

**SANDPOINT PLANNING COMMISSION SPECIAL MEETING  
5:30 P.M. CITY HALL COUNCIL CHAMBERS  
MINUTES OF FEBRUARY 19, 2013**

**COMMISSION MEMBERS PRESENT:** Cate Huisman, Tom Russell, Yuri Simon, Jeff Kuhns, Deb Fragoso, Kathleen Hyde-Bordenave, Collin Beggs

**COMMISSION MEMBERS ABSENT:**

**STAFF MEMBERS PRESENT:** Planning Director Jeremy Grimm, Senior Planner Joan Bramblee, Planning Assistant Melissa Bethel

Chairman Huisman called the meeting to order at 5:30 p.m.

**Matters from the Public:** None

**Approval of Minutes:**

Commissioner Kuhns moved and Commissioner Russell second to approve the Minutes of January 17, 2013. **Motion passes unanimously.**

**Public Workshop: Tourist Home Draft Code Discussion:**

Grimm gave a brief staff report discussing the process on the draft code to date. He explained some of the relevant details of the draft code and changes from the current vacation rental code. Bramblee read into the record a letter from Paula D Maas, Corporate Secretary of a current investor.

**Public Comment:**

Steve Lockwood, 413 St. Clair: Lockwood stated some tourist homes in the community are fine, and the number proposed in the draft code is reasonable, but if the number expands beyond that, there is some danger to our neighborhoods and those people who live here year round.

Lockwood stated tourism is a valuable part of our community, but jobs in the tourist industry typically pay less than year round jobs. Lockwood stated housing is needed for year round residents and tourist homes potentially take some of the housing stock away. Lockwood stated the relaxation of the draft code is appropriate. He stated the requirement for inspections makes sense. However, he stated tourists are sometimes less concerned about the neighborhood.

Commissioner Hyde-Bordenave inquired what risks Lockwood sees to the neighborhoods.

Lockwood suggested noise, pets, and parking issues all pose a problem. Lockwood suggested tourist homes can take housing out of the permanent housing stock for those who would buy or rent and may change property values.

Commissioner Hyde-Bordenave inquired if Lockwood feels a vacation home owner can effectively reduce his concerns by having in place a good rental policy. Lockwood stated in his experience there is less involvement with tourist home owners.

Dan Staglund, Manager of Condo Del Sol: Staglund stated Condo Del Sol was constructed purposely with the intent to rent vacation units, which the City eliminated in 2005. Staglund stated there are 108 units which a third rent. Staglund gave the statistics for rental history and how the units are comprised. He suggested the Commission consider issuing one license for the entire complex and then remove Condo Del Sol from the lottery number. Staglund stated he

understands the concerns of having vacation rentals in neighborhoods, but Condo Del Sol has more restrictive rules than the draft code. Staglund stated there is 24/7 contact for owners. Staglund stated having a 15 year limit on the license might be difficult for those people investing in property. He stated he understands the fear behind it, but it seems like the City is on a slippery slope as there are already those in Sandpoint who own more than one vacation rental.

Brad Golphenee, owner of Sandpoint Vacation Rentals: Golphenee stated thank you to the Commission and stated the code is headed in the right direction. Golphenee stated the original code restrictions were based on a fear, which never evolved. He stated he is vested in the community and interested in having a control mechanism on tourist homes. He stated the current ordinance has made clients go underground because they were not able to operate legally. Golphenee stated those people do not pay the tax and it creates an unfair advantage. Golphenee stated he does like the accountability of having a manager/person who lives within 20 miles of town. He stated he supports tourism in general and agrees with Mr. Staglund about Condo Del Sol and added Westwood and Seasons should all be exempt from the lottery number as they all cater to this type of rental. Staglund stated having someone local who can be accountable is very important. Golphenee advised the Commission the State of Idaho has put to the legislature to have the Idaho Real estate Commission oversee property managers. He stated the legislation would require property managers to be state licensed and held to the same ethical standards of the Idaho Association of Realtors.

Dick Vilelli: Mr. Vilelli stated he would like to commend the Commission for greatly simplifying the current code. Vilelli stated he has been a licensed real estate for 46 years. He stated putting a limitation on the number of tourist homes allowed in town could have serious drawbacks such as a higher rate of foreclosures. Vilelli stated he understands tourist homes should be licensed, but not a limit numbers. He stated he does not understand the 15 year time limit. He suggested the Commission eliminate the entire inspection section, by making the owner certify the home meets the IFC and building code. Vilelli stated another issue with the draft code is the occupancy. He stated a large home may be able to hold more beds and typically the occupancy is tied to the number of pillows the same as the hospitality industry. He stated by eliminating inspections would eliminate #7 of the draft code. Vilelli stated the fear of investors coming into the City and buying vacation homes is unfounded and in his experience it would be the very best thing that could happen to Sandpoint based on supply and demand.

Commissioner Kuhns inquired how Vilelli would feel if the draft code was changed to change the limit on the number of vacation homes any one person could own. Vilelli stated it would be a move in the right direction, as long as they can get them licensed. Vilelli stated he is not sure where the 40 number came from. He stated the more tourists in town, the better and advised Durango, CO has 16,000 visitors a day.

Tim Cochran 329 Euclid: Mr. Cochran stated he and his sister own a condo at Westwood. Cochran stated his home brings about 800 families which spend money in the community. He stated in the three years his renters are families with kids, and there have been no complaints to police due to vacation rentals. Cochran stated he appreciates some of the changes but is shocked at the idea of having a lottery and the 15 year limit. Cochran stated his vacation rental is one of the best kept homes in the neighborhood. Cochran stated he would like to be legal and pay the resort tax, but he is not allowed at this time. Cochran suggested the City not worry about vacation homes ruining the neighborhood, but make it easier for owners to report and pay the tax

and have a simple one stop license process and let the nuisance ordinance work for any issues that arise with renters.

Charles Manning 338 S. Fourth Avenue: Manning stated he owns a condo between Church and Pine on Second Avenue. Manning stated he is operating legally. Manning stated he likes the idea of requiring an owner or property manager be near for accountability. He stated if there is no enforcement there is no point of requiring permits and if the City limits the number of years of operation and creates a lottery, you take away the incentive for reporting. Manning stated this is just like the back flow program where the people who came in and did the right thing are required to inspect every year whereas the owners who ignored the letters are ignored. Manning suggested the City consider setting up a hotline for vacation rental complaints which could be a factor in renewing the license.

Chairman Huisman inquired if Mr. Manning could elaborate on the hotline idea. Manning suggested a neighbor could call in complaints regarding a vacation rental. He suggested it would need more discussion.

Ned Brandenberger, 502 Creekside: Brandenberger stated he does not own or manage any vacation rentals, but is concerned about the vacation rental code. He stated he is in agreement with charging a tax, but disagrees with restricting the number of vacation rentals and not allowing the market to work. Brandenberger gave a brief lecture on supply and demand. He stated the City should encourage as many vacation rentals as possible. Brandenberger stated the idea or fear more vacation rentals will take away permanent housing stock is untrue.

Raphael Barta, 1419 Ponderosa: Barta stated before he was a local real estate broker he lived for 20 years in Whistler and was the VP of Intrawest, the company that developed Whistler. Barta state one third to a half of the homes in Whistler has a phase 1 covenant. Barta suggested the City look into the phase 1 covenant guidelines. Barta stated he is concerned regarding the cap of licenses at 40 and advised letting the market control the demand. He stated he prefers to stay in homes in residential districts, especially if you want to see the community and not just stay in a hotel on the interstate. Barta stated franchise agreements with Hotels have Property Improvement Programs which are considered problematic in the hotel industry. Barta stated the less the City has to enforce, the better and encouraged the removal of the inspection provisions. Commissioner Fragoso inquired if Barta would mind if a whole residential block became vacation rentals. Barta stated he would let the market control and see how the code works. Barta stated he would rather see streets full of activity and people, rather than empty houses and streets.

Angel Combs, Owner of ASAP Cleaning and Property Management. Ms. Combs stated she is a small business owner which started out as a cleaning business and has evolved and grown. She stated her renters have been family units and have been coming to Sandpoint for 20 years. Combs stated in the peak season she employs 20 people. Combs stated she does not agree with a cap on licenses and knows personally of owners who have more than one unit. She stated she does not get any complaints and is always available 24/7 and lets neighbors know how to contact her if a problem arises. Mr. Combs stated she has been blessed being a single mom and owning a growing business in this area and with this economy.

Kimberly Manning: Ms. Manning stated they were blessed to be able to go through the process to rent the home as a vacation rental. She stated the people who rent from them spend money in Sandpoint. Manning stated because they own a vacation rental they themselves employ a bookkeeper and cleaning persons. She stated limiting the number of licenses to 40 number seems arbitrary and a bad idea when the units in Condo Del Sol which surpass that number. Manning stated vacation rental property is well maintained and an asset to the neighborhoods.

Molly O'Reilly 413 St. Claire. Ms. O'Reilly stated she has made complaints to the police regarding a vicious dog from a vacation rental, but there is no way for the police to know they are dealing with a vacation rental. O'Reilly stated she walks past another vacation rental almost every day and sometimes the sidewalk is cleared, sometimes not. She agreed there are some well cared for vacation rental property, but cautioned against over generalizations. O'Reilly stated Condo Del Sol and possibly Westwood and Seasons makes sense to allow vacation rentals. O'Reilly discussed displacement of local families by allowing vacation rentals in the residential areas. O'Reilly stated the more vacation rentals on a block, the less security there is in knowing your neighbors and having community. O'Reilly stated residents are the core of the City and where they are located is important. O'Reilly stated limiting tourist homes in the more desirable areas where people really want to live is important. She stated it is important multiple tourist homes are not owned by one person. O'Reilly stated if the City had enforced the previous Code it would have worked fairly well. O'Reilly questioned if the City wants seasonal density or year round density. O'Reilly questioned whether Phase I covenants actually encourages second home owners.

Chairman Huisman inquired if O'Reilly would clarify her statement regarding demand is created and the people of Sandpoint won't be satisfied in the City of Sandpoint and people will move out. O'Reilly clarified if the demand for vacation rentals gets overwhelming, people will go outside the City to buy homes.

Tim McCrum, Owner of a vacation rental: Mr. McCrum stated his vacation renters are far better than any long term renters. He argued supply and demand will take care of the tourist home industry. He stated the lottery and 15 year licensing term is foolish, stating if someone is making money and stays in the vacation home rental for 15 years, why would the City put a person out of business. McCrum argued against the fear that Pacific Street will all be vacation rentals saying those properties are so expensive there would not be any profit from those homes being vacation rentals.

Mark Johnson, 3340 N Serenity Avenue Post Fall: Mr. Johnson stated his parents bought two condos in Condo Del Sol in 1977. He stated the two units are one bedroom and have never been designed as long term rentals, they are only 700 square feet. Johnson stated vacation rentals are not that great of an investment and is happy to break even after paying association fees, taxes, etc. Johnson stated vacation rentals touch Sandpoint multiple times each year. He stated the renters spend money, buy homes, buy businesses and tell friends. Johnson stated he would hate to see the City limit those touches.

Commissioner Hyde-Bordenave inquired what the average is for a homeowner to stay in a home. Grimm stated it depends on the economy, but has read as little as 5 years.

Chief Tyler advised the Commission if the City would like to not have inspections for tourist homes, the City Council would have to pass an ordinance which relieves the City of all responsibility of liability. Chief Tyler stated the Commission should seek legal guidance from the City Attorney. Commissioner Kuhns inquire what the Chief would recommend in terms of inspections. Chief Tyler stated it does not matter what the Commission recommends, because the City has already adopted the 2006 and soon to be 2009 IFC and tourist homes are identified and he has to inspect them. Commissioner Russell stated the draft code requires a mandatory inspection after 5 years, is it recommended in the IFC. Chief Tyler stated any transient occupancy use should have annual inspections.

Chairman Huisman recommended and the Commission agreed discussion of the draft code be placed on the next meeting agenda.

**Matters from Staff:**

Election of Chair and Vice Chair:

**Motion for Chair**

Commissioner Hyde-Bordenave moved and Commissioner Fragoso second to elect Commissioner Huisman as Chair of the Planning Commission.

**Motion passes unanimously.**

**Motion for Vice Chair**

Commissioner Russell moved and Commissioner Simon second to elect Commissioner Hyde-Bordenave as Vice Chair of the Planning Commission.

**Motion passes unanimously.**

Grimm advised the Commission regarding two events:

Thursday, February 21 at 6:00 ICRMP will present a lecture on defensible decision making.

On Friday, February 22 at 2:00 pm Strong Communities Org will present a curbside chat at Community Hall.

**ADJOURNMENT:**

The meeting adjourned at 7:22 p.m.

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/s/  
Chairman Huisman