AGENDA
Housing Policy Commission (HPC)
Monday April 4th, 2022 - 8:00 PM
or shortly after the adjournment of the City Council Meeting held previously in the evening

Virtual Meeting

Join via Zoom at this link
https://lakewood.zoom.us/j/85161389238?pwd=dTg3UFIMcWFIODNAU0hSSy80bHZ3Zz09

Join via phone:
720 707 2699
Webinar ID: 851 6138 9238

Housing Policy Commission Members (Appointed 1/24/2022):

Adam Paul - Mayor
Jeslin Shahrezaei – Ward 1
Sharon Vincent – Ward 2 (HPC Chair)
Anita Springsteen – Ward 3
Barb Franks – Ward 4
Wendi Strom – Ward 5

ATTACHMENTS:
☐ Chapter 5.55 SHORT-TERM RENTAL LICENSE Policy Determinations Memo

1. Call to Order/Roll Call
2. Approval of minutes of the 2/17/2022 HPC Meeting
3. Discussion: Amended Ordinance Draft Regarding Licensing Short Term Rentals
   a. Three Policy Questions to be discussed by the HPC
      1. Shall the Short-Term Rental Licensing Code be written with the goal to regulate a “high impact” or a “low impact” business based on the level of impact experienced by the surrounding neighborhood?
      2. Shall the Short-Term Rental Licensing Code be written to allow STRs to be located in all zoning districts or limited to residential zoning districts?
      3. Traditional Bed and Breakfasts cannot be the only form of lodging that remains unlicensed. Should traditional B and Bs be incorporated into the STR Code or be licensed as a commercial license?
4. Discussion: Path forward for HPC and Council Consideration of a Draft Ordinance Regarding Licensing Short Term Rentals
5. Next Meeting and/or Council Scheduling Information
6. Adjourn
Policy Determinations.
To adopt a short-term rental licensing code requires resolution of three fundamental policy questions.

1. Shall the Short-Term Rental Licensing Code be written with the goal to regulate a “high impact” or a “low impact” business based on the level of impact experienced by the surrounding neighborhood?
   a. Understanding high and low impact businesses:
      i. Mini Amazon distribution centers would be high impact but visiting a CPA at his home office is low impact. Clearly, the impact of a distribution center is high because it includes multiple deliveries throughout the day, sending out shipments throughout the day, employees coming and going throughout the day, etc. The impact of a CPA home office is low because it involves a few individuals visiting with the CPA throughout a business day.
      ii. Caps on the total number of businesses and distance requirements between businesses are regulations usually associated with high impact businesses.
      iii. Mandates that business owners be on-premises are associated with regulating a low impact business.
   b. Currently, the STR Licensing Code is written to include: 1) limits on the total number of licenses issued, 2) distance requirements between licensed premises, 3) on-site property owner, 4) no lease of total premises.
   c. Concerns:
      i. If a licensee has to apply annually for a renewal license and there are a limited number of licenses, it is likely some licensees will not be able to renew their licenses.
      ii. Neighbors will need to compete against each other for the license, possibly encouraging complaints against the licensed premises to cause the premises to lose the license and free it up for other nearby properties.
      iii. The incentive to maintain a property to the highest level is reduced if there is no guarantee that a licensee will be able to continue operating long enough to earn back the investment.
d. Low impact regulations create other types of issues. Non-owners, including renters, are not primary owners and therefore could not obtain an STR license. Snowbirds could not utilize their property for STR use when they are not physically occupying the property.

e. Councilmember Franks prefers that STR licenses be treated similarly to other home based businesses. Having the business owner on premises the entire time the business is operating limits the issues arising out of the business more effectively than limiting the number of licenses or mandating a distance requirement between licensed premises.

2. Shall the Short-Term Rental Licensing Code be written to allow STRs to be located in all zoning districts or limited to residential zoning districts?

a. There must be an update to the Zoning Code to address STRs, whether or not the plan is to restrict them to residential zones or to allow them throughout the City.

b. This sister Code to the proposed STR Code is Chapter 5.56 which mandates licenses for all forms of lodging located within any commercial or mixed use zone.

c. The current draft of the STR Licensing Code permits STRs to be licensed in all zoning districts.

d. Restricting STRs to residential zones makes regulation easier as permitted commercial lodging uses won’t be in conflict with the goals of regulating shared residential housing (STRs).

e. Instead of limiting STRs to any identified zoning district the current code limits the types of residences which may apply for an STR license to single-family residential premises. Single family residential premises are defined as “one dwelling unit for one household within one structure.” Duplex is defined as two dwelling units in one structure. Multifamily residential premises are three or more dwelling units in one structure. Therefore, duplex and multi-family owner occupied residences would not be eligible for an STR license.

3. Traditional Bed and Breakfasts cannot be the only form of lodging that remains unlicensed. Should traditional B and Bs be incorporated into the STR Code or be licensed as a commercial license?

A. Definition of Bed and Breakfast: Bed and Breakfast: A single family dwelling unit where short-term lodging is provided through the rental of individual rooms to the general public, with common dining and cooking facilities.
B. Historically, traditional bed and breakfasts are located in private residential properties and serve food. They may be a special use within a residential zoning district but are permitted by right in commercial and multi-use districts. In residential zoning districts the applicable rules are:

17.4.3.1(F) F. Bed and Breakfast: Where identified as a **special use**, a bed and breakfast shall be subject to the following:

1. A bed and breakfast shall be operated by an individual who occupies the dwelling unit as a primary residence.

2. All bed and breakfast structures shall comply with all dimensional standards of the applicable zone district.

3. Food service shall be restricted to guests of the bed and breakfast.

4. The exterior of a dwelling unit may be modified for a bed and breakfast. However, the exterior shall be similar in appearance to that of the surrounding residential character of the neighborhood in which it is to be located including, but not limited to, materials, color, roof pitch, and detailing.

5. Signage shall comply with the standards set forth in Article 9. Figure 17.4.1: Example of Flyway Barrier Flyway Barrier Max 5 ft. Water Supply Min. 2 ft. Min. 6 ft. Lakewood Zoning Ordinance – Adopted May 24, 2021 4-17

6. All off-street parking required for the bed and breakfast, with the exception of the spaces required as part of the primary residence, shall be located behind the primary structure.

7. Parking shall be provided in accordance with Article 8. 8. A bed and breakfast shall be subject to the major site plan process, as described in Article 2, and the general design and development standards in Article 7.
General Zoning Information

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17.3.3: Residential Districts

17.3.3.1: Purpose and Intent
Residential districts are established to provide a range of housing types, from large-lot single-family to medium density multifamily development, while fostering cohesive neighborhoods and allowing for transitions between neighborhoods and mixed-use, commercial, and industrial areas. The residential zone districts are primarily intended to:

A. Create, maintain and promote a variety of housing opportunities that meet the diverse economic and social needs of residents;

B. To maintain and promote the desired physical character of existing and developing neighborhoods;

C. Where appropriate, protect the scale, character and unique appeal of existing residential neighborhoods; and

D. Allow for appropriate public and institutional services and facilities, such as schools, parks and recreational uses, religious institutions, and transportation infrastructure.

While the districts primarily accommodate residential use types, some limited commercial and home occupation uses are also allowed.

The residential (R) district standards provide development flexibility while at the same time ensuring that new development is compatible with the City’s existing neighborhoods. In addition, the regulations offer certainty for property owners, developers and neighbors about the limits of what uses are allowed.

17.3.3.2: Residential District Descriptions

The general intent of each of the eight residential zone districts within the City is identified by the descriptions below.
A. **R-1-43 – One Acre Lot Residential:** The R-1-43 district is intended to protect and enhance existing rural character, uses, densities and standards while providing for low-intensity use of land, single-family residential development, and other compatible uses.

B. **R-1-18 – Rural Lot Residential:** The R-1-18 district is intended to protect the existing rural character of an area and to establish a semi-rural pattern of development, which allows for low density single-family residential development.

C. **R-1-12 – Large Lot Residential:** The R-1-12 district is intended to provide for large lot, single-family residential development.

D. **R-1-9 – Medium Sized Lot Residential:** The R-1-9 district is intended to provide for medium-sized lot, single-family residential development.

E. **R-1-6 – Small Lot Residential:** The R-1-6 district is intended to provide for small lot, single-family residential development.

F. **R-2 – Two-Family and Small Lot Residential:** The R-2 district is intended to provide for small-lot, single-family and duplex residential development.

G. **R-MF – Multifamily Residential:** The R-MF district is intended to provide for a mixture of medium-density housing types including attached housing, and multifamily buildings.

H. **R-MH – Mobile Home Residential:** The R-MH district is intended to allow for developments where spaces are either sold or rented for the placement of a mobile home in a park-like setting, where the homes are used as seasonal or permanent residences.