

dwelling unit if within 50 feet of the principle dwelling, if the property owner is occupying the property as their exclusive abode at all times that the twin home, duplex, or accessory dwelling unit is rented.

Section 2. That Section 50-37.10.E of the Duluth City Code, 1959, as amended, be amended as follows:

50-37.10.E Criteria for interim use permits.

In addition to the criteria in subsection C above, the council shall only approve an interim use permit, or approve it with conditions, if it determines that:

1. A time limit is needed to protect the public health, safety and welfare from potential longer term impacts of the requested use in that location or to allow the city time to develop a regulation addressing the potential longer term impacts of the requested use in that location;
2. The applicant agrees to sign a development agreement with the city confirming that (a) approval of the permit will not result in increased costs to the city if the property is later acquired by the city through eminent domain; (b) the use will be terminated at the applicant's expense on the date(s) stated in the permit, (c) the termination of the interim use as stated in the permit will create no rights to a nonconforming use and no rights to compensation for termination of the use or for the value of any structures or improvements related to the use, and (d) the applicant agrees to all conditions imposed by the city. No interim use permit shall be issued until a development agreement confirming these points is executed.
3. No more than 60 100 permits may be issued for either vacation dwelling units or accessory vacation dwelling units. Permits issued for vacation dwelling units or accessory vacation dwelling units in any form district shall not be counted against the maximum number of permits that may be issued. On February 1 of each year, the maximum number of allowable permits that may be issued shall increase by 10%, or by 10% of the number of new dwelling units created in Duluth the previous year, whichever is less. The maximum number of allowable permits that may be issued may not exceed 175 permits.
4. Except for properties within the the Higher Education Overlay District as identified in 50- 18.5, the minimum rental period and off-street parking requirements of 50-20.3.U and 50-20.5.M shall not apply for vacation dwelling units or accessory vacation dwelling units in form districts.

Section 3. That this ordinance shall take effect 30 days after its passage and publication

STATEMENT OF PURPOSE: This ordinance implements text amendment related to vacation rental dwellings regulated by chapter 50 of the City Code, known as the Unified Development Chapter (UDC).

The ordinance also increases the number of allowed vacation permits from 60 to 100, with a limited annual escalator clause. The planning commission included an overall cap of 175 total permits.

The ordinance also extends the accessory home share permit length from one year to three years, to better align with the three year duration of typical rental permits from Duluth Life Safety. In addition the amendment proposes to change the language to allow owners of twin homes, duplexes, or single-family homes with accessory dwelling units to rent their additional dwelling under a home share permit. The current standards for home share permits would not allow this, since the rule is explicit that the property owner must be present within the specific single family dwelling while rented.

The planning commission held a public hearing at their February 11, 2020, regular meeting. Following discussion and additional amendments to the proposed text change by members of the planning commission, the commission voted with 5 yeas, 2 nays, and 0 abstentions, to recommend that the city council approve the text change to the Unified Development Chapter of the City Code.