

## INTERIM USE PERMIT STAFF REPORT

1. **FILE NAME:** Short Term Rental Interim Use Permit **FILE #** 17-217490
  2. **HEARING DATE:** December 13, 2017
  3. **STATE STATUTE REFERENCE:** State Statute §462.3597
  4. **STAFF REPORT DATE:** November 21, 2017 **BY:** Yaya Diatta
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- A. **PURPOSE:** Interim Use Permit to waive the following Short Term Rental regulations from January 25 to February 6, 2018 to accommodate housing demand during Super Bowl LII:
- Waive occupancy cap (defined at Sec. 60.207. F. under “family”).
  - Waive cap on rental units (50% or a max of 4 units).
  - Waive off-street parking requirements.
- B. **STATE STATUTE CITATION:** Minnesota Statute §462.3597 allows for permitting “interim uses” following a public hearing before the governing body and upon meeting required findings.
- C. **BACKGROUND:** At the request of the City Council in 2016, the departments of Safety and Inspections (DSI) and Planning and Economic Development (PED) conducted a study of the short term rental industry. The study lead to the adoption of a Short Term Rentals (STR) ordinance (File No. 17-38) on October 25, 2017, with an effective date of December 2, 2017. The STR ordinance limits the number of STR rental units to 50% of the building to a maximum of 4 units, limits per unit occupancy to the definition of family under Leg. Code § 60.207. F. and requires one off-street parking space per STR unit. In anticipation of an increased demand for housing during Super Bowl LII (January 25 to February 6, 2018) the City is considering waiving certain STR ordinance regulations as noted above and allowing qualifying STR’s to operate on an interim basis during the period noted above without needing to comply with those STR regulations specified under an interim use permit resolution.
- D. **FINDINGS:**
1. Minnesota Statute §462.3597. Interim Uses defines interim uses, gives authority to governing bodies to allow them, and specifies the required findings for establishing an interim use. §462.3597, Subd. 1 defines an interim use as “a temporary use of property until a particular date, until the occurrence of a particular event, or until zoning regulations no longer permit it. Minnesota Statute §462.3597, Subd. 2. Authority allows for conditions to be set on interim uses. The governing body may grant permission for an interim use of property if:
    - a. *The use conforms to the zoning regulations.* This finding is met. Short Term Rentals are allowed in all zoning districts permitting residential uses as principal uses. It is anticipated that the market demand for housing resulting from Super Bowl LII will increase significantly from January 25 to February 6, 2018. DSI and PED zoning staff recommend an interim use permit process as a means to meet the temporary demand for short-term housing created by Super Bowl LII provided the health, welfare and safety of the public is protected and applicable building and fire codes are not violated.
    - b. *The date or event that will terminate the use can be identified with certainty.* This finding is met. Super Bowl LII will take place on February 4, 2018. The start date for waiving STR regulations specified under this interim use permit is January 25, 2018. The end date is February 6, 2018.

- c. *The permission of the use will not impose additional costs on the public if it is necessary for the public to take the property in the future.* This finding is met. It is anticipated that the demand for short term rentals, which generally are advertised through various social media outlets, will increase significantly for Super Bowl LII and that meeting the demand for short term rental housing opportunities may be a challenge. City staff has determined that the statutory interim use permit process is an appropriate means to address the need for temporary housing for visitors to the City during Super Bowl LII while protecting the health, welfare, and safety of the public through the building and fire codes.
    - d. *The user agrees to any conditions that the governing body deems appropriate for permission of the use.* This requirement can be met. So long as STR providers abide by the building and fire codes applicable to their rental units, abide by the zoning regulations for short term rentals not temporarily suspended under this interim use permit, and obtain from the City prior to January 25, 2018 the required short term rental license, this requirement can be met.
  - 2 According to a report commissioned by the Minnesota Super Bowl Host Committee, Super Bowl LII is projected to add \$340 million dollars to Minnesota's economy. Temporarily waiving certain STR regulations to provide additional housing enhances the ability of the City's STR operators to capture a share of the projected "Super Bowl" money. A temporary relaxation of zoning regulations governing STR's is also consistent with the Comprehensive Plan's Economic Strategy: "The City's role is to create a climate conducive to economic self-sufficiency and growth by fostering economic development activities."
- E. **STAFF RECOMMENDATION:** Based on the above findings, staff recommends approval of an interim use permit to waive the occupancy caps, unit number limitations, and the off-street parking applicable to STR under the zoning code subject to the following conditions:
  1. The request does not endanger the public health, welfare, or safety, nor violate any building and/or fire code provision applicable to a particular STR dwelling unit.
  2. Eligibility for STR zoning regulation waiver pursuant to this interim use permit is available only to those STR operators who obtain a short term rental license prior to January 25, 2018.
  3. The interim use shall be permitted only from January 25 to February 6, 2018.