



## Memorandum

<b>To:</b>	Stillwater Township Planning Commission	<b>Reference:</b>	Potential Zoning Ordinance Amendment – Residential Short-Term Rentals
<b>Copies To:</b>	Barbara Riehle, Clerk	<b>Project No.:</b>	18111.000
<b>From:</b>	Evan Monson, Planner	<b>Routing:</b>	
<b>Date:</b>	May 26, 2021		

**SUBJECT:** Proposed amendment to the Zoning Ordinance for Residential Short-Term Rentals

**MEETING DATE:** June 3, 2021

**ITEMS REVIEWED:** Proposed amendment text

### BACKGROUND

As discussed previously, the Township has no ordinances addressing short-term residential rentals. In the last 6 months, there have been five or fewer listings at one time that appear to be within the Township (listings on sites like Airbnb do not show an exact address until booking a stay has been confirmed). There have also been no issues or complaints made to Township staff. While it is not an issue now, it could be in the future. In order to be proactive instead of reactive, the Town Board directed Staff to look into potential regulations for such uses that could be integrated into the Zoning Ordinance.

The Planning Commission reviewed the rules for such uses in neighboring communities, and discussed the topic at the May Planning Commission meeting on May 6<sup>th</sup>. The action made was to table the item and monitor the activity for short-term rentals through the summer. The Town Board discussed the item at their Board meeting on May 13<sup>th</sup>; the recommendation from the Board was to have the Planning Commission further discuss the issue and to potentially draft an ordinance that works for the Township.

## EXAMPLES

Different communities have different rules regarding such uses. These were reviewed and also included in previous staff reports.

- [City of Afton](#)
  - Afton breaks short-term residential rentals into four different types, which are based off of the number of days allowed for renting, the occupant(s) of the home being present during the renter's stay, and if the house is not used as a primary residence and is used primarily for short-term renting. A house is permitted, without a license or permit, to be rented out up to 14 days per year. Using a house primarily for short-term renting requires a CUP be issued by the city. Having a house that is a primary residence being rented out, with the host either on- or off-site during the rental, requires a license issued by the city. A license is initially issued for one year; if no problems arise, the license is able to be renewed every three years.
- [City of Bayport](#)
  - Bayport prohibits the renting of homes on a short-term basis. The city finds that short-term rentals of homes "threaten the character of residential neighborhoods". Existing short-term rentals at the time of the ordinance adoption were to cease within 60 days of ordinance publication.
- [City of Marine on St. Croix](#)
  - Somewhat similar to Afton, Marine on St Croix breaks short-term residential rentals into three types. A license is required to be issued by the city to rent a residence on a short-term basis. The city also limits the number of licenses that can be issued to properties within each zoning district to three.
- [City of Stillwater](#)
  - The City of Stillwater also breaks short-term rentals into three types. These are based off of if it is used primarily for short-term rental use, if the homeowner(s) are home or not, and if the area being rented is a room within the house or a basement, duplex, or accessory unit on the site. A residence primarily used for short-term rental use requires a CUP, while the other types require a license to be issued by the city.
- [Chisago County](#)
  - The county requires a license be issued in order to use a residence for short-term rental use. The county does not specify on whether the residence's owner is on- or off-site, or whether the residence is primarily used for short-term rental use or not. The county requires the license be renewed annually in January of each year.
- [May Township](#)
  - May Township does not allow the renting of homes on a short-term basis. The township findings are similar to those mentioned by the City of Bayport.

The examples range from allowing them through a zoning permit (such as a CUP), a business license, or not at all. On the next page is a brief comparison of each community that does permit this use.



	City of Afton	City of Marine	City of Stillwater	Chisago County
Permitted via license		X		X
Permitted via license and/or CUP	X		X	
License length	3 years*	1 year	3 years	1 year
Maximum # of days able to rent?	No	Yes**	No	No
Limit on # of short-term rental licenses issued?	No	Yes	Yes	No
Inspections required?	Yes	Yes	Yes	Yes

\*Afton permits an initial one-year license. Upon completion of the one year, provided no issues arose, the license is able to be renewed on a three year basis.

\*\*Marine on St Croix limits the number of weekends in a month (two), days in each month (14), and days total in a calendar year (72).

## ISSUES TO CONSIDER

As mentioned at previous meetings, there are a couple things to consider in terms of what, if any, regulations should be adopted in regards to these uses.

### *Allow or not allow*

Some communities have gone so far as to not allow short term renting of residential properties at all. Such a restrictive ordinance would require notifying of the public that they are not allowed. Enforcement of such an ordinance would require someone to monitor listing sites for listings of stays within the Township; would this be a reasonable use of staff time? Since there has been no issues reported so far from these uses, would it be necessary to not allow them? There is also the possibility that such a restrictive ordinance could be rendered moot by the State in the future if they decide to make it a use that must be allowed. If determining to allow, or not allow, short-term rentals, the Planning Commission should determine whether the use meets the vision statement as well as the goals and policies outlined in the 2040 Comprehensive Plan. Based off whether to allow or not allow, then other issues can be discussed as needed.



*Owner-occupied, owners present*

Certain communities limit short-term rentals to homes that are owner-occupied; the homes are not just used for rentals but are actually the residence for someone. Limiting it to owner-occupied residences can prevent people from buying a house just to list as a short-term rental unit.

There are also places that have required the homeowner be present during the stay of guests. Presumably this be a way to help prevent guests from getting rowdy during their stay, though regardless of whether an owner is present the guests would still need to follow any local rules regarding noise, nuisances, etc.

*Limited number of days*

There are communities that have limited the renting to a certain number of days each year. This can be a way to prevent residences from having a 'revolving door' of guests every week or weekend. At the same time, would it be necessary to limit a house to, say, only renting out for x days a year?

*Permit vs License*

There are different ways such a use can be permitted. It can be permitted through a license, such as what the Township has for dogs or kennels. It can be permitted through a zoning permit, which could include a Conditional Use Permit (CUP), an Interim Use Permit (IUP), or a Certificate of Compliance (COC). An IUP and CUP would require review and approval from the Planning Commission and Town Board, whereas a COC or a license would be able to be issued administratively by staff. There could be requirements for inspections of the site prior to the issuance of the permit or license to ensure safety and building code standards are being met.

## **POTENTIAL ORDINANCE**

Included in the meeting materials is a potential ordinance for short-term residential rentals. It would involve having some language defining the use, and identifying where it is permitted. There are also requirements on the owner occupying the residence (a residence could not be used only for short-term rental use), as well as the number of days it can be rented out each year. A license would be required to have a short-term residential rental, which would need to be renewed each year. Inspections of the property would be required, to ensure building, fire, and safety codes are met. The tenants of a short-term residential rental would be required to follow the same laws as other residents of the township in regards to noise, disorderly conduct, etc. It would be the responsibility of the owner to take action to abate nuisances. A violation of these rules would be a misdemeanor under Minnesota State law.

This is a draft only, and can be revised as needed if the Planning Commission wishes to adopt an ordinance permitting residential short-term rentals. This draft was also included with the meeting materials for the May meeting.



### **ACTION REQUESTED**

The Planning Commission is encouraged to review the attached draft and note possible changes or issues. Upon review and discussion, the Planning Commission has the following options:

1. Recommend the Town Board approve the proposed ordinance amendment
2. Recommend the Town Board deny the proposed ordinance amendment
3. Table the item for further review/study

### **PLANNING STAFF RECOMMENDATION**

If the Planning Commission determines an appropriate ordinance that works for the Township, a recommendation can be made to have staff draft and present an ordinance for the Town Board to review and vote on at a future Town Board meeting.

#### Attachments

- Draft of potential ordinance

