



**SHORT-TERM RENTAL ORDINANCE IMPLEMENTATION WORK GROUP AGENDA**  
**Friday, September 30, 2022 - 1:30 PM**  
**City Hall, Council Chambers, 169 SW Coast Hwy, Newport, OR 97365**

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All public meetings of the City of Newport will be held in the City Council Chambers of the Newport City Hall, 169 SW Coast Highway, Newport. The meeting location is accessible to persons with disabilities. A request for an interpreter, or for other accommodations, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613, or [p.hawker@newportoregon.gov](mailto:p.hawker@newportoregon.gov).

All meetings are live-streamed at <https://newportoregon.gov>, and broadcast on Charter Channel 190. Anyone wishing to provide written public comment should send the comment to [publiccomment@newportoregon.gov](mailto:publiccomment@newportoregon.gov). Public comment must be received four hours prior to a scheduled meeting. For example, if a meeting is to be held at 3:00 P.M., the deadline to submit written comment is 11:00 A.M. If a meeting is scheduled to occur before noon, the written comment must be submitted by 5:00 P.M. the previous day. To provide virtual public comment during a city meeting, a request must be made to the meeting staff at least 24 hours prior to the start of the meeting. This provision applies only to public comment and presenters outside the area and/or unable to physically attend an in person meeting.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

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## **1. INTRODUCTIONS**

## **2. PUBLIC COMMENT**

*This is an opportunity for members of the audience to bring to the Work Group's attention any item not listed on the agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.*

### **3. APPROVAL OF MINUTES**

- 3.A July 14, 2022 STR Implementation Work Group Meeting.**  
[07-14-2022 STR Work Group Draft Minutes](#)

### **4. DISCUSSION ITEMS**

- 4.A Review and Discuss Final Recommendation of the Short-Term Rental Implementation Work Group.**  
[Draft Recommendation Letter](#)  
[Draft Ordinance No. 2202](#)  
[John Rogers Email 9-29-22](#)

### **5. ADJOURNMENT**

**Draft MINUTES**  
**City of Newport**  
**Short-Term Rental Implementation Work Group Meeting**  
**City Hall, Council Chambers**  
**Thursday, July 14, 2022**

**Work Group Members Present:** Spencer Nebel, Dietmar Goebel, Cynthia Jacobi, and Sandra Roumagoux.

**Work Group Members Absent:** Bill Branigan, Jamie Michel (*excused*), and John Rogers (*excused*).

**City Staff Present:** Community Development Director (CDD), Derrick Tokos; Lieutenant, Brent Gainer; Community Service Officer, Jim Folmar; Interim Finance Director, Steve Baugher; and Executive Assistant, Sherri Marineau.

1. **Call to Order.** The meeting was called to order at 3:05 p.m.
2. **Public Comment.** None were heard.
3. **Approval of Minutes.** Motion was made by Dietmar Goebel, seconded by Cynthia Jacobi, to approve the April 27, 2022 Short-Term Rental Implementation Work Group meeting minutes as written. The motion carried unanimously in a voice vote.
4. **Discussion Items.**
  - A. **Update on Licensed Short-Term Rentals, Cap and Waitlist.** Tokos reviewed the summary of short-term rentals (STRs). He reported that there had been 45 STRs outside of the overlay zone since the beginning of the rules and now there were 36. Roumagoux asked why they went away. Tokos explained some folks chose not to do short term rentals at their properties, and some had a change of ownership where the new owner couldn't be license since they were outside of the allowed zone.

Jacobi asked if the new cottage cluster dwellings on Coast Street were on the waitlist. Tokos confirmed they were not on the list and it would be difficult to set them up for STRs.
  - B. **Short-Term Rental Enforcement Update.** Folmar reviewed the enforcement memorandum. He reported there was one cease and desist letter that he just sent out. Folmar reported they were still waiting on the Roy Neff situation, and didn't hear back from Finance on whether they've made any contact with the city to set up a date. The last they heard Neff hadn't made any contact. Gainer reported that the advertisement for the new Community Service Officer (CSO) would happen soon. This would be a 20 hours a week position and focus on the STR complaint investigations and compliance. They would also be trained to assist with nuisance violations. The position required them to work on Saturdays and Sundays. Then their third day could be either on Fridays or Mondays. The process would probably take until September before they had someone hired.

Jacobi asked why there were so many reports on 73rd Court. Folmar explained the two parking complaints were repeated complaints and the other was for trash pickup. Folmar noted there was an issue on 73rd Court where neighbors didn't like STRs in the area and they called in complaints that weren't STR involved. Managing this was about figuring out what was valid and what wasn't.

**C. Scope of STR Ordinance Implementation Work Group's Final Report.** Tokos reviewed the changes to the Newport Municipal Code (NMC) Chapter 4.25.030(B)(4) concerning the grace period for when STRs were sold and the new owner was immediately eligible to get a vacation rental license. Individuals or entities that purchased licensed vacation rental properties within or adjacent to commercial or water related zones, inside the vacation rental overlay, could immediately begin to use their properties for vacation rental purposes, provided they obtained a license.

Tokos reviewed the Chapter 4.25.045 concerning the waiting list for STR licenses. He went over the process for administrating the issuance of license endorsements and how properties on the waitlist were contacted when a license was opened for them. Goebel asked if properties on the waitlist who didn't meet the spacing standards would stay at the top of the list when this was done. Tokos confirmed they did if they chose to just stay on the list. If they decided to pursue a conditional use permit and it wasn't approved, they would go to the end of the waitlist. Tokos pointed out that the Planning Commission wanted language added to say 60 days from the date they received written notice for a license, so that there's a clock ticking so to speak.

Nebel asked how properties who didn't meet the spacing standards knew about the options. Tokos explained the city contacted them. We would let them know there was a license available for them but they couldn't meet the spacing standard because there was another unit on that street segment. They would be told they have the option of applying for a conditional use permit to try to get relief from that and then go through what was involved with the process. We would also tell them they would simply indicate that they wanted to stay on the waitlist and stay in the same spot. Nebel asked what the basis was for granting a conditional use permit for the spacing requirements. Tokos explained there was no special standard for spacing. It would be run through the typical conditional use permit criteria. The Planning Commission would have to look at the purpose and intent of the regulations, and the other conditional use criteria, and determine if relief was warranted. An example of this was when a street section was so long that they could warrant allowing parking relief. Tokos explained the conditional use process meant that a notice would go out to property owners and they would have a chance to give testimony on the decision.

Tokos reviewed the addition of Chapter 4.25.050(F) concerning how civil infractions were a strike against the STR. Folmar reported that there were instances where there were properties that had several nuisance calls. Once they built up a history on a property they had more teeth on enforcement. Folmar questioned if they wanted to list out what nuisance types they would consider. Tokos thought they should leave it to say any nuisance violation would be considered a strike. Goebel asked how the CSO would know about unlicensed construction. Tokos explained the city contacted the CSO to coordinate with them. The policy rationale to support this provision was that when someone has a license to operate in Newport they had an obligation to comply with all of the city's rules if they were going to have an operationally cooperative vacation rental in the City of Newport. Goebel asked if someone could construct structures in Newport without permits. Tokos confirmed they ran into this from time to time. He asked the Work Group if they thought the language on the civil infractions was appropriate. The Work Group was in general agreement with it.

Tokos reviewed the changes to Chapter 14.25.030(A) concerning the density approval standards. He noted that the Planning Commission was in general agreement with these changes. One Commissioner asked what would happen if the Commission wanted to initiate some revisions to the STR land use regulations. Tokos explained that this would be brought to the Council with the recommendations from this Work Group. If the Council wanted to move forward with the revisions, they would then initiate the process and refer it to the Planning Commission to start the public hearings process on Chapter 14. Tokos noted the changes eliminated the option to adjust the cap number of STR licenses up to a 200

maximum and keep it at 176. Goebel asked if this meant they would be amending an ordinance. Tokos confirmed it did. Nebel explained that currently the Council could change the number to anything up to 200 and it would be done by resolution. With the number being fixed at 176 it would have to go through a land use process with the Planning Commission and then to the City Council. Tokos pointed out that this would mean any change to the 176 would need to go through hearings with both the Planning Commission and the City Council. Roumagoux liked the hard number of 176. Goebel asked if the next move was to send it to the City Council. Tokos confirmed it was and then the Council would determine if they wanted to, with a majority vote, initiate the legislative process. It would then go to Planning Commission. The Work Group was in general agreement that they were comfortable with the packet changes.

Jacobi brought up her past concern on the lack of a stop sign at 15th Street and Oceanview Drive. She said it was still a problem. STR renters in the area were going up the street the wrong way and she was looking to get this resolved. Jacobi asked for a letter be sent to the STR owners in the area to remind their renters on the continued problem. She thanked Folmar for his work and said he was doing a good job.

**D. Renewal of GovOS, Inc. (Formerly MUNIRevs) Contract.** Tokos reviewed the memo on the GovOS renewal. He noted the cease and desist letter was for a complaint that the property was being advertised an unlicensed STR. CSO Folmar was already addressing this before they could report it. Goebel asked how well the LodgingRevs was doing to identify unlicensed rentals. Folmar thought they did a good job identifying them. He also thought LodgingRevs was doing a good job of contacting the local contacts when complaints came in. Nebel asked if the owners were being contacted as well as the local contact. Folmar wasn't sure. He reported that the complaints submitted online were left for the CSO's to address. LodgingRevs would document these and attach them to the complaints. Tokos reported that he hadn't heard any concerns about the hotline or the online forms since they made the changes.

Jacobi asked if everything listed on page 9 of the agreement was being used. Tokos confirmed they were except for the auditing. This was because until the city automated the room tax collections they couldn't utilize it. Jacobi asked how long it would take to do this. Nebel noted that the Finance Department was shorthanded and it would take a little while. Jacobi questioned if the city wanted to keep paying for this portion when they weren't using it. Nebel thought they should because they hoped to get to the point where they were using it. They had to work through some staffing issues with Finance. Baugher pointed out they would need to work through some ordinance work first before they could do this. Goebel asked how they were recording room tax collections currently. Nebel explained they filled out a form for room taxes and sent them directly to the city. They also currently had to fill out a city form and a state form. Under the state collection they could do it under one form and the State would collect the money. The State would then would turn over the city's share to us, minus whatever the cost per collection was. Nebel pointed out that currently Airbnb was submitting a check to the city on room tax payments and they weren't required to write down which units they were paying for. He didn't know how to bridge that issue with this audit function. Tokos thought the State was working through this to get Airbnb to report individual units, and was something to discuss with the State. Nebel thought they should press the discussion on the cost of auditing before signing the contract. Goebel asked if the city got increased revenue going through the State, or if the State took a cut meaning the city dropped revenue. Nebel reported the city got the revenues minus the administrative fees. He noted it was hard for the City to do a complete job on this with the current staffing. The question was whether or not the State had a more thorough way to assure collections and assure things were getting audited properly. Nebel noted that the State collected the city's marijuana tax and gas taxes already. Tokos explained there was a termination without cause provision with LodgingRevs. This meant we could at any point in time say we no longer wanted the audit remittance tool and the cost of that would go away. Tokos thought they

might want to consider adding this as a reporting item for the next STR meeting. Goebel questioned if it was necessary when the funds that were collected were less than what the city paid for the service. Nebel thought the idea was a good one. They planned to have a report for the Work Group on both state collection of money and with LodgingRevs on the audit component to really understand what that would do for us. A discussion ensued regarding how LodgingRevs estimated the amount of room tax payments that should be submitted, and how hard it was to know the specifics on the room tax payments that were being paid for units submitting payments through Airbnb.

Tokos pointed out that the September meeting would be when the Work Group would make a recommendation to the City Council. He asked what the Work Group wanted to convey to the Council concerning code changes or other specific things. Tokos noted they could say the Work Group has monitored the implementation and was giving them the aggregate set of minutes. They would confirm that from the quarterly meetings things seemed to be operating reasonably well. Then they could give a set of refinements that the Work Group believed needed to be considered. The Work Group was in general agreement with this. Tokos would kick out an email to the Work Group to say that the next meeting in September would be a big meeting because they would be making the recommendation to the Council. Nebel thought a lot of the work on the STR implementation had been done and they had resolved any issues with STRs. He felt they dealt with the concerns that had been raised. Nebel noted that one of the things they were concerned about was what the number of STR licenses should be going forward. He thought they had a good balance of preserving housing and having a place for vacation rentals. Jacobi asked that a breakdown of what the collected room taxes for STRs was for the last year be provided.

5. **Public Comment.** None were heard.
6. **Adjournment.** The meeting adjourned at 4:02 p.m.

Respectfully submitted,

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Sherri Marineau  
Executive Assistant

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To: Newport City Council

From: Short-Term Rental Ordinance Implementation Work Group

Date: September 30, 2022

**RE: Final Report of the Short-Term Rental Ordinance Implementation Work Group**

Dear Council Members,

With Resolution No. 3857, you established our Short-Term Rental Ordinance Implementation Work Group (hereafter “Work Group”) to collect and evaluate information related to the implementation of the short-term rental regulations enacted with Ordinance No. 2144. You further tasked the Work Group with summarizing its observations as to the effectiveness of Ordinance No. 2144 in achieving policy objectives, including whether or not the ordinance should be revised or its implementation improved, and to provide periodic status reports to the Planning Commission and City Council.

Our Work Group met on a quarterly basis from August of 2019 through September of 2022, coordinating with staff, taking testimony from the public, and providing periodic reports to the Commission and Council. Over that period of time, it has become evident that Ordinance No. 2144 has, for the most part, achieved the desired policy objectives. It has provided a clear and understandable administrative framework for licensing the annual operation of short-term rentals that ensures the safety and convenience of renters, owners, and neighboring property owners; protects the character of residential neighborhoods; preserves the City’s supply of needed housing; and addresses potential negative effects such as noise, overcrowding, illegal parking, and nuisances. Further, it has struck a reasonable balance between the need to limit short-term rental operations within neighborhoods to ensure compatibility, while also recognizing the benefits of short-term rentals in providing recreation and employment opportunities, as well as transitional housing for tourists, employees of businesses, and others in need of housing for a limited duration.

While Ordinance No. 2144 has had its desired effect, there are steps the City can take to improve its implementation. This includes the following, in no particular order of priority:

- Automating the annual renewal process for business license endorsements and payment of transient room taxes.
- Implementing an auditing program for payment of transient room taxes.
- Filling the code enforcement position authorized in the FY 22/23 budget so that code enforcement staff will be available to respond to incidents on weekends.

- Developing a more effective working relationship with the Municipal Court so that citations can be adjudicated in a timelier manner.

Additionally, we have identified a few areas where Ordinance No. 2144 could be amended to improve its overall functionality and effectiveness. They include the following:

- Establishing a grace period for individuals or entities that purchase vacation rental properties in areas where they can immediately begin to use them for vacation rental purposes, so they can rent the property while working through the process to obtain a license.
- Codifying the process the City is using to administer the waiting list for the issuance of short-term rental business license endorsements.
- Tightening up code violation language by noting that any act occurring on real property that results in a civil infraction, be it related to the short-term rental or not, is a “strike” against the owner’s short-term rental endorsement.
- Eliminating the option in the ordinance that allows the City Council to adjust the cap on the number of available vacation rental licenses by resolution. The current language allows the license limit to be increased or reduced by resolution provided it does not exceed a maximum of 200 dwelling units. The proposed language sets a hard cap by ordinance at 176 licenses.

The details of each of these changes are included in draft Ordinance No. 2202, included as an attachment to this letter. One final recommendation that we would offer the Council is that it should consider asking staff to provide periodic reports on how the City’s short-term rental regulations are working so that it can stay informed and make changes, as needed, moving forward. An annual report in the fall would make sense as that would be after the annual license renewal process wraps up and is well in advance of the next summer season should there be a need to adjust the requirements.

Impacts and issues involving short-term rentals will continue to be a topic of discussion in the community and there will be challenges ahead as industry, technology, visitor preferences, and neighborhood dynamics evolve and change. The City will need to keep pace, and these recommendations are one step in that direction. Thank you for your time and consideration.

Sincerely,

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Bill Branigan

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Dietmar Goebel

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Cynthia Jacobi

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Jamie Michel

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Spencer Nebel

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John Rogers

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Sandra Roumagoux



CITY OF NEWPORT

ORDINANCE NO. 2202

AN ORDINANCE AMENDING TITLE IV AND TITLE XIV  
OF THE NEWPORT MUNICIPAL CODE RELATING TO  
SHORT-TERM RENTALS

(Newport File No. 5-Z-22)

WHEREAS, with Resolution No. 3857, the City Council established a Short-Term Rental Ordinance Implementation Work Group (hereafter “Work Group”) to collect and evaluate information related to the implementation of new short-term rental regulations enacted with Ordinance No. 2144; and

WHEREAS, the Work Group was further tasked with summarizing its observations as to the effectiveness of Ordinance No. 2144 in achieving policy objectives, including whether or not the ordinance should be revised or its implementation improved, and to provide periodic status reports to the Planning Commission and City Council; and

WHEREAS, the Work Group met on a quarterly basis from August of 2019 through September of 2022, coordinating with staff, taking testimony from the public, and providing periodic reports to the Commission and Council; and

WHEREAS, in the course of performing these tasks, the Work Group determined that a targeted set of amendments to Ordinance No. 2144 is needed to improve its overall functionality and effectiveness; and

WHEREAS, the Work Group’s recommendations were forwarded to the City Council for its consideration at a public meeting on \_\_\_\_\_, after which the Council, by motion, elected to initiate the process of amending the ordinance, as provided in Newport Municipal Code (NMC) Chapter 14.36; and

WHEREAS, the Planning Commission met in a work session on \_\_\_\_\_ to review the Work Group’s recommendations, and held a public hearing on \_\_\_\_\_ at which the public was afforded an opportunity to provide testimony on the proposed amendments. After considering testimony and due deliberation, the Commission voted to [recommend or not recommend] the revisions be adopted; and

WHEREAS, the City Council held a public hearing on \_\_\_\_\_ regarding the question of the proposed amendments and, after considering the recommendation of the Planning Commission and evidence and argument in the record, adopted the ordinance, concluding that it is necessary and furthers the general welfare of the community; and  
[Note: Council could also elect to further amend or choose not to adopt the ordinance.]

WHEREAS, Information in the record, including affidavits of mailing and publication, demonstrate that appropriate public notification was provided for both the Planning Commission and City Council public hearings.

**THE CITY OF NEWPORT ORDAINS AS FOLLOWS:**

**Section 1.** Findings. The findings set forth above are hereby adopted in support of amendments to Ordinance No. 2144, as codified in Titles IV and XIV of the Newport Municipal Code, and further described in Sections 2 and 3 of this Ordinance.

**Section 2.** Municipal Code Amendment. Chapter 4.25, Title IV, of the Newport Municipal Code is hereby amended as set forth in Exhibit "A".

**Section 3.** Municipal Code Amendment. Chapter 14.25, Title XIV, of the Newport Municipal Code is hereby amended as set forth in Exhibit "B".

**Section 4.** Effective Date. This ordinance shall take effect 30 days after passage.

Date adopted and read by title only: \_\_\_\_\_

Signed by the Mayor on \_\_\_\_\_, 2022.

\_\_\_\_\_  
Dean H. Sawyer, Mayor

ATTEST:

\_\_\_\_\_  
Erik Glover, Asst. City Manager/City Recorder

(Unless otherwise specified, new language is shown in double underline, and text to be removed is depicted with ~~strike through~~. Staff comments, in *italics*, are for context and are not a part of the revisions.)

## CHAPTER 4.25 SHORT-TERM RENTAL BUSINESS LICENSE ENDORSEMENTS

### 4.25.005 Purpose

A short-term rental business license endorsement is a permission to operate a short-term rental on property within the City of Newport. This chapter provides an administrative framework for licensing the annual operation of a short-term rental, in order to ensure the safety and convenience of renters, owners, and neighboring property owners; protect the character of residential neighborhoods; protect the City's supply of needed housing; and address potential negative effects such as excessive noise, overcrowding, illegal parking, and nuisances (e.g. accumulation of refuse, light pollution, etc.).

It is the intent of these regulations to strike a reasonable balance between the need to limit short-term rental options within neighborhoods to ensure compatibility, while also recognizing the benefits of short-term rentals in providing recreation and employment opportunities, as well as transitional housing for tourists, employees of businesses, and others who are in need of housing for a limited duration.

### 4.25.010 Definitions

The following definitions apply in this chapter.

- A. Authorized Agent. A property management company or other entity or person who has been designated by the owner to act on their behalf. An authorized agent may or may not be the designated point of contact for complaints.
- B. Bed and Breakfast Facility. A short-term rental where the operator resides on the premises and meals are provided for a fee.
- C. Bedroom. A habitable room that (a) is intended to be used primarily for sleeping purposes; (b) contains at least 70-square feet; and (c) is configured so as to take the need for a fire exit into account.

- D. Dwelling Unit. A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.
- E. Home share. A short-term rental, other than a bed and breakfast facility, where a portion of a dwelling unit is rented while the homeowner is present. For the purposes of this definition, “present” means the homeowner is staying in the dwelling overnight for the duration of the rental.
- F. Owner. Means the natural person(s) or legal entity that owns and holds legal or equitable title to the property.
- G. Short-Term Rental. A dwelling unit, or portion thereof, that is rented to any person for a period of less than thirty (30) consecutive nights.
- H. Sale or Transfer. Means any change of ownership during the period of time that a license is valid, whether or not there is consideration, except:
1. A change of ownership in real property where title is transferred pursuant to a declaration of right of survivorship as recognized in ORS 93.180.
  2. A transfer of ownership in real property to a trust, a limited liability company, a corporation, a partnership, a limited partnership, a limited liability partnership, or other similar entity so long as the conveyance does not result in any new individuals possessing titled or equitable interest in the property.
  3. A transfer of ownership between titled interest holders.
  4. A transfer of ownership between, or to include spouses, domestic partners, or children.

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Examples: The following scenarios serve as examples of some, but not all, of the types of transactions that will or will not constitute a sale or transfer as defined in this chapter:

- Title is held by a married couple or domestic partnership at the time the license is obtained. Partner

dies and survivor retains license? This would not constitute a sale or transfer (Exception H.1).

- An individual owns a parcel subject to a declaration of right-of-survivorship to their children at the time a license is obtained. The individual dies and title is transferred pursuant to that provision? This would not constitute a sale or transfer (Exception H.1).
- Married couple possesses title to property at time license is obtained. They later elect to convey property into an irrevocable trust and retain a life estate in the deed? This would not constitute a sale or transfer (Exception H.2).
- A corporation consisting of three shareholders owns a parcel at the time a license is obtained. They later convert the corporation to a limited liability company controlled by two of the original three shareholders? This would not constitute a sale or transfer (Exceptions H.2. and H.3).
- A limited liability company is formed with four individuals possessing ownership interest at the time a license is obtained. A fifth person later obtains an ownership interest in the company? This would constitute a sale or transfer.
- Four tenants in common own a parcel at time license is obtained. An owner sells their 1/4 interest to one of the other existing owners? This would not constitute a sale or transfer (Exception H.3.) Alternatively, what if they sell their 1/4 interest to a new person? That would constitute a sale or transfer.
- Title is held by a married couple at time license is obtained. They later acquire a home equity line of credit to repair the home, which lender secures with a deed of trust. Lender subsequently forecloses after a default under the term(s) of the security agreement? The instrument the lender uses to obtain possessory interest is a sale or transfer.
- Two married couples possess ownership interest in an LLC at the time a license is obtained. One of the couple's divorces and one of the partners drops off the title. Remaining partner remarries and the new spouse

is added to the LLC? This is not a sale or transfer (Exception H.4).

- Property is held by an individual at time license is obtained. The individual dies and children inherit property (no right of survivorship)? This would not constitute a sale or transfer (Exception H.4).
- An individual possesses title to the property at the time a license is obtained. He/she later adds their domestic partner to the title to the property? This would not constitute a sale or transfer (Exception H.4).

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I. Vacation Rental. A short-term rental where the entire dwelling unit is rented.

#### 4.25.015 Annual Short-Term Rental Business License Endorsement Required

No owner of property within the Newport city limits may advertise, offer, operate, rent or otherwise make available for occupancy or use a short-term rental without a business license with a short-term rental endorsement. Advertise or offer includes through any media, whether written, electronic, web-based, digital, mobile or otherwise.

#### 4.25.020 Application Information and Filing Fee

- A. Applications for short-term rental business license endorsements are to be on forms provided by the City, and shall include the following:
1. Owner Information. Owner's name, permanent residence address, telephone number, email address (if available) and short-term rental address and telephone number. In circumstances where the owner is a legal entity, a copy of the articles of organization or equivalent shall be provided identifying ownership interest holders in the short-term rental property.
  2. Authorized Agent. The name, telephone number, mailing address and email of a property management company or other entity or person who has been designated by the owner to act on their behalf.

3. Representative Information. The name, telephone number, mailing address and email of a local representative who can be contacted concerning use of the property or complaints related to operation of the short-term rental. For the purposes of this requirement, local means the representative's address is within 30 minutes travel time of the subject property.
4. Liability Insurance. Letter of intent to insure (for new applications) or certificate of insurance (for renewals) establishing that the owner will have, or has, liability insurance which expressly covers the vacation rental operations on the subject property in the amount of \$1,000,000 combined single limit for bodily injury and property damage. Where letters of intent to insure are provided, certificate of insurance shall be submitted to the city prior to use of the unit as a short-term rental.
5. Land Use Authorization. A land use compatibility statement, signed by the Community Development Director or designee and that is current within 90-days, indicating that the short-term rental satisfies the land use standards for short-term rentals listed in NMC Chapter 14.25.
6. Occupancy. Occupancy limits and number of bedrooms (as specified in the Land Use Authorization).
7. Parking. Statement that required off-street parking spaces are available, with a photo(s), dated within the last 90 days, of interior and exterior parking spaces. A site plan including a parking diagram of the parking spaces shall also be provided.
8. Proof of Residential Use (for Home shares and Bed and Breakfast Facilities). At least two of the following items shall be submitted as evidence that the dwelling is the primary residence of the owner.
  - a. A copy of the voter registration
  - b. A copy of an Oregon Driver's License or Oregon Identification Card
  - c. A copy of federal income tax return from last tax year (page one only and financial data should be redacted)

9. Good Neighbor Guidelines. Written acknowledgement that a copy of the good neighbor guidelines has been reviewed and relayed to short-term rental tenants, by incorporating it into the rental contract, including it in the rental booklet, posting it online, providing it in a conspicuous place in the dwelling unit, or a similar method.
  10. Listing Number. For renewals, the listing numbers or website addresses of where the short-term rental advertises.
  11. Fire Safety. Completed checklist identifying that the unit complies with the fire safety standards listed in NMC 4.25.030(C)(5).
  12. Structural Safety. Completed checklist identifying that the unit complies with the Structural safety standards listed in NMC 4.25.030(C)(6).
  13. Waste Management. Proof of garbage service as required in NMC 4.25.030(D)(10).
  14. Other Requirements. Such other information as the City Manager or designee deems reasonably necessary to administer this chapter.
- B. Incomplete Application. If a license application does not include all required materials, the application will be considered incomplete and the City will notify the applicant, in writing, explaining the information required. If the applicant provides the missing required information within 30 calendar days of the date of the notice, the application will be reviewed. If the applicant does not provide the required information, the application will be deemed withdrawn and the City will refund the application fee.
- C. License Fee. The fee for the application of a short-term rental business license endorsement, and any of its components requiring city action, shall be established by resolution of the City Council.

4.25.025 Term of Annual Business License Endorsement and Transferability

- A. Term. A short-term rental business license endorsement shall be issued for a period of 12-months, effective July 1st



of each year, and may be renewed annually by the owner provided all applicable standards of this chapter are met.

- B. Transferability. The business license endorsement shall be issued in the name of the owner(s) and is not transferable.

#### 4.25.030 Business License Endorsement and Endorsement Renewal

- A. Endorsement Must Be Obtained. An endorsement to a business license for a short-term rental shall be obtained and renewed as required in this section. The ability to operate a short-term rental in the City of Newport shall be discontinued for failure to obtain or renew an endorsement to operate as provided in this chapter.

- B. Application and Renewal Application Process. A person engaging in a short-term rental who has not yet obtained a business license endorsement, or who is required to renew an existing endorsement, shall do so as follows:

- 1. Time of Application.

- a. Existing Non-Conforming Short-Term Rentals. A business license endorsement renewal application completed in accordance with the provisions of NMC 4.25.020, is due on July 1, 2019 and annually every year thereafter.

- b. New Short-Term Rentals. A business license endorsement for a short-term rental shall be obtained before beginning operations. Endorsement applications, completed in accordance with the provisions of NMC 4.25.020, may be submitted and issued at any time. The endorsement may be renewed annually thereafter on July 1st of each year.

- 2. Notice. On or about July 1 of each year, the City shall send notice to owners of property with short-term rental endorsements informing them that the endorsement must be renewed no later than August 15 of each year and that failure to do so will result in expiration of the endorsement. Notice shall be sent by first-class mail to the address the owner provided with the endorsement on file with the City.

3. Expiration of Endorsement. Failure of an owner to renew an endorsement by August 15 shall result in expiration of the endorsement, and the ability of the owner to operate shall be conclusively presumed to be discontinued with no further action by the City.

4. Grace Period. In circumstances where a property is sold or transferred and is immediately eligible for vacation rental use pursuant to NMC 14.25.035(A)(1), the new owner shall be afforded a 30-day grace period to apply for a short-term rental business license endorsement. Vacation rental use of the dwelling unit may occur within those 30-days, and during the period of time that the short-term rental business license endorsement is under review.

*Staff: Individuals or entities that purchase vacation rental properties within or adjacent to commercial or water related zones, inside the vacation rental overlay, can immediately begin to use their properties for vacation rental purposes provided they obtain a license. Wrapping up a real estate transaction and obtaining a license takes time, and the properties are often booked well in advance by prospective guests creating a situation where bookings can fall into a gap between the change in ownership. At its 4/27/22 meeting, the STR Implementation Work Group supported establishing a grace period that will allow new owners to continue renting properties while they work through the licensing process. The proposed code language addresses the issue.*

C. Approval Standards.

The owner or authorized agent has the burden of proof to demonstrate compliance with standards for the approval or renewal of an endorsement. The approval standards also serve as continuing code compliance obligations of the owner. To receive approval, an owner or authorized agent must demonstrate that the approval standards listed below have been satisfied:

1. Zoning. The property is in compliance with requirements of NMC Chapter 14.25.
2. Contact Information. The owner or authorized agent has provided information sufficient to verify a qualified

person will be available to be contacted about use of the short-term rental during and after business hours. The qualified person shall be available to be contacted by telephone to ensure a response to the short-term rental address at all hours (24 hours a day, seven days a week) while the dwelling unit is occupied for rent. The qualified person must be able to reach the premises within 30 minutes. The individual identified as the “qualified person” may be changed from time to time throughout the term of a license. To do so, the license information shall be revised with the city at least 14-days prior to the date the change takes effect, except when the failure to do so is beyond the owner or authorized agent’s control. In an emergency or absence, contact forwarding information to a qualified person should be provided by the owner or authorized agent. In the case of home shares, the contact person shall be the permanent resident who will be hosting the transient accommodations.

3. Notice to Neighbors. The owner or authorized agent of a vacation rental shall post a non-illuminated sign on the premises, between 1 and 2 square feet in size, containing the owner and/or representatives contact information. Such sign shall be placed in a location clearly legible, from an adjacent street. In the event the City establishes a 24/7 hotline for dispatching calls to operators of short-term rentals, then the contact information contained on the placard or sign shall be that of the firm providing the dispatch service. For vacation rentals in condominiums, the number and placement of signs shall be as specified by the City.
4. Electronic Availability. The City will make a database electronically accessible within which any person can enter in an address of a short-term rental and obtain the owner, authorized agent, and/or representative’s name, telephone number, and email address.
5. Fire and Emergency Safety. A completed checklist for fire safety (fire extinguishers, smoke alarms, carbon monoxide detectors, unobstructed exits, etc.) shall be required with each new endorsement and renewal. The owner or authorized agent shall be responsible for completing the fire safety checklist and ensuring continued compliance. Verification by the City of Newport Fire Marshall shall be required prior to

issuance of a new endorsement and may be required for renewals at the City Manager's discretion.

6. Structural Safety. A completed checklist, signed by the City of Newport Building Official, indicating that the short-term rental has been inspected and complies with the building safety standards listed below. Such checklist shall be completed prior to issuance of a new endorsement and may be required for renewals at the City Manager's discretion.
  - a. Bedrooms shall have an operable emergency escape window or exterior door with a minimum opening size of 5.7 sq. ft. (5.0 sq. ft. at grade floor), with minimum net clear dimensions of 20-inches in width and 24-inches in height and having a sill height not more than 44-inches above the finished floor.
  - b. All stairs with 4 or more risers shall have a handrail on at least one side. Handrails shall be secure, continuous, and have returns at each end.
  - c. The open sides of stairs, decks, porches or other walking surfaces more than 30-inches above grade or the floor below shall have guardrails configured such that a 4-inch sphere cannot pass through.
  - d. Windows within a 24-inch arc of doors and glass within bathtub or shower enclosures shall be safety glazed, or have an equivalent means of protection.
  - e. Wood frame decks shall be structurally sound. In cases where a deck supports a hot tub or other features of a similar size and weight, engineering analysis of the supports may be required.
  - f. Electrical plug-ins and light switches shall have faceplates.
  - g. Electrical breaker boxes shall have all circuits labeled, and empty breakers spaces must be plugged.
  - h. GFCI (Ground Fault Circuit Interrupter) protection shall be provided for exterior outlets, kitchens, garages, laundry areas, and bathroom receptacles.

- i. Functioning smoke detectors shall be installed in all bedrooms and outside each bedroom in hallways or other rooms providing access to bedrooms, and on each story including basements. Such alarms shall be installed in compliance with State Fire Marshal Rules and any applicable requirements of the State Building Code, and there shall be available in the premises a written notice containing instructions for testing the alarms.
  - j. Functioning carbon monoxide alarms shall be installed if the unit (a) contains a heater, fireplace, appliance or cooking source that uses coal, kerosene, petroleum products, wood or other fuels that emit carbon monoxide as a by-product of combustion; or (b) includes an attached garage with an opening that communicates directly with a living space. Such alarms shall be installed in compliance with State Fire Marshal Rules and any applicable requirements of the State Building Code, and there shall be available in the premises a written notice containing instructions for testing the alarms.
  - k. Water heaters shall be strapped and secured in accordance with seismic protections standards, with a TEP (Temperature and Pressure Relief) line that is run to an approved location.
  - l. A 2A10BC fire extinguisher shall be provided on each floor.
  - m. Address numbers shall be posted and visible from the street.
  - n. Any violation of applicable codes that the Building Official determines to be hazardous shall be corrected prior to use of the dwelling as a vacation rental.
7. Proof of Use. For vacation rental renewals, room tax remittance records must show that the unit has been rented at least 30 days within the 12-month fiscal year. The City Manager may reduce the required number of rental days, or set aside this provision entirely, in circumstances where a vacation rental, or group of

rentals, cannot be rented for reasons beyond the control of the vacation rental owner.

8. Room Tax Compliance. The unit shall be in compliance with room tax requirements of Chapter 3.05 of the Newport Municipal Code.
9. Violations. A short-term rental business license endorsement that is revoked shall not be renewed. An owner whose endorsement has been revoked shall not be eligible to reapply for a new endorsement for a period of two years.

#### D. Ongoing Operational Requirements

1. Complaints. The owner or representative shall respond to neighborhood complaints within one hour and shall maintain a written record of complaints, the dates they were received, and efforts taken to resolve issues that have been raised. The written record shall be provided to the City upon request.
2. Guest Registry. Owner or designee shall maintain a guest and vehicle register for each tenancy. The register shall include the name, home address, and phone number of the primary tenant; the total number of occupants; vehicle license plate numbers of all vehicles used by the tenants, and the date of the rental period. This information shall be provided to emergency responders, and city finance and code compliance personnel when requested for enforcement or audit purposes. Guest registry information is to be treated as confidential to the extent allowed by law.
3. Mandatory Postings. The short-term rental business license endorsement issued by the City shall be displayed in a prominent location within the interior of the dwelling adjacent to the front door. The endorsement will contain the following information:
  - a. A number or other identifying mark unique to the short-term rental endorsement which indicates that it was issued by the City of Newport, with date of expiration.

- b. The name of the owner and authorized agent and a telephone number where the owner and authorized agent may be contacted.
  - c. The property address.
  - d. The number of approved parking spaces.
  - e. The maximum occupancy permitted for the short-term rental.
  - f. Any required information or conditions specific to the operating license.
  - g. The City of Newport official logo.
4. Emergency Information. Owner or designee shall provide information within the dwelling unit to inform and assist renters in the event of a natural disaster, power outage, or other emergency. Required information includes, but is not limited to:
- a. A tsunami evacuation map produced by Lincoln County Emergency Services, Oregon Department of Geology and Mineral Industries or other agency with similar authority.
  - b. Phone numbers and addresses for emergency responders and utility providers.
  - c. Other information as established by resolution of the City Council.
5. Noise. Noise levels shall conform to the requirements of Chapter 8.15 of the Newport Municipal Code.
6. Nuisance. The short-term rental shall not be used in a manner that creates a public nuisance as defined in Chapter 8.10 of the Newport Municipal Code.
7. Required Parking. Off-street parking spaces approved for short-term rental use shall be available and are to be used by tenants at all times that the unit is rented. A parking diagram illustrating the location of the approved parking spaces shall be provided to tenants and be available in a prominent location within the short-term rental dwelling.

8. Occupancy. Maximum occupancy shall be limited to that which is specified in the Land Use Authorization.
9. Landscaping. Where the Land Use Authorization indicates landscaping is such landscaping shall be maintained. Changes may be made to the type and location of required landscaping as long as 50% of the front yard, and 40% of the total lot area remains landscaped.
10. Solid Waste Management. Weekly solid waste disposal service shall be provided while the dwelling is occupied as a short-term rental. The owner or authorized agent shall provide for regular garbage removal from the premises, and trash receptacles shall be stored or screened out of plain view of the street. City may require that an owner or authorized agent utilize solid waste collection valet service in circumstances where there have been verified complaints that a short-term rental is not adhering to these requirements. For the purpose of this section, valet service means the collection driver retrieves the cart from where it is stored, rolls it out for service, and then places it back in its original location.
11. Liability Insurance. Liability insurance is required that expressly covers vacation rental operations on the subject property in the amount of \$1,000,000 combined single limit for bodily injury and property damage.
12. Group Events. Company retreats, weddings, rehearsal dinners, family reunions and similar gatherings are permitted on the premises of a short-term rental during periods of transient use provided the total number of individuals does not exceed occupancy limits at any time during the rental period.

#### 4.25.035 Inspections

Dwelling units for which a short-term rental business license endorsement is being sought, or has been obtained, shall be subject to initial inspection, and periodic re-inspection, by the City to ensure compliance with the provisions of this chapter. The timeframe for such inspections is subject to the City's discretion and available resources.



#### 4.25.040 Appeals

A decision on a new short-term rental business license endorsement application, renewal of an endorsement, or the revocation of an endorsement may be appealed as provided in NMC 4.05.075.

#### 4.25.045 Waiting List

The process for administering a waiting list for the issuance of short-term rental business license endorsements, pursuant to NMC 14.25.030(A)(2), shall include the following:

- A. Upon request, an owner of a dwelling unit will be placed upon the waiting list. The City will note the date and time of the request, owner(s) name, mailing address, phone number, email address and the physical address of the dwelling unit.
- B. At the close of the annual short-term rental business license endorsement renewal period, the City will determine the number of vacation rental endorsements available to persons on the waitlist. This will occur once per calendar year.
- C. Endorsements will be made available to properties in chronological order beginning with the owner on the waiting list for the longest period of time.
- D. For properties that cannot satisfy spacing, or other approval standards in section 14.25.030, the City will inform the owner(s) of their right to seek relief from the standard(s) through the conditional use permitting process as provided in NMC 14.25.010. Those that wish to seek conditional use permit approval will be provided at least 60-days to submit their application. Owner(s) may also choose to forgo the conditional use permit process and stay in their present position on the waitlist, where upon their circumstances will be reevaluated the following calendar year.
- E. Owners of property that can satisfy approval standards in section 14.25.030 will be notified, in writing, that a short-term rental business license endorsement is available and that they have 60-days to apply for the license and endorsement.

F. Those owners that advise the City of their intent to submit a conditional use permit application, or apply for a business license and short-term rental endorsement, by the application deadline and fail to do so will no longer be eligible for a short-term rental endorsement and their names will be removed from the waiting list. If they wish to be added back to the waiting list, then their names will be placed at the end of the list.

G. Owners that submit conditional use permit applications or business license and short-term rental endorsements by the filing deadline will have until August 15<sup>th</sup> of the following year to complete the permitting process and obtain a license and endorsement.

H. Short-term rental endorsements that are not acted upon will be carried forward and made available to persons on the waiting list following the close of the next annual short-term rental business license endorsement renewal period.

*Staff: Ordinance No. 2144 calls for the establishment of a waiting list once the maximum number of vacation rental licenses is reached. That occurred shortly after the ordinance was adopted. The City established an administrative process for managing the waitlist. At its 4/27/22 meeting, the STR Implementation Work Group expressed interest in seeing the administrative process codified. This new subsection accomplishes that objective.*

#### 4.25.~~045050~~ Violations

Penalties, as specified in section 4.25.~~050055~~, shall be imposed for one or more of the following violations:

- A. Advertising; renting; using; or offering for use, occupancy or rent; a short-term rental where the owner does not hold a valid endorsement issued pursuant to this section.
- B. Advertising; renting; using; or offering for use, occupancy or rent; a short-term rental in a manner that does not comply with the endorsement requirements of NMC Chapter 4.25.
- C. Failure to comply with the endorsement standards and operational requirements of NMC Chapter 4.25.
- D. Failure by the owner to pay the transient room tax required by NMC Chapter 3.05.

- E. Failure of the owner or owner’s representative to respond to tenant, citizen or City complaints or inquiries. “Failure to respond” occurs if City staff is unable to reach the owner or designated representative after three attempts within a 48-hour period, using the information that the owner or designee has on file with the City.

F. Any act occurring on the real property upon which the short-term rental is situated where it is established that a civil infraction has taken place under the provisions listed in NMC Chapter 2.15.

*Staff: There have been circumstances where non-license related code violations have occurred on properties with licensed short-term rentals. This change will result in such violations also being a “strike” against the short-term rental. The STR Implementation Work Group expressed a desire for the change at its 4/27/22 meeting. It is reasonable for the City to expect that persons operating licensed short-term rentals will manage their properties in line with all city ordinances, not just those directly related to the operation of the rental. This change reinforces that expectation.*

4.25.~~045050~~05055 Penalties

Penalties for a violation of subsection 4.25.~~045050~~(A) shall be a civil infraction to be enforced pursuant to the provisions listed in NMC Chapter 2.15. Where the owner possesses a valid short-term rental endorsement, the penalties for violations of subsections 4.25.045(B-E) shall be as follows:

- A. For the first violation within a 12-month period, City shall issue a written warning to owner.
- B. For the second violation within a 12 month period, City shall suspend owner’s short-term rental endorsement for 30 days.
- C. For the third violation within a 12-month period: 1) City shall revoke owner’s short-term rental endorsement; and 2) where an endorsement includes a Conditional Use Permit, city shall also initiate the revocation procedure as outlined under section 14.52.150.

(Unless otherwise specified, new language is shown in double underline, and text to be removed is depicted with ~~strike through~~. Staff comments, in *italics*, are for context and are not a part of the revisions.)

## CHAPTER 14.25 SHORT-TERM RENTAL LAND USE REGULATIONS

### 14.25.010 Purpose

This chapter establishes criteria by which short-term rental uses may be permitted in order to ensure the safety and convenience of renters, owners, and neighboring property owners; protect the character of residential neighborhoods; protect the City's supply of needed housing; and address potential negative effects such as excessive noise, overcrowding, illegal parking, and nuisances (e.g. accumulation of refuse, light pollution, etc.).

It is the intent of these regulations to strike a reasonable balance between the need to limit short-term rental options within neighborhoods to ensure compatibility, while also recognizing the benefits of short-term rentals in providing recreation and employment opportunities, as well as transitional housing for tourists, employees of businesses, and others who are in need of housing for a limited duration.

### 14.25.010 Approval Authority

- A. Upon receipt of a request by an owner or authorized agent to complete a land use compatibility statement for a short-term rental the Community Development Director, or designee, shall determine if the request satisfies the standards of section 14.25.030. If the request satisfies the standards, then the Director shall sign the statement confirming that short-term rental is a permitted use. Such action is ministerial and, as a non-discretionary act, is not subject to appeal.
- B. In the event that the Community Development Director or designee, determines that an application does not meet one or more of the standards of section 14.25.030, then the land use compatibility statement shall not be signed.
- C. If one or more of the standards under section 14.25.030 cannot be met, an owner may seek relief from those standards through a conditional use permitting process, pursuant to section 14.34.010. Such an application is subject to review by the Planning Commission via a Type

III decision making process, consistent with section 14.52.010, and is to be limited in scope to those standards that cannot be satisfied.

- D. A Conditional Use Permit may authorize more than one vacation rental use on street segments in R-1 and R-2 zones where ten or more lots front the street. In such cases, no more than one vacation rental may be permitted for every five lots fronting the street.
- E. An approved Conditional Use Permit that grants relief from, or provides alternative requirements to, one or more of the standards of section 14.25.030 shall serve as evidence that standards have been satisfied so that the Director can sign the land use compatibility statement.

#### 14.25.015 Submittal Requirements

Land use compatibility statements shall be submitted on a form provided by the Community Development Department, and shall include the following:

- A. Site plan, drawn to scale, showing the dimensions, property lines, existing buildings, landscaped area, and off-street parking locations.
- B. Floorplan of the dwelling unit that identifies the rooms dedicated to short-term rental use.
- C. If the dwelling unit is within a residential zone, a calculation of the percentage of front yard and total lot area maintained in landscaping.
- D. If the dwelling unit relies upon shared parking areas, a copy of a covenant or other binding legal instrument detailing unit owner rights and responsibilities related to the parking areas.

#### 14.25.020 Establishment of a Vacation Rental Overlay Zone

A Vacation Rental Overlay Zone is hereby established to identify areas within the city limits where vacation rentals are compatible uses and, by exclusion from the overlay, areas where vacation rentals are prohibited in order to protect the City's supply of needed housing and character of its residential neighborhoods. The sole purpose of the Vacation Rental Overlay Zone is to identify where vacation rentals are

permitted uses and does not alleviate a vacation rental from having to satisfy requirements that are otherwise applicable under the Newport Municipal Code.

The Vacation Rental Overlay Zone shall be indicated on the Zoning Map of the City of Newport with the letters VROZ and is the area described as follows:

Real property lying within the corporate limits of the City of Newport beginning at the southwest corner of the intersection of NW 12<sup>th</sup> Street and US 101; thence west along the south line of NW 12<sup>th</sup> Street to the statutory beach line of the Pacific Ocean; thence southerly along the statutory beach line of the Pacific Ocean to the north line of SW 95<sup>th</sup> Street; thence east along the north line of SW 95<sup>th</sup> Street to its intersection with US 101; thence south along the west line of US 101 to a point opposite the south line of SE 98<sup>th</sup> Street; thence east across US 101 to the southeast corner of the intersection of US 101 and SE 98<sup>th</sup> Street, such point being coterminous with the Wolf Tree Destination Resort Site incorporated into the Newport Urban Growth Boundary pursuant to City of Newport Ordinance No. 1520; thence southerly, easterly, northerly, and westerly around the perimeter of the Wolf Tree Destination Resort Site to a point at the northeast corner of the intersection of SE 98<sup>th</sup> Street and US 101; thence north along the east line of US 101 to its intersection with SW Naterlin Drive; thence north and east along the south line of SW Naterlin Drive to SW Bay Street; thence south and east along the south line of SW Bay Street to the Mean Higher High Water(MHHW) line of Yaquina Bay; thence easterly and northerly along the MHHW line to its intersection with the Newport Urban Growth Boundary; thence northerly along the Urban Growth Boundary line to the south line of the Yaquina Bay Road; thence west along the south line of the Yaquina Bay Road to the point where it transitions into SE Bay Boulevard; thence west along the south line of SE Bay Boulevard to SE Moore Drive; thence north and west along the east line of SE More Drive to US 20; thence west along the south line of US 20 to the west line of SE Grant Street; thence north across US 20 to the west line of NE Grant Street; thence north along the west line of NE Grant Street to NE 1<sup>st</sup> Street; thence west along the north line of NE 1<sup>st</sup> Street to US 101; thence north along the east line of US 101 to the north line of NE 12<sup>th</sup> Street; thence west across US 101 to the point of beginning.

14.25.025 Allowed Locations

- A. Home share and bed & breakfast facility use of a dwelling unit is permitted in all residential and commercial zone districts.
- B. Vacation rental use of a dwelling unit is permitted within the Vacation Rental Overlay Zone.

14.25.030 Approval Standards

A. Density. The total number of vacation rentals within the Vacation Rental Overlay shall be ~~capped at~~limited to a level not to exceed 200-176 dwelling units. In the event that number is reached, the City shall establish a waiting list for the issuance of business license endorsements as they become available on a first come, first served basis.

~~1. A specific cap number shall be established by City Council resolution and that number shall serve as the maximum number of business license endorsements the City will issue for vacation rentals.~~

~~2. In the event the cap number established by City Council is reached, the City shall establish a waiting list for the issuance of business license endorsements as they become available on a first come, first served basis.~~

*Staff: The STR Implementation Work Group, at its 4/27/22 meeting, expressed a desire to eliminate the option of adjusting the license limit by resolution (up to a maximum of 200). Instead, they elected to have a license limit of 176 fixed in the ordinance. This amendment achieves that objective.*

- B. Spacing. Vacation rental use shall be limited to a single building on a lot, or group of lots, that abut a street segment. All dwelling units contained within the building are eligible for vacation rental use. For buildings on corner lots, this standard applies to both street segments.
- C. Occupancy. Maximum occupancy for a short-term rental shall be two (2) persons per bedroom, plus two additional persons per property.

- D. Guestroom Limitations. The following limitations apply to the number of bedrooms within a dwelling unit that may be occupied by guests staying at a short-term rental.
  - 1. Vacation Rentals and Bed and Breakfast Facilities. A maximum of five (5) bedrooms.
  - 2. Home shares. A maximum of two (2) bedrooms.
- E. Parking Standards. One (1) off-street parking space per bedroom that is dedicated to short-term rental use, unless the dwelling unit is within a parking district as defined in section 14.14.100, in which case on-street parking may be used to meet the one (1) space per bedroom requirement provided the parking is allocated in accordance with the requirements of the parking district. Parking spaces shall comply with the dimensional standards of subsection 14.14.090(A). Off-street parking on driveways that extend into underdeveloped rights-of-way may be used to satisfy this requirement provided a stipulation is placed on the endorsement that the authorization may be revoked if the street is improved and driveway shortened.
- F. Shared Access. Short-term rentals that rely upon use of shared access and parking areas may only be permitted if a covenant or other binding legal instrument establishes that the owner of the unit maintains exclusive use of the required parking space(s).
- G. Landscaping. For short-term rentals situated on individual lots or parcels in residential zones, at least 50% of the front yard and 40% of the total area shall be landscaped. No more than 50% of the front yard landscaping may be impervious surfaces, such as patios and decks. Driveway and parking areas shall not satisfy any portion of these landscaping requirements.

#### 14.25.035 Non-Conforming Short-Term Rentals

- A. The non-conforming use provisions of NMC Chapter 14.32 shall apply to all short-term rentals licensed prior to the effective date of this ordinance, except:
  - 1. Vacation rentals located inside the Vacation Rental Overlay Zone within, or adjacent to, a commercial or water-related zone shall count towards the specific cap number established pursuant to NMC 14.25.030(A)(1), but are not subject to the density limitation of NMC



14.25.030(A), and may be sold or transferred notwithstanding the waiting list provisions of NMC 14.25.030(A)(2).

2. All other vacation rentals located inside the Vacation Rental Overlay Zone shall count towards the specific cap number established pursuant to NMC 14.25.030(A)(1) and, upon sale or transfer, shall be subject to the density limitation of NMC 14.25.030(A) and the spacing standards of NMC 14.25.030(B).
  3. Vacation rental use of dwelling units located outside of the Vacation Rental Overlay Zone shall cease upon sale or transfer of the units.
- B. In the event that a property owner believes they can establish that imposition of these regulations results in a demonstrable reduction in the property's fair market value, such owner may apply to the City for compensation and/or relief from the regulation under ORS 195.310 to 195.314. If the property owner demonstrates with credible evidence a reduction in fair market value the City may provide compensation and/or regulatory relief in a form and amount of its choosing. The property owner may appeal any such final determination pursuant to ORS 195.318.

*(Chapter 4.25 was repealed and replaced by Ordinance No. 2144, adopted on May 6, 2019, effective May 7, 2019.)*

## Sherri Marineau

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**From:** John &Teri Rogers <4jtrogers@gmail.com>  
**Sent:** Thursday, September 29, 2022 1:03 PM  
**To:** Derrick Tokos  
**Subject:** Committee Recommendation

**[WARNING]** This message comes from an external organization. Be careful of embedded links.

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Hi Derrick,

As you know, I will not be able to attend tomorrow's meeting in person. And as travel plans have me driving east on I-84 to Wyoming, unfortunately I will not be able to participate electronically either.

Please use this email as evidence of my concurrence on our Committees Recommendation to the City Council. This Committee Recommendation accurately reflects our years of work reviewing issues associated with the Short Term Rental Ordinance, and states clearly the product of that work.

Briefly, I support the recommendations because:

4.25.030 #4, Grace Period. This recommendation makes administrative sense because it creates a modified structure that supports a smooth transition for parties involved.

4.25.045 A-H, Waiting List. This recommendation clarifies the 'waiting list' process and provides transparency regarding the 'how to's' and 'what if's'. This will be an excellent reference that addresses many 'frequently asked questions', and it provides common sense and fairness to a potentially complicated process.

4.25.050, F. Violations. This recommendation fairly aligns 'Short Term Rental' practice with existing City Code.

14.25.030, Approval Standards. This recommendation is an effort to remove ambiguity from the existing language referencing the number of Short Term Licenses.

Thank you for allowing me to serve on this Committee over the last several years. I think that the City of Newport's practice of encouraging participation in meaningful ways is an important part of a democratic process. I hope that the City Council finds these recommendations informative and helpful as they continue their important work on these evolving community issues.

Best regards,

John Rogers