

Memorandum

REPORT TO: City Commission

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

SUBJECT: Ordinance Provisional 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 14, 2026

AGENDA ITEM TYPE: Ordinance

RECOMMENDATION: **Consider the motion:** *Having reviewed and considered the Project report, draft ordinances, public comment, recommendation from the Community Development Board, and all information presented, I hereby adopt the findings presented in the Short Term Rental project report for application 26307 and move to provisionally adopt {Ordinance Alternative 1 or Alternative 2}.*

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. Two time sensitive necessary corrections have been identified.

Short term rentals (STR). During the development of the new 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 are identified in the project report and two alternatives to address them have been provided.

Alternative One is to adopt an ordinance clarifying how the non-conforming Short Term Rental Type 2 in the RA district should be reviewed and managed over time. This approach does not modify the Unified Development Code but provides direction on STR management. STR type 2 in RA would remain unallowed. It is expected that over time the non-conforming STR would

cease operations as owners chose not renew annual permits or sold the property. This could occur over a very long time frame.

At the Community Development Board public hearing on June 1st, the Board recommended an alternative approach. This Alternative Two 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. Alternative Two amends the text of 38.300.020 to add STR Type 2 to RA and causes the existing STR 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.

Details of each alternative are in the attached ordinances. Further information, including a hyperlink to the Community Development Board meeting are provided in the attached project report.

UNRESOLVED ISSUES: There are two as identified in the Executive Summary of the attached project report.

ALTERNATIVES:

1. Select a preferred alternative approach and adopt the applicable 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:

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

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

[Ordinance - STR Type 2 Post UDC Update - Alternative 1.docx](#)

Report compiled on: June 25, 2026