

## Vacation Rental Ad-Hoc Committee Responsibilities

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- Review existing vacation rental regulations
- Evaluate Best Management Practices used by other jurisdictions
- Discuss policy options for revising the City's codes
- Select Preferred Alternatives for presentation to the public
- Attend public open houses (if possible)
- Reconvene to review public comments and determine if Changes are needed to Preferred Alternatives
- Propose package of amendments to Planning Commission for its consideration and recommendation to the City Council (i.e. start of public hearing process)

## Ad-Hoc Committee Organizational Issues

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- Committee may elect a chair to facilitate meeting or have staff perform that function
- Staff to prepare meeting materials and policy options for Committee consideration and feedback
- City will keep an audio record of the meetings and staff will prepare written minutes summarizing the discussion and points of agreement or disagreement
- Where general consensus cannot be reached on a particular topic, staff may prepare more than one policy option representing the majority and minority perspectives
- Meetings are open to the public and the agenda includes a dedicated period for soliciting “public comment.” Committee should discuss how best to incorporate public feedback into the process

# Overview and Observations

## Past and Current Newport Vacation Rental and Bed and Breakfast Regulations

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PLANNING COMMISSION  
VACATION RENTAL AD-HOC COMMITTEE

JANUARY 31, 2018 WORK SESSION

## Vacation Rental Dwelling Regulations Prior to 2012

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- VRDs allowed in all of the City of Newport's residential zone districts as "weekly rentals"
- Weekly rentals limited to 10 occurrences per year, with no clear constraint on the duration of each visit
- Vacation Rentals allowed more frequently through conditional use process in R-4 zone and allowed outright in commercial zones, with limits on street level residential use
- Bed and Breakfast Establishments (B&Bs) allowed conditionally in R-3 and R-4 zones and outright in commercial zones
- 52 Vacation Rentals and 12 B&Bs approved as conditional uses

## Problems with the Pre-2012 VRD and B&B Regulations

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- “Weekly Rentals” were effectively unregulated, with the City having no idea how many there were or where they were located
- Weekly rental limit of 10 occurrences in a year was extremely difficult to enforce
- Conditional use criteria were not tailored to vacation rental use and discretionary standards were inconsistently applied
- B&Bs and VRDs were not subject to the types of safety standards for guests that apply to conventional hotels/motels
- No uniform, clear and objective approval criteria

## Planning Commission Desired Outcomes (2012)

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- Open to taking a fresh look at where vacation rentals should be allowed
- Maximum occupancy should be explored
- Standards should address how vacation rental use is different than single-family dwelling use
- Criteria should consider parking & sanitation
- Focus on developing clear and objective standards
- Keep the process simple
- Need more precise definitions
- Complaint-driven approach to enforcement is appropriate
- There should be a fee to offset administrative costs

## 2011-2012 Ad Hoc Work Group

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The Ad-Hoc work group met seven (7) times between March and November of 2011. It included the following individuals:

- Tracy Wiley – Embarcadero Resort
- Rob Oberbillig – Homeowner
- Lee Hardy – Yaquina Bay Property Management
- Bob Berman – Homeowner
- Cindy Reid – Vacation Rental Owner
- Joya Menashe – Agate Beach Services (Vacation Rental Manager)
- Melanie Sarazin – Planning Commission Liaison

## How are VRDs and B&Bs Defined?

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- Vacation Rental Dwelling (VRD): A dwelling unit containing not more than five (5) guest rooms that is rented for less than 30 consecutive days.
- Bed and Breakfast Facility (B&B): An owner occupied single-family dwelling containing not more than five (5) guest rooms, where meals are provided for a fee on a daily or weekly room rental basis, not to exceed 30 consecutive days.
- Hotel: A building in which lodging is provided for guests for compensation and contains a common entrance and where lodging rooms do not have an entrance opening directly to the outdoors (except for emergencies), with or without cooking facilities, and where more than 50% of the lodging rooms are for rent to transient guests for a continuous period of less than 30 days. A B&B or VRD conducted in a single family dwelling or individual dwelling unit is not a hotel.
- Motel: Similar to hotel but units have separate entrance to building exterior.

## Why Regulate VRDs and B&Bs?

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- Ensure the safety and convenience of renters, owners, and neighboring property owners
- Protect the character of residential neighborhoods
- Address potential negative effects such as excessive noise, overcrowding, illegal parking, and accumulation of refuse

# Summary of Current Regulations

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- Vacation rentals and B&Bs are allowed in all zones
- Subject to a license with clear and objective criteria regarding:
  - Occupancy
  - Parking
  - Waste Management
  - Landscaping
  - Safety of renters
  - Issue resolution
- Provides an over-the-counter approval process
- Conditional use is an option if clear and objective standards cannot be met
- Existing rentals were not grandfathered

## Concerns Expressed about VRDs

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- Perception that vacation rentals lead to increased traffic, noise, and trash in established neighborhoods
- Belief that there is inadequate enforcement
- Discomfort with not knowing neighbors
- Desire to see notice area extended and designated contacts posted to City website
- Concern that vacation rentals may be driving up housing costs and tying up units that would otherwise be available to full time workers
- Interest in seeing caps imposed on the maximum number of vacation rentals and tenancy limits

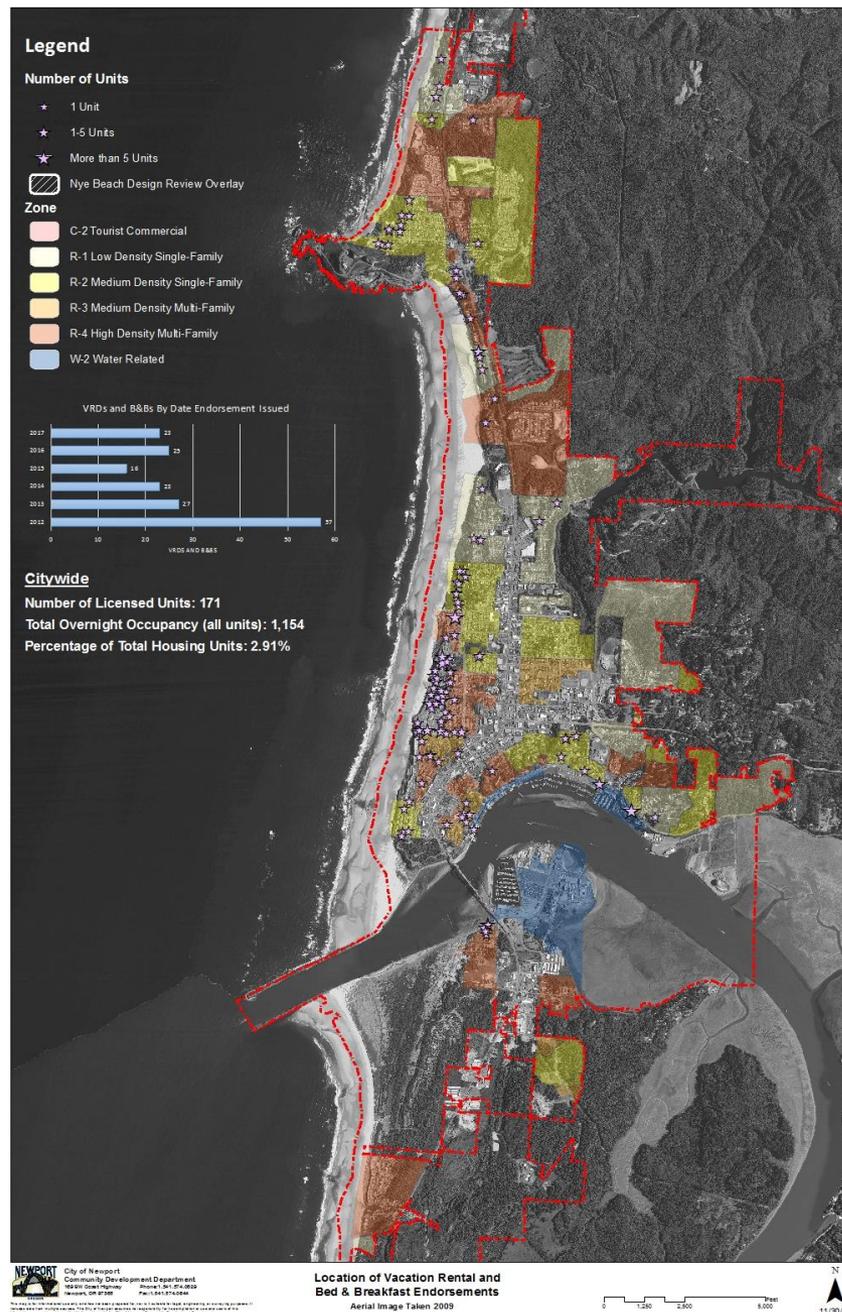
## Comments in Support of VRDs and B&Bs

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- Short term rentals unfairly blamed for nuisance issues that are just as prevalent with units under longer term tenancy
- Avoid sudden changes that impact people financially
- Can't afford to buy into Newport without option of renting unit for vacation rental purposes
- Be cognizant of the fact that Newport is a tourist destination. Don't hurt our tourist economy
- Newport's current rules are well balanced and reasonable. Don't change them

# Geographic Distribution of VRDs/B&Bs Licensed Since 2012

- Concentrated in areas with ocean or bay views that are close to tourist-oriented retail areas
- Heaviest concentration in Nye Beach
- Blend of condominiums and dwellings
- Represent just under 3% of the City's housing stock
- Average RMV Per Unit (2016): \$311,295



## Issues with Definitions

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- VRD/B&B size limit (i.e. currently maximum of five (5) bedrooms) contained in the definition needs to be included as a development standard
- Hotel/Motel versus VRD distinction clarified in the business license code (Ord. #2073, 2015).
  - Condominiums where owners are contractually obligated to rent through common rental pool are a hotel/motel
  - Embarcadero owners association is currently debating this question
- Timeshares continue to be an issue, where individual owners out of the group choose to rent the unit. May be more of an enforcement than a definition issue

## Locational Issues

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- In 2012 policy makers correctly determined that desirability of a site for VRD or B&B use correlates to amenities, not zoning
- Units are beginning to materialize in areas that lack these amenities (e.g. residential zones east of US 101 and north of US 20). Restrictions may be warranted for these areas
- 2012 effort assessed tenancy limits (i.e. frequency of use) and ruled them out, in part, due to enforcement challenges
- Density limitations, including ownership based restrictions, proximity based restrictions, ratios and hard caps were assessed in 2012. Should be reassessed citywide or in targeted areas.

## Maximum Overnight and Building Occupancy

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- Overnight occupancy currently limited to two persons per bedroom, plus two. Building occupancy is subject to Fire Code limitations
- Overnight occupancy is stricter than some would like, which is generally due to lack of off-street parking
- Homes that have more bedrooms than rooms permitted for vacation rental use can be an enforcement issue
- Overnight occupancy limits can be reasonably enforced since it is typically depicted on advertisements

## Parking Requirements

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- One off-street space required per bedroom dedicated to VRD and B&B use
- Guests may use available on-street spaces just like other members of the public
- Parking congestion has been a particular issue in neighborhoods with substandard (narrow streets) and/or poorly defined on-street parking areas
- Relief from off-street parking requirements has been the subject of all four Conditional Use applications to the Commission (3 approved, one denied)
- Code is unclear regarding whether or not off-street mean out of the travelled street or out of the right-of-way. It is a provision that could be clarified

# Landscaping

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- At least 50% of the front yard and 40% of the entire yard must be landscaped for units in residential zones
- Intended to prohibit over-parking in residential areas and destruction of residential “appearance” of the streetscape
- Hasn't been a significant enforcement issue

## Waste Management

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- Owner required to provide for regular garbage removal and receptacles must be screened from view
- Occasionally an enforcement issue
- May want to explore requiring VRDs to use Thompson Sanitary Service's valet option if waste isn't managed effectively

# Noise Abatement

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- Not addressed in the VRD and B&B code. Noise issues fall under City nuisance abatement standards
- Enforced by the City of Newport Police Department
- Police Chief has indicated that nuisance issues with VRDs and B&B are not a significant part of their call volume
- Police Department is comparing licensed VRD lists against their complaint logs, a task that should be completed by the end of October

# Safety Provisions

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- Units passing first inspection: +/- 50%
- Most common issues:
  - Faulty or missing smoke and/or carbon monoxide detectors
  - GFCI receptacles
  - Egress windows
  - Handrails and guardrails
- Fire Department initiated annual inspections after the City Center fire, focusing on fire suppression measures and emergency egress
- 2012 Standards have improved the safety of rental units; however, minor revisions to safety provisions are warranted to clarify requirements and address building code changes

# Enforcement

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- City has documented 22 complaints since 2012 with most common issues being:
  - Advertising in excess of occupancy
  - Excessive number of vehicles or insufficient off-street parking
  - Trespass
  - Barking dogs
- Language added to code in 2012 equating advertising to use has been effective
- One-time notice of designated contact is inadequate. Adding contact list to the City website and expanding the notification area could be helpful
- Stricter rules may be warranted for repeat offenders
- Complaints need to be tied to specific properties or verifiable occurrences
- Existing code does not address change in designated contact. Currently re-noticed via city administrative process

## Process

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- Clear and objective land use standards administered over the counter
- Business licensing program is used as a conduit for ensuring compliance
- Feedback has been generally positive regarding the clarity of the standards and ease of navigating the approval process
- Some standards could be moved from the land use code to the business license code, if further amendments are made (e.g. rules that relate to designated contacts, required safety information for guests, etc.). This would make them easier to revise in the future

## Planning Commission Observations

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- Code is easily understood, and can be reasonably administered
- City knowledge about the nature and extent of VRDs and B&Bs has been greatly improved
- Units are much safer than they were under pre-2012 rules
- More information needs to be available online (e.g. designated contact, filing complaints, etc.)
- Some code provisions should be updated to reflect current industry standards (e.g. safety requirements)
- Rules put in place to address negative effects of transient rental use have not been entirely effective. Targeted amendments are needed
- City appears to lack capacity to perform effective code enforcement
- It is timely to evaluate whether or not the number of VRDs and B&Bs should be limited or possibly prohibited in certain areas

Questions?