



AGENDA REPORT

Planning & Zoning Commission Meeting

TODAY'S DATE: October 13th, 2025

MEETING DATE: November 17th, 2025

TO: Chairman Dunkel, members of the Planning & Zoning Commission

FROM: Jason Welker, Planning & Community Development Director

SUBJECT: PUBLIC HEARING: Amendments to Title 3, Chapter 12: Short Term Rental of Dwelling Units

PURPOSE:

The purpose of this item is to consider proposed amendments to Sandpoint City Code Title 3, Chapter 12, regulating short-term rental (STR) operations within city limits. The amendments modernize the existing ordinance, clarify permitting and enforcement provisions, and align the City's regulations with Idaho Code §67-6539, which affirms the authority of municipalities to regulate STRs in order to protect public health, safety, and neighborhood character while respecting private property rights.

DECEMBER 16, 2025 UPDATE TO PZ COMMISSION

Following the November 18th public hearing at which amendments were first presented and discussed, staff has implemented some changes to the proposed amendments based on commissioner and community feedback. Those changes are summarized below:

- 1. Addition of a definition of "neighborhood integrity":** State law Title 67, chapter 6539 of Idaho code allows counties and cities to enact and enforce ordinances that "protect the integrity of residential neighborhoods in which short-term rentals or vacation rentals operate." However, neither state law nor local ordinance has provided a definition of "neighborhood integrity." In response to the Planning & Zoning Commission's request to adopt such a definition, staff have developed the following:
 - *Neighborhood integrity: "The condition in which residential areas function in a manner consistent with their intended character and density, such that short-term rental activities do not generate impacts such as noise, traffic, parking congestion, or public nuisance, beyond those normally associated with lawful long-term residential use."*
- 2. Creation of a new type of STR permit:** In the November 18th presentation the draft amendment proposed requiring High-Occupancy Short Term Rentals (HSTRs, defined as STRs advertising occupancy for 11 or more guests) to obtain a Conditional Use Permit (CUP). Staff have since determined that the better option is to create a new type of STR permit specifically for high-occupancy units, and keeping the permitting process separated from the CUP process, which typically relates to regulation of land use under Title 9, Zoning.
 - The proposed HSTR permit process mirrors the process for a CUP closely, requiring the same noticing and public hearing at which the PZC has authority over approval or denial of a HSTR permit.

- The new permit includes specific requirements regarding performance and impacts of the proposed HSTR.
 - Findings include requirements that the HSTR will “maintain the integrity of the surrounding residential neighborhood”.
3. **Updated parking requirements:** The draft brought to the November 18th meeting required a minimum of two off-street parking spaces for an STR, with requirements increasing with additional bedrooms beyond three. The updated proposal brings this requirement more into line with the residential parking requirements and the nature and reality of transient occupancy of STRs.
- One off-street parking space is required for STRs advertising accommodation for five or fewer guests.
 - Two spaces are required for STRs advertising 6 – 10 guests.
 - Rationale is most vehicles can accommodate up to five passengers. It is reasonable to tie off-street parking requirements to likely demand for parking resulting from STR operation.
 - HSTR parking requirements to be established as a condition of approval by the PZC.

DRAFT AMENDMENT TO STATE CODE PROPOSED BY AIRBnB LOBBYIST

While staff have continued refining our local STR ordinance, the Idaho Vacation Rental Association and its Silicon Valley backers (notably AirBnB) have drafted a bill amending State Law Title 67-6539, “*Limitations on regulation of short-term rentals and vacation rentals*” to further strip City’s rights and abilities to regulate STRs to mitigate their impacts on neighborhood integrity. Notable changes to State law being proposed include,

1. Changing language that currently states, “A county or city may implement such reasonable regulations **as it deems necessary** to safeguard the public health, safety and general welfare in order to protect the integrity of residential neighborhoods in which short-term rentals or vacation rentals operate” to “...regulations **contained in subsections (4) and (5)** to safeguard the public health...”
 - Cities would no longer be permitted to determine what regulations are necessary and instead would be limited to regulations the state says we are allowed to implement. Those included in (4) and (5) include:
 4. *Cities may require smoke alarms, fire extinguishers, removable fire escape ladders in sleeping areas above the main floor, carbon monoxide detectors, set maximum occupancy limits based on the international fire code, and require the owner to provide informational handouts regarding location of exits, fire extinguishers, and first aid kits.*
 5. *Other reasonable regulations that “shall not impose greater restrictions or obligations on the short-term rental than are imposed on similar dwelling units not used as short-term rentals.”*
2. Eliminating city and county’s licensing / permitting authority for operation of STRs, such that Cities are prohibited from requiring STRs to register with the City.

If the bill amending the State’s STR laws makes it through the legislature in the upcoming session, Sandpoint will be required to further amend our own STR ordinance to remove permit requirements and any performance standards beyond those identified in (4) and (5) above.

STAFF RECOMMENDATION:

Staff recommend that the Planning & Zoning Commission recommend adoption of the proposed amendments to Sandpoint City Code Title 3, Chapter 12, as presented. The revised code provides a clearer, more enforceable, and legally defensible framework for regulating short-term rentals consistent with state law and community objectives.

ACTION:

The Planning and Zoning Commission may choose from the following actions:

1. **Recommend approval** of the proposed amendment to Sandpoint City Code, Title 3, Chapter 12, as presented;
2. **Recommend modifications** to the proposed amendment prior to forwarding a recommendation to City Council;
3. **Postpone or table** consideration to a date certain to allow for additional information or revisions; or
4. **Recommend denial** of the proposed amendment.

WILL THERE BE ANY FINANCIAL IMPACT? N HAS THIS ITEM BEEN BUDGETED? N/A

ATTACHMENTS:

Draft amendments to §3-12 Short Term Rental of Dwelling Units