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November 13, 2017

Newport City Council
169 SW Coast Highway
Newport, OR 97365

RE: Five Year Review and Recommendations Related to the City of Newport's Regulations for Vacation Rental Dwellings (VRDs) and Bed and Breakfast (B&B) Establishments

Dear Council Members,

At your request, the Planning Commission has reviewed the City's vacation rental codes, which were last updated in 2012, to assess how well they have achieved the policy objectives that led to the amendments and whether or not it is timely to revisit the rules to see if they can be improved. We held work sessions on October 9th and October 23rd, to walk through the various code provisions. These sessions also afforded us an opportunity to consider recent public testimony, and data compiled by City staff. This letter summarizes our findings.

Changes made to the City's vacation rental rules in 2012 put VRDs and B&Bs under a common set of clear and objective approval criteria designed to ensure the safety and convenience of renters, owners, and neighboring property owners; protect the character of residential neighborhoods; and address potential negative effects such as excessive noise, overcrowding, illegal parking, and accumulation of refuse. We also wanted a code that is easily understood and that can be reasonably administered. In many respects, we are pleased with the results. Data shows that most VRDs and B&Bs are licensed and appear to be operating in compliance with adopted standards. Transient rental units in our community are safer for Newport guests and new enforcement tools, such as equating advertising with use, have proven effective.

Protecting the character of residential neighborhoods was a significant issue in 2012, and it continues to be a major concern for many members of our community. This was a difficult issue to address at the time. Prior to 2012, most VRDs were not regulated by the City. We had no idea how many of them existed or where they were located. With that in mind, the Commission focused on putting standards in place to address potential negative effects of transient rental uses, with the hope that they would be effective at mitigating impacts on nearby residents. These standards have not been entirely effective, and we believe that it is timely to engage anew in a conversation about whether or not VRDs and B&Bs should be limited or possibly prohibited in certain parts of the city. Such discussion would be better informed, now that the City understands how transient uses are distributed, and should occur before the number and/or concentration of VRDs and B&Bs is so great that it would be difficult to put in place measures that would have a meaningful impact.

Complaints the City receives about VRDs and B&Bs relate to enforcement of the existing rules, and opposition to some of the rules themselves. The Commission is concerned about the City's capacity to perform effective code enforcement. There are a number of reasons for this, including limitations of the existing code, staffing turnover, the structure of the broader transient rental economy that limits the City's ability to access critical information about units being rented, taxes being paid (e.g. Airbnb and similar sites), and complaints being recognized. Ensuring that the codes are enforceable and that adequate resources, including funding, are dedicated to carryout enforcement responsibilities should be a point of emphasis of any future code amendments.

Neighbors should be able to readily access information about who is managing a vacation rental unit and should be able to access a centralized system for filing a complaint. Making information available online doesn't require a change to the City's codes, and we would encourage the City Council and staff to post this information and establish such a system on the City website. Expanding the geographic boundary of notice that is given to neighbors when VRDs and B&Bs are established, or putting in place rules for when VRD and B&B operators must update designated contact information with the City, may necessitate code amendments, and should be explored if revisions to the code are to be entertained.

Targeted amendments to aspects of the code relating to off-street parking, maximum occupancy, and safety standards may also be warranted to clarify requirements for the public and staff or to reflect current thinking with respect to appropriate safety requirements. These factors, in and of themselves, may not justify code amendments at this time, but should be considered if the work is initiated.

The overall number of transient rental units in Newport is relatively low overall as compared to other coastal communities. This means that we have an opportunity to wrestle with these challenging questions through a deliberative process, weighing neighborhood needs and the fact that a significant portion of our local economy is tourist based. Comprehensive solutions should be identified and vetted with broad public engagement. The Planning Commission is happy to help facilitate such a detailed review process and make recommendations.

Sincerely,



Jim Patrick, Chair
On behalf of the Newport Planning Commission