

**MINUTES OF THE SPECIAL MEETING
OF THE AMES CITY COUNCIL**

AMES, IOWA

FEBRUARY 20, 2018

The Ames City Council met in special session at 6:00 p.m. on the 20th day of February, 2018, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor John Haila presiding and the following Council members present: Bronwyn Beatty-Hansen, Gloria Betcher, David Martin, Amber Corrieri, Tim Gartin, and Chris Nelson. *Ex officio* Member Rob Bingham was also present.

Mayor Haila advised Council and the audience that no action will be taken at this meeting. This is purely a conversation and dialogue. The only motions made tonight will be on language or actions brought back to staff. Mayor Haila asked the public to not repeat the same argument and to refrain from any negativity. Compromise will be required with this issue. The objective tonight is to address some of the issues that were brought to the Council's attention. The Ordinance as written now is available online.

RENTAL HOUSING ORDINANCE: Building Official Sara Van Meeteren stated that the first issue is whether there will be an increase in bedrooms allowed after the moratorium is lifted. The current Ordinance states that an owner is limited to the number of bedrooms that are recorded as of January 1, 2018. The moratorium that is in place prohibits the properties within the moratorium from pulling a building permit. If the goal of the Council is to prevent the increase in occupants one way is to prohibit any building permits that would increase the number of bedrooms. This would be difficult for staff to try to determine what the owner's intent is with the building permit. The other option would be to allow building permits to be pulled for anything, but freeze the number of adult occupants. Bedrooms could be added but, the number of adult occupants is still frozen to the number as of January 1, 2018. No action by Council will result in this scenario.

Ms. VanMeeteren added the option if Council approved the increase of occupants. That would mean that a building permit could be pulled to increase the number of bedrooms and adult occupants. There will still be a cap of five adult occupants. Items that need to be considered if that is done is whether Council will allow the expansion of the footprint of the structure, enclosure of existing parts of the house such as porches or decks, and whether to allow conversions; rooms that are not currently a bedroom but by adding a smoke detector or other small features it could be used as a bedroom but no structural changes.

Council Member Martin inquired if the number of occupants and or bedrooms for a property could change from the sale of that property. Ms. VanMeeteren responded that the sale alone does not change that. If a Letter of Compliance is removed and then reapplied for the first inspection would determine number of bedrooms and number of occupants.

Council Member Beatty-Hansen asked to clarify if after the moratorium owners have the ability to expand the footprint of the structure, enclose porches, and allow conversions. Ms. VanMeeteren confirmed that could be done. There is nothing to prohibit the type of building permit that can be applied for.

Building Official Van Meeteren stated that the second issue is similar to the first just dealing with parking. The Council must decide either to allow addition of parking to increase the number of adult occupants or to have it frozen. The decision to have the parking frozen will prohibit the increase in the number of off-street parking spaces. There may be more bedrooms in the house than parking spaces, but the number of occupants could not increase because the parking spaces are not available. Currently the Ordinance states after the moratorium is over an owner can add parking. Another option is to allow additional parking, but freeze the number of occupants.

Ms. VanMeeteren continued with the option of Council allowing for additional occupants. Council could allow unlimited number of spaces or put a cap on it and allow for the increase in occupants. This can still be difficult for some owners because Zoning Ordinances are still in affect. Planning Director Kelly Diekmann added that Zoning Ordinances are the most stringent and front yard parking is not permitted in any zone. Low-Density neighborhoods also have a 60% coverage restriction. Ms. VanMeeteren noted that if Council would allow for the increase in parking it would be necessary to know of any preference on how people would be able to park in the rear yard or alley.

City Attorney Mark Lambert stated that Issue #3 is dealing with a minor becoming an adult while living with family while renting and the definition of adult. The language that has been used is defining an adult generally and 18 and older, but for the purpose of this Ordinance a dependent of an adult who resides at the same address would not be considered an adult. Council Member Martin inquired about how to define dependent. Mr. Lambert stated that it could be defined like the IRS, once the person turns 24 he/she is no longer a dependent. Dependent could also not be defined and deal with each situation. This would also affect the situation of elderly parents. Council Member Gartin asked who would decide if a person constitutes as an adult or dependent. City Attorney Lambert stated that the City would have to make a determination.

Director Diekmann stated Issue #4 is whether the desire is to establish overlays for rental concentration or another method of separation. There are a couple of choices that could be made for rental concentration. Some options are a City Council Zoning action, an application process from a neighborhood petitioning the Council, or establish separation requirements based on zones.

Ms. VanMeetern introduced Issue #5 being whether the Ordinance should apply City wide or just to certain zones. Initially the Ordinance was to be in just RL zones, but the Ordinance at this time is City-Wide with no overlay. This is easier to educate the citizens. Council Member Gartin interjected that there is not enough data to show the rental issues are affecting all neighborhoods. There will need to be a balance. Ms. VanMeeteren suggested to meet in the middle with an overlay. This would be applied wherever Council deems necessary. The problem is to have to decide what happens to the areas outside of the overlays. Decisions on whether the outside areas would be more or less restrictive.

Council Member Martin understood the Ordinance drew distinction between RL and RM zones. Director Diekmann clarified that the Ordinance states that the single-family building is the same throughout the City, but if an apartment building or dwelling house it will be the plus one more than number of bedrooms up to five. Dwelling house is a single-family home that could be populated with up to five people if the increased parking could be provided and the standards are a bit

different. If the standards are met, one or two more people could reside there. Ms. VanMeeteren noted that if in RM or RH a property owner could designate the house as a dwelling house.

Building Official Van Meeteren addressed Issue #6 penalties that should be imposed against property owners for multiple Rental Housing Code violations. The first option divides penalties and violations into two different types. Simple misdemeanors are noise and public nuisance calls that the Police Department handles. The second category is nuisance violations those are things handled by Inspections on how the property is used; garbage, furniture, over occupancy, and parking. This does not include structural things that would be looked at during a normal inspection; such as a loose railing or peeling paint.

Ms. VanMeeteren continued to explain a point system for the violations. A cumulation of five points would result in the suspension of their Letter of Compliance (LOC). If the LOC were to be suspended that would evict the tenants. Not to disrupt the current lease Council could make the suspension affective the following August. Another approach to violations would be to apply a tiered-fee system. This would penalize the landlords after so many violations by adding a certain fee to their regular registration fee. The next year would be a higher fee. The LOC could also be suspended or revoked. The third approach is consistent with the current *Municipal Code*. All landlords are started with a four year LOC. If there is a poor inspection the LOC will be cut down a couple of years. The *Municipal Code* allows for a one year LOC if there is an over-occupancy violation. A two-year LOC will be presented if there has been two or more verified property maintenance infractions. This *Code* has not been well utilized. The Final option would be to keep what is in the *Code* and add some of the other options. Staff would like to keep the Ordinance and enforce more. Reports would come back to the Council.

Council Member Gartin expressed concern about pulling an LOC from a landlord. The tenants would have to be evicted which would cause a problem for the landlord to pay the mortgage. Council Member Martin questioned what leverage a landlord would have on the tenants that receive the noise violations. Ms. VanMeeteren responded that some landlords have that covered in the lease. Once so many violations have occurred the tenants would be evicted.

Director Diekmann informed Council of Issue #7 being Short Term Rental (STR). The current Code treats a Short Term Rental as a Bed and Breakfast. There are three ways to consider dealing with Short Term Rentals. The first would be to maintain the status quo - have to get a Bed and Breakfast permit (accessory). In a single-family home someone can rent out up to two bedroom and in higher density a person can rent out up to five bedrooms. Parking must be provided for the guest rooms and go through the Zoning Board of Adjustments. The amount of times renting out a bedroom does not matter, the property would still need to be registered as a Bed and Breakfast. Council Member Gartin asked if there is a requirement that the owner live in the house. Mr. Diekmann answered that the property owner has to be there, because it is considered accessory to that house. There is a requirement that the property owner or homeowner is the applicant for that Bed and Breakfast.

Mr. Diekmann explained the following options:

Option 1- Create an administrative process that doesn't involve going to the Zoning Board of Adjustments (ZBA) each time. Council would have to decide the particular amount of days that

would not be disruptive to a neighborhood and the property would not be run as a full time business. A definition of a Short Term Rental would be established in the Zoning Ordinance, the number of days or stays allowed would be established, and the property would be exempt from the Rental Code because the owner would have a self interest in maintaining the property.

Option 2 - The rental of a whole house with no intent of residing there ever and make available on a Short Term Rental basis is not allowed in the Code. If an owner were to rent a whole house, the average stay must be at least 60 days. That is the tenure that the Zoning Ordinance has described as household living. If the amount of stay is sporadic that would not be considered household living and would be considered hotel/motel use as short term lodging that is not allowed in single-family area because that is a business. There would have to be an Ordinance to allow for whole house rentals, that distinguishes STR from hotels/motels. Staff believes it would be appropriate to add some definitions around STR. Even the use of status quo would probably need to define as a separate use. The addition of an allowance as an accessory use to the primary resident to be able to do some incidental short stays throughout the year. The whole house rental without an owner living there would be different. A Bed and Breakfast could be done everyday of the year which is a business with a homeowner living there. "Homestay" version there would be a limit on the days. If an owner wanted to exceed that number a Bed and Breakfast permit could be applied for.

Building Official VanMeeteren concluded with Issue #8 the exemption of roomers in the Rental Code. This is mostly the issue of parents purchasing a house for child and that child has someone living with them. The current Code exempts owner-occupied dwellings from being registered as a rental. The definition of owner-occupied allows for live in nanny or nurse, exchange student or one rumor. A roomer is a friend living with the child. Two friends would be two roomers and the house would need to be registered as a rental. City Council will need to decide if the philosophy is to reduce unregistered rentals or if the definition of a roomer should be changed. Ms. VanMeeteren suggested that if the desired result is to reduce unregistered rentals there would be a better means to enforce without changing the definition. Changing the definition could have unintended consequences because the friend living with the child is only one situation.

Council Member Betcher inquired about the ability to use consanguinity. City Attorney Lambert stated that the law change states that familial or non-familia status of the tenants as a basis of Rental Code can not be used. The City is using familial status between the owner and their child living there, not between tenants. Ms. Betcher asked if the problem is the use of the consanguinity definition for the owner; meaning if it weren't there and a child were living in the house it would have to be considered a rental. Ms. VanMeeteren confirmed that was correct.

Council Member Corrieri inquired about ways to better regulate the types of homes that are violate the intent of the roomer. Ms. VanMeeteren stated that staff is educating realtors, doing pre-sale inspections and trying to stay up on education and get the word out so owners will know what to do to be in compliance with the Rental Code.

Public Forum: Steve Bock, 661 Xandu Place, Ames, stated he represents the Ames Rental Association, and believes the new ordinance needs to take place quickly because it impacts many people. He said it is affecting the values of peoples' property, and buyers are concerned about possible restrictions. Council Member Gartin stated that there is a realization that this is causing a

lot of uncertainty in the market, and Council is working on a balance for a variety of different interests.

Al Warren, 3121 Maplewood Road, Ames, believes that the City Council should allow some time to pass before the impact of the new Ordinance can be determined. Mr. Warren stated that until the impact on the neighborhoods can be measured, Council should be less restrictive on some issues. He said that a property owner should be allowed to remodel their home, and if a new space is added within the home, it is likely someone will want to occupy it whether the room is labeled as a den or a bedroom. He would rather have the rooms be inspected and approved by the City to ensure safety standards are met than to have the rooms be labeled as something other than a bedroom. Mr. Warren believe roomers should be eliminated, as one would not be able to control the changeover of single-family homes by not eliminating it. He stated that if someone is moving into Ames and renting a home, they are more than likely going to have more than one roommate. If safety is a concern, inspections need to occur. As a landlord, he cares about safety and liability because he does not want to be sued by a renter. He clarified that if a person living in a home and is paying another person to live in that home, it is considered a rental situation.

Nancy Marion, 2226 Jensen Avenue, Ames, stated that she is a realtor and also an owner of several single-family rental homes in Ames. She stated that she is not interested in maximizing occupancy, but rather she is interested in having the best tenants to maintain her rentals. She believes her properties are never identifiable as rentals because they are maintained well. Ms. Marion stated that in 2013, Ames experienced a housing shortage, sparking the interest of small investors owning investment properties, which profoundly affected the real estate market in the community. Due to the increase of costs in single-family homes and the increase of multi-family apartments, many investors are no longer interested in buying property because of the competition. She believes Ames is at a peak, and a downward trend in people buying single-family homes will occur soon. She added that the number of sales going to investors has slowed due to housing prices and supply.

Kelly Junge, 401 East 14th Street, Ames, stated he has an owner-occupied duplex, but will be moving into a recently purchased home nearby. He stated that the duplex will need to become a rental because half of the duplex is currently rented, and the other half is owner-occupied. He asked if there is a City-wide ban on rentals between distances, what chance does a duplex have if it is to be 150 feet away. He added his duplex is located on a corner, and duplexes are also located on the other three corners nearby.

Laurel Scott, 2122 Prairie View West, Ames, informed Council that she felt the term “familial status” was being misused. According to her, the term means that a person has someone under the age of 18 living with them, and the term is protected by the federal government but the term “familial relationship” is not. In the Iowa Code, one cannot discriminate against familial status. Ms. Scott added that when people purchase a home in Ames, they assume they can do such things like add a bedroom, finish space, or use available parking. She believes that a change in the Ordinance harms those people, and does not understand why value can be taken away from dwelling homes, but not others.

Mr. Gartin explained that in some cases, the value of a home will decline, but that is not the intention. He stated that they are trying to find a solution to benefit the whole community,

Ms. Scott stated that she is on board with benefitting the whole community, but feels some of the things being put forth are too restrictive, for example, parking in neighborhoods that are not near campus. She believes there has never been an issue with parking in those neighborhoods and it would be cost prohibitive to homeowners in those neighborhoods to add parking. She would like the restrictions to be tailored to the neighborhood, and not have them community-wide.

Bart Babler, Clive, stated that a year ago, he purchased a home on Pearson Avenue, where his son currently lives. Last summer, he went under contract to purchase another home located on Greeley Street, but does not close on the home until March. He stated that last summer, some of these new ordinances did not exist, or at least he was unaware of them. He believes he will be affected by them now. He stated the home located on Greeley Street is said to have four bedrooms, when it actually has five, and suggested that homes be reviewed thoroughly to accurately list the number of bedrooms. Mr. Babler asked for the opportunity to improve the driveway to accommodate four tenants in the five-bedroom home.

Shannon Stack, 1613-24th Street, Ames, stated her and her husband began renting out the basement in the home last October as an Airbnb, and have received a lot of positive feedback. She explained that it allows for guests to visit Ames at a cheaper cost than a hotel, and it gives back to the community. The Airbnb also allows her to provide for her family as a stay-at-home mom. She stated that she is willing to pay for inspections and the necessary certificates, and is in favor of additional information on how to bring more into Ames.

Ryan Howe, 65697-190th Street, Nevada, stated he owns several duplexes in Ames, and for the last six months has hosted a registered, non-owner-occupied Airbnb rental. He has enjoyed having the Airbnb, and explained the wide range of guests he has hosted. He stated that he takes pride in what he does, and believes he is offering a safe place for guests to stay. He added that although he has a non-owner-occupied rental, he does have a letter of compliance.

Leslie Kawaler, 2121 Hughes Street, Ames, stated she is speaking on behalf of SCAN, and asked that the email sent on February 15 be included in the minutes of the workshop. She said their neighborhood has been described as having family-oriented dynamic and being relatively owner-occupied for years, and is fighting to maintain that. She stated that SCAN has never viewed rentals as negative, but believes rentals become problematic for low-density neighborhoods only when there are too many rentals housing too many occupants in one specific area. She said that if rentals trickled out of the dense campus areas into surrounding areas, there would be a positive outcome for all neighborhoods. SCAN has submitted a map of their requested overlay, and also is requesting for a freeze on the addition of bedrooms for occupancy in rental units, no additional parking spaces, and annual rental inspections. SCAN's short term goal is to prevent further conversions of owner-occupied homes to rentals in already out-of-bounds neighborhoods.

Sandra McJimsey, 2236 Storm Street, Ames, stated she is speaking on behalf of SCAN, and believes there is an imbalance that threatens the stability of their neighborhood. The imbalances could be addressed through an overlay, and standards are needed to restore a balance that would stabilize the neighborhoods well into the future, and to also preserve and ultimately reverse the dwindling supply of affordable owner-occupied housing. SCAN urges the standards regarding parking and bedrooms

are kept in order to maintain the character of the neighborhood.

Barbara Pleasants, 516 Lynn Avenue, Ames, stated she is President of SCAN. She stated that SCAN should be treated as one entity in opposing any rental cap. With their current level of over 40% rental properties, they are past the point where a minimum distance between rental properties or a cap for each block would be appropriate. She urges a 20% cap for all of SCAN as a unit, with the result that there be no further conversions of owner-occupied to rental allowed, including parent-purchased properties. She said the cap would help to stabilize the neighborhood, and also suggested extending the current moratorium in campus impacted areas in order to work out the details.

Becky Christianson, 304 E. 16th Street, Ames, stated that she has been an Airbnb host for almost a year. She explained how reviews can be given by both the guests and host, and requested that Council work with hosts when developing policies.

John Wolseth, 241 Village Drive, Ames, stated that he is representing Collage Creek/Old Ames Middle School Neighborhood Association. He said their neighborhood agrees with SCAN's proposal, and added that if an overlay is put into place without a mechanism of moving rental-occupied homes into an owner-occupied sphere, then there is no reason for discussion because neighborhoods like his will never reach a balanced level. He said the letter of compliance would be inherited with the property, and therefore, create an artificial situation in which those rentals will continue to have greater value on the market than those that do not. He clarified that he would like the letter of compliance to end whenever there is a transfer of title, and the overlay rental percentages be put into place for an entire neighborhood rather than by block. Mr. Wolseth also clarified that is speaking on behalf of the steering committee of the neighborhood association, and does not have a formal position statement from the whole association.

Tam Lorenze, 301 South Maple, Ames, stated that the students are not bad; students are valuable. The entire City of Ames benefits from the students and should also bear the burden. Certain areas should not be excluded. There is not a need for the overlay.

Joanne Pfeiffer, 3318 Morningside Street, Ames, emphasized the importance of having a balance of owner-occupied and rental dwellings in neighborhoods. She noted that the data collecting came back that owner-occupied is needed in her neighborhood.

Paul VonChurch, 2122, Ames, stated that he owns a couple of properties here in Ames. He questioned what is done with current properties with an LOC that don't have a wide enough drive. Ms. Beatty-Hansen said she believed that they will be grandfathered in. Mr. VonChurch felt that to tie-in parking could discriminate against non-traditional families. He is not in favor of removing the LOC. To him, it makes more sense for the City to inspect more often.

John Engleman, 3312 Cedar Lane, Ames, encouraged the Council to create an Ordinance to regulate Airbnbs. He said this is happening in Ames and it should be regulated; maybe there should be a percentage of those allowed in certain areas.

Council Member Beatty-Hansen confirmed that parking would be grandfathered. Ms. VanMeeteren state that properties with current LOCs would be able to grandfather in the parking situation. She

believes that Ames is in line with the number of the national rentals. According to Ms. VanMeeteren, vacancies are increasing in the rentals.

Rebecca Mills, 1015 Roosevelt, Ames, states that she takes responsibilities for the LOCs. She advised that if there is a violation, there is a delay as to when the owner receives notice of it. She would like the City and owners to be on the same side.

Ralph Frame, 1606 South Duff, Ames, stated that he feels the City is discriminating against students. He took issue with the comment about “rental concentration issues.” There is a need for rental properties around ISU, and he thinks that the free market should be allowed to work it out. Mr. Frame thinks that the laws that the City already has should be enforced. He noted that sometimes over-reactions have unintended consequences.

The meeting recessed at 8:08 p.m. and reconvened at 8:22 p.m.

Council Member Gartin suggested that Council approach this by first discussing whether this ordinance should be City wide or just for the areas under the moratorium. Mr. Gartin stated that he felt a need to tailor the Ordinance back to the neighborhoods highly affected under the moratorium. Council has not received data that supports community-wide rental occupancy issues. Council Member Corrieri asked if that comment was to mean that there should be no occupancy limits in the other neighborhoods. Council Member Gartin responded that neighborhoods outside the Campus area need attention too, just separate from the moratorium neighborhoods.

Director of Planning Kelly Diekmann and Planner Julie Gould identified the areas that are included in the moratorium. He noted that a map is able to be seen online for moratorium boundaries. Planner Gould stated there are official Neighborhood Associations that are identified on the City’s Neighborhood Association Map. They are active and the City has a contact for them.

Council Member Betcher conveyed that there has to be regulations for all single- and two-family properties. The moratorium area will need different restrictions than the neighborhoods outside of Campus, but there will be an unbalance of rentals if both areas are not restricted in some way. If the restrictions are similar with not much distinction, then it may not be any more beneficial than having the Ordinance be City wide and City staff educate the citizens on what the Ordinance is and what it means. *Ex-Officio* Rob Bingham stated that it needs to be kept simple.

Council Member Beatty-Hansen reiterated a comment from a public speaker that the City is not sure of the effects and may not be for awhile. There will be a time of uncertainty while things play out. *Ex-Officio* Bingham added that because some students have already signed leases for next year, it may be a year and a half to two years before noticing the effects if there are any. Council Member Corrieri added that she is in agreement with balance, but also the need to see how things play out.

Council Member Nelson stated that ideas that work in one part of town may not work in another. There has to be a balance and one that is enforceable. He feels things need to be as simple as they can be.

Council Member Gartin agreed with the need for Ordinances that are easy to enforce. There is not

evidence of a problem City wide. Council Member Beatty-Hansen confirmed that the Ordinance now is for RL neighborhoods City wide. Council Member Betcher stated that Council needs to be careful about driving the problems to another area. Mr. Gartin stated that parking challenges are different in one part of town than another. Mr. Bingham said that if there is an overall cap across the City, it would make for easier decisions. City Manager Schainker added that if the Council were to put an overlay on an overlay, it would make it even more complicated.

Issue #5 will be a baseline across the City. Council Member Martin feels counting the number of rentals is more important than the number of renters. Council Member Nelson stated this is a way to make it low density.

Council Member Gartin clarified that Council is using parking to be a leverage. Council Member Corrieri does not feel that parking should be tied to occupancy. Mr. Bingham stated that if the ultimate goal is to get cars off the street, then parking would be tied to occupancy. Council Member Corrieri feels that will not get the cars off the street; that will only happen through enforcement. Council Member Betcher stated the main goal is not to get the cars off the street, but it coincides. The parking requirement is there for limiting the number of occupants. If it is across the City, it makes for ease of implementation and education.

Moved by Beatty-Hansen, seconded by Corrieri, to direct staff to modify the ordinance to maintain the parking requirement in the moratorium areas only.

Council Member Martin asked how many properties would benefit from having four or five parking spaces in the moratorium area. City Manager Schainker clarified that there are no other parking regulations for other areas.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Martin, seconded by Gartin, to direct staff to prepare the data within the moratorium area on the estimate of the number of four bedroom and greater properties that do not have sufficient parking.

Vote on Motion: 6-0. Motion declared carried unanimously.

Council Member Betcher stated that occupancy needs to be limited by bedrooms and that needs to be frozen as of January 1, 2018. She has an issue with enclosing sun rooms for use as bedrooms. Ms. Betcher indicated that she likes the Ordinance the way it is in the moratorium area. Mr. Bingham offered his opinion that there should be an allowance for this with perhaps putting certain regulations or standards on it.

Moved by Gartin, seconded by Beatty-Hansen, to tie the occupancy to the number of bedrooms that were counted as of January 1, 2018, and that that be frozen in the moratorium area only.

Council Member Corrieri stated that she is not in favor of that motion because she feels that an owner should be able to increase the value of their property.

Building Official VanMeeteren stated that if bedroom counts differ, the City gives a certain amount

of time to get an inspection or file a discrepancy.

Vote on Motion: 4-2. Voting aye: Betcher, Martin, Beatty-Hansen, Gartin. Voting Nay: Nelson, Corrieri. Motion declared carried.

Moved by Betcher to allow the expansion of the footprint of the structure be permitted, but not the enclosure of a porch or renovation of an existing room.

Motion withdrawn.

Moved by Betcher, seconded by Nelson to allow the expansion of the footprint of the structure, but not the enclosure of a porch in the moratorium only.

Vote on Motion: 3-3. Voting Aye: Betcher, Nelson, Martin. Voting Nay: Beatty-Hansen, Gartin, Corrieri. Mayor Haila voted nay to break the tie. Motion failed.

Moved by Beatty-Hansen, seconded by Corrieri, to use the definition recommended by staff for adult.

Vote on Motion: 6-0. Motion declared carried unanimously.

Council Member Corrieri stated that Airbnbs collect hotel/motel tax. Director Diekmann advised that they have to be treated as a rental.

Move by Beatty-Hansen, seconded by Nelson, to allow non-owner buildings to be used for Short Term Rental, but be subject to the Rental Code, and owner-occupied be regulated as “home stays”.

Vote on Motion: 5-1. Voting aye: Beatty-Hansen, Corrieri, Gartin, Martin, Nelson. Voting nay: Betcher. Motion declared carried.

Issue #8. Council Member Betcher indicated that she would like to redefine owner-occupied; consanguinity is the issue. Council Member Gartin reminded the Council to think of other circumstances, other than just students.

Moved by Betcher, seconded by Corrieri, to remove the consanguinity clause. Voting aye: Betcher, Corrieri, Martin. Voting nay: Beatty-Hansen, Gartin, Nelson. Mayor Haila voted aye to break the tie. Motion declared carried.

The Council decided to continue with the status quo for issue #6 on the approach for imposed penalties. It was noted that by the end of the year, staff will bring back data.

Item #4. City Manager Schainker inquired about proceeding with the overlays. It was noted that the majority of the Council wanted to look at the current moratorium area only.

Moved by Betcher, seconded by Beatty-Hansen to adjourn at 10:31 p.m.

Diane R. Voss, City Clerk

John A. Haila, Mayor

Stacy Craven, Recording Secretary