



FISCAL IMPACT NOTE

Ordinance: R-17-26

Title: Fees Related to O-11-26, Allowing Long-Term Room Rentals in Private Homes

Date: May 19, 2026

Background

Resolution R-17-26 updates the City's Fees Schedule in connection with Ordinance O-11-26 (the "Bedrooms for People Act"), which establishes a regulatory framework permitting rooming houses (boarding houses) as long-term rentals in owner-occupied private residences across all residential and select non-residential zoning districts. The resolution adds a new Rooming House operating license fee, amends the descriptions of existing rental license fee categories to exclude rooming houses from the standard and short-term rental license types, and makes conforming updates to statutory cross-references within the Fees Schedule.

Fiscal Impact on R-17-26 as Introduced.

The resolution establishes the following fee changes under Section 17.44.030.B of the Fees Schedule:

- **Rooming House operating license (new):** \$125.00 per rooming house
- **Standard rental operating license:** \$125.00 — description updated to reference § 17.44.030.A and to exclude rooming houses from this category
- **Short-term rental license:** \$400.00 — description updated to reference § 17.44.030.A and to exclude rooming houses from this category
- **Bed and breakfast home rental operating license:** \$100.00/room — unchanged
- **Hotel, motel, or inn rental operating license:** \$100.00/room — unchanged

The new rooming house license fee of \$125.00 per rooming house will generate modest new revenue for the City. The actual revenue will depend on the number of rooming house applications received. Based on the Staff and Staffing Impact Report prepared by the Acting City Manager, if approximately five rooming houses were authorized in the first year, the City would collect an estimated \$625 in new annual license fee revenue. This amount is expected to partially offset, but not fully cover, the administrative costs associated with establishing the new license type in the City's permitting and licensing system, developing inspection standards, and

conducting initial and annual compliance inspections through the Department of Planning and Zoning.

The resolution does not appropriate new funds or create new expenditure obligations. The incremental administrative and inspection workload identified in the Staffing Impact Report is expected to be absorbed within existing departmental resources in the near term, with the Department of Planning and Zoning assessing actual impact over the first year to advise on any future resource needs.

While the new license fee revenue is not expected to fully offset the increased costs associated with additional inspections, zoning review, licensing administration, and ongoing compliance monitoring by the Department of Planning and Zoning, the overall fiscal impact of R-17-26 remains **minimal** and is not anticipated to be significant relative to the City's overall budget.

Prepared by Sean Doyle, Finance Consultant