



## Memorandum

<b>To:</b>	Stillwater Township Planning Commission	<b>Reference:</b>	Potential Zoning Ordinance Amendment – Residential Short-Term Rentals
<b>Copies To:</b>	<u>Barbara Riehle, Clerk</u>	<b>Project No.:</b>	<u>18410.000</u>
<b>From:</b>	<u>Evan Monson, Planner</u>	<b>Routing:</b>	<u></u>
<b>Date:</b>	<u>March 31, 2022</u>		

**SUBJECT:** Potential Ordinances for Residential Short-Term Rentals

**MEETING DATE:** April 7, 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 noted previously, the township has no ordinances or rules addressing short-term residential rentals. The Planning Commission has reviewed and discussed the topic at a number of meetings now over the last few months.

At the last Planning Commission meeting in January, the consensus was to look at some different options to allow and regulate this type of use. Included is some information on different regulations in different communities (the staff report from 2021 includes nearby examples, the Vacation rentals PDF includes information provided by the League of Minnesota Cities). Also included is the ordinance used by the nearby city of Marine-on-St. Croix. Their ordinance was noted as a high ranking choice in our recent discussions, and appears to be working well for the community.

Two draft ordinances are included for potential review as well. One would permit a short-term rental through an interim use permit (IUP), while the other draft would be a license that would be handled administratively. Each reflects some new language, specifying no events are permitted, requiring an emergency contact, and requiring the owner provide information to the tenants or occupants on applicable township rules and information. There is also potential language on requiring the owner of a short-term rental to notify neighbors, and providing them with the information of the emergency contact for the property; this would help give peace of mind to neighbors while guests are using a place for a stay.

## POTENTIAL ORDINANCE DRAFTS

### Drafts

Using the previous drafts as starting points, two versions are included for potential consideration. One would permit short-term rentals through an interim use permit (draft 3A), while the other would be through a license (draft 3B). Changes have been highlighted, along with potential areas for discussion. Below is a comparison table of the two drafts.

Table 1: Comparison of Draft Ordinances

Item/Requirement	Draft 3A	Draft 3B
Permit required?	Interim Use Permit	License
Length of permit?	1 year min, 5 years max	Yearly
Rental must be owner-occupied?	Yes	Yes
Rental must have owner present during stay?	No	No
Limit on # of days to rent	Yes	Yes
Inspections required?	Yes	Yes

### Pros & Cons

Below is some pros and cons of each permitting process, based off my observations.

#### Draft 1 – Permit through a license

##### Pros

- Cost to applicant is less compared to an IUP
- More streamlined process; review time would not require meetings or public hearings
- If review and approval is handled administratively, would keep politics out of the process
- License can be required to be renewed annually

##### Cons

- No public hearings or notices would be required; neighbors are not 'in the loop'
  - Could require noticing or informing neighbors if a license is issued.
- Potential increase in work for administration and staff; less staff time for other tasks

#### Draft 2 – Permit through an IUP

##### Pros

- Neighbors and public are informed
- As an IUP, flexibility to set time limit on expiration
- IUP can have conditions placed on it to address potential concerns/issues identified during review

##### Cons

- Increased costs and longer review times for applicants
- More meetings and hearings for Planning Commission and Town Board
- Public pressure at meetings can increase risk of Commission or Board making arbitrary decisions



### *Other Communities*

Included in the attachments is information provided in 2021 on nearby communities. Also included is information provided by the League of Minnesota Cities on short-term residential rentals.

The Marine-on-St. Croix ordinance was cited in previous discussions as a good option to look into. They issue a license to applicants, which is renewed annually. The owners are also to inform neighbors of information to get ahold of the emergency contact for the site, so as to allow neighbors to notify the owner of any issues. [The city](#) also has created some forms for owners to provide to renters, so as to make them aware of the rules, which could be something to do if we move forward with permitting Short-Term Residential Rentals in the Township.

[Alexandria, MN](#), was another community noted as having ordinances to look into. Given their size, and proximity to lakes and nature areas, short-term rentals are common. The city contracts with a company to provide inspections, issue permits, and enforcement of their short-term rental ordinance. The size and budget of the township would not allow for contracting out such services. Marine's ordinance does not require a building inspection in order to receive a license, and instead requires a proof of liability insurance be submitted with the application. They still note that inspections to verify compliance with a license is required.

### *Items to still consider*

Based off previous meetings, the following items are still needing to be considered

- Permit type – IUP or license
  - If a license, renew the license a year from issue or have all license be renewed by a set date such as January 1<sup>st</sup>
- Maximum # of days to rent
- Building Inspections and liability insurance
  - Should township perform inspections, or require applicants to provide proof of a passing inspection

## **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.

### Attachments

- Draft of potential ordinance (draft 3A)
- Draft of new potential ordinance (draft 3B)
- Past staff report with links to regulations in other communities
  - Copy of Marine-on-St. Croix short-term rental ordinance
- Information from the League of Minnesota Cities

