



## Legislation Text

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**File #:** 20-016-O (B), **Version:** 1

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AN ORDINANCE AMENDING SECTIONS 50-20.5.G 8, AND 50-37.10.E, TO AMEND STANDARDS RELATED TO ACCESSORY HOME SHARES AND TO INCREASE THE NUMBER OF ALLOWABLE VACATION RENTAL PERMITS

### CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That Section 50-20.5.G. of the Duluth City Code, 1959, as amended, be amended as follows:

#### 50-20.5.G. Accessory Home Share

An accessory home share may be created within those districts shown where allowed by Table 50.19.8 provided these standards are met.

1. The rental or purchase period shall be for 29 days or less;
2. The maximum number of overnight guests allowed is 4 persons in addition to the owner occupants;
3. The property owner must obtain any and all other licenses and permits from the city of Duluth and state of Minnesota required for guest occupancy on the property.
4. 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;
5. The permit shall expire upon change in ownership of the property or one year from issuance date, whichever occurs first.
6. At least one permanent resident must be generally present on or about the premises at all times that the property is rented;
7. A permit holder may not advertise an accessory home share for an accessory structure that is a storage shed or garage.
8. A permit holder may not advertise an accessory home share in any area exterior to the dwelling unit or any lot without a principle dwelling. One accessory home share permit may be issued to a property owner of a dwelling that is within a twin home, duplex, or attached accessory dwelling unit, or detached accessory 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.