not want to pretend that short term rentals are not occurring in the City; it wants to make what is already happening legal and in the process address concerns about health and safety as well as a level playing field.

City Council Adopts Resolution to Study Short Term Rentals

Recognizing the potential impact of short term rentals on neighborhoods, the Saint Paul City Council adopted a resolution asking the Departments of Safety and Inspections (DSI) and Planning and Economic

Development (PED) to study Airbnb and similar companies and how their operations align with current city ordinances, and to evaluate whether current codes ensure that visitors, landlords, Airbnb neighbors, and private property are safe and protected. The resolution also states that departments shall ensure that the appropriate taxes are being collected from these sorts of properties and uses.

Short Term Rental Study and City Council Directive

In July 2016 a Short Term Rental Study prepared by DSI and PED was presented to the Saint Paul City Council. The study looked at existing conditions in Saint Paul, current regulations, current tax collection, potential impacts of short term rentals, and short term rental regulations locally and nationwide. The study also made recommendations and suggested next steps, which the City Council approved. The City Council's recommendations include: 1) develop a zoning code amendment to permit short term rentals and develop standards related to owner occupied and non-owner occupied units; 2) develop an ordinance amendment to fully regulate non-owner occupied units for life safety concerns through the Fire Certificate of Occupancy program; 3) develop a mechanism to ensure tax collection is occurring, possibly via host platforms; 4) develop an ordinance amendment to license host platforms, with specific requirements relating to reporting and compliance; 5) utilize complaints about short term rentals to inform recommendations for future regulations; and 6) educate City staff (police, fire, and inspectors) about the presence of short term rentals in neighborhoods and the potential for complaints.

Potential Impacts of Short Term Rentals

The City of New Orleans issued an exhaustive study on short term rentals in January 2016. This study provides excellent background on the benefits associated with and negative impacts of, short term rentals. These are important for Saint Paul to be aware of as it considers whether and how to regulate short term rentals. The *City of New Orleans Short Term Rental Study* addresses the issues raised in the Saint Paul City Council's resolution requesting this study. The New Orleans study discusses at length the benefits and negative effects associated with short term rentals, as summarized below.

The **benefits** associated with short term rentals:

- Short term rentals are part of the rapidly growing sharing economy
- They provide additional income for hosts and individuals that support short term rentals
- Short term rentals support the tourism economy and provide a significant financial benefit to the region
- There is potential for the City to earn additional income through taxes and fees
- Short term rentals help reduce blight, activate neighborhoods, and support local businesses
- The negative impacts on neighborhood quality of life and affordable housing are over stated as most operators are good managers

The **negative impacts** associated with short term rentals:

- Short term rentals are a commercial encroachment in residential neighborhoods
- Short term rentals reduce neighborhood quality of life due to late night activity, noise, crime, litter, property damage, fire danger, loitering, and reduced on-street parking
- Short term rentals result in a reduction in long-term residents which changes the character of neighborhoods, especially in neighborhoods with the highest concentration of short term rentals
- Short term rentals reduce the number of affordable housing units in a city
- Short term rentals have an unfair competitive advantage from hotels, bed and breakfasts, and legal short term rentals because they are not licensed, do not pay taxes, are not held to the same safety requirements, and have lower capital and operating costs

Short Term Rental Regulations in Minnesota Cities and Beyond

The City of Prior Lake adopted an ordinance in mid-2015, precipitated by complaints from neighbors. The City engaged known short term rental hosts during discussions. They helped shape the regulations and permit process. Those hosts have since received permits from the City. The City is aware of other hosts that have not applied for permits. The City is following up with them. The adopted regulations link the number of parking spaces available to the number of bedrooms that can be rented. The number of guests is governed by the size of the structure and the lot. The ordinance requires there to be an owner or local agent who lives and works within 30 miles of the rental unit and the City's laws related to short term rentals must be disclosed to the guests and posted in the unit. The agent must be available 24 hours a day during the rental period to respond immediately to complaints and the agent's phone number must be provided to the City. The agent must maintain and make available upon request to City staff or law enforcement a list of all current occupants. Disorderly conduct is prohibited on all premises and the ordinance defines and gives examples of disorderly conduct.

The City of Duluth recently adopted an ordinance that provides two options. Those wishing to operate a vacation rental can do so via an interim use permit and those wishing to rent out part of their home can do so with a home share permit. The *interim use permit* regulates the length of stay, number of occupants, number of rooms, off-street parking. A \$650 fee applies. It also requires the permit holder to designate a managing agent who resides within 25 miles of the city to respond 24 hours a day to complaints and the contact information of the managing agent must be provided to all property owners within 100 feet of the property boundary. The permit holder must also post their permit number on all print, poster and web advertisements and also apply for and be granted state and local sales tax numbers. Prior to rental the building must be inspected and a permit issued by the Fire Prevention office. The *home share permit* regulates the length of stay, number of occupants, and owner occupancy. A \$100 fee applies annually. Like the interim use permit, the home share permit holder must also post their permit number on all print, poster, and web advertisements and also apply for and be granted state and local sales tax numbers. Prior to rental the building must be inspected and a permit issued by the Fire Prevention office.

The City of Eagan changed its definition of dwelling unit in November 2015 to prohibit short term rentals of less than 30 days where an owner is not present. An owner can rent out a room in an occupied unit for less than 30 days as long as the owner is present and the guest has full access to the home during the stay. This use is not regulated. Registered accessory dwelling units can be rented for 30 days or more.

The City of Burnsville prohibits short term or vacation rental in residential zoning districts. It recently adopted an ordinance restricting short term or vacation rental in its business licensing section of the City Code (the City Attorney felt that licensing was a more appropriate part of the code to regulate the use than the Zoning Ordinance). Issues identified by the city council are: 1) vacation rentals bring strangers into a neighborhood; 2) people come and go at all times of the day and night; 3) since customers are not residents, they have no interest in maintaining the neighborhood; 4) noise; 5) trash; and 5) transient nature of the operation.

The City of Minneapolis is in the process of developing regulations for short term rentals.

The City of New Orleans Short Term Rental Study from January 2016 includes an assessment of regulations adopted by cities around the United States. While New Orleans is a major tourist destination and has far more short term rental units than Saint Paul, the information gathered in its study from other cities around the country has value and relevance to the conversation in Saint Paul about whether and how to regulate short term rentals. Important findings in the report are noted below.

The *City of New Orleans Short Term Rental Study's* assessment of regulations in other cities identified the components of a short term rental ordinance and discusses each at length. The main take away is that each city regulates differently depending upon the issue it is trying to address, but many cities tend to include most of these items in their regulations. The study also notes that the success experienced by the cities surveyed varied and that the best regulations were adapted over time as issues arose.

- **Definitions** (most are called short term rentals though some use vacation rental, timeshare, or tourist rooming house)
- **Categories** (full dwelling unit rental, single-room rental, or shared-room rental)
- **Size limitations** (number of rooms that can be rented)
- **Concentration** (limits on number of units within a geographic area)
- **Time limitations** (generally less than 30 days, the number of times a unit can be rented per year)
- **Owner occupancy** (whether owner or tenant occupancy is required and for how many days per year the owner must occupy the unit)
- **Use Standards and Guidelines** (no changes to allow a separate entrance, parking, agent contact information, posting of city ordinances, accessible agent to respond quickly to complaints, limiting number of visitors guests may have)
- **Fees** (generally between \$100 and \$150)
- **Notice** (information posted alerting surrounding properties of the use as a short term rental)
- **Taxes** (collection and payment of taxes either by hosting platform or host)
- **Fines and enforcement** (fees should be high enough to deter violations and ordinance should allow for revocation of permit or license for repeated violations)
- **Building code and inspections** (most require at a minimum fire and carbon monoxide detectors, some require inspections, many require permits, licenses, or registrations)

The *City of New Orleans Short Term Rental Study* found that short term rentals are residential uses with commercial type impacts. Generally, short term rentals where the owner or tenant is present are associated with fewer impacts than those where no owner or tenant is present and consequently, tended to be regulated with few restrictions. Short term rentals where the owner or tenant is not present tended to be regulated more strictly because the impacts of their use tended to be more commercial in nature. The City emphasized the importance of having a structure in place to regulate short term rentals to be able to minimize the negative impacts on surrounding properties and facilitate enforcement on problem operators.

Workgroup Considers and Reviews Proposed Short Term Rental Regulations

A workgroup was convened to consider proposed amendments to allow short term rentals. Workgroup participants included host platform representatives from Airbnb and Expedia, owner occupied hosts, non-owner occupied hosts, residents, bed and breakfast hosts, hospitality industry and Visit Saint Paul representatives, a Planning Commission member, and Office of Financial Services staff. The workgroup met on December 7, 2016 and February 7, 2017 to review, discuss, and advise on the proposed amendments.

Listening Session Held on Proposed Short Term Rental Regulations

A listening session was held on January 19, 2017. It was an open dialogue with the community to learn about the pros and cons of short-term rentals in Saint Paul neighborhoods and any looming concerns with how the City proposes to regulate the new use. The listening session summary is attached.

How Saint Paul Proposes to Regulate Short Term Rentals

While the City Council believes there is a need to regulate short term rental uses, these uses currently operate throughout the City with relatively few complaints or calls to police. The City plans to regulate short term rentals through licensing, fire certificate of occupancy inspection, and zoning. Regulations are proposed to address life safety and habitability. Experience from other cities suggests that non-owner occupied short term rentals may be more likely to result in negative impacts on the surrounding area than owner occupied rentals. Therefore, to some extent the City intends to regulate short term rentals where the owner is present differently from ones where the owner is not present. Providing a level playing field for bed and breakfast residences and hotels is another factor when considering how to regulate short term rentals. The impact of short term rentals on the availability of affordable housing is something that is of great concern in some cities but not something Saint Paul believes is a cause for concern at this time.

1. Licensing

The City intends to license host platforms that offer booking services such as Airbnb and Expedia as well as individual hosts. Under this model, the platform would be responsible for providing requested data to the City and removing host listings when the platform has been notified the listings are not in compliance with city regulations. Individual short term rental units must: 1) be allowed by zoning; 2) maintain a lodging log; 3) have a current fire certificate of occupancy if a non-owner occupied unit; 4) provide proof of Lodging and Sales tax payment; 5) provide proof of appropriate property insurance; and 6) be licensed by the City.

If a unit is not in compliance with all applicable laws, the platform, upon being notified that the unit is not compliant, would have the responsibility to remove the host unit from its platform. If the host platform fails to comply, adverse action against the platform license could be taken. In addition, the non-compliant individual host could also receive a citation. DSI is in the process of developing licensing requirements for City Council consideration. **A modest fee for a license renewed annually would apply.**

2. Fire Certificate of Occupancy

Short term rentals are residential uses with commercial type impacts. Generally, short term rentals where the owner or resident occupant is present are associated with fewer impacts than those where no owner or resident occupant is present and consequently may be regulated with few restrictions. Short term rentals where the owner or tenant is not present may be regulated more strictly because the impacts of their use may be more commercial in nature. It is important to have a structure in place to regulate short term rentals to be able to minimize the negative impacts on surrounding properties and facilitate enforcement on problem operators.

Complaints about short term rentals would be handled by DSI in the same manner that property complaints are handled currently. Existing hosts participating in the workgroup sessions emphasized the importance they place on establishing and maintaining a five star rating on host platform websites to generate repeat and future business; they do all they can to be good hosts and good neighbors. For reference, the definition of owner occupied is:

Fire Certificate of Occupancy Sec. 40.03

Owner occupied. Dwellings which are the principal residence of the owner of record of the building and in which the owner resides. "Owner," for the purposes of this definition, means a natural person and does not include a corporation, partnership, or other entity.

Short term rentals are, to some extent, regulated by the fire certificate of occupancy inspection program. The existing fire certificate of occupancy inspection program is sufficient to address life safety and habitability issues of short term rentals. The City currently requires a fire certificate of occupancy for all buildings with three or more units and for all non-owner occupied one and two family dwelling units. Therefore, all short term rental units in non-owner occupied units would fall under the existing fire certificate of occupancy inspection program. Short term rentals in owner occupied or resident occupied units would not require a fire certificate of occupancy. Note that the owner of an owner occupied short term dwelling unit does not need to be present during the rental period, except for duplexes with two short term rental units.

Residential fire certificate of occupancy inspections are done every one to six years depending upon the number and severity of violations found in the most previous full fire certificate of occupancy inspection. Commercial inspections are done based upon the occupancy type ranging from once a year to once every three years. No changes to the fire certification of occupancy program are proposed.

Staff considered requiring individual hosts, as part of the permit process, to designate an individual to act as an agent for the unit and be available to respond to issues 24 hours a day seven days a week, as some cities require. Rather than requiring an agent, Saint Paul opts to obtain contact information for a responsible party in addition to the host as part of the license process but not require the responsible party to be available 24/7.

3. Zoning

The City does not have an ordinance regulating short term rentals and short term rental is not listed as a use permitted in the Zoning Code. Consequently, existing short term rentals are illegal. The proposed zoning amendment makes short term rentals legal and establishes standards and conditions for the use. While there are short term rentals in Saint Paul, they do not generate a lot of complaints or calls for police. Consequently, the proposed amendment seeks to permit the use with a minimum amount of regulation.

Staff considered treating frequently rented units differently from those that are rented only occasionally, including putting a limiting the number of days per month or year that a unit could be rented. However, since host platforms do not share this information for privacy reasons, it is difficult for the City to determine how often a unit is rented. Consequently, this type of regulation creates the need for a much larger regulatory framework than what is proposed, something that is much more involved and costly. Hosts participating in the workgroup were not supportive of a regulation on the number or frequency of rentals.

Staff also considered a provision to require a conditional use permit for non-owner occupied short term rental dwelling units. However, this provision would require a much larger regulatory framework than envisioned under the proposed amendments.

Proposed Amendment – Short Term Rental Dwelling Unit Discussion

The short term rental dwelling unit amendment creates Zoning Code Sec. 65.645 and provides a definition for the use. An off-street parking requirement is also established for the use. Standards and conditions establish a minimum length of stay, prohibit exterior signage in residential districts, and prohibit commercial or social events.

Standards and conditions also limit the number of short term rental dwelling units on a zoning lot to one in one- and two-family residential districts, except that two short term rental dwelling units may be permitted in an owner occupied duplex provided the duplex owner is in residence during the rental period. In other zoning districts one or up to half of dwelling units on a lot, to a maximum of four, may be used for short term rental. More than four short term rental dwelling units may be allowed for buildings with more than ten units when a conditional use permit is obtained by the building owner. The intent is to limit the number of short term rental units in a building to no more than 50 percent to prevent quasi hotels.

Finally, the amendment limits the occupancy of a short term rental dwelling unit to the Zoning Code definition of family, unless a conditional use permit is obtained. This is consistent with the current Zoning Code occupancy limit for a dwelling unit citywide and treats short term rental dwelling units similarly to bed and breakfast residences with one guest room. For reference, the definition of family is:

Zoning Code Section 60.207 – F

Family. One or two persons or parents, with their direct lineal descendants and adopted or legally cared for children (and including the domestic employees thereof) together with not more than two persons not so related, living together in the whole or part of a dwelling comprising a single housekeeping unit. Every additional group of four or fewer persons living in such housekeeping unit shall be considered a separate family for the purpose of this code.

The occupancy of a short term rental dwelling unit that exceeds the definition of a family for large one- and two-family dwellings on large lots would require a conditional use permit from the Planning Commission. Criteria for determining total occupancy in these situations would include the dwelling size, lot size, provision of off-street parking, and fire certificate of occupancy inspection. The reason to require a conditional use permit to allow occupancy to exceed the definition of family is that this is a more commercially intensive use and may be more susceptible to reducing neighborhood quality of life due to late night activity, noise, crime, litter, property damage, fire danger, loitering, and reduced on-street parking.

Why Use the Definition of Family to Determine Occupancy?

The proposed method for determining occupancy of a short term rental dwelling unit is the definition of family. While the definition of family can be confusing, especially for those not accustomed to using and interpreting it regularly, it is the standard method for determining dwelling unit occupancy that the city has used for many years. Determining occupancy of a dwelling unit based on the definition of family applies to many types of housing in the city regardless of the size of the dwelling unit (from one bedroom apartments and condos to starter homes and mansions). It also applies regardless of the length of stay of occupants in a dwelling unit. Thus, it applies equally to long term residents as well as visitors in Saint Paul for a short stay. Through the license process for short term rentals DSI staff will have the opportunity to explain the definition, how to interpret it, and answer questions.

When it comes to determining occupancy of short term rental dwelling units it is logical to treat long and short term rental dwelling units consistently and apply the same method to both. The intent in either case is to limit occupancy to no more than four unrelated adults --- this includes the host if

present during the stay. More than four adults are allowed if they meet the definition of family. For example the following would meet definition of family: two grandparents, their two adult children and spouses (spouses representing the other two adults not so related), and four grandchildren. Also, recall that the proposed amendment allows occupancy of short term rental units to exceed the definition of family (more than four unrelated individuals) for large one and two-family dwellings on large lots with a conditional use permit.

While the appeal of a regulation that simply states the total occupancy of a short term rental dwelling unit is clear, its application can be troublesome. For example, one method would be to determine occupancy based on the number of bedrooms in a dwelling unit, say two people per bedroom. However, this would allow the occupancy of a four bedroom house under short term rental regulations to have eight unrelated individuals. This is two times the number of unrelated individuals allowed in a long term residence. The City does not want to allow short term rental uses to be more intense than long term rental uses. The intent of the amendment is to discourage a party house type atmosphere. Generally speaking short term rental uses are more commercial and transient in nature than long term rental uses and should be regulated with more or the same restrictions as long term residences. It does not seem to make sense to allow twice as many people in a short term unit than would be allowed in a long term unit.

Also, under current regulations bed and breakfast residences with two or more guest rooms require a conditional use permit. While the number of guests per guest room is not stated, it is generally assumed to be up to two guests per room.

Finally, to determine occupancy for each licensed short term rental dwelling unit based on the fire and building codes would require a much more extensive regulatory framework than envisioned under the current proposal. Recall that the proposed amendment seeks to regulate short term rental uses with a minimum amount of regulation since they have generated few complaints to date.

The occupancy of a short term rental that exceeds the definition of a family for large one- and two-family dwellings on large lots would require a conditional use permit from the Planning Commission. Neighborhood notification would be required and a public hearing would be held. The Planning Commission may impose such reasonable conditions and limitations in granting an approval as are determined to be necessary to fulfill the spirit and purpose of the zoning code and to protect adjacent properties. The process takes to seven weeks and there is an \$840.00 application fee.

Per Sec. 61.501 of the Zoning Code, in granting a conditional use permit the Planning Commission must find that:

- (a) The extent, location and intensity of the use will be in substantial compliance with the Saint Paul Comprehensive Plan and any applicable subarea plans which were approved by the city council.
- (b) The use will provide adequate ingress and egress to minimize traffic congestion in the public streets.
- (c) The use will not be detrimental to the existing character of the development in the immediate neighborhood or endanger the public health, safety and general welfare.
- (d) The use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
- (e) The use shall, in all other respects, conform to the applicable regulations of the district in which it is located.

Questions about what constitutes a family have been raised. The following chart describes various scenarios and provides guidance for determining occupancy. The definition of family is repeated as well for easy reference.

Family. One (1) or two (2) persons or parents, with their direct lineal descendants and adopted or legally cared for children (and including the domestic employees thereof) together with not more than two (2) persons not so related, living together in the whole or part of a dwelling comprising a single housekeeping unit. Every additional group of four (4) or fewer persons living in such housekeeping unit shall be considered a separate family for the purpose of this code.

Determining occupancy of a short term rental dwelling unit (without a conditional use permit):

Host Lives Off Site

4 or fewer unrelated individuals **-or-** 4 adults, 2 of which can include their adult or minor kids

Host Lives On Site

1 adult with no kids **-and-** 3 adults, 2 of which can include their adult or minor kids

1 adult with their adult or minor kids **-and-** 3 adults, 1 of which can include their adult or minor kids

2 adults with no kids **-and-** 2 adults, of which both can include their adult or minor kids

2 adults, 1 of which has their adult or minor kids **-and-** 2 adults, 1 of which can include their adult or minor kids

2 adults, both of which have their adult or minor kids **-and-** 2 adults, no kids

3 adults with no adult or minor kids **-and-** 1 adult, including their adult or minor kids

3 adults, 1 of which has their adult or minor kids **-and-** 1 adult, including their adult or minor kids

3 adults, 2 of which have their adult and minor kids **-and-** 1 adult, with no kids

“Kids” as used above refers to individuals, whether adults or minors, who are lineal descendants and adopted or legally cared for children of the adult (and any domestic employees, like a nanny).

Proposed Amendment - Bed and Breakfast Residence

In addition to the proposed short term rental dwelling unit ordinance, an amendment to the bed and breakfast ordinance Zoning Code Sec. 65.641 is proposed to make the language regarding use of dining and other facilities of a bed and breakfast residence consistent with the language for short term rental dwelling units, which prohibits commercial and social events.

Recommendation for Committee Action

Staff recommends the Neighborhood Planning Committee forward the following proposed amendments to Zoning Code §§ 65.641, 65.645, 66.221, 66.321, 66.421, 66.521, 63.207, to the Planning Commission to release for public review and schedule a public hearing for June 2, 2017.

NOTE: Existing language to be deleted is shown by ~~strikeout~~. New language to be added is shown by underlining. [Drafting notes are in brackets.] **P** refers to permitted uses and **C** refers to conditional uses.

Sec. 65.641. Bed and breakfast residence.

A dwelling unit, located within a one- or two-family dwelling, in which guest rooms are rented on a nightly basis for periods of less than a week and where at least one meal is offered in connection with the provision of sleeping accommodations only.

Standards and conditions in residential and BC community business (converted) districts:

- a. In residential districts, a conditional use permit is required for bed and breakfast residences with two or more guest rooms, and for any bed and breakfast residence located in a two-family dwelling. In RL—R4 residential districts, a bed and breakfast residence may contain no more than one guest room.
- b. The bed and breakfast residence may be established in a one-family detached dwelling or a two-family dwelling, located within a single main building.
- c. The guest rooms shall be contained within the principal structure.
- d. There shall be no more than one person employed by the bed and breakfast residence who is not a resident of the dwelling.
- e. ~~Dining and other facilities shall not be open to the public, but shall be used exclusively by the residents and registered guests.~~ Use of a bed and breakfast residence for any commercial or social event is prohibited.
- f. No additional exterior entrances shall be added to the structure solely for the purpose of serving guest rooms.
- g. The zoning lot shall meet the minimum lot size for the one-family dwelling or two-family dwelling in the district in which it is located, and shall have a minimum size according to the following combination of dwelling units and guest rooms:

Dwelling Units	Guest Rooms	Minimum Lot Size
1	2	6,000
1	3	7,000
1	4	8,000
2	1	6,000
2	2	7,000
2	3	8,000

- h. One-family dwellings may contain no more than four guest rooms. Two-family dwellings may contain no more than three guest rooms.
- i. No bed and breakfast residence containing two through four guest rooms shall be located closer than 1,000 feet to an existing bed and breakfast residence containing two through four guest rooms, measured in a straight line from the zoning lot of an existing bed and breakfast residence.

...

Sec. 65.645. Short term rental dwelling unit Reserved.

A dwelling unit, or a portion of a dwelling unit, rented for a period of less than thirty (30) days.

Standards and conditions:

- (a) In RL – RT1 districts, there shall be no more than one (1) short term rental dwelling unit on a zoning lot unless a duplex is owner occupied and the owner is in residence during the rental period. In other districts, one (1) or up to 50 percent of dwelling units on a zoning lot, to a maximum of four (4), may be short term rental dwelling units, except that more than four (4) short term rental dwelling units may be permitted when a conditional use permit is obtained by the building owner for a specific number of short term rental dwelling units.
- (b) No more than one (1) rental of a short term rental dwelling unit shall be permitted per day. Use of a short term rental dwelling unit for any commercial or social events is prohibited.
- (c) No exterior identification sign of any kind shall be permitted in residential districts.
- (d) Total occupancy of a short term rental dwelling unit shall not exceed the definition of family in Section 60.207 allowed in a single housekeeping unit except that occupancy in excess of the definition of family may be permitted with a conditional use permit, on a case by case basis, for large one- and two-family dwellings on large lots.

Table 66.221 Principal Uses in Residential Districts

Use	RL	R1-R4	RT1	RT2	RM1	RM2	RM3	Definition (d) Standards (s)
Commercial Uses								
<i>Commercial Lodging</i>								
Bed and breakfast residence	P	P	P/C	P/C	P/C	P/C		(d), (s)
<u>Short term rental dwelling unit</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>(d), (s)</u>

Table 66.321 Principal Uses in Traditional Neighborhood Districts

Use	T1	T2	T3	T4	Definition (d) Standards (s)
Commercial Uses					
<i>Commercial Recreation, Entertainment and Lodging</i>					
Reception hall/rental hall		C	C	C	
<u>Short term rental dwelling unit</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>(d), (s)</u>

Theater, assembly hall		<u>C/P</u>	<u>C/P</u>	<u>C/P</u>	(s)
		<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	

Table 66.421 Principal Uses in Business Districts

Use	OS	B1	BC	B2	B3	B4	B5	Definition (d) Standards (s)
Commercial Uses								
<i>Commercial Recreation, Entertainment and Lodging</i>								
Reception hall/rental hall				P	P	P	P	
<u>Short term rental dwelling unit</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>(d), (s)</u>
Steam room/bathhouse facility			P	P	P	P	P	(d)

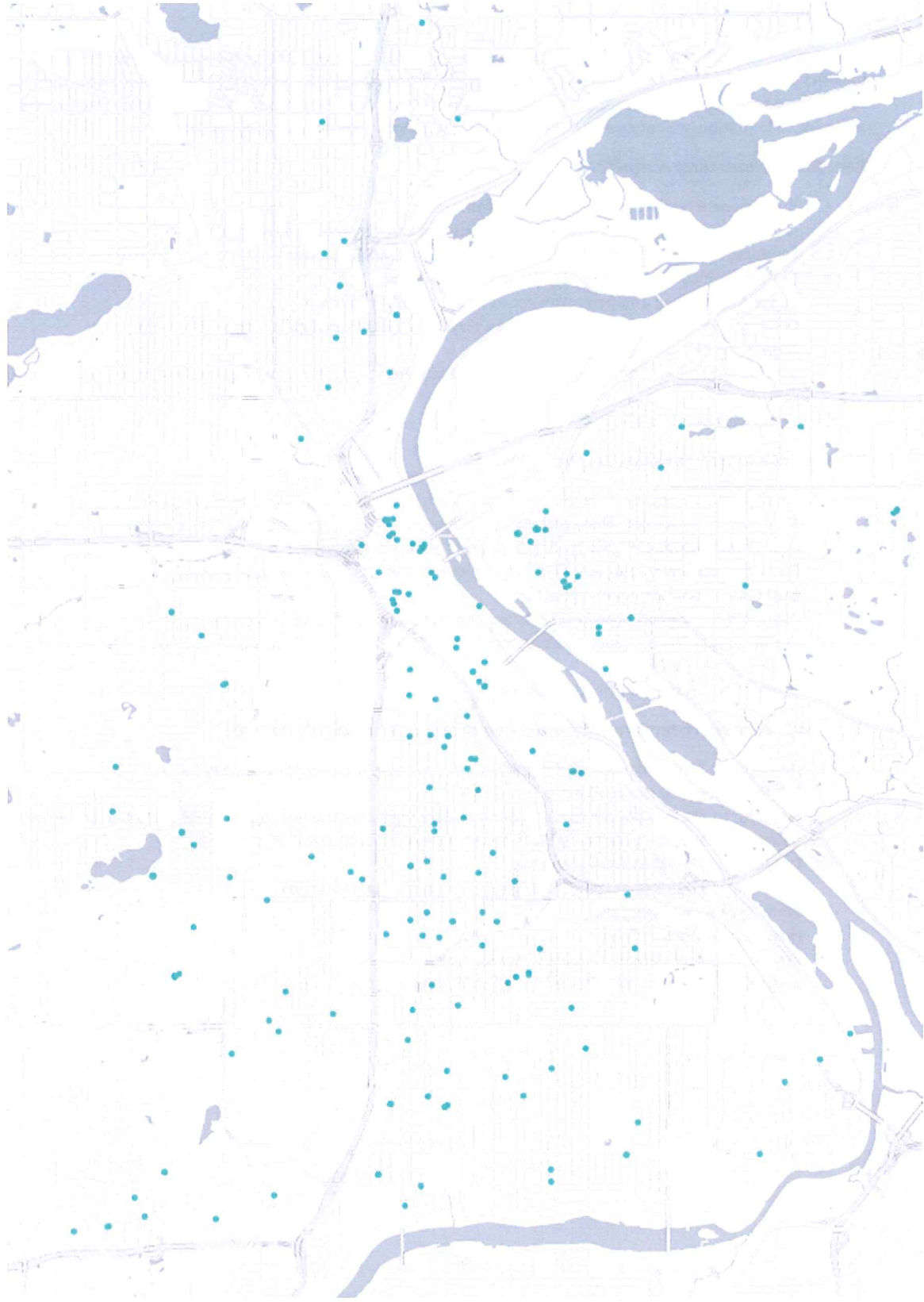
Table 66.521 Principal Uses in Industrial Districts

Use	IT	I1	I2	I3	Definition (d) Standards (s)
Commercial Uses					
<i>Commercial Recreation, Entertainment and Lodging</i>					
Reception hall/rental hall	P	P	C		
<u>Short term rental dwelling unit</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>		<u>(d), (s)</u>
Steam room/bathhouse facility	P	P	P		(d)

Table 63.207 Minimum Required Off-Street Parking By Use

Land Use	Minimum Number of Parking Spaces
Lodging	
Bed and breakfast residence	1 spaces per dwelling unit and 0.5 spaces per guest room
<u>Short term rental dwelling unit</u>	<u>1 space per dwelling unit and 0.5 spaces per every 2 adult guests</u>

Short Term Rental Hosts in Saint Paul – July 2016



To: Dan Niziolek

From: Jerome Benner II

Re: Listening Session for Short-Term Rentals (Airbnb's and VRBO's)

Purpose:

The purpose of this listening session was to create an open dialogue with the community to learn about the benefits of short-term rentals in their respective neighborhoods and any looming concerns with how the City proposes to regulate the new use. Councilmember Prince attended the meeting on behalf of her constituents. The following information are comments collected from the meeting held on January 19, 2017:

Benefits of short-term rentals?

- Building new relationships within the community
- Alternative lodging options for those who do not want to stay in a traditional hotel
- More personal feel. Better for families that are traveling together
- Generates income opportunities for the host(s)
- Builds City's image and generates money for the local economy
- Company for those that are lonely and enjoy having additional guests stay with them
- More eyes on the neighborhood
- Less wear and tear on the homes because guests are staying for shorter periods of them than long-term renters
- Helps with hotel overflow

Issues or concerns with short-term rentals?

- Safety issues – people have died at Airbnb's (Airbnb now supplies Co2 and smoke detectors)
- No notice to residents. Many felt they do not have a say in what goes on in their neighborhoods
- Fear of not knowing who is staying next door (stranger danger!)
- Creating economic/commercial uses in predominately residentially zoning areas
- Hosts discriminating against guests
- Despite being a good host, residents are concerned bad guest will still be an issue
- Traffic congestion on local street systems
- Clarity in ordinance
- Unsavory entrepreneur host platforms

Ways to ensure short-term rentals are a beneficial part of neighborhoods?

- De-regulate traditional bed and breakfast uses to make it easier for business owners
- Require inspections of all short-term rentals
- Platform to allow residents to submit complaints regarding the improper use of a short-term rental
- Education hosts and potential guests about short-term rentals prior to their stay
- Database to collect ID from residents
- Separation requirement to help mitigate impact on neighborhoods
- State-Sponsored listing site
- Host pays inspection fees
- Create off-street parking requirements for hosts
- Require a Conditional Use Permit for all short-term rentals

Number of Short Term Dwelling Units Permitted



Single family home

1 short term rental dwelling unit permitted



Duplex

Non-owner occupied

1 short term rental dwelling unit permitted

Owner occupied – and owner present

2 short term rental dwelling units permitted



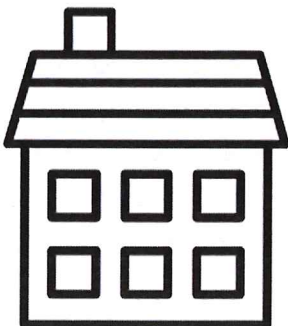
Three unit building (triplex)

1 short term rental dwelling unit permitted



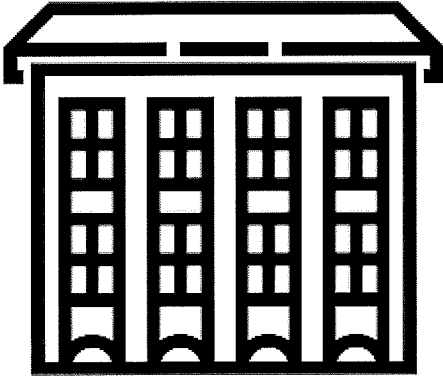
Four unit building

2 short term rental dwelling units permitted



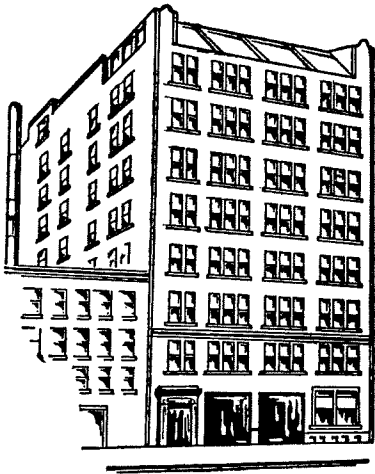
Six unit building

3 short term rental dwelling units permitted



Eight unit building

4 short term rental dwelling units permitted



Larger apartment/condo building*

4 short term rental dwelling units permitted

*The number of short term rental dwelling units may exceed 4 if a building owner obtains a conditional use permit for a larger number of units.

The occupancy of any short term rental dwelling unit is limited by the zoning code definition of family. This occupancy can be exceeded with a conditional use permit, on a case by case basis, for large one and two-family dwellings on large lots.

Family - One or two persons or parents, with their direct lineal descendants and adopted or legally cared for children (and including the domestic employees thereof) together with not more than two persons not so related, living together in the whole or part of a dwelling comprising a single housekeeping unit. Every additional group of four or fewer persons living in such housekeeping unit shall be considered a separate family for the purpose of this code.