

Sherri Marineau

From: Derrick Tokos
Sent: Tuesday, July 24, 2018 4:32 PM
To: 'Margaret'; 'James Hanselman'; 'carla perry'; 'simonis_110@hotmail.com'; 'Bonnie Saxton'; 'braulio.escobar@gmail.com'; 'fairhaven@peak.org'; 'dreamhomesof'; 'don@blueagate.com'; 'Bill Posner'; 'jamie@sweethomesrentals.com'; 'lauri.hines@icloud.com'; 'charboxer2@comcast.net'; 'Pam McElroy'; 'marthawinsor2@gmail.com'
Cc: Sherri Marineau; 'Rodney Croteau'; 'Bob Berman'; 'Mike Franklin (mike@newportchowderbowl.com)'; 'Lee Hardy'; 'William Branigan'; 'Jim Patrick'
Subject: RE: July 25th Vacation Rental Ad-Hoc Committee Meeting
Attachments: VRD Open House Materials_black and white_updated.pdf; VRD Open House Materials_color_updated.pdf

Good afternoon,

I made a few adjustments to the slides listing the outreach materials for the open houses. Attached is an updated version. It includes boards for:

Intermediaries
Waste Management/Landscaping
Safety (updated)
Approval Process
Fees
Notice

Also, I clarified where the rules changes are intended to apply to all short term rentals (i.e. VRDs, B&Bs, and home shares) versus just vacation rentals.

Hard copies of the presentation will be available for tomorrow's meeting and we will get the information posted to the website. As an FYI, I haven't heard from anyone interested in dialing in, so at this time we are not planning to have a conference phone setup.

Derrick I. Tokos, AICP
Community Development Director
City of Newport
169 SW Coast Highway
Newport, OR 97365
ph: 541.574.0626 fax: 541.574.0644
d.tokos@newportoregon.gov

From: Derrick Tokos
Sent: Friday, July 20, 2018 5:38 PM
To: 'Margaret' <margaret@margaretedaileylaw.com>; 'James Hanselman' <jj_oregon@yahoo.com>; 'carla perry' <carla@dancingmoonpress.com>; 'simonis_110@hotmail.com' <simonis_110@hotmail.com>; 'Bonnie Saxton' <bonnie@advantagerealestate.com>; 'braulio.escobar@gmail.com' <braulio.escobar@gmail.com>; 'fairhaven@peak.org' <fairhaven@peak.org>; 'dreamhomesof' <oregon@gmail.com>; 'don@blueagate.com'

<don@blueagate.com>; 'Bill Posner' <bposner@outlook.com>; 'jamie@sweethomesrentals.com'
<jamie@sweethomesrentals.com>; 'lauri.hines@icloud.com' <lauri.hines@icloud.com>; 'charboxer2@comcast.net'
<charboxer2@comcast.net>; 'Pam McElroy' <pmcelroy456@charter.net>; 'marthawinsor2@gmail.com'
<marthawinsor2@gmail.com>

Cc: Sherri Marineau <s.marineau@newportoregon.gov>; 'Rodney Croteau' <croteau@charter.net>; 'Bob Berman'
<CindyAndBob@earthlink.net>; 'Mike Franklin (mike@newportchowderbowl.com)'
<mike@newportchowderbowl.com>; 'Lee Hardy' <lee@yaquinabayproperties.com>; 'William Branigan'
<phantom41@gmail.com>; 'Jim Patrick' <jbpatrick@newportnet.com>

Subject: July 25th Vacation Rental Ad-Hoc Committee Meeting

Good afternoon,

The agenda and meeting materials are available for download from the committee website and city home page. Here is a link to the committee page: <http://newportoregon.gov/citygov/comm/vr.asp>. The same information is on the city main webpage at: <http://newportoregon.gov/>

Hard copy packets, for those that requested them, can be picked up at our office after 12pm on Monday. Let me know if you can't make the meeting in person and would prefer to dial in. That will be my queue to setup a conference phone, and distribute the dial-in information.

Thanks,

Derrick I. Tokos, AICP

Community Development Director

City of Newport

169 SW Coast Highway

Newport, OR 97365

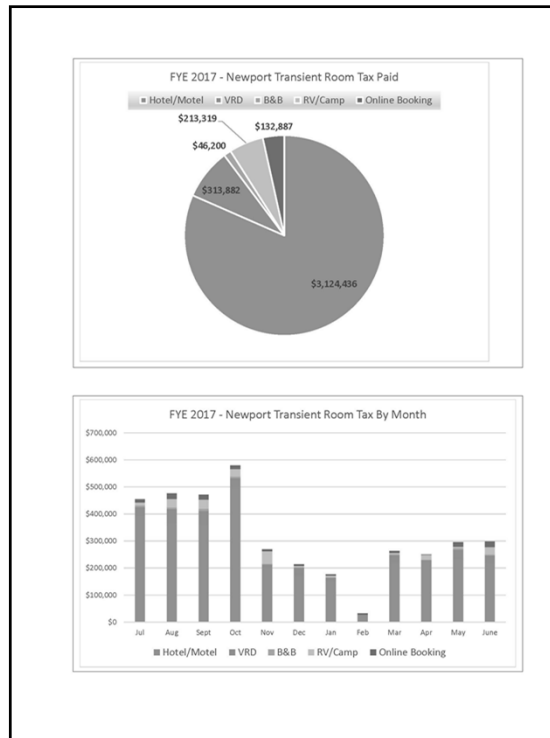
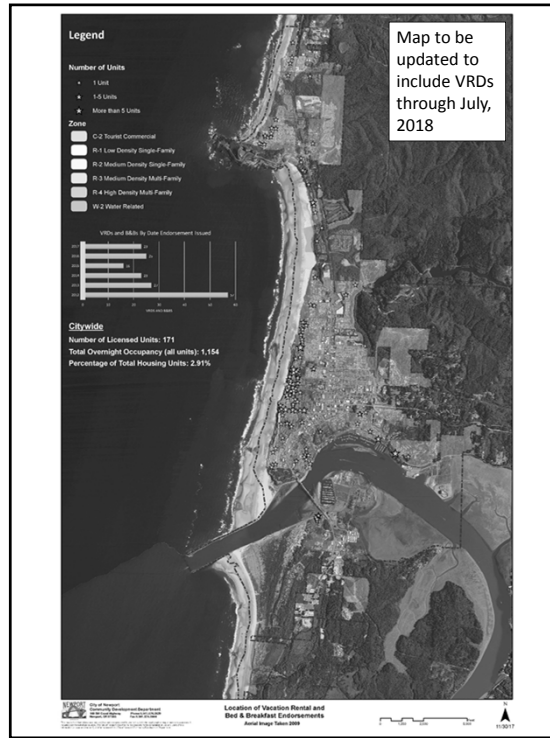
ph: 541.574.0626 fax: 541.574.0644

d.tokos@newportoregon.gov

MATERIALS FOR
TOPIC AREA STATIONS

AUGUST 2018
PUBLIC OPEN HOUSES

EXISTING
CONDITIONS
STATION



Handouts to include list of licensed VRDs and existing code/application forms as reference materials

The image shows two documents. The top document is a table titled "LICENSED VACATION RENTAL AND BED AND BREAKFAST WITH ADULT SUPERVISORY AND MINOR CHILDREN". The table has columns for "License #", "Business Name", "Address", "City/Town", "State #", "Local #", "County Name", "Address", "City/Town", "State #", "Local #", "County Name", "Address", "City/Town", "State #", "Local #", "County Name". The bottom document is titled "CHAPTER 14.25 BED AND BREAKFAST AND VACATION RENTAL FACILITIES". It contains the following text:

CHAPTER 14.25 BED AND BREAKFAST AND VACATION RENTAL FACILITIES

14.25.010 Purpose
This section establishes the terms, criteria and procedures by which bed and breakfast and vacation rental use may be permitted to ensure the safety and convenience of tenants, owners, and neighboring property owners, address zoning, character, neighborhood, historic and historic preservation, traffic, effects such as excessive noise, overcrowding, illegal parking, and accumulation of refuse.

14.25.020 General Provisions

A. Vacation rental and bed and breakfast use of an existing dwelling unit is limited to an individual and commercial operations permitted in a business license endorsement ("endorsement") pursuant to the provisions of this section.

B. An endorsement for a vacation rental or bed and breakfast use is limited to the owner of the dwelling unit. Upon the death of an owner, the unit shall remain an endorsement property. The use shall not be transferred to a vacation rental or bed and breakfast use without the approval of the local government before using the dwelling unit as a vacation rental or bed and breakfast use. However, if a vacation rental property or bed and breakfast use is transferred to a new owner, the provisions of this section shall apply to the new owner as well.

C. Vacation rental or bed and breakfast endorsements shall remain in effect for two (2) years. A business license, as required for the rental use, and the property is not sold or transferred.

D. Each vacation rental and bed and breakfast use in violation of the provisions of this section shall be subject to the provisions of this section.

1. A business license endorsement shall be applied for within one hundred twenty (120) days of the effective

TYPES OF TRANSIENT RENTAL USES STATION

DEFINITIONS

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.

Short Term Rental (STR). A *dwelling unit* that is rented to any person on a day to day basis or for a period of less than thirty (30) consecutive nights.

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.

Bed & Breakfast Facility (B&B). An owner occupied, single-family dwelling where meals are provided for a fee on a daily or weekly room rental basis, not to exceed 30 consecutive days.

Vacation Rental Dwelling (VRD). A *short term rental*, other than a *Bed and Breakfast Facility*, where the entire dwelling unit is rented for less than 30 consecutive days.

Apply Location and Density Limits to Non-Owner Occupied Units

Proposal: Exempt homes shares and B&Bs from proposed location and proximity limitations (i.e. allowed in any existing dwelling). Must obtain annual license and satisfy all other approval standards.

Rationale: The presence of a permanent resident in the unit mitigates potential nuisance issues and does not remove a unit from the City’s supply of long term housing.

Other options:

- Move ahead with exemption, but limit home shares to the rental of two rooms.
- Exempt B&Bs but not home shares.
- Do not exempt either, meaning that all three types of transient rental uses would be subject to new caps and density limitations.

Intermediaries

What is an intermediary?

An "intermediary" is a person or entity, other than a short term rental provider, that facilitates the retail sale of transient lodging and:

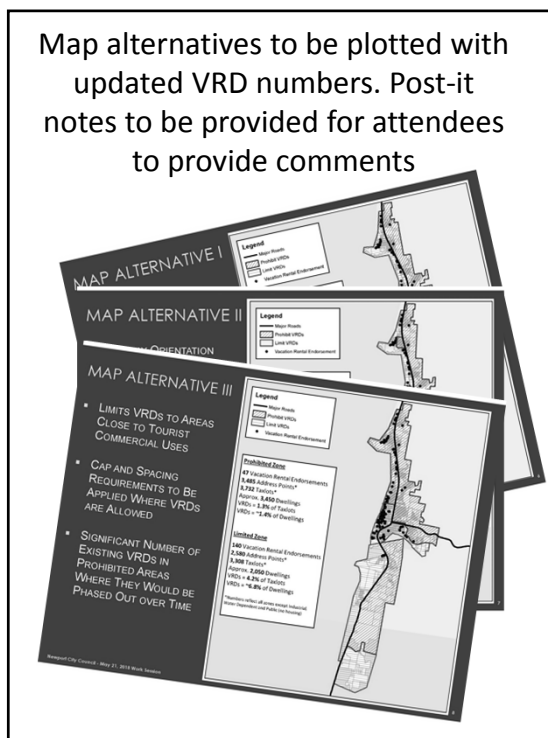
- Charges for occupancy of the short term rental; or
- Collects the consideration charged for occupancy of the short term rental; or
- Receives a fee or commission and requires the short term rental provider to use a specified third-party entity to collect the consideration charged for occupancy of the rental.

Proposal: Language is to be added to the City's revised rules indicating that its VRD regulations apply to intermediaries. Unit owners will continue to be primary party responsible for compliance. HB 4120 (2018) requires intermediaries collect and remit room taxes if they are also collecting charges for occupancy of a rental unit.



ALLOWED
LOCATIONS
STATION

Map alternatives to be plotted with updated VRD numbers. Post-it notes to be provided for attendees to provide comments



Allowed Locations

Proposal: Adopt a zoning overlay that limits VRDs to commercial and residential areas in close proximity to tourist amenities (See three map alternatives).

Other options:

- Proceed with one of the map alternatives.
- Adopt an alternative zoning overlay boundary.
- Prohibit VRDs in low density residential areas irrespective of proximity to tourist amenities (e.g. R-1 and R-2).
- Prohibit VRDs in all residential zones.
- No limitations on where VRDs can locate and address impacts with a license cap and/or proximity limitations.
- No limitations on where VRDs can locate and address impacts through enforcement of existing standards.

LICENSE AND
PROXIMITY LIMITATIONS
STATION

Cap on Licenses

Proposal: Apply a hard cap on the number of annual VRD licenses issued that is not lower than 220 or higher than 275 (roughly 4% to 5% of the City's housing stock. Cap can be adjusted by Council resolution.

Rationale: Cap is needed to preserve City's long term housing stock and 4-5% is in line with the approach taken by other cities with an economic base that is not solely dependent upon tourism (e.g. Durango 4%, Santa Fe 6%).

Other options:

- Impose a cap that is outside of the listed range and/or set caps that vary by neighborhood.
- Establish a cap that is based upon a % of the City's housing stock (i.e. number of licenses grows as new units are built).
- Do not impose a cap.

Map alternatives to be plotted showing how limitation of one VRD per street face segment will influence the distribution of VRDs. Board comparing street segment vs. buffer option will also be provided



Proximity Limits

Proposal: Allow only one VRD per street face segment in low-density residential areas (i.e. R-1 and R-2 zones). For high density residential areas (R-3 and R-4 zones) limit VRDs to one multi-family or single family building per street face. Provide Conditional Use approval process as relief valve for long street segments.

Rationale: Proximity limits (i.e. spacing requirements) will prevent concentration of VRDs to the point that they change the character of residential areas.

Other options:

- Apply proximity limits only to R-1 and R-2 areas.
- Pursue different type of proximity limit to disperse VRDs (e.g. 100-foot buffer).
- Do not adopt proximity limits and instead address neighborhood impacts with other tools (e.g. caps, tenancy limits) or better enforcement.

ENFORCEMENT
STATION

Complaints

Proposal: Develop a centralized complaint system that facilitates transparency and citizen access to information.

Rationale: Currently, complaints can be lodged with the STR operator, or multiple City Departments. Citizens are confused about who to contact and it is difficult to coordinate enforcement. This will be resolved with a centralized complaint system.

Other options:

- Retain existing rules that require concerned citizens work through STR managers to resolve concerns. City is engaged if manger is unresponsive.

Violations

Proposal: Retain progressive enforcement resulting in “three strikes you are out” with two year cooling off period for bad actors. Proactively review websites by intermediaries (i.e. Airbnb, Flipkey, etc.) to improve compliance with city requirements.

Rationale: Complaint driven process allows bad actors to fly under the radar. Progressive enforcement with risk that license will be revoked for a period of 2 years may improve compliance.

Other options:

- Maintain complaint driven approach to compliance with city rules.
- Use progressive enforcement (i.e. warning, suspension, revocation) without cooling off period. Risk associated with license cap is enough.
- Fixed monetary fine for each violation with or without risk of revocation.

24/7 Hotline

Proposal: Provide a 24/7 complaint hotline with dispatch to STR managers. Require managers have a local contact that can respond to the premises within 30 minutes.

Rationale: Calls to police non-emergency line are a low priority. Dedicated hotline should improve responsiveness. Existing requirement that STR managers respond in 24-hours is inadequate to address some types of compliance issues (e.g. loud parties).

Other options:

- Continue to use Police Department non-emergency line for dispatch.
- Require that local contact live within a fixed distance of unit (versus 30 minute response time).
- Do not require STR operator have a local contact. Focus instead on requiring response within a specific period of time (e.g. 24-hours).

Prepare board with information about third party vendors that provide enforcement support, listing services offered and preliminary pricing (\$20,00 - \$30,000 yr)







...and in Newport we have identified 627 listings, representing 244 unique rental units*

Short-term rentals in Newport as of March, 2018



Cost-effective solution

Control Short Term Rentals in Your Community



STR helper provides unparalleled capabilities that allow municipalities across the country to identify, permit and manage compliance with short term rentals in their communities.

The Short Term Rental Problem:
Over the past few years, the short-term rental market has exploded in popularity. This has led to a number of issues for municipalities, including increased noise, parking, and traffic. Additionally, the market has led to a decrease in long-term rental availability, which can impact the local economy.

Unmatched Capabilities:
STR helper offers a comprehensive suite of tools and services designed to help municipalities manage their short-term rental market. This includes everything from identification and tracking to enforcement and reporting.

Key Features:
- Identification and tracking of listings
- Enforcement and compliance management
- Reporting and analytics
- Integration with existing systems
- Customizable workflows and alerts

Benefits:
- Increased revenue
- Improved compliance
- Reduced enforcement costs
- Enhanced community safety and quality of life

11 

APPROVAL STANDARDS
STATION

Overnight Occupancy Limits

Proposal: Limit occupancy to 2-persons per bedroom, with one off-street parking space per rented bedroom.

Rationale: Current standard of 2 persons per bedroom, plus two, may encourage over-occupancy, with associated nuisance issues (e.g. noise, parking congestion, etc.)

Other options:

- Exempt small children from two person per bedroom limit.
- Adopt alternative per bedroom occupancy limit.
- Retain current standard.

Show different type of parking arrangements in the City. Include City size requirements for parking stalls on board

WHAT DOES IT MEAN TO BE OFF-STREET?

Fully Developed Road Rights-of-Way (less common)



WHAT DOES IT MEAN TO BE OFF-STREET?

Under Developed Road Rights-of-Way (common)



WHAT DOES IT MEAN TO BE OFF-STREET?

Rights-of-Way not used for public road purposes (common)



• Should "off-street" be entirely out of the public right-of-way or is it enough to prohibit parking from obstructing the travelled roadway or sidewalks?
 • What about rights-of-way that do not contain public roads?

Off-Street Parking Standards

Proposal: Retain parking standard of one space per bedroom, but require evidence that spaces are available and sized to meet City parking stall dimension standards. Parking spaces on underdeveloped streets may extend into the road right-of-way.

STRs in special parking districts must satisfy parking needs in the same manner as other commercial uses.

Rationale: Parking spaces that are adequately sized and available will be used by tenants, minimizing the chances that guests will illegally park or encroach onto neighboring properties.

Other options:

- Establish an alternative parking standard.
- Require off-street spaces be entirely outside of the road right-of-way (even for underdeveloped streets).
- Subject STRs in special parking areas to a Conditional use process if they cannot provide off-street parking (current standard).

Safety

Proposal: Update short term rental building safety standards related to:

- Emergency escape windows and doors.
- Handrails and guardrails.
- Bathroom, shower and window safety glazing.
- Smoke detectors and extinguishers.
- Address visibility (for emergency responders).



Memorialize Fire Department's annual inspection program that is focused on smoke/carbon monoxide detectors, extinguishers, emergency egress and addressing.

Rationale: Guests of STRs should be afforded the same level of safety as is available to persons renting hotel/motel rooms.

Signage

Proposal: Require STR operators to post a sign in plain view of the street identifying the unit as a vacation rental with a phone number of the designated contact.

Rationale: The signs will make it easier for persons to contact STR managers if there is an issue.

Other options:

- Do not require a sign to be posted. Concerned citizens can contact the STR manager using information on the notice they receive when the unit is approved, through a centralized complaint system (if established), or via the Police Department.

Waste Management

Proposal: No changes proposed to existing provisions requiring weekly solid waste disposal service while the unit is occupied, and that receptacles be stored such that they are out of plain view from the street.

Landscaping

Proposal: No changes proposed to existing standards requiring that, in residential areas, a fixed percentage of the lot area be retained in landscaping.

Events

Proposal: Prohibit use of VRDs for events (weddings, reunions, etc.)

Rationale: Such activities contribute to nuisance issues in residential areas and encourage over occupancy of the unit.

Other options:

- Do not prohibit event use. Address nuisance issues on a case-by-case basis through progressive enforcement.

PROCESS
(LICENSING AND FEES)
STATION

Approval Process

Proposal: City approval will continue to be subject to compliance with clear and objective standards. Conditional use approval, subject to discretionary standards, will remain an option for applicants that cannot meet one or more of the clear and objective requirements.

Rationale: Use of clear and objective standards remove uncertainty from the process, ensure that “like type” applications are treated the same, and are the least resource intensive for the City to implement. It is appropriate to retain a conditional use process for unique circumstances.

Other options:

- Require compliance with clear and objective standards without exception (i.e. no conditional use process).
- Replace clear and objective standards with discretionary approval criteria.

Licensing

Proposal: Require STR managers obtain an annual business license endorsement. Require proof of insurance and offer opportunity to update designated contact information. Licenses to automatically expire if inactive.

Rationale: Annual license will keep STR managers more engaged with City, improving accuracy of designated contact information and ensuring that insurance is in place for guests. Automatic expiration clause needed to prevent “license hoarding” under a cap.

Other options:

- Retain existing standard that business license endorsement must be renewed with change in ownership.

Fees

Proposal: Set the charge for annual business license endorsements at a level sufficient to cover the cost of third party vendor support for enforcement. Cost would likely be \$200 to \$250 a year depending upon the number of licenses available.

Rationale: Operators should share in the cost of ensuring that the City's STR rules are followed. City would subsidize other costs (e.g. application review, inspections) because rules also benefit the broader public.

Other options:

- Retain existing fee structure that seeks to recover cost of performing building inspections and 50% of the City's planning review costs.
- Combination of the above.
- An alternative methodology.

Notice

Proposal: Retain requirement that neighbors within 200-feet of an STR receive mail notice when a business license endorsement is issued. Notice to include contact information for the unit manager. For conditional uses, notice of the public hearing is provided to owners within 200-feet.

Rationale: Public awareness of newly licensed units, and who they can contact with concerns, is enhanced by new sign posting requirements in addition to mail notice. Providing advance notice to neighbors on decisions that involve clear and objective standards can frustrate the public because they cannot influence the outcome.

Other options:

- Establish a distance other than 200-feet.
- Do away with the notice requirement for STRs approved under clear and objective standards (relying instead on signage).
- Provide notice in advance of, and after, all STR applications.

EFFECT ON EXISTING RENTALS
STATION

Effect on Existing Rentals

Proposal: Conditional use permits that allowed alternative standards will not be grandfathered. VRDs in areas where they are no longer permitted will be allowed to continue to operate for a fixed period of time (5-7 yrs).

Rationale: Grandfathering clauses slow the pace of compliance with new rules. Allowing VRDs in newly designated prohibited areas to phase out over time provides operators a reasonable return on investment.

Other options:

- Provide grandfather clause for units that received conditional use approval in the past related to overnight occupancy, parking, landscaping and shared access (current rule).
- Adopt alternate timeframe for amortizing VRDs in prohibited areas or allow them to continue as long as they maintain a valid license.