



City of Duluth
Planning Division

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MEMORANDUM

DATE: March 1st, 2016
TO: Planning Commission
FROM: John Kelley, Planner II
SUBJECT: Vacation Dwelling Unit Rental – Home Share

At the February 9th, 2016 Planning Commission meeting staff presented suggested revisions to the current vacation dwelling unit rental requirements and introduced proposed permit regulations to allow for home share or Airbnb type lodging. The information presented at the meeting was the Planning Commissions first glance at proposed changes to these types of lodging activities.

On February 22nd, 2016 staff presented a report to the Committee of the Whole for City Council regarding vacation dwelling units. In general, City Councilors were in support of the revisions to the existing vacation dwelling unit standards and the proposed home share requirements. Comments received from Councilors included support in changing the minimum night stay to 2 nights, strengthening the enforcement of permit regulations, providing screening/buffering between permitted vacation dwellings and adjacent dwelling units, and establishing a distance buffer between permitted dwelling units.

The attached documents incorporate comments into the proposed regulations that were received from the Planning Commission and City Council.

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Vacation Dwelling Unit

Definitions:

Vacation Dwelling Unit – a commercial use of a habitable unit by a guest in a non-owner occupied dwelling providing sleeping, cooking, eating, living and sanitation facilities that are physically separated from other habitable units that may or may not be located in the same building for periods of occupancy from 2 to 29 days. This use does not include hotels, motels, or bed and breakfasts.

Accessory Vacation Dwelling Unit – a commercial use of an accessory dwelling unit as defined by this chapter that is used for periods of occupancy from 2 to 29 days.

Existing Vacation Dwelling Standards:

U. Vacation dwelling unit.

1. The minimum rental period shall as follows:

(a) For properties zoned RR-1, RR-2, R-1, R-2, R-P, MU-N and F-5 the minimum rental period shall not be less than two nights;

2. A vacation dwelling rental use under this section may not be located on a lot that is within 200 feet of a lot on which another Vacation Dwelling rental is located.

3. The total number of persons that may occupy the vacation dwelling unit is one person plus the number of bedrooms multiplied by two;

4. Off street parking shall be provided at the following rate:

(a) 1-2 bedroom unit, one space;

(b) 3-4 bedroom unit, two spaces;

(c) 5+ bedroom unit, three spaces;

5. Only one motorhome (or pickup-mounted camper) and/or one trailer either for inhabiting or for transporting recreational vehicles (ATVs, boat, personal watercraft, snowmobiles, etc.) may be parked at the site, on or off the street;

6. The property owner must provide a site plan, drawn to scale, showing parking and driveways, all structures and outdoor recreational areas that guests will be allowed to use, including, but not limited to, deck/patio, barbeque grill, recreational fire, pool, hot tub, or sauna, and provide detail concerning the provision of a dense urban screen which is required to buffer these areas from adjoining properties.

7. The property owner must obtain all licenses and permits from the city of Duluth and state of Minnesota required for guest occupancy on the property for two to 29 days;

8. The property owner must provide required documents and adhere to additional requirements listed in the city of Duluth's UDC application manual related to the keeping of a guest record, designating and disclosing a local contact, property use rules, taxation, and interim use permit violations procedures;

9. The interim use permit shall expire upon change in ownership of the property or in six years, whichever occurs first. (Ord. No. 10039, 8-16-2010, § 1; Ord. No. 10041, 8-16-2010, § 5; Ord. No. 10044, 8-16-2010, § 6; Ord. No. 10096, 7-18-2011, § 17; Ord. No. 10153, 5-14-2012, § 2 Ord. No. 10192, 12-17-2012, § 10; Ord. No. 10225, 5-28-2013, § 6; Ord. No. 10286, 3-10-2014, § 8; Ord. No. 10329, 10-13-2014, § 2.)

In addition to the UDC Interim Use Permit requirements listed above, Vacation Dwelling Units and Accessory Vacation Dwelling Units must adhere to the following regulations:

1. Permit holder must keep a guest record including the name, address, phone number, and vehicle (and trailer) license plate information for all guests and must provide a report to the City upon 48 hours' notice.
2. Permit holder must designate a managing agent or local contact who resides within 25 miles of the City and who has authority to act for the owner in responding 24-hours-a-day to any complaints from neighbors or the City. The permit holder must notify the Land Use Supervisor within 10 days of a change in the managing agent or local contact's contact information.
3. Permit holder must provide the name, address, and phone number for the managing agent or local contact to all property owners within 100' of the property boundary. The permit holder must notify neighboring properties within 10 days of a change in the managing agent or local contact's contact information.
4. Permit holder must disclose in writing to their guests the following rules and regulations:
 - a. The managing agent or local contact's name, address, and phone number;
 - b. The maximum number of guests allowed at the property;
 - c. The maximum number of vehicles, recreational vehicles, and trailers allowed at the property and where they are to be parked;
 - d. Property rules related to use of exterior features of the property, such as decks, patios, grills, recreational fires, pools, hot tubs, saunas and other outdoor recreational facilities;
 - e. Applicable sections of City ordinances governing noise, parks, parking and pets;
5. Violations of this section of the UDC are subject to the following penalties and fines:
 - a. First violation – Notice of violation of Chapter 50.

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- b. Second violation within the preceding 12 months - citation for violation of a Chapter 50.
 - c. Third violation within the preceding 12 months: \$200 fine and the home share permit shall be revoked for one year.
- 6. Permit holder must post their permit number on all print, poster or web advertisements;
- 7. Prior to rental, the building must be inspected and an Operational Permit issued by the Fire Prevention office. Contact the Fire Prevention office at 218-730-4397 or 218-730-4399 for information.
- 8. Permit holder must apply for and be granted State and local sales tax numbers, including Hotel and Motel Use Sales Tax.

Home Share Permit Regulations

Definitions:

Guest – A person occupying a home share or vacation dwelling unit rental that is not a permanent resident of the property.

Home Share - A commercial use of a habitable room by a guest in an owner-occupied dwelling for compensation be it monetary or the exchange of goods or services.

Home Share General Requirements:

- a) Annual Permit
- b) A Home Share may only be offered in a habitable room as defined in Chapter 50.
- c) The total number of full time occupants of the dwelling unit.
- d) The preparation, sharing or sale of food and beverage by the owner occupant to the guest is prohibited.
- e) A Permit holder may not advertise their home sharing business for an accessory structure that is a storage shed or garage as a home share.
- f) A Permit holder may not advertise their home sharing business in any area exterior to the dwelling unit where the home sharing is occurring. This includes common interior areas.
- g) In any advertisement of the home share it must include the Permit number issued by the City.
- h) Health and safety inspections completed and certificates of inspection submitted at time of application for Permit.
- i) The permit would consist of an administrative approval process and cost is \$200.00.

Home Share Application Requirements:

1. Application fee \$200.00
2. The application for the permit would consist of:
 - a. A hotel/motel license
 - b. Inspection certificates
 - c. Evidence of enrollment to pay taxes
 - d. Verification of owner occupancy through the Homeowner's Property Tax Exemption or other appropriate information (e.g. driver's license, utility billing, auto registration, etc.)
3. A floor plan of the dwelling unit identifying which room(s) will be rented.
4. A site plan indicating location of parking spaces.

Home Share Permit Standards: (Need to add line to the use table under lodging)

1. Home share is permitted for all properties zoned for residential use.
2. The rental period shall be for 30 days or less.

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3. The maximum number of overnight guests allowed is 4 persons in addition to the owner occupants.
4. One on street or off-street parking space in addition to the required residential parking per Section 50-24-1 of the UDC.
5. The property owner must obtain all Permits from the City of Duluth and State of Minnesota required for guest occupancy on the property.
6. The property owner must provide required documents and adhere to additional requirements listed in the City of Duluth's UDC Application Manual related to the keeping of a guest record, property use rules, taxation, and home share permit violations procedures.
7. The Permit shall expire upon change in ownership of the property or one year from issuance date, whichever occurs first.
8. At least one permanent resident must be present in the dwelling at all times that the property is rented.

In addition to the Permit requirements listed above, Home Shares Permit holders must adhere to the following regulations:

1. Permit holder must keep a guest record including the name, address, phone number, and vehicle (and trailer) license plate information for all guests and must provide a report to the City upon 48 hours' notice.
2. Permit holder must disclose in writing to their guests the following rules and regulations:
 - a. The maximum number of guests allowed at the property;
 - b. The maximum number of vehicles allowed at the property and where they are to be parked;
 - c. Property rules related to use of exterior features of the property, such as decks, patios, grills, recreational fires, pools, hot tubs, saunas and other outdoor recreational facilities;
 - d. Applicable sections of City ordinances governing noise, parks, parking and pets;
3. Violations of this section of the UDC are subject to the following penalties and fines:
 - a) First violation – Notice of violation of Chapter 50.
 - b) Second violation within the preceding 12 months - citation for violation of a Chapter 50.
 - c) Third violation within the preceding 12 months: \$200 fine and the home share permit shall be revoked for one year.
4. A permit holder may appeal the first and second violations to the Land Use Supervisor.
5. A permit holder may appeal the third violation to the Planning Commission.
6. Permit holder must post their Permit number on all print, poster or web advertisements;
7. Prior to rental, the building must be inspected and an Operational Permit issued by the Fire Prevention office. Contact the Fire Prevention office at 218-730-4397 or 218-730-4399 for information.
8. Permit holder must apply for and be granted State and local sales tax numbers, including Hotel and Motel Use Sales Tax.

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ADDITIONAL FEED BACK:
City of Duluth Home Shares

City of Duluth
Community Planning Division
411 W. 1st Street, Room 208
Duluth, Mn 55802
March 1, 2016

Hello Folks:

I want to thank the Duluth Planning Department for their work on the "Home Share" ordinance. I know it's important for the City of Duluth to balance the interests of people wanting to engage in this commercial endeavor and the interests of the City. John Kelly and Kyle Demming have been very accessible and helpful during my contact with them. To the Planning Commission: Thank you for your service to the City.

My hope is to use my house to engage in a "Home Share" enterprise. I live on 10 acres of land off skyline, over the hill from West Duluth. I have a large home and I live alone. I am an avid traveler and have been around the world. I have used all types of lodging and enjoy the atmosphere of home shares and Bed N Breakfasts.

I reviewed the draft of the "Home Share Standards". I'm hoping for a few improvements and I'll refer to the items by the number on the document I was sent by John Kelly, starting on page A-6.

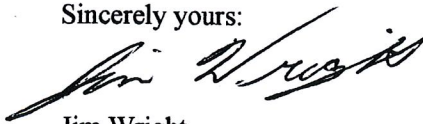
#2 permits Home Shares on all properties zoned for residential use. Does this include my place that is zoned RR1 or RR2, (I can't remember which)

#3 The rental period shall be for 30 days or less. I take this is for each guest stay?

#4 Limits the maximum number of guests at 4. I would normally only have 2 or four, but there are rare times a guest would want more. I have lots of land, lots of house and only one neighbor within two blocks. This may be wise in a neighborhood with close houses, but I would hope for a little leeway.

#9 Requires one "permanent" resident to be present in the dwelling at all time the property is rented. This may need a little wordsmithing. Since I'm the sole owner and the permanent occupant, I can't see the city being concerned if I ran errands or was otherwise not on site for short periods during the day on rented days.

Sincerely yours:



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