

Proposal to allow Short-Term Rentals in ADUs

- Allowing **Short Term Rental** use in ADUs
 - Short-Term rentals are units that are rented for less than 30 days.
 - Any tenancy 30 days or longer is NOT “short-term” as defined in state law.
 - Proposal would allow newly-built ADUs to be rented as short-term/vacation rentals for a period of two years after the completion of construction.
 - At the end of the two-year period, the units would be required to stop all short-term rental activity and be used as either a long-term residence or as an accessory to the main home.

Draft Ordinance Language:

PROPERTIES WITH ACCESSORY DWELLING UNITS.

1. Short-term rentals are not permitted in an Accessory Dwelling Unit or in the main house of an Accessory Dwelling Unit property, except as provided below.

2. An existing Accessory Dwelling Unit property may apply for a short-term rental permit in cases where the Accessory Dwelling Unit property:

a. Was issued a transient occupancy registration certificate prior to November 10, 2015; and

b. Is in the same ownership as when the transient occupancy registration certificate obtained prior to November 10, 2015 was issued; and

c. Is in compliance with the provisions of Chapter 3.28, including payment of all taxes, penalties, and interest due, for any short-term rentals; and

d. Is in compliance with the principal residency requirements specified in this chapter; and

e. Has remitted transient occupancy tax to the city within the previous calendar year.

3. Accessory Dwelling Unit properties constructed after 2018 may apply for a temporary short-term rental permit. Application must be made within the first year after the unit is constructed. Temporary permits will expire two years after date of issue.