

CITY OF CLEAR LAKE

STATE OF IOWA

**ORDINANCE NO. #826**

**AN ORDINANCE TO AUTHORIZE VACATION RENTALS (SHORT-TERM RENTALS)  
OF DWELLINGS IN RESIDENTIAL DISTRICTS**

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF CLEAR LAKE, IOWA, as follows:

Be it known that on the 1<sup>st</sup> day of May, 2017, the Mayor and City Council for the City of Clear Lake, Iowa, at its regular meeting declare, find, authorize and approve, as follows:

**WHEREAS**, the City of Clear Lake, Iowa, did on or about March 17, 2003, adopt the Code of Ordinances of Clear Lake, Iowa, which has from time to time been amended; and

**WHEREAS**, the current ordinances for residential neighborhoods do not allow for a commercial use or business to be located within a residential neighborhood, vacation rentals and short-term rentals are considered a commercial use, and vacation rentals and short-term rentals are currently being operated in neighborhoods throughout the City of Clear Lake, Iowa, ("City"); and

**WHEREAS**, the City intends to legalize and regulate the use of residential property as vacation rentals and short-term rentals in order to protect the rights of citizens in residential neighborhoods; and

**WHEREAS**, vacation rentals and short-term rentals in residential districts are considered a valuable and needed use for those desiring to rent their residential property in exchange for compensation, such use provides alternative short-term stay opportunities like hotels, motels and bed and breakfast facilities, and such use will aid and promote tourism; and

**WHEREAS**, the Planning & Zoning Commission and the City Council have both publicly reviewed the proposed adoption of an ordinance which regulates vacation rentals and short-terms rentals; and

**WHEREAS**, after due consideration, the Mayor and the City Council now find and determine that it would be in the best interest of the City to adopt an ordinance to permit and regulate vacation rentals and short-term rentals of properties in residential districts following administrative permitting.

**NOW, THEREFORE**, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CLEAR LAKE, IOWA, that this Ordinance shall be named the "**CLEAR LAKE IOWA VACATION RENTALS/SHORT-TERM RENTALS ORDINANCE**" and is as follows:

**SECTION I: TITLE:** This Ordinance shall be known as the "**CLEAR LAKE VACATION RENTALS (SHORT-TERM RENTALS) ORDINANCE.**"

**SECTION II: DEFINITIONS**

A. **Vacation Rental(s):** Vacation Rental(s) a/k/a Short-Term Rental(s): "Vacation Rental" or "Short-Term Rental" means any residential property, dwelling, condominium, or portion thereof that is available for use or is used for accommodations or lodging of guests, who pay a fee or other compensation, for a period of less than thirty-one (31) consecutive days. "Vacation rentals" or "Short-Term Rental" means any establishment engaged in the business of furnishing or providing rooms intended or designed for dwelling, lodging or sleeping purposes to transient guests and which are known in the trade as such. The terms "Vacation Rental" or "Short-Term Rental" do not include any hospital, convalescent or nursing home or sanitarium, or any facility associated with a hospital providing rooms for medical patients and their families, nor do they include any hotel, motel, or bed and breakfast facility.

B. **Unit:** "Unit" shall mean any Vacation Rental, Short-Term Rental, or any portion thereof. In the case of multiple rentals on the same property, each rental will be considered a separate "Unit."

C. **Local Contact Person:** A local person specifically named on the application and permit who resides within 60 minutes of the city limits of Clear Lake and who may be contacted twenty-four (24) hours a day if there is an issue or problem. The Local Contact Person may be the owner or an agent of the owner. The contact person must be available during the term of the rental.

D. **"Owner"** means the person(s) or entity(ies) that hold(s) legal and/or equitable title to the subject short-term vacation rental.

E. **"Broker"** means any entity or person that offers, lists, advertises, accepts reservations and/or collects whole or partial payment for a short-term vacation rental unit and is licensed as such under the laws of the State of Iowa. A Local Contact Person shall not perform the duties of a Broker without proper licensure.

**SECTION III: LICENSING AND PERMITTING**

A. **Districts Where Allowed:** Vacation Rentals are allowed in the residential districts of the City.

B. **Permit Required:**

1. A Permit must be obtained for each Unit.

2. **Permit Application Fee:** A non-refundable application fee of one hundred and fifty dollars (\$150.00) shall be due at the time of the submission of an application. This fee is per unit location. Any first time permit shall be charged pro-rata based on months before the September 30th expiration.

3. **Permit Applications:** All permit applications shall be submitted to the Planning & Zoning and Building Department on approved forms. Applications shall contain such information as: 1) the location/address

of each Vacation Rental, 2) the number of bedrooms in each Unit, 3) the property owner's name, address, and phone number, 4) the local contact person's name, address and phone number, 5) a proposed parking plan, 6) a copy of a typical rental agreement, 7) sales tax collection number for the State of Iowa, and 8) any other information reasonably necessary to establish the required use.

4. **Public Notice of Application:** Notices will be mailed via standard mail to all property owners located within 300 feet of the Vacation Rental within twenty (20) business days of receipt of the completed application. Property owners will have ten (10) days from the date of the notice to respond in writing to the Planning & Zoning Department. Responses to the notice will be considered in the review process.

5. **Review Process:** A permit will be granted within sixty (60) days of the date of the filing of the application unless the applicant fails to meet the minimum standard(s) for use of the real property as a Vacation Rental as outlined herein or for other good cause shown. The review process shall also include any responses and complaint(s) by citizens in response to the notice. The review includes staff review of documentation pertaining to the dwelling or structure, zoning, building codes, and/or other applicable laws or regulations. Filed complaints involving violations of the zoning ordinance, building codes, and/or applicable laws or regulations may be a basis for denying a permit.

6. **Copies of violations and complaints** shall be made available to the Applicant. A permit which has been denied may be appealed to the Planning & Zoning Commission within 10 days of notification of denial and thereafter to the City Council by presenting copies of the application and any violations and complaints to the Clerk of the City Council for Council's review and scheduling of the appeal. The Applicant shall be notified not less than fourteen (14) days before the scheduled appeal before the City Council.

7. **Term of the Permit:** Each Permit shall be for one (1) year and shall expire on September 30 of each year.

8. **Renewal of Permit:** Renewal of each License and Permit may be obtained for one-hundred and fifty dollars (\$150.00). This renewal fee is per permit location. The Permit renewal process will include City review of City records and other documentation pertaining to complaints, if any, that have been received about the specific Unit under consideration. Filed complaints involving violations of the zoning codes, building codes, and/or applicable laws or regulations may be a basis for denying a permit renewal.

9. **Approval of a Permit** does not legalize any non-permitted use or structure. Units are not to be used to distribute retail products or personal services to invitees for marketing or similar purposes. The outdoor display of goods and merchandise for sale is prohibited.

10. **Licenses and Permits** granted pursuant to this Ordinance are non-transferrable.

11. Upon the sale and transfer and or change of ownership of the real property for which a permit has been obtained, the new owner shall apply for a new permit in accordance with this Ordinance.

12. Any Unit that is deed-restricted, covenant restricted, and/or classified as affordable housing shall not be used as a Vacation Rental or Short-Term rental. Compliance shall be the responsibility of the Applicant.

13. Units existing as of May 1, 2017 will have forty five (45) days from the date of, May 1, 2017, to obtain a permit.

14. A Permit may be revoked following the receipt of a written notice of violation of this Ordinance stating the reasons for any violations. The Licensee shall have ten (10) days to correct any violation(s). Any revocation of a Permit by the Planning & Zoning Department may be appealed through the appeals process set forth herein.

#### SECTION IV: REGULATIONS

A. Occupancy: The maximum occupancy for a Vacation Rental shall be as follows: 1) Single bedroom - 2 to 4 guests; 2) Two Bedroom - 4 to 6 guests; 3) Three Bedroom - 6 to 9 guests; 4) Four Bedroom - 8 to 10 guests; and 5) Five or more Bedroom - 10 to 12 guests.

B. Parking – Number of Vehicles: In no event shall the maximum number of on-street vehicles exceed one (1) per unit. This number will be based on off-street parking availability and on-street conditions. It will be preferred that the Owner provide off-street parking. In certain circumstances where no off-street parking exists and on-street constraints exist, the City may require an off-street parking space to be constructed or secured.

C. Register of Guests: Each Owner shall keep or cause to be kept a register of guests and keep such register for a period of one (1) year.

D. Nuisance: Owners, Local Contact Persons shall ensure that the occupants of the Unit do not disturb the peace and enjoyment of the surrounding neighborhood and area.

E. Premises and Garbage Management: It shall be the duty of every Owner/Local Contact Person to keep all Units in clean and sanitary condition. Garbage shall be disposed of in covered dumpsters, if applicable, or in covered containers and placed at the scheduled pick up, near curb side of street in front of the dwelling. Containers emptied by the trash collector shall be removed from the curb within 12 hours after each emptying and placed out of site from the street.

**F. Posting of Rules and Information:** Unit rules shall be posted inside the Unit in a location readily visible by all occupants. The rules shall include but not be limited to occupancy, parking limits, noise rules, garbage management, and shall also include the name, address and phone number(s) of the Owner and Local Contact Person.

**G. Local Contact Person:** All Vacation Rentals shall designate a Local Contact Person who will respond to questions or concerns 24-hours a day. Additionally, the Owner (or designee) shall maintain records of all occupying tenants, rental agreements, owner information and any other relevant information. The Building Department shall submit a list of all Units with their respective Owner and Contact Person and their phone numbers to the City Police Department. The City Police Department shall immediately notify the Local Contact Person of any complaint, citation, arrest and or any other concerns of a Vacation Rental, its lodging and or its occupants.

**H. Complaints and Dispute Resolution:** Complaints regarding any violation of this Ordinance will first be directed to the Local Contact Person. If the Local Contact Person is unable to resolve the issue and/or the issue relates to public safety, the Local Contact Person will contact the City Police Department or the appropriate authority.

**I. Prohibited Acts:** All uses of the property shall be in compliance with Federal, State and Local Laws and Ordinances.

**J. Signs:** Any sign(s) for a Vacation Rental shall be determined by the zoning classification wherein the parcel of land is located.

**K. The following regulations shall apply to a Vacation Rental situated on the Lake:**

- i) Parking for boat trailers shall be off street parking only and shall be a maximum of one trailer per Unit.
- ii) Mooring of boats or vessels shall not exceed the width of the parcel where the Unit is located; shall not be double or greater moored; and shall not impede the flow of water traffic by any means.

**L. Separate Violations:** For purposes of prosecution of violations of this Ordinance, each day that any violation occurs (i.e. rental without a permit) is deemed to constitute a separate violation. Any person(s), entity, company or concern that willfully violates this Ordinance shall be guilty of a

misdemeanor. Those found guilty of such violation shall, upon conviction, be fined for each violation not exceeding two hundred fifty dollars (\$250.00) for the first offense, not exceeding five hundred dollars (\$500.00) for the second offense within a calendar year, and not exceeding more than one thousand dollars (\$1,000.00) for other offenses within a calendar year, plus all court costs and not more than ninety (90) days in the county jail, or both.

**SECTION V: OTHER**

**A. Constitutionality**

Should any portion, provision, or section of this Ordinance be held void, unconstitutional or invalid, the remaining portion of the Ordinance shall remain in full force and effect.

**B. Conflicts**

It is hereby provided the provisions of this Ordinance shall not be construed as conflicting with the provisions of any other regulations of the City of Clear Lake, Iowa. In any case when the provisions of these regulations and the provisions of other regulations both apply, the provisions of this Ordinance shall govern for the purposes of vacation rentals and short-term rentals.

**C. Reservation of Rights**

The City of Clear Lake reserves the right to modify or repeal this Ordinance, and any district designation created hereunder, at any time, with or without notice.

**SECTION VI: EFFECTIVE DATE:** This Ordinance shall be effective upon approval, as required by law, execution and publication.

After being reduced to writing, the foregoing Ordinance was read and considered, section by section, and then as a whole, whereupon Councilman Ebeling moved for its adoption, and after a second by Councilman Hugi, the following roll call vote was had:

Councilman Mike Callanan YEA

Councilman Jim Boehnke YEA

Councilman Mark Ebeling YEA

Councilman Gary Hugi YEA

Councilman Tony J. Nelson YEA

Passed by the City Council of the City of Clear Lake on the 1<sup>st</sup> day of May, 2017.

**CERTIFICATION**

I, Jennifer Larsen, Clerk of Council for the City of Clear Lake, Iowa, do hereby certify that the foregoing Ordinance Number 825 was approved and adopted in the public meeting of the City Council held on May 1, 2017 a quorum being present, in the City Council

Chambers and to be recorded in the Minute Books, said Council being the duly elected, qualified, and acting governing body of Clear Lake.

Presented by me to the Mayor on this, the day 1<sup>st</sup> of May, 2017.

A handwritten signature in blue ink, appearing to read "Jennifer Larsen", written over a horizontal line.

Jennifer Larsen, Clerk of Council

Approved and signed by me on this, 1<sup>st</sup> day of May, 2017.

A handwritten signature in blue ink, appearing to read "Nelson P. Crabb", written over a horizontal line.

Nelson P. Crabb, Mayor