

<p>Draft Short-Term Rental Code Amendments</p> <p>(Version No. 1 was the original draft presented to the Ad-Hoc Work Group. Changes made by that group, the City Council, and Planning Commission since the initial draft was released are shown with a <u>double underline</u> where language is added and strikethrough where language is deleted.)</p>	<p>Rationale for Changes</p> <p>(An Ad-hoc Work Group met 15 times over a ten month period to develop a package of amendments to the City’s short-term rental regulations. Version No. 1 of this draft was the culmination of that effort. The rationale below explains why the changes are needed, including the purpose behind subsequent revisions by the Ad-hoc Work Group, Planning Commission and Council.)</p>
<p><u>CHAPTER 4.25 SHORT-TERM RENTAL BUSINESS LICENSE ENDORSEMENTS</u></p>	<p>A new chapter is being created in the business license section of the Municipal Code. It will include administrative, safety, and enforcement related provisions that are not required to be in a zoning ordinance. This change also allows the short term rental endorsement requirements to be in the same chapter as the standards for other business license endorsements.</p>
<p><u>4.25.005 Purpose</u></p> <p>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 <u>nuisances (e.g. accumulation of refuse, <u>light pollution, etc.</u>)</u>.</p> <p>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, <u>employees of businesses</u>, and others who are in need of housing for a limited duration.</p>	<p>The purpose statement outlines the reason for the regulations contained in this chapter. Language borrows from concepts contained in Newport’s existing code and the recently adopted Hood River ordinance. It also addresses the concepts listed under “Rationale for Regulating” in the Committee’s “Policy Options by Topic Area” document. This chapter contains administrative provisions for regulating short-term rentals. A similar purpose statement will be included in NMC Chapter 14.25, which will include the more substantive, land use regulations.</p> <p>Reference to nuisance provisions and light pollution added at the ad-hoc work group’s request on 9/26/18.</p> <p>Clarification that short-term rentals provide housing for employees of businesses was made at the request of the Planning Commission at its 10/22/18 work session.</p>

<p>4.25.010 Definitions</p> <p>The following definitions apply in this chapter.</p> <p><u>Authorized Agent.</u> 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.</p> <p><u>Bed and Breakfast Facility.</u> An owner occupied, A single-family dwelling <u>used as a short-term rental</u> where <u>the operator resides on the premises and</u> meals are provided for a fee on a daily or weekly room rental basis, not to exceed 30 consecutive days.</p> <p><u>Bedroom.</u> 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.</p> <p><u>Dwelling Unit.</u> A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.</p> <p><u>Home share.</u> 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 <u>for the duration of the rental.</u></p> <p><u>Owner.</u> Means the natural person(s) or legal entity that owns and holds legal or equitable title to the property.</p>	<p>Definitions are included for key terms. A definition for authorized agent has been added at the request of the City Attorney so that it is clear that the regulations apply to intermediaries and not just the property owner. A definition for short-term rental is included as a catch-all for transient rental uses (i.e. B&Bs, vacation rentals, and home shares). The definition for dwelling unit aligns with the definition of the same term contained in the 2017 Oregon Residential Specialty Code</p> <p>A definition for bedroom does not exist in the Newport Municipal Code or Building Code. The new definition aligns with the definition for this term contained in the Residential Landlord and Tenant Law statute (ORS 90.262(4)(a)).</p> <p>A definition for home share has been provided, as requested by the ad-hoc work group and it contains language stipulating that the owner reside within the dwelling when the rental is occurring.</p> <p>Definitions for owner, licensee, and transfer have been added to provide added context given that the proposed code will include a cap on the total number of annual business licenses issued.</p> <p>Clarification of the “home share” and “vacation rental” definitions made at the request of the ad-hoc work group on 9/26/18.</p> <p>Definition of “Transfer” expanded to “Sale or Transfer” and amended to clarify actions that constitute a sale or transfer. The new definition is similar to the one used by Lincoln City, a jurisdiction that imposes limitations on the number of short-term rental licenses it issues in certain areas. New definition does not consider rights of survivorship benefiting a spouse or domestic partner as a sale or transfer. Further, it stipulates that transfers to business entities and trusts are exempted only if the transferor</p>
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Short Term Rental. 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.

~~Transfer. Means the addition or substitution of owners not included on the original business license endorsement application, whether or not there is consideration. If multiple owners exist on a license, individual owners may be removed from the license without constituting a transfer.~~

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 a change in ownership where title is held not as tenants in common but with the right of in survivorship (e.g., survivorship estates recognized in ORS 93.180, such as with a spouse or domestic partner, or transfers on the owner’s death to a trust which benefits only a spouse or domestic partner for the lifetime of the spouse or domestic partner).

Exceptions:

1. A license holder may transfer ownership of the real property to a trustee, a limited liability company, a corporation, a partnership, a limited partnership, a limited liability partnership, or other similar entity and not be subject to license termination so long as the transferor lives and remains the only owner of the entity. Upon the transferor’s death or the sale or transfer of his or her interest in the entity to another person, the license held by the transferor shall terminate.

2. A license holder may transfer ownership of the real property to the license holder and a spouse or domestic partner with the right of survivorship and not be subject to license termination.

Vacation Rental. A short term rental, other than a Bed and Breakfast Facility or Home share, where the entire dwelling unit is rented for less than 30 consecutive days.

remains the only owner of the entity/trust. Situations where a license holder adds a spouse or domestic partner to the title of the property are also excluded from the definition of sale or transfer. This alternative definition has been added in response to concerns raised at the 10/15/18 City Council work session related to the potential use of business entities to skirt a license cap (if a cap is adopted).

Definition for Bed and Breakfast facility clarified to no longer require that the permanent resident be the owner. Change was requested by the Planning Commission at its 10/22/18 work session.

<p>4.25.015 Annual Short-Term Rental Business License Endorsement Required</p> <p>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.</p>	<p>Establishes that a business license endorsement is required to advertise, offer, operate, rent or otherwise make available for occupancy or use a short-term rental. Incorporates concepts currently listed under NMC 14.25.020(A) and NMC 14.25.090(A) and (B).</p>
<p><u>4.25.020 Application Information and Filing Fee</u></p> <p>A. Applications for short-term rental business license endorsements are to be on forms provided by the City, and shall include the following:</p> <ol style="list-style-type: none"> 1. <u>Owner Information.</u> Owner’s name, permanent residence address, telephone number, email address (if available) and short-term rental address and telephone number. 2. <u>Authorized Agent.</u> 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. <u>Representative Information.</u> 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. 	<p>This section sets out the information that must be submitted to the City of Newport Finance Department to obtain a new business license endorsement, or to renew an existing endorsement. The requirement that owners possess liability insurance for the short-term rental is new, and has been added at the ad-hoc work group’s request. The Community Development Department will be responsible for verifying that the land use standards in NMC 14.25 have been met. This will be handled as a Land Use Compatibility Statement (LUCS). The LUCS includes substantive criteria, such as verification that a unit is being located in a permissible area, that there is room within a license caps, and that standards such as proximity limits, parking, and landscaping will be met. Checklists establishing that fire safety and structural safety standards have been met must also be completed prior to an application being accepted. If a cap is put in place, then the City will reserve a license spot for 90-days to allow time for these approvals to be obtained.</p> <p>A proof of residential use requirement applies to home shares and B&Bs, since they must establish that there is a permanent resident in the unit. Sample “good neighbor guidelines” are attached. A Newport version will be developed, based upon whatever final version of these code amendments is adopted. Given available resources, it is likely that building inspections will occur when there is a change in ownership.</p>

<p>4. <u>Liability Insurance.</u> <u>Letter of intent to insure (for new applications) or cCertificate of insurance (for renewals)</u> establishing that the owner <u>will have or</u> 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. <u>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.</u></p> <p>5. <u>Land Use Authorization.</u> 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.</p> <p>6. <u>Occupancy.</u> Occupancy limits and number of bedrooms (as specified in the Land Use Authorization).</p> <p>7. <u>Parking.</u> Statement that required <u>off-street</u> parking spaces are available, with a dated photo(s), <u>dated within the last 90 days, submitted</u> of interior and exterior parking spaces. A site plan including a parking diagram of the parking spaces shall also be provided.</p> <p>8. <u>Proof of Residential Use (for Home shares and Bed and Breakfast Facilities).</u> At least two of the following items shall be submitted as evidence that the dwelling is the primary residence of the owner.</p> <ul style="list-style-type: none"> a. A copy of the voter registration b. A copy of an Oregon Driver’s License or Identification Card 	<p>Fire Inspections will probably occur annually, or on a lottery basis. Both provisions have been drafted to provide flexibility.</p> <p>Draft language borrows concepts from the existing Newport code, and from samples codes adopted by Bend, Hood River, and Lincoln City.</p> <p>Liability insurance provision clarified to recognize that new applicant’s will not necessarily have insurance in place at the time a business license endorsement is filed. Change made at the request of the ad-hoc work group on 9/26/18.</p> <p>Parking provision clarified to indicate that photo(s) must be dated within the last 90-days. This change was requested by the planning Commission at its 10-8-18 work session. Provision was further clarified to apply to off-street parking spaces per discussion at 10-15-18 Council work session.</p> <p>Language noting that certificate of insurance for new short-term rentals must be submitted before a unit may be used as a short-term rental was added at the request of the Planning Commission on 10/22/18.</p>
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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. Acknowledgement of receipt and review of a copy of the good neighbor guidelines. In addition, evidence that the good neighbor guidelines has been effectively 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(C)(7).

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

<p>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.</p> <p>C. <u>License Fee.</u> 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.</p>	
<p>4.25.025 Term of Annual Business License Endorsement and Transferability</p> <p>A. <u>Term.</u> 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.</p> <p>POLICY ALTERNATIVES</p> <p>B.1. <u>Transferability.</u> The business license endorsement shall be issued in the name of the owner(s) and is not transferable.</p> <p>or</p> <p>B.2. <u>Transferability.</u> The business license endorsement shall be issued in the name of the owner(s) and is transferrable only in those cases where the property is commercially zoned.</p> <p>or</p>	<p>Establishes that business license endorsements are valid for a period of 12-months, as the ad-hoc work group discussed. Transferability is particularly relevant if a license cap is imposed. Alternatives listed reflect the options discussed with the ad-hoc work group.</p>

<p>B.3. <u>Transferability.</u> The business license endorsement shall be issued in the name of the owner(s) and is transferrable in those cases where the property is within, or across the street from, a commercial zone.</p>	
<p>4.25.030 Business License Endorsement and Endorsement Renewal.</p> <p>A. <u>Endorsement Must Be Obtained.</u> 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.</p> <p>B. <u>Application and Renewal Application Process.</u> 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:</p> <p>1. Time of Application.</p> <p>a. <u>Existing Non-Conforming Short-Term Rentals.</u> 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.</p> <p>b. <u>New Short-Term Rentals.</u> 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.</p>	<p>Approval standards must be met at the time of application or renewal. Those listed are administrative in nature, as this chapter is not intended to contain land use regulations. Timing for applications and renewals aligns with how the Finance Department handles business licensing. A firm deadline is provided for renewals, after which an endorsement will expire.</p> <p>The ad-hoc work group wanted designated contacts to be local, to help improve response times. The new language includes a requirement that they be able to respond to the premises within 30-minutes.</p> <p>Two options are provided for notice. The city does not have staff to provide annual mailings to property owners within 250-feet of every short-term rental. The purpose of a mailing requirement is to provide neighbors with contact information should they have concerns. That need is addressed with the new sign posting requirement. An alternative gives the owner the option of posting a sign or distributing contact information to neighbors on an annual basis.</p> <p>Non-illuminated signs up to 2 square feet in size are currently permitted in R-1 and R-2 zones, which contains the most restrictive provisions (NMC 10.10.075(A)). Signs of this size also appear to be in line with what other jurisdictions require for short-term rentals.</p> <p>The fires and building safety standards listed in this section were reviewed by, or discussed with, the ad-hoc committee. Many of the safety standards were already in place, and they are being updated with this package of code amendments. At its 10/22/18 work session the Planning Commission requested the GFCI outlet provisions be extended to cover other regulated spaces such as laundry areas.</p>

c. Sale or Transfer of Property. For business license endorsements that are eligible to be transferred pursuant to NMC 4.25.025(B). Upon change in ownership of a property subject to a short term rental endorsement, it is the obligation and responsibility of the new owner to obtain a new endorsement in order to operate the short-term rental. The new owner shall have 60 days from the date of ownership (closing of the sale) to apply for and receive a new operating-business license endorsement. The business license endorsement obtained by the prior owner shall remain in effect during the 60-day period within which the new owner must obtain an endorsement.

2. Notice. On or about July 1st 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 15th 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 15th 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. For new owners, once the 60 day grace period to apply for a license expires, as referenced in NMC 4.25.030(B)(1)(c) of this section, the ability to operate shall be conclusively presumed to be discontinued with no further action by the City.

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

New language is added committing the City to making Short-term rental information available electronically to improve citizen access to the information. This is something the ad-hoc work group believes is needed to improve transparency.

Proof of use requirements are new and intended to ensure that license holders are actually using units as short-term rentals. This concerns about “license hoarding” under a cap system.

Endorsements that are revoked or subject to a 2-year cooling off period are not eligible for newel. This is new language request by the ad-hoc work group.

Sale of property provision is relevant if transferability options B2 or B3 are selected. The sale of property provision will be removed if business license endorsements are not transferable (transferability option B1). Language has been added to make it clear that the old endorsement will remain in effect during the 60-day period. Language in the “contact information” clause has been clarified such that a qualified person must be close enough that they can reach a unit within 30 minutes. The “notice to neighbor” option two has been eliminated as there was consensus amongst the ad-hoc work group that signs should be required for all short-term rentals. Proof of use language revised to 30 days in a fiscal year. Changes were requested by the ad-hoc work group at its 9/26/18 meeting.

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 ~~respond-reach~~to 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 may be provided to 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.

POLICY ALTERNATIVES

- 3.1 Notice to Neighbors. The owner or authorized agent shall post a small, non-illuminated sign on the premises, ~~not to exceed~~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 visible from the 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.

~~or~~

~~3.2 Notice to Neighbors. The owner or authorized agent shall either: (a) provide an annual mailing or otherwise distribute by hand, a flier to neighbors within a 250-foot radius of the short-term rental property containing the owner and/or representatives contact information, or (b) post a small, non-illuminated sign on the premises, not to exceed 2 square feet in size, in a location clearly visible from the adjacent street that contains the owner and/or representatives contact information. 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 flier or placard/sign shall be that of the firm providing the dispatch service.~~

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 ~~operator~~ 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 ~~faees~~ plates~~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.
- 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 alarm.
- 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.

<p>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.</p> <p>7. <u>Proof of Use</u>. For renewals, room tax remittance records <u>must</u> show that the unit has been rented at least <u>30 days</u> once during the previous<u>within the</u> -12 months <u>fiscal year</u>.</p> <p>8. <u>Room Tax Compliance</u>. The unit shall be in compliance with room tax requirements of Chapter 3.05 of the Newport Municipal Code.</p> <p>9. <u>Violations</u>. A short-term rental business license endorsement that is suspended or revoked may<u>shall</u> not be renewed. An owner whose endorsement has been revoked shall not be eligible to reapply for a new endorsement involving the same property for a period of two years.</p>	
<p>D. <u>Additional Ongoing</u> Operational Requirements</p> <p>1. <u>Complaints</u>. The owner or representative shall respond to neighborhood questions, concerns, or complaints in a timely manner<u>within one hour</u> 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.</p> <p>POLICY ALTERNATIVES</p> <p>2<u>A</u>. <u>Guest Registry</u>. 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</p>	<p>These operational requirements are ongoing obligations that short-term rental operators must meet (as opposed to Approval Standards which are checked by the Finance Department at time of application or renewal).</p> <p>Information related to the handling of complaints, guest registry requirements, emergency information, and noise are similar to existing city rules. Mandatory posting requirements are explicit instructions for the type of information that must be reflected on an endorsement.</p> <p>Ongoing obligations for parking, occupancy, landscaping and waste management are spelled out. The section also includes the event prohibition requested by the ad-hoc work group.</p> <p>Compliance with nuisance codes and the requirement that liability insurance be maintained were added so that it is clear that they are</p>

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 ~~city~~ emergency responders upon request.

or

2B. 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 non-emergency city personnel upon request.

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 ~~or~~ and authorized agent and a telephone number where the owner ~~or~~ and authorized agent may be contacted.
- c. The property address.
- d. The number of approved parking spaces.

ongoing obligations. A policy alternative was added for guest registry standards that would make the information available to city departments, not just emergency service providers. An example would be the City’s finance department, if they were to need the information for room tax auditing purposes. Language has been added requiring designated parking be used by tenants and the events provision was revised to state that group events are permitted as long as room occupancy limits are not exceeded. Reference to “valet service” aligns with how Thompson Sanitary describes that service. Changes requested by ad-hoc committee on 9/26/18 and 10/3/18. Eliminated reference to “overnight” (typo flagged at 10-15-18 work session).

Reference to complaints being responded to in a “timely manner” is viewed as vague and the Commission, at its 10/22/18 work session, requested the language be change to a one hour response period.

At its 10/22/18 work session, the Planning Commission requested that contact information for the owner and authorized agent be included on mandatory postings.

Group events modified to state that occupancy limits cannot be exceeded at any time during the rental period. Change was requested by the Planning Commission at its 10/22/18 work session.

<p>e. The maximum overnight occupancy permitted for the short-term rental.</p> <p>f. Any required information or conditions specific to the operating license.</p> <p>g. The City of Newport official logo.</p> <p>4. <u>Emergency Information.</u> 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:</p> <ul style="list-style-type: none">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. <p>5. <u>Noise.</u> Noise levels shall conform to the requirements of Chapter 8.15 of the Newport Municipal Code.</p> <p><u>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.</u></p> <p><u>67.</u> 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 of</p>	
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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.

78. Occupancy. Maximum ~~overnight~~ occupancy shall be limited to that which is specified in the Land Use Authorization.

89. Landscaping. Required 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.

910. Solid Waste Management. Weekly solid waste disposal service shall be provided while the dwelling is ~~occupied-used~~ 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 ~~with assisted pick up~~ 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, ~~assisted pick up~~ 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.

1012. Group Events-~~Prohibited~~. Company retreats, weddings, rehearsal dinners, family reunions and similar gatherings are ~~prohibited-permitted~~ on the premises of a short-term rental during

<p>periods of transient use <u>provided the total number of individuals does not exceed occupancy limits at any time during the rental period.</u></p>	
<p>4.25.035 Inspections</p> <p>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.</p>	<p>This section establishes the City’s right to perform inspections. It is similar to existing language in 14.25.060(C).</p>
<p>4.25.040 Appeals.</p> <p>A decision on a <u>new</u> short-term rental business license endorsement application, or renewal <u>of an endorsement, or the revocation of an endorsement</u> may be appealed as provided in NMC 4.05.075.</p>	<p>Appeals of business licenses and business license endorsements are addressed under NMC 4.05.075, Appeal, which states:</p> <p>A. Any person aggrieved by the City Manager’s (i) denial of a business license application; (ii) revocation of a business license; (iii) assessment of business license application fee or business license annual fees; or (iv) application of any rules or regulations pertaining to this Chapter; shall have the right to appeal to the City Council. The applicant or licensee shall file with the City Council a written statement setting forth fully the grounds for the appeal within twenty (20) calendar days after either: (i) the day the notice of denial is issued or the day the of revocation is mailed; (ii) the day the disputed fees are assessed; or (iii) the day that the rules or regulations were misapplied according to the applicant’s or licensee’s allegation.</p> <p>B. The City Council shall set a time and place for a hearing on the appeal within thirty (30) calendar days after receiving the appeal. Notice of the appeal hearing shall be mailed to the applicant or licensee’s last known address at least ten (10) calendar days prior to the hearing. During the hearing, the applicant or licensee shall have an opportunity to</p>

	<p>present in writing or orally the grounds for the appeal. The decision and order of the City Council on such appeal shall be final and conclusive.</p> <p>Language clarified to include revocation of a permit as an action that can be appealed to the City Council (10-15-18 Council work session discussion).</p>
<p>4.25.045 Violations.</p> <p>Penalties, as specified in section 4.25.050, may<u>shall</u> be imposed for one or more of the following violations:</p> <p>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.</p> <p>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.</p> <p>C. Failure to comply with the endorsement standards and operational requirements of NMC Chapter 4.25.</p> <p>D. Failure by the owner to pay the transient room tax required by NMC Chapter 3.05.</p> <p>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 <u>within a 48-hour period</u>, using the information that the owner or designee has on file with the City.</p>	<p>This language is taken from NMC 14.25.090 and are the existing violation provisions. The 48-hour provision added at the request of the ad-hoc work group on 10/3/18.</p>

<p>4.25.050 Penalties.</p> <p>Penalties for a violation of subsection 4.25.040(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 4.25.040 (B-E) shall be as follows:</p> <p>A. For the first violation within a 12-month period, City shall issue a written warning to owner.</p> <p>B. For the second violation within a 12 month period, City shall suspend owner’s short-term rental endorsement for 30 days.</p> <p>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.</p>	<p>While a license can be revoked administratively, state land use laws specify that different rules must be followed by jurisdictions when revoking final land use decisions. That language reads as follows:</p> <p>14.52.150 Revocation of Decisions In the event an applicant, or the applicant’s successor in interest, fails to fully comply with all conditions of approval or otherwise does not comply fully with the city’s approval, the city may institute a revocation proceeding under this section.</p> <p>A. Type I, Type II, and Type III decisions may be revoked or modified if the Planning Commission determines a substantial likelihood that any of the following situations exists:</p> <ol style="list-style-type: none"> 1. One or more conditions of the approval have not been implemented or have been violated: or 2. The activities of the use, or the use itself, are substantially different from what was approved or represented by the applicant. <p>B. A revocation shall be processed as a Type III decision. The Community Development Department or any private complaining party shall have the burden of proving, based on substantial evidence in the whole record, that the applicant or the applicant’s successor has in some way violated the city’s approval.</p> <p>C. Effect of revocation. In the event that the permit approval is revoked, the use or development becomes illegal. The use or development shall be terminated within thirty days of the date the revocation final order is approved by the Planning Commission, unless the decision provides otherwise. In the event the Planning Commission’s decision on a revocation request is appealed, the requirement to terminate the use shall be stayed pending a final, unappealed decision.</p>
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<p>CHAPTER 14.25 SHORT-TERM RENTAL LAND USE REGULATIONS</p>	
<p>14.25.005 Purpose</p> <p>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 <u>nuisances (e.g. accumulation of refuse, <u>light pollution, etc.</u>)</u>.</p> <p>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, <u>employees of businesses</u>, and others who are in need of housing for a limited duration.</p>	<p>Similar to the purpose language in 4.25.005, except that this chapter contains the land use criteria used to establish if a short-term rental use is permissible (as opposed to the administrative framework for licensing them).</p> <p>Changes to purpose section mirror those made to the Chapter 4.25 provisions as requested by ad-hoc work group on 10/3/18.</p> <p>Clarification that short-term rentals provide housing for employees of businesses was made at the request of the Planning Commission at its 10/22/18 work session.</p>
<p>14.25.010 Approval Authority</p> <p>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.</p>	<p>Sets out the steps for how the Community Development Department will respond to requests for Land Use Compatibility Statement (LUCS) sign-off. Language is similar to the existing process outlined in NMC 14.25.030. Conditional Use Permit approval continues to be an option if an approval standard cannot be met.</p> <p>Ad-hoc work group expressed some concern about leaving the conditional use permit option open ended. The Planning Commission should consider whether or not any of the standards in NMC 14.25.030 should be ineligible for conditional use</p>

<p>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.</p> <p>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.</p> <p><u>D. A Conditional Use Permit may authorize more than one vacation rental on street segments where 10 or more lots or parcels front the street. In such cases, no more than one vacation rental may be permitted for every five lots or parcels fronting the street.</u></p> <p>DE. 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.</p>	<p>approval. If spacing standards are adopted in line with the options listed in NMC 14.25.030(B), then it is appropriate to allow for the approval of additional vacation rentals in excess of those spacing standards in cases where there are long blocks. This was discussed with the ad-hoc work group, and the language has been added addressing the issue. The proposed language is similar to that which is used by the City of Durango, but has been adjusted to more closely align with Newport’s pattern of street blocks.</p>
<p>14.25.015 Submittal Requirements</p> <p>Land use compatibility statements shall be submitted on a form provided by the Community Development Department, and shall include the following:</p> <p>A. Site plan, drawn to scale, showing the dimensions, property lines, existing buildings, landscaped area, and off-street parking locations.</p>	<p>This section identifies the items an owner or their authorized agent must submit with a LUCS form. Borrows from NMC 14.25.040, but include additional requirements, such as providing a floorplan identifying the rooms to be rented, and a requirement that legal documents be provided when relying upon shared access. The information listed is needed so that the City can confirm that the approval standards of section 14.25.030 are met.</p>

<p>B. Floorplan of the dwelling unit that identifies the rooms dedicated to short-term rental use.</p> <p>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.</p> <p>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.</p>	
<p>14.25.020 Establishment of a Vacation Rental Overlay Zone</p> <p>A Vacation Rental Overlay Zone is hereby established identifying areas within the city limits where vacation rentals have been identified as compatible uses and areas where they are prohibited in order to protect the City’s supply of needed housing and character of 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.</p>	<p>This provision or something similar to it is needed if the City intends to put in place an overlay zone.</p>
<p>14.25.025 Allowed Locations</p> <p>POLICY ALTERNATIVES</p> <p>A.1.a. Home share and Bed & Breakfast Facility use of a dwelling unit is permitted in all residential and commercial zone districts.</p> <p>A.1.b. Vacation rental use of a dwelling unit is permitted in those areas where they are identified as allowed uses on the Vacation Rental Overlay Map (Select Map Alternative).</p>	<p>This section identifies where short term rental uses are allowed in the city. The first alternative notes that bed and breakfast facilities are allowed in dwelling units throughout the city. Vacation rentals are limited to areas where they have been identified as allowed uses, depending upon which of the three-four map alternatives, or a hybrid of one of the alternatives, is selected. The second alternative assumes that there will not be an overlay.</p>

<p>or</p> <p>A.2. Short-term rental use of a dwelling unit is permitted in all residential and commercial zone districts.</p>	<p>Ad-hoc work group requested fourth map alternative that would prohibit vacation rentals in R-1 and R-2 zones. Rationale is that those areas are the most removed from commercial activities and the larger lot sizes make them more prone to large gatherings and nuisance impacts that can be associated with such gatherings.</p>
<p>14.25.030 Approval Standards</p> <p>POLICY ALTERNATIVES</p> <p>A.1. Density. The total number of vacation rentals shall be capped at level not to exceed five (5) percent of the dwelling units within the city. A specific cap number shall be established by City Council resolution.</p> <p><u>or</u></p> <p><u>A.2. Density. The total number of vacation rentals shall be capped at level not to exceed four (4) percent of the dwelling units within the city. A specific cap number shall be established by City Council resolution.</u></p> <p><u>or</u></p> <p><u>A.3. Density. The total number of vacation rentals shall be capped at level not to exceed three (3) percent of the dwelling units within the city. A specific cap number shall be established by City Council resolution.</u></p> <p>POLICY ALTERNATIVES</p> <p>B.1 Spacing. In the R-1 and R-2 zones, not more than one vacation rental shall be located on a parcel or lot that abuts a street segment. For corner lots, this standard applies to both street segments that abut that</p>	<p>This section sets out the land use approval standards for short-term rentals. It included a number of alternatives discussed by the ad-hoc work group.</p> <p>A density limit sets a cap on the number of permissible vacation rentals. It does not apply to home shares or bed and breakfast facilities. This would be a new provision, and the ad-hoc work group discussed establishing a hard cap between 220-200 and 275-300, which is roughly 4- 5% of the City’s housing stock. This option allows the Council to specify the specific number and adjust it from time to time as additional housing units are constructed. Alternatives include adjusting the percentage, applying the cap to specific geographic areas, or not imposing a density limit. The Planning Commission added a 3% option at its 10/22/18 work session, which equates to about 165 units.</p> <p>For spacing standards, two options have been developed, one of which is limited to R-1 and R-2 zones and the other which also applies to R-3 and R-4 zones. Maps have been developed showing how this would be implemented city wide. The rules are mirrored after the code developed by the City of Durango, Colorado. Some additional refinement to the standards may be needed for R-3 and R-4 zoned areas.</p> <p>Three options have been developed for overnight occupancy. One retains the existing standard of two persons per bedroom, plus two</p>

corner lot and only one vacation rental is permitted on the corner lots that abut the intersection.

or

B.2 Spacing. In the R-1 and R-2 zones, not more than one vacation rental shall be located on a parcel or lot that abuts a street segment. For corner lots, this standard applies to both street segments that abut that corner lot and only one vacation rental is permitted on the corner lots that abut the intersection. In R-3 and R-4 zones, where both sides of the street segment are zoned for residential use, the same standards apply as those specified for R-1 and R-2 zones with the exception being that one multi-family dwelling or single dwelling is permitted per street segment.

POLICY ALTERNATIVES

C.1. Occupancy. Maximum ~~overnight~~ occupancy for a short-term rental shall be two (2) persons per bedroom, plus two additional persons per property.

or

C.2. Occupancy. Maximum ~~overnight~~ occupancy for a short-term rental shall be two (2) persons per bedroom, excluding children under three (3) years of age.

or

C.3. Occupancy. Maximum ~~overnight~~ occupancy for a short-term rental shall be two (2) persons per bedroom.

14.25.050(A). The second alternative drops the plus two but exempts young children. The last option drops the plus two and does not include a child exemption.

Parking includes two options, one of which allows short-term rentals in parking districts to utilize on-street spaces to address parking needs just like other uses in the district, without the need for a Conditional Use Permit. The second option would require short-term rentals in parking districts obtain approval of conditional use permits if they want to use on-street parking (current process). The parking standards clarifies how off-street parking works for driveways that connect to under-developed streets, as discussed with the ad-hoc work group.

Guestroom limitations are included for home shares and vacation rentals. Landscaping and shared access provisions are similar to existing requirements listed in 14.25.050(E) and (K).

Eliminated reference to overnight occupancy. Maximum occupancy now applies to the maximum number of persons allowed in the rental at any time. Second option for density set at a maximum of four percent. Both added at the request of the ad-hoc work group on 10/3/18.

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. A maximum of five (5) bedrooms.
2. Home shares. A maximum of two (2) bedrooms.

POLICY ALTERNATIVES

E.1. Parking Standards. One (1) off-street parking space per bedroom that is dedicated to short-term rental use. 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.

or

E.2. 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.

<p>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).</p> <p>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.</p>	
<p>14.25.035 Non-Conforming Short-Term Rentals</p> <p>POLICY ALTERNATIVES</p> <p>A.1. The non-conforming use provisions of NMC Chapter 14.32 shall apply to all short-term rentals that received endorsements prior to the effective date of this ordinance.</p> <p>or</p> <p>A.2. 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 for a period of five (5) years, after which dwelling units shall comply with all applicable provisions of this chapter, except the spacing requirements of subsection 14.25.030(B).</p> <p>or</p> <p>A.3. The non-conforming use provisions of NMC Chapter 14.32 shall apply to all short-term rentals licensed prior to the effective date</p>	<p>This section includes three alternatives for addressing how existing short-rentals are impacted by these changes. The first alternative is a grandfathering clause. They would be allowed to continue to operate, without having to satisfy the standards in NMC Chapter 14.25, until the use is discontinued for a one year period. The second alternative include amortization language that requires compliance with NMC Chapter 14.25 within 5-years, except for the spacing standards, which would be satisfied over time as licenses are not renewed. The third option requires that all standards must be met in 5-years. Under this option the oldest license would be used to resolve compliance issues with spacing standards.</p>

<p>of this ordinance for a period of five (5) years, after which dwelling units shall comply with all applicable provisions of this chapter. In cases where there are two or more vacation rentals along a street segment, the vacation rental with the oldest endorsement date shall be acknowledged as satisfying the spacing requirement of subsection 14.25.030(B).</p>	
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