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**City of Newport
Vacation Rental Ad-Hoc Committee**

Agenda - Meeting #15

October 3, 2018
1:00 pm - 3:00 pm
Room 124B
Newport Recreation Center

- 1. Disclosures** (5 min)
This is the time for members with a financial stake in the outcome to disclose the "potential conflict of interest."
- 2. Approval of Minutes from the September 26, 2018 Meeting** (5 min)
Corrections and/or clarifications may be requested and a motion and vote will be needed to adopt the minutes.
- 3. Review Agenda, and revise as needed** (5 min)
This is an opportunity for the group to discuss and make changes to the meeting agenda.
- 4. Committee Requests** (10 min)
The group will have an opportunity to review and discuss information distributed at the request of committee members. Enclosed is updated room tax data for FYE 2018, which was requested on 9/26/18.
- 5. Review of Draft Code Amendments for Consistency with Policy Direction** (60 min)
Materials were distributed in advance of the 9/26/18 meeting. Discussion to commence at new chapter 4.25.030(D), Additional Operational Requirements.
- 6. Review Draft Maps Illustrating Proposed Vacation Rental Dwelling Spacing Requirements** (30 min)
Draft maps were distributed in advance of the 9/26/18 meeting.
- 7. Public Comment/Questions** (5 min)
Adjourn.

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Draft MINUTES
City of Newport
Vacation Rental Ad-Hoc Committee Meeting #14
City Hall Council Chambers
Wednesday, September 26, 2018

AC Members Present: Don Andre, Charlotte Boxer, Cheryl Connell, Margaret Dailey, Norman Ferber, Pam McElroy, Jamie Michel, Carla Perry, Bill Posner, and Martha Winsor.

AC Members Absent: Braulio Escobar, Lauri Hines, and Bonnie Saxton.

Planning Commission Liaison Present: Jim Hanselman

City Staff Present: Community Development Director (CDD), Derrick Tokos; and Deputy City Recorder, Gloria Tucker.

Public Members Present: Cathy Briggs, Rod Croteau, and Veronica Willemin.

1. **Call to Order.** The meeting was called to order at 1:01 p.m.
2. **Disclosures.** Tokos asked for disclosure of conflicts of interest. Michel, Ferber, and Andre declared they had potential conflicts of interest. Hanselman, Posner, McElroy, Perry, Connell, Boxer, Winsor, and Dailey disclosed they had no conflicts.
3. **Approval of Minutes from the Wednesday, September 5, 2018 Meeting.**

Corrections were changing the spelling of sings to sign, Windsor to Winsor, property owner to property asset manager, and Hanselman's response to Andre's question on current levels to state – Hanselman said it was because VRD issues arose in the fall of 2017, levels have skyrocketed since then, and problems have been identified long before we reached the number of 200.

MOTION was made by Dailey, seconded by Winsor, to approve the September 5, 2018 Vacation Rental Ad-Hoc meeting minutes as amended. The motion carried unanimously in a voice vote.

4. **Review Agenda, and Revise as Needed.** Tokos asked for any adjustments to the agenda. Perry said she would like to add the topic of the new house on Coast and Olive Street. Tokos said the owner has not yet applied for a VRD license and may have received a certificate of occupancy. Ferber said the house is not being used as a VRD, and it was furnished for selling not for occupancy.
5. **Committee Requests.** Hanselman brought up his note on occupancy and vacancy rates on VRDs. He said he isn't sure how accurate VRD tax receipts are and if the city can afford housing with high vacancy rates. Ferber and Andre said they were not in favor of occupancy as a metric. Discussion ensued on housing.

Connell requested an updated revenue statement for fiscal year 2017-2018 to see how revenues have changed over the previous year.

6. **Review Draft Code Amendments for Consistency with Policy Direction.** Tokos introduced the draft code amendments agenda item. He said VRDs permits are endorsements to a business license so many changes would be to Chapter 4.25 in the Municipal Code. He explained the purpose section in the code.

Boxer said the definition of bedrooms in the code is ambiguous and in real estate, a bedroom has to have a separate entrance and exit. Boxer also said the liability insurance amendment would need to have a requirement that liability insurance must remain active during the term of the VRD permit. Michel said it is a little unrealistic that liability insurance be presented at the time of the application. Dailey suggested the insurance agency could provide intent to buy insurance paperwork. Tokos said the insurance remaining in

effect language would go under the ongoing obligations section. He added what has to be provided to the finance department would reflect intent to buy insurance for new applicants, and if it's a renewal, they would have to have the insurance in place.

Tokos explained the definitions section. Perry suggested reference to off-leash pets be added to the purpose section of the code. Tokos asked if referencing nuisance code generally would work to pick up off-leash pets issue as well as other nuisances. Dailey agreed referencing nuisances is important. Connell said the definition for Home Share should include homeowners are present for the duration of the short-term rental. Winsor said the definition of vacation rental should include other than a Bed and Breakfast Facility or Home Share.

Tokos explained the sections 4.25.015 and 4.25.020. Michel asked if someone could inquire about properties without starting the application process. Tokos said staff would be able to explain the rules however they are adopted. Michel said requiring someone to own a property before applying for a permit will impact investors and the economy negatively. Connell asked how a conditional land use permit application would fit in with a 90-day land use authorization in the short-term rental business application process. Tokos said a conditional use permit would have to be obtained before a land use authorization could be granted and that the 90-day period would start after the conditional use approval was obtained. Connell said there needs to be a requirement that off-street parking spaces for vacation rentals be used before there is on-street parking. The committee agreed. Tokos said that will be built into the code.

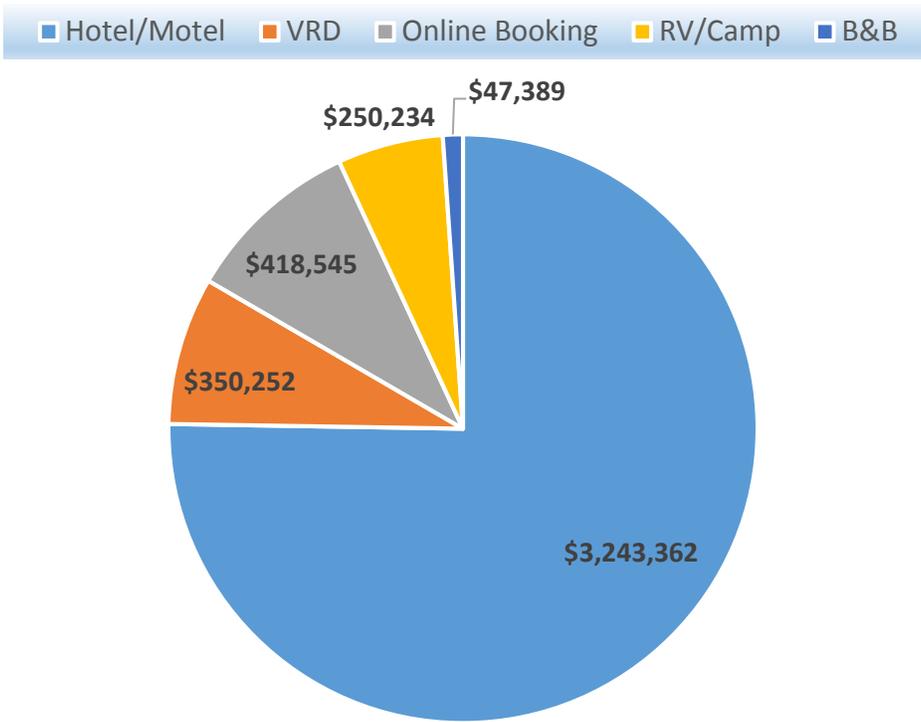
Tokos explained sections 4.25.025 and 4.25.030. Hanselman said in the section of the sale of property the language to apply for and receive a new operating license implies a license is automatically received. Tokos said the license would need to be obtained and it's not automatically received. He explained the application process is triggered when a property is sold, should transferability of licenses be allowed. Michel said she was concerned the 60-day period of obtaining a new license would mean business could not continue. Tokos said it's not unreasonable for the license to be valid during that 60-day period, and that a clarification to that effect would be added. Connell asked in the approval standards, that the qualified person be able to be on the premises within 30 minutes. Tokos said that can be clarified. Michel said she thought there was consensus on notice to neighbors. Hanselman said he thought there should be a minimum size for the signs in the notice to neighbors. The committee agreed the sign size should be set at 1 or 2 square feet and the font be legible from the street. The committee agreed to remove policy alternative 3.2 Notice to Neighbors. In electronic availability, Hanselman suggested removing the word operator. Tokos said that word would be removed. Perry said she found a typo in structural safety, "faces plates" should be "faceplates." Tokos asked in the proof of use section, if records showing a unit has been rented at least once during the previous 12 months would be valid threshold. Discussion ensued on the threshold. Connell suggested 30 days over a 12-month period as a threshold. The committee agreed on 30 days. Perry recommended in the violation section, that the word "may" be changed to "shall." Tokos noted that there wasn't sufficient time to start the next section NMC 4.25.030(D) and that it would be a starting point for the discussion at the next meeting. The group agreed to meet again at 1:00 pm on October 3, 2018. Tokos indicated that an agenda for the meeting would be distributed on Friday, with dial in information for those that need to use that option.

7. **Public Comments.** Croteau and Willemin thanked the committee for their work. Briggs said she thinks the project and process are incredible. She said the committee is conferring additional value on some people's property and not other people's property. She added there is a crisis of housing and this whole discussion on who gets to retain value with a permit is secondary, in her opinion, to what's happening in the community.
8. **Adjournment.** The meeting adjourned at 2:55 p.m.

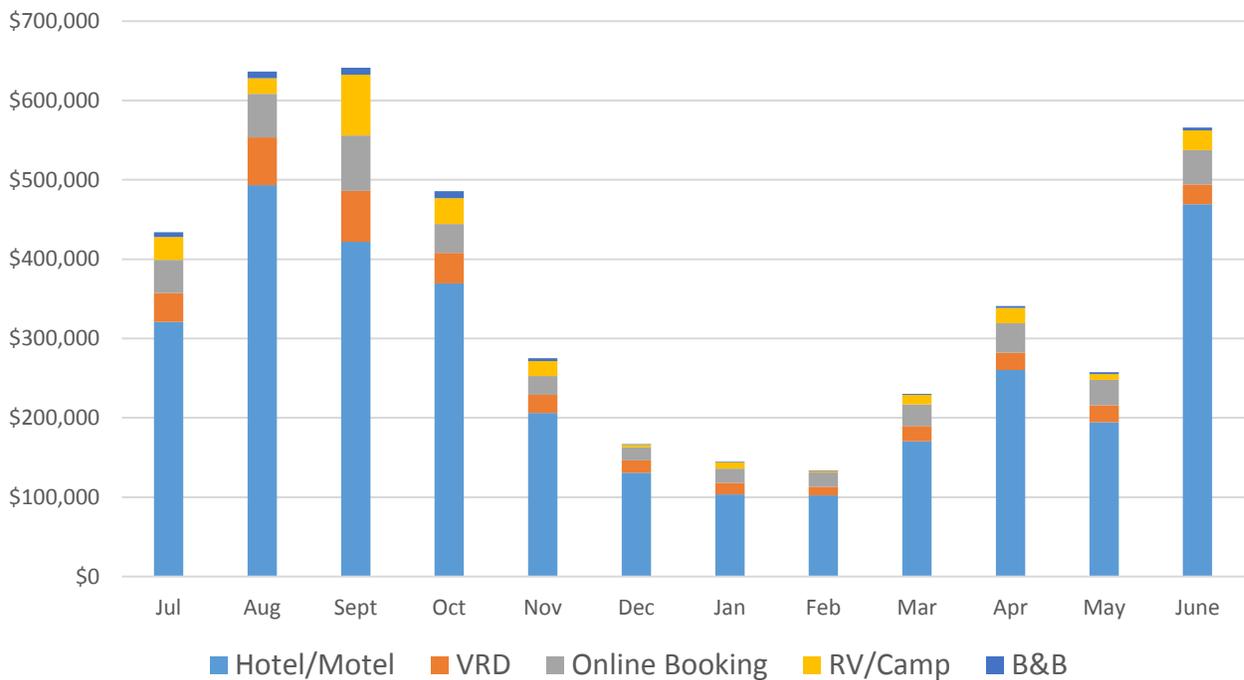
Respectfully submitted,

Gloria Tucker
Deputy City Recorder

FYE 2018 - Newport Transient Room Tax Paid



FYE 2018 - Newport Transient Room Tax By Month



FYE 2018 - Newport Room Tax Collections from Online Booking Intermediaries

■ Airbnb ■ Expedia ■ Hotels.com ■ Priceline ■ Hotwire ■ Hotel Tonight ■ Vacation Int. ■ Egencia ■ Orbitz ■ Other

