

Memorandum

REPORT TO: City Commission

FROM: Chris Saunders, Community Development Manager
Erin George, Community Development Director

SUBJECT: Ordinance Final Adoption for the 2026 Unified Development Code Housekeeping Amendments 1, to Amend Chapter 38 Unified Development Code, Bozeman Municipal Code, to Address Legacy Short Term Rentals in the RA district, Application 26307

MEETING DATE: July 28, 2026

AGENDA ITEM TYPE: Ordinance

RECOMMENDATION: Final approval of the attached ordinance.

STRATEGIC PLAN: 4.2 High Quality Urban Approach: Continue to support high-quality planning, ranging from building design to neighborhood layouts, while pursuing urban approaches to issues such as multimodal transportation, infill, density, connected trails and parks, and walkable neighborhoods.

BACKGROUND: The City adopted new development regulations in December 2026 to complete a Commission priority established in 2021 and comply with new state laws. Two time sensitive necessary corrections have been identified.

One needed correction relates to Short term rentals (STR). During the development of the new zoning regulations several zoning districts were combined. This consolidation overlapped with updates to the STR regulations in 2023 by Ordinance 2149. The merging of the two ordinances had an unintended outcome in the new RA district that caused some STR Type 2 to become non-conforming. State law and local code protect lawfully established non-conforming uses. Two unresolved issues were identified in the project report and two alternatives to address them were provided.

At the Community Development Board public hearing on June 1st, the Board recommended an alternative approach. The Board's recommended alternative is to add Short Term Rental Type 2 as an accessory use in the RA district. STR in some form are accessory uses in all residential districts. The Board's recommendation amends the text of 38.300.020 to add STR Type 2 to RA and causes the existing STR Type 2 to no longer be non-conforming. This edit allows future STR Type 2 to be reviewed and approved in accordance with the existing standards and procedures in 38.320.060.B.

The City Commission held a public hearing on July 14th, as shown in the

video [recording](#) [external link]. Discussion of this item begins at 46:10 minutes into the recording. The City Commission unanimously approved provisional adoption of the alternative recommended by the Board allowing STR Type 2 as an accessory use in the RA district. Final adoption is the last step in the amendment process.

UNRESOLVED ISSUES: None.

ALTERNATIVES:

1. Adopt the ordinance as presented;
2. Direct revisions to the ordinance prior to adoption;
3. Do not adopt the ordinances; or
4. Request additional information and continue discussion on the ordinances.

FISCAL EFFECTS: No budgeted funds are affected with this action.

Attachments:

[Allow STR Type 2 in RA Post UDC Update - Final Adoption.docx](#)

[Project Report - 2026 Housekeeping Amendments 1 - STR, Application 26307.pdf](#)

Report compiled on: July 15, 2026