Present: Sändra Washington, Bennie Shobe, Tammy Ward, Jane Raybould, Richard Megginis, and James Michael Bowers

Absent: Roy Christensen

Others Present: Teresa Meier, City Clerk, Leirion Gaylor Baird, Mayor, Jennifer Brinkman, Chief of Staff, Mayor’s Office, Jeff Kirkpatrick, City Attorney, Brandon Kaufman, Director of Finance, Tom Casady, Interim Director of Transportation and Utilities, Dan Marvin, Director, Urban Development, David Cary, Director, Planning Department, Doug McDaniel, Director Human Resources, and other City staff present.

Chair, Jane Raybould opened the meeting at 2:01 p.m. and announced the location of the Open Meetings Act.

I. MINUTES
Directors’ minutes from December 9, 2019 approved and adopted (6-0)

II. ADJUSTMENTS TO AGENDA
Raybould provided reminders to Council members regarding the upcoming Budget schedule and the City/County Commons Meeting(s), including potential topics to be discussed.

III. CITY CLERK
Under Public Hearing – Resolutions – Items 5.e. and 5.f. will be called together, Item 5.e. Megginis has a Motion to Amend No. 1 to add language “to improve and rehabilitate the alley within the Project Area”.

Under Public Hearing – Ordinances – 2nd Reading – Items 6.i. has a Motion to Amend No. 1

IV. MAYOR’S OFFICE
Mayor Gaylor-Baird provided information to Council regarding LB57 which limits the regulations that municipalities can impose on Short Term Rentals (STR’s) while allowing typical zoning and building code issues can be addressed. A Short-Term Rentals Discussion Draft for Proposed Regulations (see attached item) was handed out to Council members. The Discussion Draft was created as a starting point for discussion and comment by the public regarding STR’s in Lincoln. The feedback received from the public will help direct the finalized proposal presented to the Planning Commission and City Council. Public hearings on the changes are anticipated to take place during 2020.

A short discussion was had in regards to the series of Budget Meetings that have been scheduled. The point, goal, and value of these meetings, over the next couple of months, is to make sure what the priorities are between all City Departments, to engage in good dialogue. Two hours has been set aside for the first meeting, to be held Monday, January 13, 2020, at 11:30 a.m. The Finance team will be presenting on the financial overview of the City. The series of meetings that will follow will be of specific budget topics and sub-topics.

New software has been rolled out to modernize the Boards and Commissions process. This change will help to recognize vacancies quicker, track applicants, and make the on-line application process more accessible. This will also promote vacancy awareness.

Raybould suggested to the Mayor; regarding the budget from her perspective it would be really beneficial when they do the budget to explain straight up “this is what makes it different from last year” “that we’re going to have a projected increase because of x, y, and z.” or a decrease because we haven’t filled this vacant position”. This way everyone has a starting place in understanding what the difference is. Then maybe launch into greater explanation for some of the newer Council members and what is involved in their budget.

Mayor responding stating the preparation of the budget takes several months. It is not currently in the form to state this many FTE’s will change in this department. In the first meeting Mayor wants to provide a good sense of the
fiscal health of the City, where we had challenges or opportunities and get Council input on that information. As they go through the different topics that will provide an opportunity to dive through different issues that help protect the safety and security of the community and public health. We will also hear from the departments and their priorities and challenges but they probably won’t have a specific dollar proposal to put in front of you. Again, those will be presented after feedback is received from Council and we work together to put together the entire budget package. Each department will be preparing budget proposals for the Mayor’s office as well. These topic meetings are meant to get input and have that conversation about priorities more than they are to say this is what our budget will look like. Mayor further stated it is really important to identify and see where changes are in the budget. The budget is the most important policy document so everyone can see what is being accomplished by how we allocate our resources is paramount.

V. BOARDS/COMMITTEES/COMMISSION REPORTS
1. PRT – Bowers (11.21.19) carry over from 12.09.19 and (12.19.19)
   Bowers reported properties are still being monitored and one property was added to the list.

2. WHJPA – Ward (11.25.19) carry over from 12.09.19
   Ward reported two resolutions were passed during the November meeting. The next meeting will be held January 23, 2020.

   Ward reported DLA did not meet in December. An update was provided on the Eagle Parking Garage, construction has begun with retail space on the first floor, the garage will be designed to hold 309 parking stalls and is planned to re-open January of 2021.

4. PAC – Shobe, Christensen, Bowers (11.26.19)
   Shobe reported Mike Davis, StarTran Transit Manager, provided a presentation on the Five-year Expansion Plan and where they are currently at with the expansion plan. Some information pertaining to the handi-van services was also provided in the presentation.

5. RTSD – Christensen, Raybould, Bowers (12.02.19)
   Raybould reported the board reviewed the financial activity, discussion was had on the 33rd and Cornhusker project, Nebraska Department of Transportation (NDOT) and Federal Highway Administration (FHWA) approved the probable National Environmental Policy Act (NEPA) Class of Action as an Environmental Assessment (EA). This probable class of action is subject to change as the proposed project progresses and more information is analyzed regarding the project, surrounding area and impacted resources. Additional project and crossing updates were also provided.

6. JBC – Washington, Bowers (12.05.19)
   Bowers reported the committee reviewed the two sub committees and discussed who will be on those committees.

7. BOH – Bowers (12.10.19)
   Bowers reported Discussion was had on the audits with Medicaid and the discrepancies in what auditors are looking for in terms of best practices for pediatric dentistry.

8. MAC – Shobe (12.10.19)
   Shobe reported he was not able to attend.

9. PBC – Meginnis, Raybould (12.10.19)
   Meginnis reported updates were provided on the Hall of Justice security entrance and Finance area remodel. Discussion was had on the cost of the County Assessor’s remodel. It was suggested the technical staff on the
maintenance department could possibly take on some of the projects to help reduce some of the over-all cost of the project.

    Washington reported the meeting was canceled. The next meeting will be held January 30, 2020.

11. **Parks & Rec – Christensen (12.12.19)**
    Carry over to January 13, 2020

    Ward reported the DEC did not meet in December

Chair, Raybould adjourned the meeting at 2:36 p.m.
Short-Term Rentals
Discussion Draft for Proposed Regulations

Regulations would apply within the City of Lincoln and its 3-mile extraterritorial zoning jurisdiction.

A short-term rental (STR) is the temporary rental of residential rooms or homes. The type of rental can vary from a whole house, apartment, or room(s) within a dwelling.

City of Lincoln regulations do not directly address STRs. Previously, they were considered a hotel use in commercial zoning districts and allowed as a home occupation in residential districts.

In March 2019, the Nebraska Legislature passed Legislative Bill 57 (LB57), which limited the regulations that municipalities can impose on STRs while allowing typical zoning and building code issues to be addressed.

The City of Lincoln needs to update its Municipal Code to better address LB57 by establishing licensing and life safety standards for STRs. The following proposal was created for discussion and comment by the public. Public hearings on the changes are anticipated to take place during early 2020.

What would the zoning requirements be?

It is proposed to allow STRs in residential zoning districts and a number of commercial and industrial districts, most of which allow hotels. Thus, the use of a dwelling for an STR would be allowed in the R-1 through R-8, O-1, O-3, B-1, B-2, B-3, B-4, B-5, H-1, H-2, H-3, H-4, I-1, I-2 and I-3 districts under the following conditions:

<table>
<thead>
<tr>
<th>Licensing</th>
<th>The operator (host) must obtain a license from the Building &amp; Safety Department.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residency</td>
<td>The short-term rental must be the operator's primary residence.</td>
</tr>
<tr>
<td>Accessory Dwellings</td>
<td>An accessory dwelling unit could be used as a short-term rental if the above conditions are met.</td>
</tr>
</tbody>
</table>
How would Short-Term Rentals be defined?

“The rental of all or a portion of a residential dwelling for accommodations by the person or persons maintaining the dwelling as their primary residence for a length of stay per guest visit of no more than 30 consecutive days. Short-Term Rental does not include rental of a dwelling unit for meetings including but not limited to luncheons, banquets, parties, weddings, fund raisers, or other similar gatherings for direct or indirect compensation.”

The table below describes several possible use scenarios and whether they would be allowed under the proposed rules.

<table>
<thead>
<tr>
<th>Allowance</th>
<th>Scenario</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowed</td>
<td>Rental of bedroom(s) within a house or apartment.</td>
<td>Allowed as long as the house or apartment is the operator’s primary residence, a license is obtained, and the lease (if applicable) allows the rental. The maximum rental period per guest stay is 30 days. No limit on frequency of rentals or total days rented per year.</td>
</tr>
<tr>
<td>Allowed</td>
<td>Rental of an entire house or apartment.</td>
<td>Allowed as long as the house or apartment is the operator’s primary residence, a license is obtained, and the lease (if applicable) allows the rental. The dwelling can be rented for a maximum of 30 days per guest stay. No limit on frequency of rentals or total days rented per year.</td>
</tr>
<tr>
<td>Allowed</td>
<td>Rental of an accessory dwelling such as a mother-in-law suite or detached accessory dwelling unit.</td>
<td>Allowed as long as the accessory dwelling is the operator’s primary residence, and the lease (if applicable) allows the rental. The accessory dwelling can be rented for a maximum of 30 days per guest stay. No limit on frequency of rentals or total days rented per year.</td>
</tr>
<tr>
<td>Prohibited</td>
<td>Rental of a house or other dwelling for use as a party space and not for lodging.</td>
<td>Not allowed. This use would be considered a commercial event space rather than accommodations.</td>
</tr>
</tbody>
</table>
How would Short-Term Rentals be licensed?

All STR operators would be required to obtain a license from the Building & Safety Department for each dwelling being rented. The license could be revoked in the event of multiple City violations cited against the operator, such as noise violations.

License Cost and Renewal

The license application fee is anticipated to range from approximately $150 to $300. The actual fee will be determined based upon the cost of staff resources. There would be an annual license renewal required to ensure the information stays current and re-affirm that life safety standards are met.

Life Safety Requirements

To obtain a license, the operator must affirm that the dwelling meets the basic life safety requirements listed below. Several of the requirements are taken from current building and maintenance codes.

- Smoke alarms are present and operational in all rooms intended for sleeping purposes, immediately outside of each sleeping area, and in each story within a dwelling, including basements and cellars, and in common areas outside of bedrooms and on each level of a building.

- Carbon monoxide detectors are present and operational on each level of buildings with fuel burning appliances and in attached garages.

- All areas used for sleeping purposes have two means of egress in working order unless an approved sprinkler systems is installed.

- The building’s street address numbers are plainly visible from the street and maintained as such.

- All furnished appliances, finishes, windows, doors, handrails, guardrails, plumbing drains and fixtures, HVAC/mechanical systems, and electrical systems are maintained in good working order.

- The property will not be leased to more than two persons per bedroom / sleeping area.

- Prior to a Short-Term Rental occurring, the licensee will inform the renter(s) which areas are permitted to be used for bedrooms / sleeping areas.
Demonstrating Primary Residency

The STR operator must demonstrate that the dwelling they want to rent out is their primary residence. A person can only have one primary residence at a time. The primary residence would be defined as the place where the applicant resides for at least 6 months out of a 12 month period.

Applicants will be required to submit at least two (2) forms of proof of address from the following list as part of the licensing process:

- Motor vehicle registration
- Government-issued identification
- Voter registration
- Tax documents
- Utility bill

How would the Hotel Occupation Tax apply to Short-Term Rentals?

The Hotel Occupation Tax would be collected by the City on each STR listing at the rate of 4% of gross revenue. To clarify this requirement, Section 3.28 of the Lincoln Municipal Code would be revised to address STRs. It will be the operator's responsibility to track and pay this tax. An informational handout will be made available to assist operators with calculating and paying the tax.

In addition to the locally imposed Hotel Occupation Tax, the State of Nebraska collects sales and lodging tax on STRs through the hosting platforms such as Airbnb.

Questions or comments?

For more information or to submit a comment, visit the web site at https://www.lincoln.ne.gov/city/plan/dev/shortterm/shortterm.htm

Questions can be directed to Rachel Jones, (402) 441-7603 or rjones@lincoln.ne.gov.

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