



# City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909

[www.santafenm.gov](http://www.santafenm.gov)

*Alan Webber, Mayor*

Councilors:

Signe I. Lindell, Mayor Pro Tem, District 1

Renee Villarreal, District 1

Michael J. Garcia, District 2

Carol Romero-Wirth, District 2

Roman "Tiger" Abeyta, District 3

Chris Rivera, District 3

Jamie Cassutt-Sanchez, District 4

JoAnne Vigil Coppler, District 4

## MEMORANDUM

**DATE:** October 15, 2020

**TO:** Planning Commission, Finance Committee, Public Utilities/Public Works Committee, Quality of Life Committee, Governing Body

**FROM:** Elias Isaacson, Planning & Land Use Director *ESI*  
Sally Paez, Assistant City Attorney *SAP*

**RE:** Proposed Legislation - Short-Term Rental Ordinance

### Executive Summary:

The proposed legislation would amend the Short-Term Rental Ordinance set forth in the Santa Fe City Code (SFCC) Subsections 14-6.2(A)(5)-(8). Specifically, the legislation would (1) adopt by ordinance a maximum of one thousand (1000) short-term rental permits on residentially zoned property, (2) prospectively limit the number of short-term rental permits to one per natural person, (3) prospectively limit the proximity of short-term rental units, (4) require a local operator for short-term rental units, (5) adopt record-keeping and reporting requirements for short-term rental unit owners and host platforms, and (6) clarify other provisions of the short-term rental ordinance. The legislation would also amend the Land Use Code definitions in SFCC Section 14-12.1 SFCC 1987, as they relate to short-term rental units; and amend SFCC Section 12-2.3 to clarify that a short-term rental unit is not a Group R-1 occupancy for purposes of fire inspections.

### Background:

This proposal originally included two separate bills, one amending the Short-Term Rental (STR) Ordinance set forth in SFCC Subsections 14-6.2(A)(5)-(8), and the other amending the Land Use Code Enforcement Ordinance set forth in SFCC Section 14-11.4. The bill sponsors, who include Mayor Webber and Councilors Lindell, Romero-Wirth, and Villarreal, presented the bills as a package aimed at improving the administration and enforcement of the City's STR program.

Amendments to the Land Use Code require a public hearing and recommendation by the Planning Commission (Commission) prior to consideration by the Governing Body. On June 18, 2020, the



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Commission reviewed both bills at a public hearing but postponed the matter for further review of the proposed amendments and the high volume of public comment received. The Commission provided the Governing Body with a memorandum (attached) that included initial input on both bills.

On June 24, the bill sponsors decided to table the amendments to the STR Ordinance to consider additional revisions based on input received. Amendments to the Land Use Code Enforcement Ordinance, SFCC Section 14-11.4, continued through the committee review process and were adopted by the Governing Body on August 12, 2020 as Ordinance No. 2020-18.

## **New Proposal to Amend STR Ordinance:**

Following the introduction of the original STR legislation, the bill sponsors received input from numerous constituents and stakeholders, as well as the Commission. The sponsors chose to introduce a new version of the bill that incorporates revisions in response to the public input received. Significant changes from the previous draft legislation include the following:

- STR units on non-residentially zoned property, including the Business Capitol District (BCD), would require a registration and would not be subject to permit limitations, including the 1000 permit limit, the one permit/natural person limit, and the limitation on permit transfers.
- STR units on non-residentially zoned property would not be subject to the limitation of one rental within a seven-day period (this existing limitation would continue to apply to STR units on residentially zoned property).
- The proposed proximity limitations have been revised for both residentially zoned property and non-residentially zoned property.
- The Commission's proposed clarifications to the "natural person" provision and the permit transfer provision have been incorporated.
- The local operator requirement has been revised to require that the operator must be accessible by telephone and able to be physically present at the STR unit within one (1) hour of being contacted.
- The provisions addressing fire and safety inspections have been revised.
- The provisions that apply to host platforms have been revised.
- The provisions that "grandfather in" existing permits and registrations have been revised.



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## **Analysis of Criteria for Amendments to the Land Use Code:**

Under SFCC Section 14-3.3, "Amendments to Text of Chapter 14," the Land Use Director must provide the Planning Commission with a recommendation regarding proposed amendments to the Land Use Code, including an assessment of whether the amendments meet the six criteria set forth in Section 14-3.3(B). The criteria are set forth below, followed by the Land Use Director's assessment of each.

### ***(1) compliance with law;***

The proposed amendments comply with municipal, state, and federal law concerning regulation of STR.

### ***(2) consistency with the general plan;***

Although the General Plan does not speak directly to the regulation of STR, the proposed amendments will further many of the themes and policies set forth in the General Plan, including enhancing the quality of life for residents; fostering economic diversity; maintaining Santa Fe's unique personality, sense of place, and character; and preserving a community-oriented downtown.

### ***(3) consistency with other policies adopted by the governing body;***

The policy objectives behind the proposed amendments are consistent with other policies adopted by the Governing Body and are described in the "purpose and intent" section of the draft legislation.

### ***(4) consistency with the purpose and intent of Chapter 14 and of the section being amended;***

The proposed amendments are consistent with the general purposes of the Land Use Code, as set forth in SFCC Section 14-1.3, because they are intended to promote the health, safety, order, convenience, prosperity, and general welfare of the residents of Santa Fe.

### ***(5) consideration of how the amendment relates to other provisions of the Santa Fe City Code and the avoidance of unintended consequences; and***

The proposed amendments to the STR Ordinance are intended to work in concert with recent amendments to the Land Use Code Enforcement Ordinance, SFCC Section 14-11.4, and with other provisions of the SFCC, including those that govern business licenses and lodgers' tax.

### ***(6) consistency with any approved neighborhood conservation overlay districts.***

The amendments are consistent with the regulations that apply in the City's overlay districts.



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## **Recommendation:**

Staff recommends that the Commission make a positive recommendation to the Governing Body concerning the proposed legislation and that the Governing Body adopt the proposed legislation.

## **Attachments:**

1. Proposed Legislation (2<sup>nd</sup> Draft STR Bill)
2. FIR
3. Previous Draft Legislation (1<sup>st</sup> Draft STR Bill), Considered by Planning Commission June 18, 2020
4. Planning Commission Meeting Minutes from June 18, 2020
5. Memo from Planning Commission dated June 24, 2020
6. Summary of Public Comments Received on 1<sup>st</sup> Draft STR Bill
7. Written Comments Received on 1<sup>st</sup> Draft STR Bill