



MEMORANDUM

Ordinance 23-61 An Ordinance of the City of Homer, Alaska Amending Homer City Code Title 5 to Add Chapter 5.48 Short Term Rentals. Aderhold/Davis.

Item Type: Backup Memorandum
Prepared For: City Council
Date: 25OCT23
From: Rob Dumouchel, City Manager

Short term rentals are a very common business operated by property owners in Homer. These businesses support the local tourist economy, and, when in compliance with existing sales tax regulations, create revenue to support City services. Short term rentals are also perceived as creating pressure on the local housing market making it difficult for seasonal workers and year-round community members to find housing within the City. Homer's housing challenges are significantly more complex than this one issue, however, short term rentals are clearly a contributor to the lack of availability and affordability in our local housing market.

Ordinance 23-60 seeks to create a very basic framework for short term regulations with the goal of ensuring these rentals are operated safely, do not create public nuisances, and are contributing their fair share of sales tax as required by existing code. We expect this to be an iterative process where a basic code is put in place in 2024. That code should then be reviewed in future years to adjust and fine tune the short term rental program to best meet the needs of the City and the community.

It is recommended that this ordinance be introduced and then sent down to the Planning Commission and Economic Development Commission for extensive review and commentary. There are many questions which need to be investigated by each Commission. We also have stakeholder groups we'd like to engage with this draft.

A companion ordinance will be required to add short term rentals to Title 21 as a specific use that is either principally or conditionally allowed within specific zone districts. I suggest that the Planning Commission take up the zoning discussion in parallel to the short term rental ordinance and send their recommendations to Council when complete.

RECOMMENDATION: Introduce Ordinance 23-61, refer to the Planning Commission and Economic Development Advisory Commission, and schedule Public Hearing and Second Reading for February 24, 2024.