

COUNCIL ACTION FORM

SUBJECT: **SHORT-TERM RENTALS WITHIN SINGLE-FAMILY
AND TWO-FAMILY DWELLINGS**

BACKGROUND:

At City Council workshops held on February 20th and March 20th of this year, staff provided background information and options for the regulation of short-term rentals. **Short-term rentals are in reference to the use of a home for the lodging of guests, commonly referred to as Airbnb's.** In recent years, the number of short-term residential rentals (less than 30 days) has grown dramatically and continues to do so. **This type of activity is not currently an allowed use for residential household living uses, such as single-family homes.** Staff estimates from review of online listings that 50-100 homes are listed for guest stays at various times throughout the year.

The City Council directed staff to proceed with drafting an ordinance that would create standards allowing for a variety of short-term rental (STR) types. **In addition to traditional bed & breakfast establishments, the STR types include hosted rentals (where the owner is the primary resident) and whole house rentals (where the owner is not present) within single-family and two-family dwellings.**

The proposed text amendments are intended to provide clear expectations and defined criteria for the permitting, licensing with subsequent renewal, and if needed, enforcement or license revocation, in order to minimize the possibility of negative impacts from short-term rentals. **The changes necessary to address allowing short-term rentals are extensive, as these would be a new type of principal and accessory use within the Zoning Ordinance.**

PLANNING AND ZONING COMMISSION RECOMMENDATION:

Background information was summarized as a staff report to the Planning & Zoning Commission on June 20th with a set of draft regulations brought forward for review on September 19th. The P&Z made a 5-0 recommendation of approval with the following modifications: that two-family dwellings be included and that the City Council consider proactive compliance monitoring to ensure that properties are licensed.

PROPOSED SHORT TERM RENTAL REQUIREMENTS:

Attached are draft regulations that define the use of Short-Term Rentals and establish the standards for licensing. Attachment 'A' is a table with a summation of the differences; Attachment 'B' identifies zones where each short-term rental type would be permitted and by what approval authority; and Attachment 'C' is the draft text for the ordinance.

The City's residential use categories are described within Article V of the Zoning Ordinance (Chapter 29 of the Ames Municipal Code). Residential uses are divided into Group Living,

Household Living, and Short-Term Lodging (see Table 29.403). **One of the defining elements for both Group Living and Household Living (in contrast to Short-Term Lodging) is an expectation of non-transient occupancy as the *principal use*.** The City currently regulates requests for Short-Term Lodging consistent with the residential use categories of Article V of the Zoning Ordinance. **Currently, the City's Zoning Ordinance does not permit short-term rentals as a Household Living use, unless established through approval of a Bed & Breakfast permit by the Zoning Board of Adjustment.**

The proposed text amendment adds each of the short-term rental types to the list of permitted uses in Article 5 of the Zoning Ordinance. Uses would be included as either a new accessory use to Household Living or as a new principal use under Short-Term Lodging.

Under the proposed text amendment, Bed & Breakfast Establishments (which are addressed in Section 29.1302) are included as one of four short-term rental types and are included within the new criteria. The short-term rental licensing text is proposed as a new chapter of the code. The text in Section 29.1302 would be removed.

The current definition for Household Living includes a standard for occupancy of an average length of stay that exceeds 60 days. This standard is designed to address transient occupancy. **Short-Term Lodging is currently defined as facilities offering transient lodging... where the average length of stay is less than 60 days.** Most communities define short-term rentals as 30 days or less, which also aligns with the statutory regulations related to hotel/motel taxes. **The Staff proposes that Short Term Rental be limited to no more than 30 days, rather than the current 60 day standards for lodging.**

As previously directed at workshops last spring, the new short-term rental types include: hosted home share; home share; bed & breakfast establishments; and vacation rental. In cases where the property owner is the primary resident, the short-term rental use may be considered as an accessory use to the use of a single-family dwelling as household living. The vacation rental is the exception, where it is considered a principal use because there is no primary resident requirement. A new definition for "primary residence" helps differentiate when a short-term rental would be considered as an accessory or principal use.

Hosted Home Shares

As an incidental, accessory use, hosted home shares are the least impactful of the short-term rental types. Many communities now allow hosted home shares within single-family neighborhoods. The number of bedrooms that may be rented are limited to a maximum of two with no more than two adults. The dwelling is the primary residence of the property owner and the property owner is required to be on site and present during the rental period. This type of activity is viewed as an accessory use (subordinate and incidental to the residential use of the home). The impact of a hosted home share is not much greater than that of a private home with frequent houseguests. A licensing application is required that would be administratively approved and required to be renewed annually. This rental type is slightly more permissive than the Ames Rental Code Roomer exception which allows up to two adults as guests compared to one adult allowed to be a full time resident without registering a property as a rental.

The Staff is recommending that Council adopt the above changes to the Zoning Ordinance for Hosted Home Shares that are consistent with many other communities.

Home Shares

This option is somewhat unique in allowing for whole-house short-term rental facilities on limited basis without the primary resident present during the stay. The proposed changes will allow a maximum of two adults per approved bedroom, for up to five adults. Approval is a staff level administrative process. This option does not require Rental Code registration due to the use of the home as a primary residence with a limited number of guest stay days in a year. **The cumulative total of rental days allowed per annual renewal is proposed to be 90 days.** The proposed limitations are also meant to distinguish the short-term rental use from a use that should actually register as Rental Property subject to Chapter 13 requirements. **It should be emphasized that in accordance with the proposed Short-Term Rental definition, the maximum stay for any guest is 30 consecutive days.**

The 90 day allowance has been a concern raised during public comments to the P&Z as being too permissive and something that should be reduced. A fewer number of days may be more appropriate given that if someone wants to operate with a greater number of days they could go through the Vacation Rental Special Use Permit process. **In addition, the Staff is concerned about its ability to monitor compliance with this rental type.**

Bed & Breakfast Establishments

Bed & breakfast establishments (B&B's) are currently allowed through the special use permitting process. B&B's are private homes or residences where the property owner resides and may provide up to five bedrooms for overnight guest lodging along with a prepared meal. Currently, B&B's are limited to a maximum 14-day consecutive period for guest stays; however, under the proposed text, all short-term rentals would be 30 consecutive days or less. B&B's are exempt from the City's Rental Code; however, state licensing and inspection as a food establishment is required when there are more than four guest families accommodated. (Iowa Code, section 137F.1) Under the Staff proposal a licensing application for a Short-Term Rental specifying a B&B use would be required that would be administratively approved, once the special use permit is granted. The operating license will be required to be renewed annually. Failure to renew a license would be considered a discontinued use and allow for expiration of the Special Use Permit.

Vacation Rentals

Vacation rentals are investment properties that are made continuously available for short-term rental. Occupancy would be limited to one adult per approved bedroom, not to exceed a total of five adults, which is the same maximum allowed under the City's Rental Code. Of the short-term rental types, the on-going transitory use of dwelling makes vacation rentals the most impactful on a neighborhood. As such, vacation rentals cannot be considered an accessory use to Household Living. Rather, they are considered a new type of principal use under short-term lodging. **In order for vacation rentals to be licensed, the dwelling would first require registration and inspection under the City's Rental Code. Properties within university-impacted areas that are restricted by a rental cap would not be eligible to create a new property registration.** Additionally, vacation rentals would be subject to the scrutiny of the special use permitting process to address unique conditions of an area and individual property. A licensing application would be required that would be administratively approved, once both rental code compliance and the special use permit is granted. Failure to renew a license would be considered a discontinued use and allow for expiration of the Special Use Permit.

SUMMARY OF PROPOSED SHORT TERM RENTAL CHANGES:

As proposed, all short-term rentals would be subject to:

- Rental periods of 30 consecutive days or less.
- Allowed only within a single-family or two-family dwelling (condos & apartments are excluded).
- Occupancy limitations based on the number of guest bedrooms and maximum number of adults allowed, the allowances are similar to the Rental Code occupancy restrictions.
- Application with the City for an annual operating license. The intent is for an administrative review and approval for Hosted Home Shares and Home Shares, and a Special Use Permit (approved by the Zoning Board of Adjustment) for Bed & Breakfast Establishments and Vacation Rentals. An annual license process would include a registration fee in addition to other costs related to a Special Use Permit and Rental Code licensing.

(The City Council could choose as an alternative to treat short-term rentals the same as other accessory uses/home occupations where there is an initial approval, but no annual review requirement. This one time permit process has worked well for Home Occupations with very rare complaints of someone operating inconsistent with their approval.)

- On-site parking. Each dwelling proposed as a short-term rental must meet minimum parking requirements of at least two parking spaces with additional spaces required for larger homes.
(Table 29.406(2) of proposed text amendments)
- Fire safety requirements. Compliance with fire safety requirements (means of egress and fire protection systems) are required of all short-term rental units. A checklist will be made available and applicants will be required to indicate compliance. This requirement is based on standards of the Rental Code.
- Inspections. All applications would be subject to verification and inspection for compliance. Initial inspection could be limited to fire safety and bedroom compliance. Subsequent inspections would be at the discretion of the Zoning Enforcement Officer. Vacation rentals would at a minimum be subject to the Rental Code inspection frequency of 2-4 years of the Rental Code regardless of other licensing requirements.
- Renewal/Revocation Standards. The license to operate a short-term rental may be revoked if it is determined that the rental is operating inconsistent with the licensing standards or if there are number of complaints regarding its operation. An appeal process to the Zoning Board of Adjustment is included the proposed changes.
- Monitoring Compliance. Staff estimates that 50-100 properties are listed online as a STR. It's likely this number would grow with awareness of the options to operate a STR, whereas now they are not allowed. Staff does not propose a proactive enforcement and monitoring procedure and would work to educate the public and gain compliance when we are aware of an operating STR. The Planning & Zoning

Commission requested that the City Council investigate proactive monitoring for short-term rental code compliance. Some communities are contracting with a third party vendor such as “STR Helper or Host Compliance” to help monitor and enable greater compliance. City Council could determine at a future date to address subscribing to a compliance software for proactive monitoring.

ALTERNATIVES:

1. The City Council can direct staff to publish notice for a public hearing and finalize the attached draft text amendments allowing short-term rentals within single-family and two-family dwellings, by establishing zoning definitions and standards (hosted home shares, home shares, bed & breakfast establishments, and vacation rentals), and create a new Municipal Code Chapter to address licensing, fees, and enforcement procedures for short term rentals.

This alternative defines the use within the Zoning Ordinance and is designed to require annual licensing for the operation of a STR with administration of licensing as a new chapter added to the Municipal Code.

2. The City Council can direct staff to publish notice for a public hearing and finalize the attached draft text amendments allowing short-term rentals within single-family and two-family dwellings, by establishing zoning definitions and standards (hosted home shares, home shares and establish permitting requirements within the Zoning Ordinance.

This alternative defines the use within the Zoning Ordinance and relies upon a one-time permit process similar to a home occupation. The standards and permit process would be part of Zoning Ordinance only.

3. The City Council can recommend alternative language for the proposed text amendment and direct staff to publish notice for a modified text amendment.
4. The City Council can request additional information and defer taking action.
5. The City Council can direct staff to not proceed with publishing notice for a public hearing on a zoning text amendment.

CITY MANAGER RECOMMENDED ACTION:

When establishing an allowance for STRs it is important to provide safeguards for both short-term providers and travelers, to alleviate neighborhood concerns, and to offer a framework that promotes compliance. The proposed changes could potentially alter the single-family character of neighborhoods by introducing more options for transient guests than currently allowed with Bed & Breakfast Establishments. **On one hand, these new allowances could be detrimental to supporting neighborhoods and maintaining housing supply for long term residents of the community. On the other hand, the proposed allowances do create new opportunities for extra income for property owners as well as a variety of accommodations for visitors to Ames.**

With four types of proposed short-term rentals, each has unique attributes related to occupancy, parking, and the approval process. However, objective criteria are included in the proposal to enable review for compliance and approval. Additional scrutiny through the Special Use Permit process for Vacation Rentals and for Bed & Breakfast Establishments will

help to ensure neighborhood compatibility. Staff notes that Vacation Rentals are subject to the Rental Concentration Cap where no new rental property registrations and letters of compliance are permitted. A property with a current property rental registration and letter of compliance may apply for a Vacation Rental.

Requiring annual licensing for the STR allows for more frequent contact with operators of establishments compared to a one-time permit process. The licensing process allows for easier enforcement steps if there are problems with the operation of a STR. An annual licensing fee similar in cost to a Single Family Rental Letter of Compliance Cost is planned for the proposed licensing process. **Staff does not propose a proactive enforcement procedure at this time, but the City Council could direct staff to investigate compliance software solutions and their cost for future consideration.**

Upon adoption of new STR standards, the goal would be to allow for public education and seek registration by people currently operating STRs and new operators within a define time period. Staff believes allowing for two to three-month period to receive and process initial applications will be appropriate before enacting enforcement/citation procedures of the new rules.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 to publish notice for a public hearing to amend the Zoning Ordinance (Chapter 29) of the Municipal Code for STR uses and standards and create a new chapter of the Municipal Code for STR annual licensing.

ATTACHMENT 'A'

Summary of Relevant Standards for Types of Short-Term Rentals

(This table is not proposed to be in the final ordinance at this time)

| <u>Type</u> | <u>Hosted Home Share</u> | <u>Bed & Breakfast Establishment</u> | <u>Home Share</u> | <u>Vacation Rental</u> |
|--|---|--|---|---|
| <u>Description</u> | Primary Residence | Primary Residence | Primary Residence | Business/Investment Property |
| | Owner Required to be Present | Owner Required to be Present | Owner Not Required to be Present | Owner Not Required to be Present |
| | Partial Dwelling Single-Family or Two-Family Properties | Partial Dwelling Single-Family or Two-Family Properties | Entire Dwelling Single-Family or Two-Family Properties | Entire Dwelling Single-Family or Two-Family Properties |
| <u>Maximum # of Bedrooms</u> | 2 | 5 | No Limit | No Limit |
| <u>Maximum # of Guests</u> | 2 adults | 2 adults per bedroom | 5 adults, subject to bedroom number | Max 5 adults (Rental Code occupancy standards) |
| <u>Number of STRs Concurrently</u> | 1 guest contract | 1 guest contract per approved bedroom | 1 guest contract | 1 guest contract |
| <u>Maximum # of Days / Year</u> | No Maximum | No Maximum | 90 days/yr. | No Maximum |
| <u>Maximum Stay</u> | 30 consecutive days | 30 consecutive days | 30 consecutive days | 30 consecutive days |
| <u>Signage</u> | none | none | none | none |
| <u>Parking</u> <u>See Sec. 29.406</u> | 2 spaces per dwelling unit (no increase over standard requirements) | 1 space per guest bedroom, plus 1 space for owner | 1 space per guest bedroom | 1 space per guest bedroom (may exceed rental code requirements) |
| <u>Signage</u> | none | none | none | none |
| <u>Operating License</u> | Required | Required | Required | Required |
| <u>Renewal</u> | Annual | Annual | Annual | Annual |
| <u>Rental Code Registration</u> | Fire Safety Checklist & Inspection Only | Fire Safety Checklist & Inspection Only | Fire Safety Checklist & Inspection Only | Yes; Letter of Compliance Required |
| <u>Approval Process</u> | Administrative Approval | Special Use Permit | Administrative Approval | Special Use Permit |
| <u>Districts Allowing</u> | Permitted as an Accessory Use in the Following (primarily residential) Zones: A, RL, RM, UCRM, RLP, RH, F-VR, FS-RL, FS-RM, F-PRD, S-SMD, and NC. | Permitted by Special Use Permit in the Following (primarily residential) Zones: A, RL, RM, UCRM, RH, F-VR, FS-RL, FS-RM, F-PRD, S-SMD, and NC. | Permitted as an Accessory Use in the Following (primarily residential) Zones: A, RL, RM, UCRM, RLP, RH, F-VR, FS-RL, FS-RM, F-PRD, S-SMD, and NC. | Principal Use Permitted by Special Use Permit in the Following (primarily residential) Zones: A, RL, RM, UCRM, RLP, RH, F-VR, FS-RL, FS-RM, F-PRD, S-SMD, and NC. |

ATTACHMENT 'B'
Summary of Changes to Zone Use Tables

| ZONES | RESIDENTIAL USE | | | |
|----------------------------------|---------------------------------|------------|-------------------------------|-----------------|
| | Household Living Accessory Uses | | | Group Living |
| | Hosted Home Share | Home Share | Bed & Breakfast Establishment | Vacation Rental |
| Agricultural- A | OL | OL | SP, OL* | SP, LOC, OL |
| Residential Base Zones | | | | |
| RL | OL | OL | SP, OL | SP, LOC, OL |
| RM | OL | OL | SP, OL | SP, LOC, OL |
| UCRM | OL | OL | SP, OL | SP, LOC, OL |
| RH | OL | OL | SP, OL | SP, LOC, OL |
| RLP | OL | OL | - | SP, LOC, OL |
| Commercial Base Zones | | | | |
| NC | OL | OL | SP, OL* | SP, LOC, OL |
| CCN | - | - | - | - |
| HOC | - | - | - | - |
| PRC | - | - | - | - |
| CCR | - | - | - | - |
| CVCN | - | - | - | - |
| DSC | - | - | - | - |
| CSC | - | - | - | - |
| CGS | - | - | - | - |
| Industrial Base Zones | | | | |
| GI | - | - | - | - |
| PI | - | - | - | - |
| RI | - | - | - | - |
| Special Purpose Districts | | | | |
| S-HM | - | - | - | - |
| S-SMD | OL | OL | SP, OL | SP, LOC, OL |
| DGC | - | - | - | - |
| Floating Zones | | | | |
| F-VR | OL | OL | SP, OL* | SP, LOC, OL |
| FS-RL | OL | OL | SP, OL | SP, LOC, OL |
| FS-RM | OL | OL | SP, OL | SP, LOC, OL |
| F-PRD | OL | OL | SP, OL* | SP, LOC, OL |

LOC = Letter of Compliance (Administrative Approval)

OL = Operating License (Administrative Approval)

SP = Special Use Permit (Zoning Board of Adjustment Approval)

* = Bed & Breakfast Establishments are not currently allowed in this zoning district.

ATTACHMENT 'C'
Proposed Text Amendments to the Municipal Code

Sec. 29.201 DEFINITIONS. *[New Definitions, only included here]*

Bed & Breakfast Establishment means the transient rental of a portion of a single-family or two-family dwelling unit that is the primary residence of the homeowner, where the homeowner provides lodging and may provide breakfast for overnight transient guests. Each bedroom may be offered as a separate contract. A Bed & Breakfast Establishment is an accessory use to household living.

Home Share means the transient rental of the entire single-family or two-family dwelling unit that is the primary residence of the homeowner, while the homeowner is not present. A Home Share is an accessory use to household living. See also Sec. 29.1302.

Hosted Home Share means the transient rental of a portion of a single-family or two-family dwelling unit that is the primary residence of the homeowner, while the homeowner is present. For the purposes of this Title, "present" means the homeowner is staying in the dwelling overnight. A Hosted Home Share is an accessory use to household living.

Primary Residence: See Sec. 13.201.

Short-Term Rental is the use of a single-family dwelling for the lodging of guests.

Transient rental is an accessory use to household living for the short term rental of a single-family dwelling primary residence 30 days or less, with individual guest contracts.

Vacation Rental means the transient rental of a single-family dwelling in its entirety as a primary use of short-term lodging.

Sec. 29.1302. RESERVED.

~~BED & BREAKFAST ESTABLISHMENTS.~~

~~To obtain a Special Use Permit for a Bed & Breakfast Establishment, all criteria in "Home Occupations," set forth in Section 29.1304, must be met, in addition to the following:~~

- ~~(1) **Guest Rooms.** A maximum of 5 per structure in the RM and RH Zones and a maximum of 2 per structure in the RL Zone. The Zoning Board of Adjustment may restrict the number of guest rooms to a lesser number.~~
- ~~(2) **Breakfast shall be the only meal served.** This service must occur before 11:00 a.m. Only guests residing in the structure or persons living in the premises may be served. The structure shall not be remodeled into a commercial kitchen unless required by Environmental Health rules and regulations established pursuant to Municipal Code Chapter 11.~~
- ~~(3) **Off-Street Parking Requirements.** One space per guest room, plus one space for the owner. The parking spaces shall meet standards established by Section 29.406 of this Ordinance.~~
- ~~(4) **Guests shall register** upon arrival, stating their names, current residence address and the license plate number of the vehicle that is being used by the guest. The registration form shall be kept by the owner for a period of 3 years and shall be made available for examination by a representative of the City upon one day's notice.~~
- ~~(5) **Guest stays** shall be limited to 2 weeks.~~
- ~~(6) **The Special Use Permit** is not transferable to a subsequent owner or to another property.~~
- ~~(7) **The establishment must comply** with local and state regulations regarding all applicable permits and licenses including, but not limited to fire, health, food service, hotel, liquor, revenue, building/zoning permits and licenses.~~

[Note: Staff proposes that the regulatory text for licensing of short-term rentals be included in a NEW Chapter of the Municipal Code.]

Chapter __ SHORT-TERM RENTALS

(1) **Purpose and Scope.**

In the adoption of these regulations, the City finds that the transient rental of single-family dwellings has the potential to be incompatible with surrounding residential uses. Therefore, special regulation of dwellings used for transient occupancy is necessary to ensure that these uses will be compatible with surrounding residential uses and will not materially alter the character of neighborhoods in which they are located. This section provides reasonable and necessary regulations for the permitting and licensing of short-term rental of single-family dwellings in order to:

- (a) Ensure the safety, welfare and convenience of renters, owners and neighboring property owners throughout Ames.
- (b) Help maintain the City's needed housing supply for residential use.
- (c) Protect the character of the City's neighborhoods by limiting the operations, number, and concentration of short-term rentals in residential zones.

(2) **Definitions.** See Sec. 29.201.

(3) **Short-Term Rental Operating Standards.**

- (a) **Annual Short-Term Rental Operating License Required.** No person or entity may advertise, offer, operate, rent, or otherwise make available a short-term rental without a short-term rental operating license issued by the City of Ames in accordance with the provisions of this section.
- (b) **License Must Be Obtained.** An operating license shall be obtained and renewed annually by the property owner.
- (c) **Criteria for Approval or Renewal of an Operating License.** The applicant has the burden of proof to demonstrate compliance with each applicable criterion for approval or renewal of the operating license. The approval criteria also operate as continuing code compliance obligations of the owner. To receive approval, an applicant must demonstrate that all approval criteria listed below has been satisfied:
 - (i) **Applicant is Property Owner.** The license will be issued in the name of the property owner.
 - a) **Primary Residence.** The residence shall be the primary residence of the property owner for Home Shares, Hosted Home Shares and Bed & Breakfast Establishments.
 - b) **Local Contact Information / Property Representative.** Home Shares and Vacation Rentals shall have a local property representative with access to the unit who is authorized to make decisions regarding the use or condition of the home. For Hosted Home Shares and Bed & Breakfast Establishments, the local representative is the property owner.
 - (ii) **Housing Type.** Short-term rentals are limited to single-family or two-family dwellings.
 - (iii) **Zoning.** The property is located in a zoning district allowing short-term rentals and the property is in compliance with requirements of the Zoning Ordinance.
 - (iv) **Transient Occupancy.** Occupancy is limited within a dwelling based upon guest

contracts and number of bedrooms.

- a) Hosted Home Shares are limited to one guest contract and a maximum of two adults as guests.
 - b) Bed & Breakfast Establishments are permitted a maximum of one guest contract per approved bedroom, with a maximum occupancy of two adults per bedroom. The Zoning Board of Adjustment may restrict the number of guest rooms as part of the Special Use Permit.
 - c) Home Shares are limited to one guest contract and a maximum of two adults per approved bedroom not to exceed a total of five adults.
 - d) Vacation Rentals are limited to one guest contract and a maximum of one adult per approved bedroom not to exceed a total of five adults.
- (v) **Off-Street Parking.** Parking is provided according to the requirements of Section 29.406 and Table 29.406(2).
- (vi) **Fire Safety Requirements.** A completed checklist for fire safety (means of egress and fire protection systems) is required for all short-term rental applications and renewals. The owner shall be responsible for completing the fire safety checklist and ensuring continued compliance.
- (vii) **Housing Rental Code Compliance (for Vacation Rentals).** Vacation Rentals must apply for a Letter of Compliance, excluding Transitional Letter of Compliance, prior to making application for a short-term rental operating license. See *Ames Municipal Code, Chapter 13.*
- (viii) **Special Use Permit.** Bed & Breakfast Establishments and Vacation Rentals must obtain a Special Use Permit, prior to receiving a short-term rental operating license. A Special Use Permit issued for these uses will be deemed to expire if the use is discontinued for 12 months or more. The use may only be reestablished with application for a new Special Use Permit.
- (ix) **Inspection.** Upon application for an operating license all short-term rentals shall be made available for City verification and inspection for compliance. Refusal by the applicant to allow such inspection shall be grounds for denial of a license. Subsequent inspections may be as part of a regular periodic inspection program or as required to verify correction of deficiencies, or as necessitated by complaints.
- (x) **Additional Operational Requirements.**
- a) **Concurrent Contracts Not Allowed.** Transient accommodations shall be offered only to one or more persons who act as a single group and as a single reservation and payment. Bed & Breakfast Establishments are exempt from this provision.
 - b) **Maximum Number of Days (for Home Shares only).** Home Shares shall not be rented for more than 90 days/annual renewal.
 - c) **Mandatory Postings of License.** A copy of the short-term rental license issued by the City shall be displayed in a prominent location within the interior of the dwelling near the front door. Additionally, all advertisements for the specific property shall include the operating license number.
 - d) **Responsiveness to Complaints.** The owner or representative shall respond to complaints in a reasonably timely manner and shall maintain a record of the actions taken in response.

(4) **Administrative Procedures.**

- (a) **Administrative Rules.** The Planning and Housing Director shall have the authority to establish administrative rules and regulations consistent with this section, for the purpose of interpreting, carrying out, and enforcing the provisions of this section.
- (b) **Application Review and Issuance of Operating License**
- (i) **Application Form.** Applications for a short-term rental operating license shall be on forms provided by the City, demonstrating that the proposed short-term rental meets the standards required by this section.
- (ii) **License Fee.** The fee for application for a short-term rental operating license or license renewal shall be as established by resolution of the City Council. These fees are in addition to the application fee for a Special Use Permit.
- (iii) **Application Submittal and Review.** Complete and accurate information shall be provided to the City.
- a) **Staff review.** The application will be reviewed by staff within five working days for completeness.
- b) **Incomplete Application.** Any application that does not include all required information will be considered incomplete. In such cases, the City will notify the applicant in writing, explaining the information required. If the applicant does not provide the required information within 30 days of the notice, the application will be deemed withdrawn/denied for lack of responsiveness with no return of application fees.
- c) **Approval.** Within 30 days of determining the receipt of a complete application, the applicant will be notified of approval, denial, or needed information to approve the request.
- (iv) **Renewal Standards.**
- a) **All licenses shall terminate after one year. Annual renewal applications must be submitted by the property owner of record, prior to expiration.**
- b) **If a short-term rental operating license expires, the dwelling unit may not be used or occupied as a short-term rental until such time as a subsequent license has been granted for that property.**
- c) **The City will review an application for operating license renewal and issue a renewal provided all the standards in this section continue to be met. If not met, the City will not renew the operating license and the property shall not be used as a short-term rental.**
- d) **Renewal of the license may be denied when more than two verified complaints with notice of corrective action by the City regarding the consistency of standards of this chapter, or civil or municipal infractions for other chapters of the Ames Municipal Code have been received in the prior year. A property owner may not reapply for a period of 12 months if the renewal is denied per the requirements of this section.**
- (v) **Transferability.** The operating license shall be issued in the name of the property owner and is not transferable to a subsequent owner or to another property.
- (c) **Appeal.** If the applicant is aggrieved by the decision of staff, the decision may be appealed to the Zoning Board of Adjustment within 30 days.

(5) Violations and Penalties.

- (a) **Violations.** In addition to complaints related to nuisance and noise and other violations of the *Ames Municipal Code*, it is violation to not maintain consistency with the Zoning Ordinance standards and parameters of an approved license.
- (i) **Revocation of an operating license.**
- a) Any failure to comply with the criteria and conditions of the operating license, shall constitute a violation of this section and may be grounds for proceeding with revocation of the Operating License based upon the severity or frequency of the violation.
- b) The Zoning Enforcement Officer shall send written notice of revocation to the owner stating the basis for the decision. The notice shall include information about the right to appeal the decision and the procedure for filing an appeal. The revocation will be effective 30 days from date of notice sent to the property owner. The owner may appeal the Zoning Enforcement Officer’s decision to revoke the operating license under the procedures set forth in Section 29.1403(8) of the Zoning Ordinance. Upon receipt of an appeal, the Zoning Enforcement Officer shall stay the revocation decision until the appeal has been finally determined by the Zoning Board of Adjustment.
- c) After a short-term rental operating license has been revoked, the dwelling unit shall not be used or occupied as a short-term rental unless a subsequent license is granted, and the licensee whose license has been revoked shall not be eligible to reapply for a short-term rental license for short-term rental occupancy of the same property for a period of two years, nor shall that property be eligible, even if the applicant changes.

**Table 29.406(2)
Minimum Off-Street Parking Requirements**

| PRINCIPAL LAND USE | ALL ZONES EXCEPT DOWNTOWN AND CAMPUSTOWN SERVICE CENTER ZONES | DOWNTOWN AND CAMPUSTOWN SERVICE CENTER ZONES |
|--|--|---|
| RESIDENTIAL DWELLINGS | | |
| *** | | |
| <u>Household Living Accessory Uses:</u> | - | - |
| <u>Bed & Breakfast Establishments</u> | <u>1 space/guest bedroom plus 1 space for owner</u> | <u>N/A</u> |
| <u>Home Share</u> | <u>1 space/guest bedroom (minimum of 2)</u> | <u>N/A</u> |
| <u>Hosted Home Share</u> | <u>2 spaces</u> | |
| <u>Short-Term Lodging</u> | | |
| <u>Vacation Rentals</u> | <u>1 space/guest bedroom (minimum of 2)</u> | <u>N/A</u> |
| *** | | |

Sec. 29.501. CLASSIFICATION OF USES.

(3) **Accessory Uses.** Unless otherwise stated in this Ordinance or otherwise indicated in the Use Tables for each zone:

(e) Accessory Uses: ~~are incidental and customary to and commonly associated with the operation of the Principal Use;~~

- i. ~~Is~~ Are clearly incidental and customary to and commonly associated with the operation of the Principal Use;
- ii. ~~Is~~ Are operated and maintained under the same ownership or by lessees or concessionaires of the owner, and on the same zone lot as the Principal Use;
- iii. ~~Does not include structures or structural features inconsistent with the Principal Use;~~
- iv. May include the transient rental of all or a portion of the dwelling unit that is the primary residence of the homeowner such as Hosted Home Shares, Home Shares and Bed & Breakfast Establishments. Household Living Does not include residential occupancy in conjunction with uses, such as other than hotels, motels, tourist homes and similar uses transient housing accommodations, except by owners and employees employed on the premises and the immediate families of such owners and employees;
- v. Has a gross floor area that, in combination with all other uses accessory to Principal Uses located in the same structure or on the same lot, does not exceed 25% of the gross floor area utilized by all Principal Uses. This 25% floor area limitation, however, shall not apply to off-street parking. Hosted Home Shares, Home Shares, and Bed & Breakfast Establishments are exempt from the 25% floor area limitation.

**Table 29.501(4)-1
RESIDENTIAL USE CATEGORIES**

Accessory Uses

Home Share

Hosted Home Share

Bed & Breakfast Establishment

Short-Term Lodging

Definition. Facilities offering ~~transient~~ lodging accommodations to the general public, where the average-length of stay is ~~less than 60~~ 30 days or less.

Uses Included

Vacation Rental

Sec. 29.1304. HOME OCCUPATIONS.

(1) **Permitted, Special and Prohibited Home Occupations.**

- (viii) ~~Bed and breakfast operations;~~