



Memorandum

To:	Stillwater Township Planning Commission	Reference:	Potential Zoning Ordinance Amendment – Residential Short-Term Rentals
Copies To:	<u>Barbara Riehle, Clerk</u>	Project No.:	<u>18111.000</u>
From:	<u>Evan Monson, Planner</u>	Routing:	<u></u>
Date:	<u>December 29, 2021</u>		

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

MEETING DATE: January 6, 2022

BACKGROUND

A short-term residential rental is a house that would be rented for a period of time of less than 30 days. In the last few years, homeowners have opened up their homes for rent online by visitors who typically rent for a week or weekend. As discussed previously, the township has no ordinances or rules addressing short-term residential rentals.

In the first half of 2021, there was 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, so an exact number was difficult to pin down. There had also been no issues or complaints shared to township staff in regards to the short-term renting of these houses. 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 an ordinance.

The Planning Commission discussed potential rules last spring and summer, and reviewed rules in place in other nearby communities. It was decided to have staff monitor the number of listings of places located in the township. In the last six months of the year, there was no more than four listings at a time located within the township.

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 DRAFT

Included in the meeting materials is a potential ordinance for short-term residential rentals; this one was drafted and reviewed in 2021 by the Planning Commission. 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 and June 2021 meetings.

ACTION REQUESTED

The Planning Commission is encouraged to review the attachments and note possible changes or issues. No official action is required of the commission at this meeting.

If there is a consensus on language for an ordinance, the Planning Commission may call for a public hearing to consider adopting an ordinance at a future meeting.

Attachments

- Draft of potential ordinance from 2021
- PC Staff report from June 2021

