

# Sandy City Council Office

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## Memorandum

August 21, 2018

To: Council Members

From: Dustin Fratto, City Council Management Analyst

Subject: STR ordinance background and timeline

## Council,

A short-term rental (STR) is the use of a dwelling for temporary sojourn or transient visit for a period of less than 30 consecutive days by a person or group of people whose primary residence is at another location and who provide compensation in exchange for occupancy in someone's home.

Presently, the operation of a short-term rental is illegal in Sandy City. However, considering state legislative interest in legalizing this use, the City is researching the possibility of permitting some short-term rentals.

In the late 90's STR's were made illegal in Sandy City. Prior to the current prohibition on STR's a few "ski rentals" were already operating. Those units already in operation were "grandfathered in" and could continue operating. Any ski rental or STR that began operating following the adoption of the late 90's legislation, is illegal.

In the years following the illegalization of STR's in Sandy City, websites such as Airbnb and VRBO popularized STR's and played a large part in bolstering the sharing economy movement. This movement resulted in a drastic increase of illegally operating STR's in Sandy City, estimated at somewhere around 300 (~1% of households) today.

The sharing economy movement garnered interest from some members of the Utah State Legislature. Ultimately this led to Representative John Knotwell visiting the Sandy City Council in March of 2017 to discuss HB 253. This bill, as originally proposed, would remove the ability of Utah Cities to regulate STR's, placing the ability in the hands of the State.



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Following negotiations between members of the State Legislature, the League of Cities and Towns, and elected local officials from around the State a compromise was reached. In exchange for the right to retain the ability to regulate STR's, Utah Cities would begin drafting local legislation to legalize STR's. At this point, in April of 2017, Sandy City began researching STR's and possible STR legislation.

In "Attachment A" you'll find a full calendar of meetings and discussions related to the development of the proposed ordinance. This covers the period from early 2017 until today and notes each STR meeting and discussion between council staff, administration, and the Council. As you can see the process was long, inclusive, and strenuous. Staff did not haphazardly throw the proposed STR ordinance together.

In "Attachment B" you'll find a full listing of notifications to the public regarding the discussions, workshops, and overall development of the proposed STR ordinance. The full complement of notices and communication regarding STR's to Sandy residents included numerous social media posts, news coverage, two public hearings, four informational reports to the Council and public, and five workshops over fifteen months. Additionally, council staff met in person with every resident who expressed the desire to do so prior to the publication of this memo.

#### "Attachment A"

#### **STR Ordinance Calendar**

3/14/17: Council Person McCandless proposed Sandy begin research on possible STR regulations

3/21/17: Rep. John Knotwell spoke to the Council regarding possible STR legislation at the State level

4/25/17: STR matrix presented to Council

5/9/17: STR critical policies outline presented to Council

5/10/17: STR policy survey sent to the Council

5/23/17: Initial STR draft presented to the Council

5/31/17: Council and Community Development staff review

6/14/17: Council and Community Development staff review

7/6/17: STR working group review

7/13/17: Council and Attorney staff STR review

7/20/17: STR working group driving tour of STR's

8/21/17: Council and Community Development staff STR review

8/28/17: STR working group review

8/31/17: Council and Community Development staff STR review

9/20/17: Council staff attends live STR webinar with Host Compliance

10/3/17: Council and Community Development staff STR review

10/11/17: STR working group review

10/25/17: Council and Community Development staff STR review

11/6/17: Council and Community Development staff meets with Host Compliance

11/16/17: Council and Attorney staff STR review

11/28/17: Council and Community Development staff STR review

12/6/17: STR working group review

12/12/17: STR second draft presented to Council

12/13/17: Council staff meeting with STR Helper

12/21/17: STR draft meeting and discussion with Council Member Saville

## "Attachment A"

#### **STR Ordinance Calendar**

- 1/4/18: STR draft meeting and discussion with Council Member Christensen
- 1/9/18: STR draft meeting and discussion with Council Member Barker
- 1/18/18: STR meeting with Administration to review draft
- 1/19/18: STR meeting with attorneys to review draft
- 1/19/18: STR meeting with Community Development to review draft
- 1/23/18: Council STR workshop 3<sup>rd</sup> Draft
- 2/12/18: Council staff and GIS staff meets to determine potential geographic constraints for STR's
- 2/12/18: Council staff, Fire Department, and Attorney's Office review STR fire inspections
- 2/13/18: Council staff and Community Development staff review Council questions and concerns form January 23<sup>rd</sup> work session
- 3/6/18: Council STR workshop (TABLED)
- 3/8/18: City Attorney's Office provides memo on STR's to Council Staff
- 3/14/18: Council staff, Legal Staff, Assistant CAO, and Community Development Staff review City Attorney's memo
- 3/14/18: Council staff briefs administration on STR language
- 3/15/18: Council staff and City Attorney meet to review changes to proposed STR language
- 3/16/18: Updated STR draft language sent to City Attorney, CAO, and Community Development
- 3/20/18: Council staff and City Attorney meet to review and edit proposed STR language
- 3/21/18: Council staff receives position statement Mayor Bradburn
- 3/27/18: Council STR workshop 4th Draft
- 3/30/18: Council staff, City Attorney, and Community Development staff meet to discuss Council's recommended changes to the draft STR language as presented on March 27
- 4/9/18: Council Staff and Community Development Director meet to discuss STR draft language
- 4/10/18: STR Fact Brief posted on website
- 4/17/18: Council adoption of draft STR language to be moved through the standard public process (5<sup>th</sup> draft)

## "Attachment A"

## **STR Ordinance Calendar**

6/25/18: Council staff discussion with CD staff, City Attorney, and Assistant CAO regarding CD revisions to the Council STR language

7/2/18: Council Staff met with CD staff regarding proposed CD STR language

7/12/18: Council staff discussion with CD staff, City Attorney, and Assistant CAO regarding CD revisions to the Council STR language

7/19/18: STR public hearing with Planning Commission

8/9/18: Council staff met with CD staff, Administration, and City Attorney regarding revisions to the Council STR Business license language

8/13/18: Council staff met with CD staff regarding upcoming City Council STR public hearing presentation

## "Attachment B"

#### STR Public Notices, postings, and social media

#### Web and Social Media Posts:

Social Media Post for each City Council agenda listed in the "Council Agenda Postings" section below February 5, 2018 KUTV 2 published an article and video report

- <a href="https://kutv.com/news/get-gephardt/sandy-city-weighs-the-pros-and-cons-of-allowing-short-term-rentals">https://kutv.com/news/get-gephardt/sandy-city-weighs-the-pros-and-cons-of-allowing-short-term-rentals</a>

April 10, 2018 STR Fact Brief Posted

## **Public Hearing Notices:**

July 5, 2018 – Notice of Planning Commission Public Hearing for July 19, 2018

August 7, 2018 – Notice of City Council Public Hearing for August 21, 2018

## **Council Agenda Postings with STR information included:**

March 14, 2017 Council Meeting, Informational Report

March 21, 2017 Council Meeting, Informational Report

April 25, 2017 Council Meeting, Informational Report

May 9, 2017 Council Meeting, Informational Report

May 23, 2017 Council Meeting, First STR Draft (STR Workshop)

December 12, 2017 Council Meeting, Second STR Draft (STR Workshop)

January 23, 2018 Council Meeting, Third STR Draft (STR Workshop)

March 27, 2018 Council Meeting, Fourth STR Draft (STR Workshop)

April 17, 2018 Council Meeting, Fifth STR Draft (STR Workshop)

August 21, 2018 Council Meeting, STR Public Hearing

## Planning Commission Agenda Postings with STR information included:

July 19, 2018, Sixth STR Draft (Public Hearing)