

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
October 23, 2017
6:00 p.m.

Planning Commissioners Present: Jim Patrick, Lee Hardy, Bob Berman, Mike Franklin, Bill Branigan, Rod Croteau, and Jim Hanselman.

PC Citizens Advisory Committee Members Present: Dustin Capri, and Karmen Vanderbeck.

City Staff Present: Community Development Director (CDD) Derrick Tokos; and Executive Assistant, Sherri Marineau.

1. **Call to Order.** Chair Patrick called the Planning Commission work session to order at 6:00 p.m.
2. **New Business.**
 - A. **Draft Amendments to Chapter 9.85 Addressing Code (requested by Post Office).** Tokos reviewed changes to the amendments. Croteau noted changes to the document: 1) Add "D" in Section 9.85.020; and 2) Align "B & C" text in Section 9.85.025. Tokos reviewed changes to Section 9.85.025(C)(D)(G)(H). Croteau asked about the "A, B, C..." suffix. Tokos said in rare circumstances where there isn't room for another address number, a letter "A, B, C..." would be added at the end of the address. The Post Office didn't want "Suite" assigned to addresses. Tokos said there was a general grid the City followed for addressing. He asked the PC for concerns. None were heard.
 - B. **Update to Interim Environmental Protections FEMA ESA Litigation.** Tokos gave an update on the litigation. He said that FEMA was under a settlement agreement. They would be obligated to require local jurisdictions to ensure the properties were elevated above the flood plain and would require property developed in the floodplains to do habitat restoration. April of 2018 would be the date to figure out what to do, not the starting date of the enforcement. Capri asked how it impacted the Flood Map update. Tokos said it didn't as it was something different. He said everything would be finalized in the middle of 2018.

Tokos noted that there was one appeal that was happening in South Shore. Branigan asked if OSU was a part of it. Tokos explained that they were not because they weren't in the floodplain. Patrick asked what the downside of not doing anything would be. Tokos explained that it was just an update and the PC didn't need to do anything. Franklin asked what requirements would be coming. Tokos thought there could be requirements to provide better habitat. Franklin asked why there wasn't a consensus up and down the coast. Tokos didn't know what the angle was on the litigation. He noted that the litigation in Washington did not have a win.

- C. **Draft Recommendation to City Council on Vacation Rental/B&B Next Steps.** Tokos presented a PowerPoint slide show on the recommendation. Concepts and rationale were covered. Berman noted that the Airbnb agreement was not included in the packet. He was concerned they were not paying room taxes. Tokos explained that Airbnb was not something the City could audit presently and they were refusing to provide information to tie the room tax amounts with specific units. Franklin asked if the City could require Airbnb to provide this. Branigan said some cities have required this. Patrick asked how much money has been collected from Airbnb. Tokos didn't know the specifics and would find out. Berman wanted the PC to look at the agreement. Tokos said enforcement could be pointed out in the recommendation letter.

Berman was concerned about safety issues of VRDs and timeshares. Tokos noted that timeshares were an issue and he was working on getting the Schooner Landing done. Croteau was surprised by the lack of restrictions in residential areas being opened up to commercial exploitation. He thought restricting VRDs to only ten events a year would stop them from becoming more like motels. Tokos reminded that the current code capped VRDs to 5 bedrooms. Hardy suggested defining if VRDs were commercial use or residential use.

Berman was concerned there wasn't any code enforcement being done. Hanselman thought that occupancy should be closer to what the common occupancy was. Croteau felt that VRDs reduced the livability of residential neighborhoods. Hanselman said that he had personally called in enforcement issues and they were not recorded because he was told he had no standing. Croteau noted that there were no Fire, 911, Sheriff, and Community Service Officer reports given to

the PC. Berman said that owners were supposed to keep a log of every complaint they received and what the resolutions were, but there wasn't any access to the information. Michael Rickus (community member present) asked the PC what could be done with an abusive owner who continued to be noncompliant. Tokos said that the City needed to look at tightening the ordinances on the limited number of VRDs who were violating, but noted that it would be a challenge. Rickus asked how the City found VRDs that are unlicensed. Tokos said that the City did periodic sweeps to find unlicensed VRDs. Berman said it was hard to find what the addresses of VRDs on Airbnb were. Tokos noted that the recommendation letter to the City Council needed to be about the bigger picture and enforcement was another thing. Franklin felt if there wasn't more details on enforcement, the CC would lean toward a cap or moratorium on VRDs. Tokos said if the legislation changed, the CC would go back to the PC for solutions. Patrick thought a better mechanism for complaints was needed.

There was a question on how the VRDs were inspected. Tokos explained that the Building Official did an inspection once and the Fire Marshall inspected every year. He explained it could be an area to look at again. Hanselman asked if they considered a certificate of occupancy for VRDs. Tokos explained that every building got one certificate of occupancy in their life, unless there was a change of occupancy. Berman noted there were requirements for VRDs postings. Franklin felt there should be a 4-5 year cap on fire inspections. Tokos suggested the PC be careful to look at things on an equal footing as motels/hotels. There was a suggestion to have inspections required and the City be paid by the owner for them. Hanselman said this was common and VRDs would have to pay for the inspection each time. Croteau thought the PC needed to look at the big picture. He felt that even the VRDs that were in compliance were still creating problems. Tokos said protecting the character of neighborhoods was reason enough to open the conversation up. Croteau said complaints in the presentation was slanted and wanted it fair and balanced. Tokos noted that the safety of units had been improved and the requirement for the designated contact was a positive. He said it hadn't been a code issue but an issue on whether other codes needed to be added.

Meeting postponed at 6:55pm for the PC regular session meeting.

Meeting reconvened at 7:40pm.

C. **Draft Recommendation to City Council on Vacation Rental/B&B Next Steps (Continued).** Tokos continued reviewing the PowerPoint slide presentation with the PC. He noted that the PC might want to emphasize the designated contact information be more available. Tokos said the City's website could show VRD licenses along with all business licenses.

Safety standards were reviewed next. Berman asked what the Fire Department did before they started their inspections. Tokos explained that the Building Official just did an inspection and was checking all the same things as the Fire Department.

Tokos covered adjustments next. He thought the letter should include an interest in exploring ways to improve the standards. Tokos suggested not leaning too hard on anecdotal claims. Croteau said it shouldn't come over as too lenient. He reviewed page 88 from the last PC work session slide show that he felt covered what needed to be done. He read the list to the PC and also noted that the point of contact should be included in the list. Franklin thought there could be a link on the City's website to make a complaints. The person's contact information would be required so the City could follow through on enforcement. Hardy gave an example of a VRD owner who had fines levied against his property because of improper behavior as a vacation rental, without anything being done. She felt more definition of the processes needed to be done.

Franklin thought there needed to be more enforcement officer funds. He also thought that Airbnb needed to meet the City's requirements. Tokos said that VRDs and B&Bs had evolved and people wanted to stay in homes rather than motels. He noted the City was not adding motel rooms but were adding room taxes because of VRDs. Tokos cautioned that any ban had a level of enforcement. Croteau said that hotels were going down because VRDs were cheaper. Franklin noted a trend in Newport over the summer where people were making day trips to the coast instead of staying overnight. Branigan thought that the City should ask themselves if they wanted to be turned into a roads end. Patrick cautioned that he didn't want things to end up like South Shores and create dead neighborhoods.

Vanderbeck asked if VRD endorsements could be revoked. Berman said it was unenforceable. Franklin said the City needed to make it clear which properties the complaints were about in case they were the same property. Tokos cautioned to not make regulations based on the worst person. Branigan asked if VRDs were less affordable housing. Tokos said most VRDs weren't affordable housing. Franklin asked for a comparison of this to be shown to the CC.

Tokos said that most of the VRD complaints came for properties east of Highway 101 with the thought of overlay zones. Franklin was concerned about putting an overlays on neighborhoods. Croteau said that R-1 and R-2 zones were never zoned for commercial. Hardy said this was why commercial and residential activities needed to be defined. She felt they could be Conditional Use permits. Hanselman thought it might be good to include it in the letter. Tokos thought that the recommendation letter should be more general without specifics. Franklin asked if there could be any enforcement with managers by saying that after a certain number of complaints, they wouldn't be allowed to have a contract with the particular VRD. Patrick felt there needed to be something without challenges such as "three strikes you are out." Hanselman thought the City needed to adopt something that helped neighboring property owners deal with VRDs with problems. Tokos said there weren't many. Hanselman asked what realtors would say about the VRD debate. Tokos said they would say to be careful with how the City goes forward as people are interested in having vacation homes. Croteau said there were a number of commercial conflicts of interest and it needed to be taken into consideration.

Tokos said he would draft the recommendation as a five year review including how the City did over the last five years. Croteau wanted the area of "desired outcomes" included in the recommendation. Tokos reviewed what the PC wanted included in the recommendation letter. The letter would be reviewed in the November 13th PC work session meeting then adopted in that night's regular session meeting. Patrick noted he wouldn't be in attendance at the December 11th meeting. Berman requested the Airbnb agreement review be included in the recommendation letter.

4. **Director's Comments.** No Director comments.
5. **Adjournment.** Having no further discussion, the meeting adjourned at 8:15 p.m.

Respectfully submitted,



Sherri Marineau,
Executive Assistant