



**PLANNING COMMISSION WORK SESSION AGENDA**

**Tuesday, January 08, 2019 - 6:00 PM**

**City Hall, Conference Room A, 169 SW Coast Hwy, Newport, OR 97365**

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The meeting location is accessible to persons with disabilities. A request for an interpreter for the DEAF AND HARD OF HEARING, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

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

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1. CALL TO ORDER
  
2. UNFINISHED BUSINESS
  
- 2.A Commission Deliberation on Short-Term Rental Ordinance No. 2144.
  - [Staff Memo.pdf](#)
  - [Memo from Commissioner Rod Croteau.pdf](#)
  - [Chapter 4.25 Commission Preferred Alternatives 11-30-18.pdf](#)
  - [Chapter 14.25 Commission Preferred Alternatives 11-30-18.pdf](#)
  - [Chapter 4.25 Staff Recommendation 11-21-18.pdf](#)
  - [Chapter 14.25 Staff Recommendation 11-21-18.pdf](#)
  - [Public Comments..pdf](#)
  
3. NEW BUSINESS
  
4. ADJOURNMENT

# Memorandum

To: Planning Commission

From: Derrick I. Tokos, AICP, Community Development Director 

Date: January 3, 2019

Re: Commission Deliberation on Short-Term Rental Ordinance No. 2144

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Enclosed are the materials for the January 8<sup>th</sup> work session. After taking public testimony on December 10, 2018, the Planning Commission closed the public hearing and continued its deliberation on the ordinance to January 14, 2019. The Commission also requested that this work session be scheduled so that members could discuss the public testimony and any additional options or adjustments the group would like to see made to the draft ordinance, before taking the matter up on January 14<sup>th</sup> for formal deliberation and recommendation to the City Council.

Staff has received a couple of letters and articles since the December 10<sup>th</sup> hearing, and advised those that submitted the materials that they will be made available to the City Council as part of its hearing process since the record is closed at the Commission level. It may be prudent for the Commission to announce at the work session that public comment will not be taken on this agenda item for the same reason.

Commissioner Croteau has put together a memorandum for the members to review and discuss at the work session. A copy of the document is enclosed. Also attached are the current drafts of Ordinance No. 2144, with the Commission's preferred alternatives and staff recommendation, and a compiled set of public comments submitted at previous meetings.

### Attachments

- Memo from Commissioner Rod Croteau, dated December 27, 2018
- Draft Ordinance No. 2144 (Chapters 4.25 and 14.25) Commission's Preferred Alternatives
- Draft Ordinance No. 2144 (Chapters 4.25 and 14.25) Staff Recommendation
- Compiled Set of Public Comments

MEMORANDUM

From: Rod Croteau  
 To: Newport Planning Commission via Director Tokos  
 Date: December 27, 2018  
 Subject: Possible Compromise Measures on Draft Ordinance 2144

There remain substantial differences in policy positions between the Planning Commission's preferred alternatives and the Planning Director's recommendations with regard to Short-Term Rental Ordinance No. 2144. Such diversity of opinion, while healthy for the internal discussions and decision making process of the Commission, does not reflect well externally on the interactions of the Commission and the Director, which can be viewed as operational dysfunction. Far more significantly, however, such division does not create a clear, direct and comprehensive pathway that will be much needed and highly relied upon by the "new" City Council. Below I put forward some compromise suggestions focused on the issues of existing disagreement that, if not leading to a more unified position on the draft ordinance, will at least provide the basis for more focused discussion. Finally, while not directly related to the draft ordinance or the Planning Commission, the final ordinance will be viewed as an abject failure if not tightly coupled to a complaint registry and functional enforcement of the rules.

Transferability: Grandfather a one-time transfer of license for current VRD owners in those areas where continuing VRD operations are allowed. Such provision should not apply in areas where VRD operations are prohibited and where existing operations are being phased out over time.

Rationale: This proposal recognizes the legitimate business concerns of, and investments made by, existing VRD operators. It also provides clear expectations for incoming buyers, provides a defined end point to prevent creation of perpetual monopolies, and provides some level of fairness to applicants in line for the next available license. The Planning Director has proposed a cut-off date of July 12, 2019 for this transfer provision. I would suggest that this window of marketing opportunity be closed as soon as possible. The provision is not intended to assist newcomers but rather longer standing VRD owners with significant investment stake over time in their VRD operations. This provision would assist those hoping to buy an actual (legitimate) retirement home that could be short-term rented in the meantime before occupancy by the retirees, and it would seem not to be a deal breaking disincentive for prospective VRD investment buyers intending long term operation.

Questions: Should license/license holder be defined? Must the license holder be the owner(s)? Can the license holder be a multi-person entity, corporation, consortium, trust? Could the nature of the "license holder" complicate transferability provisions?

Allowed Location: Map alternative 3 solves many of the problems experienced by permanent residents who were not adversely affected by VRDs prior to 2012. It has a rational policy basis; it has no impact on most (>75%) VRD owners; it can be recognized as a defensible "middle ground" compromise; and it achieves stated city wide goals expressed in both the ordinance "purpose" section and Vision 2040 Plan.

Rationale: A city wide cap as recommended by the Planning Director is viewed by most "single family residential" homeowners as perpetrating a mistake made in the 2012 ordinance by proposing a high cap (greater than the existing VRD number) that will drive saturation in those areas already adversely impacted by VRDs. Thus, policy can space out VRDs by some formula, but the absolute neighborhood number of VRDs can only increase as will the attendant problems of increased traffic, etc. This option has found little support from Commissioners.

A feasible argument can be made for Ad Hoc-initiated Map alternative 4 prohibiting VRDs in R1 and R2 (single family residential zoned) areas most impacted by the 2012 ordinance. The Planning Director, however, has rightly noted that residential neighborhoods are not exclusive to R1 and R2 zones but occur in R3 and R4 zones as well and are thus similarly worthy of protection; he has also noted that the higher density of R3 and R4 zones, in and of itself, does not provide rationale for any distinction in provisions for short term rental use.

The counter argument is that virtually all municipalities in the U.S. distinguish such “single family” zones from all other zones in allowable activities. In my search, I could find no overtly stated rationale for density-based (single vs multi-family) differences in allowable/prohibited activities, but the single family zones were always the most restrictive in permitted property uses, indicating that there are universally recognized differences in zoning purposes between the two types of residential zones.

Of the options under consideration, I think that Map Alternative 3 does the most good and the least harm, and it might provide the basis for a unified recommendation to the City Council. Significantly, as pointed out by the Planning Director, Alternative 3 is consistent with the stated purpose of the ordinance regulations, both in terms of protecting the character of residential neighborhoods and the City’s supply of needed housing.

Thus, Alternative 3 would prohibit VRDs in areas where there were exceedingly few VRDs prior to 2012, and where residents of these largely residential areas have reported considerable negative impacts as the result of the increased presence of VRDs in their neighborhoods. Secondly, Alternative 3 is the one that protects the most homes (about 3500) by VRD prohibition and, as also noted by the Director, it protects a broader range (than Map Alternative 4) of housing types that Newport citizens rely upon for their long-term housing needs, and it promotes the retention of diverse types of neighborhoods as well.

Alternative 3 will require the removal of from 40 to 50 vacation rental endorsements depending on where the North border of the overlay is drawn (which would depend on a definition of “closeness” to tourist/commercial use – maybe related to walking distance or time?). The loss of endorsement to affected VRD owners will be difficult, and only moderated by allowing reasonable phase out time (5 years recommended by Director), and by the fact that many of these dwellings are desirable homes quite saleable in a long term up market, and by the fact that the long term rental option is always available.

Question: Before attempting to construct a final draft ordinance, I would like to understand the factual basis of the City Attorney’s legal opinion that a 5 year phase out period would likely avoid Measure 49 challenges.

Cap and Spacing: With location defined, a cap will need to be imposed, spacing requirements determined, and a phase out time line and protocol defined.

Rationale: To avoid too great a concentration of VRDs and maintain some semblance of residential/commercial/tourist mixed-use neighborhoods, a cap and spacing requirements will be necessary. For Map Alternative #3 there are approximately 2050 dwellings and about 150 existing VRD endorsements (7.3% of dwellings) in the corresponding overlay. A 10% allowance would equal about 200 VRDs; 15% would equal about 300 VRDs and 20% about 400 VRDs. I note that currently there are about 200 VRD endorsements City wide, and that, of nearly 200 oral and written public testimonials, only 2 opined that Newport needed more VRDs than now available in the short term rental market.

To prevent too great a clustering of VRDs so as to create a VRD block with consequent residential desert, some form of spacing will be required. With a cap in the 200 to 300 VRD range, a corresponding spacing of 2 or more on a 5 house block might not be unreasonable, even for a core area like Nye Beach where areas of 30% saturation

already exist. I consider it appropriate for hotels, condos, small motels like Mr. Ferber's, and other multi-unit businesses to be counted as 1 unit only in the spacing calculation. In some cases to reach a spacing goal some phasing out might be required. This could be achieved over the same phase out period for VRDs in prohibited locations, but with the proviso that the oldest endorsement date(s) would satisfy the spacing requirement(s).

Parking: VRD parking has been a contentious issue since 2012, an issue which the draft proposal has attempted to address.

Rationale and Question: There is a need to clarify some parking rules and eliminate the parking CUP Provision. Outside of parking districts, the application of the lessor of the number of bedrooms or the lessor number of defined parking spaces to set the occupancy limit seems clear enough. Within parking districts, the situation is less clear to me. I assume that the number of parking passes provided by the district will reflect exactly the number of bedrooms in the VRD or residential home – or is there some other provision? Also, as a commercial use, it would seem appropriate that VRD operators should pay into the parking district in the same manner as other commercial users in the district – is this the case?

## CHAPTER 4.25 SHORT-TERM RENTAL BUSINESS LICENSE ENDORSEMENTS

### 4.25.005 Purpose

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

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

### 4.25.010 Definitions

The following definitions apply in this chapter.

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

- D. Dwelling Unit. A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.
- E. Home share. A short term rental, other than a Bed and Breakfast Facility, where a portion of a dwelling unit is rented while the homeowner is present. For the purposes of this definition, "present" means the homeowner is staying in the dwelling overnight for the duration of the rental.
- F. Owner. Means the natural person(s) or legal entity that owns and holds legal or equitable title to the property.
- G. Short Term Rental. A dwelling unit that is rented to any person on a day to day basis or for a period of less than thirty (30) consecutive nights.
- ~~H. Sale or Transfer. Means any change of ownership during the period of time that a license is valid, whether or not there is consideration, except 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.~~

*Commission: At this time a majority of the members do not support transferability of business license endorsements, in which case this definition is not needed.*

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.
- I. 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.

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

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

#### 4.25.020 Application Information and Filing Fee

- A. Applications for short-term rental business license endorsements are to be on forms provided by the City, and shall include the following:
  1. Owner Information. Owner's name, permanent residence address, telephone number, email address (if available) and short-term rental address and telephone number.
  2. Authorized Agent. The name, telephone number, mailing address and email of a property management company or other entity or person who has been designated by the owner to act on their behalf.
  3. Representative Information. The name, telephone number, mailing address and email of a local representative who can be contacted concerning use of the property or complaints related to operation of the short-term rental. For the purposes of this requirement, local means the representative's address is within 30 minutes travel time of the subject property.

4. Liability Insurance. Letter of intent to insure (for new applications) or certificate of insurance (for renewals) establishing that the owner will have, or has, liability insurance which expressly covers the vacation rental operations on the subject property in the amount of \$1,000,000 combined single limit for bodily injury and property damage. Where letters of intent to insure are provided, certificate of insurance shall be submitted to the city prior to use of the unit as a short-term rental.
5. Land Use Authorization. A land use compatibility statement, signed by the Community Development Director or designee and that is current within 90-days, indicating that the short-term rental satisfies the land use standards for short-term rentals listed in NMC Chapter 14.25.
6. Occupancy. Occupancy limits and number of bedrooms (as specified in the Land Use Authorization).
7. Parking. Statement that required off-street parking spaces are available, with a photo(s), dated within the last 90 days, of interior and exterior parking spaces. A site plan including a parking diagram of the parking spaces shall also be provided.
8. Proof of Residential Use (for Home shares and Bed and Breakfast Facilities). At least two of the following items shall be submitted as evidence that the dwelling is the primary residence of the owner.
  - a. A copy of the voter registration
  - b. A copy of an Oregon Driver's License or Identification Card
  - c. A copy of federal income tax return from last tax year (page one only and financial data should be redacted)
9. Good Neighbor Guidelines. 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 within 30 calendar days of the date of the notice, the application will be reviewed. If the applicant does not provide the required information, the application will be deemed withdrawn and the City will refund the application fee.

C. License Fee. The fee for the application of a short-term rental business license endorsement, and any of its components requiring city action, shall be established by resolution of the City Council.

#### 4.25.025 Term of Annual Business License Endorsement and Transferability

A. Term. A short-term rental business license endorsement shall be issued for a period of 12-months, effective July 1st of each year, and may be renewed annually by the owner provided all applicable standards of this chapter are met.

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POLICY ALTERNATIVES

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***B.1. Transferability. The business license endorsement shall be issued in the name of the owner(s) and is not transferable.***

*or*

***B.2. Transferability. 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.***

*or*

***B.3. Transferability. 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.***

*Commission: Transferability is relevant if the city limits the total number of annual licenses it issues, and a majority of the Commission members are inclined to support a cap in areas where vacation rentals are permissible.*

*In areas where vacation rental dwellings would be permitted under a cap, a majority of the Commission members are inclined to support Alternative B.1. They are concerned that allowing business license endorsements to be transferred would be unfair to others interested in operating vacation rentals once a cap is reached, and that it might encourage properties with endorsements to be bought up by investors (as opposed to persons who purchase a dwelling and operate it as a vacation rental for a period of time before they relocate to Newport). Members also expressed reservations with the mechanics of making endorsements transferable and felt that Alternative B.1. would be easier to enforce.*

*Commission members that support this alternative are not persuaded that owners of vacation rentals in areas that are transitioning to, or are entirely within commercial zones, should have an absolute right to sell the units as vacation rentals, even in circumstances where the dwelling units were built for the sole purpose of being used for transient rental purposes.*

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#### 4.25.030 Business License Endorsement and Endorsement Renewal

- A. Endorsement Must Be Obtained: An endorsement to a business license for a short-term rental shall be obtained and renewed as required in this section. The ability to operate a short-term rental in the City of Newport shall be discontinued for failure to obtain or renew an endorsement to operate as provided in this chapter.
- B. Application and Renewal Application Process: A person engaging in a short-term rental who has not yet obtained a business license endorsement, or who is required to renew an existing endorsement, shall do so as follows:
1. Time of Application.
    - a. Existing Non-Conforming Short-Term Rentals. A business license endorsement renewal application completed in accordance with the provisions of NMC 4.25.020, is due on July 1st, 2019 and annually every year thereafter.
    - b. New Short-Term Rentals. A business license endorsement for a short-term rental shall be obtained before beginning operations. Endorsement applications, completed in accordance with the provisions of NMC 4.25.020, may be submitted and issued at any time. The endorsement may be renewed annually thereafter on July 1st of each year.
    - c. ~~Sale or Transfer of Property. For business license endorsements that are eligible to be transferred pursuant to NMC 4.25.025(B), 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 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.~~

*Commission: At this time a majority of the members do not support transferability of business license endorsements, in which case this provision is not needed.*

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 continuing code compliance obligations of the owner. To receive approval, an owner or authorized agent must demonstrate that the approval standards listed below have been satisfied:

1. Zoning. The property is in compliance with requirements of NMC Chapter 14.25.
2. Contact Information. The owner or authorized agent has provided information sufficient to verify a qualified person will be available to be contacted about use of the short-term rental during and after business hours. The qualified person shall be available to be contacted by telephone to ensure a response to the short-term rental address at all hours (24 hours a day, seven days a week) while the dwelling unit is occupied for rent. The qualified person must be able to reach the premises within 30 minutes. The individual identified as the “qualified person” may be changed from time to time

throughout the term of a license. To do so, the license information shall be revised with the city at least 14-days prior to the date the change takes effect, except when the failure to do so is beyond the owner or authorized agent's control. In an emergency or absence, contact forwarding information to a qualified person 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.

3. Notice to Neighbors. The owner or authorized agent shall post a small, non-illuminated sign on the premises, between 1 and 2 square feet in size, containing the owner and/or representatives contact information. Such sign shall be placed in a location clearly 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.
4. Electronic Availability. The City will make a database electronically accessible within which any person can enter in an address of a short term rental and obtain the owner, authorized agent, and/or representative's name, telephone number, and email address.
5. Fire and Emergency Safety. A completed checklist for fire safety (fire extinguishers, smoke alarms, carbon monoxide detectors, unobstructed exits, etc.) shall be required with each new endorsement and renewal. The owner or authorized agent shall be responsible for completing the fire safety checklist and ensuring continued compliance. Verification by the City of Newport Fire Marshall shall be required prior to issuance of a new endorsement and may be required for renewals at the City Manager's discretion.
6. Structural Safety. A completed checklist, signed by the City of Newport Building Official, indicating that the short-term rental has been inspected and complies with the building safety standards listed below. Such checklist shall be completed prior to issuance of a new

endorsement and may be required for renewals at the City Manager's discretion.

- a. Bedrooms shall have an operable emergency escape window or exterior door with a minimum opening size of 5.7 sq. ft. (5.0 sq. ft. at grade floor), with minimum net clear dimensions of 20-inches in width and 24-inches in height and having a sill height not more than 44-inches above the finished floor.
- b. All stairs with 4 or more risers shall have a handrail on at least one side. Handrails shall be secure, continuous, and have returns at each end.
- c. The open sides of stairs, decks, porches or other walking surfaces more than 30-inches above grade or the floor below shall have guardrails configured such that a 4-inch sphere cannot pass through.
- d. Windows within a 24-inch arc of doors and glass within bathtub or shower enclosures shall be safety glazed, or have an equivalent means of protection.
- e. Wood frame decks shall be structurally sound. In cases where a deck supports a hot tub or other features of a similar size and weight, engineering analysis of the supports may be required.
- f. Electrical plug-ins and light switches shall have faceplates.
- g. Electrical breaker boxes shall have all circuits labeled, and empty breakers spaces must be plugged.
- h. GFCI (Ground Fault Circuit Interrupter) protection shall be provided for exterior outlets, kitchens, garages, laundry areas, and bathroom receptacles.
- i. Functioning smoke detectors shall be installed in all bedrooms and outside each bedroom in hallways or other rooms providing access to bedrooms, and on each story including basements.

- 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.
  - n. Any violation of applicable codes that the Building Official determines to be hazardous shall be corrected prior to use of the dwelling as a vacation rental.
7. Proof of Use. For renewals, room tax remittance records must show that the unit has been rented at least 30 days within the 12 month fiscal year.
8. Room Tax Compliance. The unit shall be in compliance with room tax requirements of Chapter 3.05 of the Newport Municipal Code.
9. Violations. A short-term rental business license endorsement that is suspended or revoked shall 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.

D. Additional Operational Requirements

1. Complaints. The owner or representative shall respond to neighborhood complaints within one hour and shall maintain a written record of complaints, the dates they were received, and efforts taken to resolve issues that have been raised. The written record shall be provided to the City upon request.

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POLICY ALTERNATIVES

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*2.1. 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 upon request.*

*or*

*2.2. Guest Registry. Owner or designee shall maintain a guest and vehicle register for each tenancy. The register shall include the name, home address, and phone number of the primary tenant; the total number of occupants; vehicle license plate numbers of all vehicles used by the tenants, and the date of the rental period. This information shall be provided to emergency responders and non-emergency city personnel upon request.*

*Commission: Emergency responders need access to guest registry information so that, in the event of a catastrophic event, they can identify who was in the unit. That same information can be useful in enforcement actions and room tax auditing purposes, both of which are legitimate government activities. Online intermediaries, such as Airbnb, are not required to provide cities with room tax reports that track back to individual units; therefore, the City will need tools like this if it is to perform its own auditing. For these reasons, the Commission believes that alternative 2.2 is the appropriate choice.*

3. Mandatory Postings. The short-term rental business license endorsement issued by the City shall be displayed in a prominent location within the interior of the dwelling adjacent to the front door. The endorsement will contain the following information:
  - a. A number or other identifying mark unique to the short-term rental endorsement which indicates that it was issued by the City of Newport, with date of expiration.
  - b. The name of the owner and authorized agent and a telephone number where the owner and authorized agent may be contacted.
  - c. The property address.
  - d. The number of approved parking spaces.
  - e. The maximum occupancy permitted for the short-term rental.
  - f. Any required information or conditions specific to the operating license.
  - g. The City of Newport official logo.
4. Emergency Information. Owner or designee shall provide information within the dwelling unit to inform and assist renters in the event of a natural disaster, power outage, or other emergency. Required information includes, but is not limited to:
  - a. A tsunami evacuation map produced by Lincoln County Emergency Services, Oregon Department of Geology and Mineral Industries or other agency with similar authority.
  - b. Phone numbers and addresses for emergency responders and utility providers.
  - c. Other information as established by resolution of the City Council.

5. Noise. Noise levels shall conform to the requirements of Chapter 8.15 of the Newport Municipal Code.
6. Nuisance. The short-term rental shall not be used in a manner that creates a public nuisance as defined in Chapter 8.10 of the Newport Municipal Code.
7. Required Parking. Off-street parking spaces approved for short-term rental use shall be available and are to be used by tenants at all times that the unit is rented. A parking diagram illustrating the location of the approved parking spaces shall be provided to tenants and be available in a prominent location within the short-term rental dwelling.
8. Occupancy. Maximum occupancy shall be limited to that which is specified in the Land Use Authorization.
9. Landscaping. 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.
10. Solid Waste Management. Weekly solid waste disposal service shall be provided while the dwelling is occupied as a short-term rental. The owner or authorized agent shall provide for regular garbage removal from the premises, and trash receptacles shall be stored or screened out of plain view of the street. City may require that an owner or authorized agent utilize solid waste collection valet service in circumstances where there have been verified complaints that a short-term rental is not adhering to these requirements. For the purpose of this section, valet service means the collection driver retrieves the cart from where it is stored, rolls it out for service, and then places it back in its original location.
11. Liability Insurance. Liability insurance is required that expressly covers vacation rental operations on the subject property in the amount of \$1,000,000 combined single limit for bodily injury and property damage.

12. Group Events. Company retreats, weddings, rehearsal dinners, family reunions and similar gatherings are permitted on the premises of a short-term rental during periods of transient use provided the total number of individuals does not exceed occupancy limits at any time during the rental period.

#### 4.25.035 Inspections

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

#### 4.25.040 Appeals

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

#### 4.25.045 Violations

Penalties, as specified in section 4.25.050, shall be imposed for one or more of the following violations:

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

respond” occurs if City staff is unable to reach the owner or designated representative after three attempts within a 48-hour period, using the information that the owner or designee has on file with the City.

#### 4.25.050 Penalties

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:

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

## CHAPTER 14.25 SHORT-TERM RENTAL LAND USE REGULATIONS

### 14.25.005 Purpose

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

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

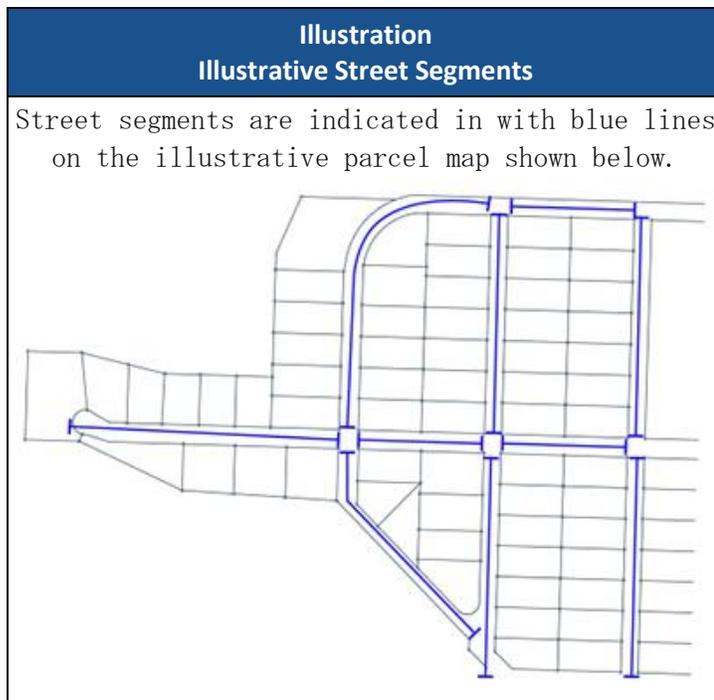
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(Staff note: the following definitions will be added to, or will update terms defined in Chapter 14.01. They are included here for reference.)

### 14.01.010 Definitions

The following definitions apply in this chapter.

- A. Authorized Agent. A property management company or other entity or person who has been designated by the owner to act on their behalf. An authorized agent may or may not be the designated point of contact for complaints.
- B. Bed and Breakfast Facility. 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.
- C. Bedroom. A habitable room that (a) is intended to be used primarily for sleeping purposes; (b) contains at least 70-square feet; and (c) is configured so as to take the need for a fire exit into account.
- D. Dwelling Unit. A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

- E. Home share. A short term rental, other than a Bed and Breakfast Facility, where a portion of a dwelling unit is rented while the homeowner is present. For the purposes of this definition, “present” means the homeowner is staying in the dwelling overnight.
- F. Owner. Means the natural person(s) or legal entity that owns and holds legal or equitable title to the property.
- G. Short Term Rental. A dwelling unit that is rented to any person on a day to day basis or for a period of less than thirty (30) consecutive nights.
- H. Street Segment. A portion of a local or collector street which is located between two intersections, or between an intersection and the end of a cul-de-sac or dead-end. *See Illustration: Illustrative Street Segments, below.*



- ~~I. 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.~~

*Commission: At this time a majority of the members do not support transferability of business license endorsements, in which case this definition is not needed.*

- J. Vacation Rental. A short term rental, other than a Bed and Breakfast Facility, where the entire dwelling unit is rented for less than 30 consecutive days.
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#### 14.25.010 Approval Authority

- A. Upon receipt of a request by an owner or authorized agent to complete a land use compatibility statement for a short-term rental the Community Development Director, or designee, shall determine if the request satisfies the standards of section 14.25.030. If the request satisfies the standards, then the Director shall sign the statement confirming that short-term rental is a permitted use. Such action is ministerial and, as a non-discretionary act, is not subject to appeal.
- B. In the event that the Community Development Director or designee, determines that an application does not meet one or more of the standards of section 14.25.030, then the land use compatibility statement shall not be signed.
- C. If one or more of the standards under section 14.25.030 cannot be met, an owner may seek relief from those standards through a conditional use permitting process, pursuant to section 14.34.010. Such an application is subject to review by the Planning Commission via a Type III decision making process, consistent with section 14.52.010, and is to be limited in scope to those standards that cannot be satisfied.
- D. A Conditional Use Permit may authorize more than one vacation rental on street segments where ten 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.
- E. An approved Conditional Use Permit that grants relief from, or provides alternative requirements to, one or more of the standards of section 14.25.030 shall serve as evidence that standards have been satisfied so that the Director can sign the land use compatibility statement.

#### 14.25.015 Submittal Requirements

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

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

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

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(Staff note: this subsection is only required if one of the four map alternatives, or a variation of one of the maps, is selected as the basis of an overlay. It will be removed if policy makers decide that an overlay is not needed.)  
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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.

*Commission: A majority of the Commission members favor map alternatives #3 or #4. The rationale behind these two alternatives are different. Map alternative #3 limits vacation rentals to areas in close proximity to tourist commercial uses. Vacation rentals would be permissible in all residential zones located in close proximity to these tourist venues. Alternative #4 prohibits vacation rentals in low and medium density single family residential zones under the premise that commercial enterprises of that nature are incompatible in these residential areas. Vacation rentals would continue to be allowed in medium and high density multi-family zones (R-3 and R-4 districts) and commercial areas.*

*Members in support of these map alternatives are of the view that vacation rentals, where entire units are rented on a transient basis, are commercial enterprises that are incompatible with, and adversely impact the character of neighborhoods that are exclusively residential and not proximate to tourist commercial areas. There was less agreement as to whether or not such a restriction would have a meaningful impact on the City's supply of needed housing. A minority of the members preferred that none of the map alternatives be adopted.*

14.25.025 Allowed Locations

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POLICY ALTERNATIVES  
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***A.1.a. Home share and Bed & Breakfast Facility use of a dwelling unit is permitted in all residential and commercial zone districts.***

*and*

***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).***

*or*

***A.2. Short-term rental use of a dwelling unit is permitted in all residential and commercial zone districts.***

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*Commission: For the reasons noted above, a majority of the members prefer Alternative A. 1. Unlike a vacation rental, a home share or bed & breakfast facility has a permanent resident onsite (i.e. the owner), which a majority of the members see as more compatible in a residential setting.*

14.25.030 Approval Standards

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POLICY ALTERNATIVES  
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***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.*

*or*

*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.*

*or*

*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.*

(Staff Note: The density limit alternatives are specific to vacation rentals and would not apply to home shares or bed and breakfast facilities. The Ad-hoc work group discussed establishing a hard cap between 200 and 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. At its 10/22/18 work session, the Planning Commission put forth a third option of 3%, which is about 165 units or 80% of the number of short-term rentals currently licensed in the city. Alternative approaches include adjusting the percentage, applying the cap to specific geographic areas, or not imposing a density limit.)

*Commission: Members in support of map alternatives #3 or #4 are inclined to support the establishment of a license limit for vacation rentals in areas where they continue to be permitted. Percentages referenced in this draft code section are based upon the City's entire housing stock, which is roughly 5,500 units. The Commission would like a percentage limit to be based upon the number of dwellings in the permitted areas.*

*For map alternative #3, there are roughly 2,050 dwellings that fall within the permitted area, with about 7.3% of the units (149) being licensed as vacation rentals. If the Commission were to take an approach similar to the Ad-hoc work group, then a range of 8% (164 units) up to 10% (205 units) would be reasonable, with a specific number being set by Council resolution.*

*For map alternative #4, there are roughly 3,300 dwellings that fall within the permitted area, with about 4.3% of the units (142) being licensed as vacation rentals. If the Commission were to take an approach similar to the Ad-hoc work group, then a range of 5%*

*(165 units) up to 7% (231 units) would be reasonable, with a specific number being set by Council resolution.*

*Commission members will further discuss the appropriate cap level after taking public testimony at the December 10, 2018 public hearing.*

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POLICY ALTERNATIVES

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***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 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.***

*Commission: The Commission members support alternative B. 1. This will require a handful of vacation rentals to be phased out of R-1 and R-2 zoned areas. This policy alternative will prevent vacation rentals from being concentrated on a particular residential street segment or block, which impacts livability and character of residential areas. The Commission received testimony from persons worried about vacation rentals being concentrated on a particular street segment or block, and this alternative addresses that concern. Alternative B.2. extends the same principal to R-3 and R-4 zone districts; however, this method of trying to disperse units is not as effective when applied to mixed density areas and could prohibit townhouse and condo developments that were specifically designed for use as short term rentals. It is important to note that alternative B.1. is only relevant to map alternative #3. There is no need for the spacing standard in map alternative #4, since it would prohibit vacation rentals in R-1 and R-2 zones.*

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

or

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

***Commission: The majority of the members believe that C.1. is appropriate, in light of the fact that this standard is now the maximum occupancy of the unit at any time, as opposed to just maximum overnight occupancy. Many of the concerns raised by the public regarding occupancy were related to potential nuisance impacts attributed to large parties, which would exceed the occupancy allowance under C.1.***

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**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.**

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POLICY ALTERNATIVES  
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***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.***

*Commission: There was general agreement that alternative E.2 is the appropriate standard. The City has established a handful of parking districts where it provides public parking in lieu of requiring businesses construct off-street parking. In such cases, vacation rentals should have a right to use on-street spaces in the same manner as other commercial uses.*

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F. Shared Access. Short-term rentals that rely upon use of shared access and parking areas may only be permitted if a covenant or other binding legal instrument establishes that the owner of the unit maintains exclusive use of the required parking space(s).

G. Landscaping. For short-term rentals situated on individual lots or parcels in residential zones, at least 50% of the front yard and 40% of the total area shall be landscaped. No more than 50% of the front yard landscaping may be impervious surfaces, such as patios and decks. Driveway and parking areas shall not satisfy any portion of these landscaping requirements.

14.25.035 Non-Conforming Short Term Rentals

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POLICY ALTERNATIVES

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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.*

or

*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).*

*or*

*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 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).*

*Commission: A majority of the members are inclined to support Alternative A.3. There was some disagreement as to whether or not five (5) years provides existing vacation rental operators a reasonable amount of time to bring their units into full compliance with the new rules, with some arguing the number should be lower and others higher. This alternative addresses the handful of units that would need to be phased out because there is more than one vacation rental on a particular street segment. Such language will not be needed if map alternative #4 is selected, meaning the Commission would default to alternative A.2. There was general agreement that the final language should be revised to include a provision that would require units to comply immediately upon change of ownership.*

## CHAPTER 4.25 SHORT-TERM RENTAL BUSINESS LICENSE ENDORSEMENTS

### 4.25.005 Purpose

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

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

### 4.25.010 Definitions

The following definitions apply in this chapter.

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

- D. Dwelling Unit. A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.
- E. Home share. A short term rental, other than a Bed and Breakfast Facility, where a portion of a dwelling unit is rented while the homeowner is present. For the purposes of this definition, “present” means the homeowner is staying in the dwelling overnight for the duration of the rental.
- F. Owner. Means the natural person(s) or legal entity that owns and holds legal or equitable title to the property.
- G. Short Term Rental. A dwelling unit that is rented to any person on a day to day basis or for a period of less than thirty (30) consecutive nights.
- H. Sale or Transfer. Means any change of ownership during the period of time that a license is valid, whether or not there is consideration, except 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.
- I. 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.

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

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

#### 4.25.020 Application Information and Filing Fee

- A. Applications for short-term rental business license endorsements are to be on forms provided by the City, and shall include the following:
  1. Owner Information. Owner's name, permanent residence address, telephone number, email address (if available) and short-term rental address and telephone number.
  2. Authorized Agent. The name, telephone number, mailing address and email of a property management company or other entity or person who has been designated by the owner to act on their behalf.
  3. Representative Information. The name, telephone number, mailing address and email of a local representative who can be contacted concerning use of the property or complaints related to operation of the short-term rental. For the purposes of this requirement, local means the representative's address is within 30 minutes travel time of the subject property.
  4. Liability Insurance. Letter of intent to insure (for new applications) or certificate of insurance (for renewals) establishing that the owner will have, or has, liability

insurance which expressly covers the vacation rental operations on the subject property in the amount of \$1,000,000 combined single limit for bodily injury and property damage. Where letters of intent to insure are provided, certificate of insurance shall be submitted to the city prior to use of the unit as a short-term rental.

5. Land Use Authorization. A land use compatibility statement, signed by the Community Development Director or designee and that is current within 90-days, indicating that the short-term rental satisfies the land use standards for short-term rentals listed in NMC Chapter 14.25.
6. Occupancy. Occupancy limits and number of bedrooms (as specified in the Land Use Authorization).
7. Parking. Statement that required off-street parking spaces are available, with a photo(s), dated within the last 90 days, of interior and exterior parking spaces. A site plan including a parking diagram of the parking spaces shall also be provided.
8. Proof of Residential Use (for Home shares and Bed and Breakfast Facilities). At least two of the following items shall be submitted as evidence that the dwelling is the primary residence of the owner.
  - a. A copy of the voter registration
  - b. A copy of an Oregon Driver's License or Identification Card
  - c. A copy of federal income tax return from last tax year (page one only and financial data should be redacted)
9. Good Neighbor Guidelines. 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 within 30 calendar days of the date of the notice, the application will be reviewed. If the applicant does not provide the required information, the application will be deemed withdrawn and the City will refund the application fee.

C. License Fee. The fee for the application of a short-term rental business license endorsement, and any of its components requiring city action, shall be established by resolution of the City Council.

#### 4.25.025 Term of Annual Business License Endorsement and Transferability

A. Term. A short-term rental business license endorsement shall be issued for a period of 12-months, effective July 1st of each year, and may be renewed annually by the owner provided all applicable standards of this chapter are met.

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POLICY ALTERNATIVES

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**B.1. Transferability.** *The business license endorsement shall be issued in the name of the owner(s) and is not transferable.*

*or*

**B.2. Transferability.** *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.*

*or*

**B.3. Transferability.** *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.*

*Staff: Transferability is relevant if the city limits the total number of annual licenses it issues and it is our recommendation that such a limit be put in place. The justification for limiting transferability is to avoid circumstances where use of a dwelling for commercial purposes in a residential neighborhood becomes permanent, potentially impacting the supply of needed housing and the character of residential areas. Eliminating license transferability in residential areas would serve as a disincentive to anyone looking to purchase units for exclusive use as a vacation rental while, at the same time, it would not impose a barrier to those looking to operate a vacation rental for a period of time before they transition to Newport on a more permanent basis (assuming there is license availability under a cap).*

*It is difficult to apply this rationale to areas that are transitioning to or are entirely within commercial zones, as there is an expectation in these areas that dwelling units would be built for the sole purpose of being used for transient rental purposes and may lack the functional amenities (e.g. storage, office space, etc.) that persons would need if they were living in the units on a long term basis. Alternative B.3. balances these interests.*

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#### 4.25.030 Business License Endorsement and Endorsement Renewal

- A. Endorsement Must Be Obtained: An endorsement to a business license for a short-term rental shall be obtained and renewed as required in this section. The ability to operate a short-term rental in the City of Newport shall be discontinued for failure to obtain or renew an endorsement to operate as provided in this chapter.
- B. Application and Renewal Application Process: A person engaging in a short-term rental who has not yet obtained a business license endorsement, or who is required to renew an existing endorsement, shall do so as follows:
1. Time of Application.
    - a. Existing Non-Conforming Short-Term Rentals. A business license endorsement renewal application completed in accordance with the provisions of NMC 4.25.020, is due on July 1st, 2019 and annually every year thereafter.
    - b. New Short-Term Rentals. A business license endorsement for a short-term rental shall be obtained before beginning operations. Endorsement applications, completed in accordance with the provisions of NMC 4.25.020, may be submitted and issued at any time. The endorsement may be renewed annually thereafter on July 1st of each year.
    - c. Sale or Transfer of Property. For business license endorsements that are eligible to be transferred pursuant to NMC 4.25.025(B), 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 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 continuing code compliance obligations of the owner. To receive approval, an owner or authorized agent must demonstrate that the approval standards listed below have been satisfied:

1. Zoning. The property is in compliance with requirements of NMC Chapter 14.25.
2. Contact Information. The owner or authorized agent has provided information sufficient to verify a qualified person will be available to be contacted about use of the short-term rental during and after business hours. The qualified person shall be available to be contacted by telephone to ensure a response to the short-term rental address at all hours (24 hours a day, seven days a week) while the dwelling unit is occupied for rent. The qualified person must be able to reach the premises within 30 minutes. The individual identified as the “qualified person” may be changed from time to time throughout the term of a license. To do so, the license

information shall be revised with the city at least 14-days prior to the date the change takes effect, except when the failure to do so is beyond the owner or authorized agent's control. In an emergency or absence, contact forwarding information to a qualified person 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.

3. Notice to Neighbors. The owner or authorized agent shall post a small, non-illuminated sign on the premises, between 1 and 2 square feet in size, containing the owner and/or representatives contact information. Such sign shall be placed in a location clearly 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.
4. Electronic Availability. The City will make a database electronically accessible within which any person can enter in an address of a short term rental and obtain the owner, authorized agent, and/or representative's name, telephone number, and email address.
5. Fire and Emergency Safety. A completed checklist for fire safety (fire extinguishers, smoke alarms, carbon monoxide detectors, unobstructed exits, etc.) shall be required with each new endorsement and renewal. The owner or authorized agent shall be responsible for completing the fire safety checklist and ensuring continued compliance. Verification by the City of Newport Fire Marshall shall be required prior to issuance of a new endorsement and may be required for renewals at the City Manager's discretion.
6. Structural Safety. A completed checklist, signed by the City of Newport Building Official, indicating that the short-term rental has been inspected and complies with the building safety standards listed below. Such checklist shall be completed prior to issuance of a new endorsement and may be required for renewals at the City Manager's discretion.

- a. Bedrooms shall have an operable emergency escape window or exterior door with a minimum opening size of 5.7 sq. ft. (5.0 sq. ft. at grade floor), with minimum net clear dimensions of 20-inches in width and 24-inches in height and having a sill height not more than 44-inches above the finished floor.
- b. All stairs with 4 or more risers shall have a handrail on at least one side. Handrails shall be secure, continuous, and have returns at each end.
- c. The open sides of stairs, decks, porches or other walking surfaces more than 30-inches above grade or the floor below shall have guardrails configured such that a 4-inch sphere cannot pass through.
- d. Windows within a 24-inch arc of doors and glass within bathtub or shower enclosures shall be safety glazed, or have an equivalent means of protection.
- e. Wood frame decks shall be structurally sound. In cases where a deck supports a hot tub or other features of a similar size and weight, engineering analysis of the supports may be required.
- f. Electrical plug-ins and light switches shall have faceplates.
- g. Electrical breaker boxes shall have all circuits labeled, and empty breakers spaces must be plugged.
- h. GFCI (Ground Fault Circuit Interrupter) protection shall be provided for exterior outlets, kitchens, garages, laundry areas, and bathroom receptacles.
- i. Functioning smoke detectors shall be installed in all bedrooms and outside each bedroom in hallways or other rooms providing access to bedrooms, and on each story including basements.
- 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.
  - n. Any violation of applicable codes that the Building Official determines to be hazardous shall be corrected prior to use of the dwelling as a vacation rental.
7. Proof of Use. For renewals, room tax remittance records must show that the unit has been rented at least 30 days within the 12 month fiscal year.
8. Room Tax Compliance. The unit shall be in compliance with room tax requirements of Chapter 3.05 of the Newport Municipal Code.
9. Violations. A short-term rental business license endorsement that is suspended or revoked shall 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.

D. Additional Operational Requirements

1. Complaints. The owner or representative shall respond to neighborhood complaints within one hour and shall maintain a written record of complaints, the dates they were received, and efforts taken to resolve issues that have been raised. The written record shall be provided to the City upon request.

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POLICY ALTERNATIVES

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*2.1. 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 upon request.*

*or*

*2.2. Guest Registry. Owner or designee shall maintain a guest and vehicle register for each tenancy. The register shall include the name, home address, and phone number of the primary tenant; the total number of occupants; vehicle license plate numbers of all vehicles used by the tenants, and the date of the rental period. This information shall be provided to emergency responders and non-emergency city personnel upon request.*

*Staff: Emergency responders need access to guest registry information so that, in the event of a catastrophic event, they can identify who was in the unit. That same information can be useful in enforcement actions and room tax auditing purposes, both of which are legitimate government activities. Online intermediaries, such as Airbnb, are not required to provide cities with room tax reports that track back to individual units; therefore, the City will need tools like this if it is to perform its own auditing. For these reasons, staff recommends the Commission select alternative 2.2.*

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3. Mandatory Postings. The short-term rental business license endorsement issued by the City shall be displayed in a prominent location within the interior of the dwelling adjacent to the front door. The endorsement will contain the following information:
  - a. A number or other identifying mark unique to the short-term rental endorsement which indicates that it was issued by the City of Newport, with date of expiration.
  - b. The name of the owner and authorized agent and a telephone number where the owner and authorized agent may be contacted.
  - c. The property address.
  - d. The number of approved parking spaces.
  - e. The maximum occupancy permitted for the short-term rental.
  - f. Any required information or conditions specific to the operating license.
  - g. The City of Newport official logo.
4. Emergency Information. Owner or designee shall provide information within the dwelling unit to inform and assist renters in the event of a natural disaster, power outage, or other emergency. Required information includes, but is not limited to:
  - a. A tsunami evacuation map produced by Lincoln County Emergency Services, Oregon Department of Geology and Mineral Industries or other agency with similar authority.
  - b. Phone numbers and addresses for emergency responders and utility providers.
  - c. Other information as established by resolution of the City Council.

5. Noise. Noise levels shall conform to the requirements of Chapter 8.15 of the Newport Municipal Code.
6. Nuisance. The short-term rental shall not be used in a manner that creates a public nuisance as defined in Chapter 8.10 of the Newport Municipal Code.
7. Required Parking. Off-street parking spaces approved for short-term rental use shall be available and are to be used by tenants at all times that the unit is rented. A parking diagram illustrating the location of the approved parking spaces shall be provided to tenants and be available in a prominent location within the short-term rental dwelling.
8. Occupancy. Maximum occupancy shall be limited to that which is specified in the Land Use Authorization.
9. Landscaping. 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.
10. Solid Waste Management. Weekly solid waste disposal service shall be provided while the dwelling is occupied as a short-term rental. The owner or authorized agent shall provide for regular garbage removal from the premises, and trash receptacles shall be stored or screened out of plain view of the street. City may require that an owner or authorized agent utilize solid waste collection valet service in circumstances where there have been verified complaints that a short-term rental is not adhering to these requirements. For the purpose of this section, valet service means the collection driver retrieves the cart from where it is stored, rolls it out for service, and then places it back in its original location.
11. Liability Insurance. Liability insurance is required that expressly covers vacation rental operations on the subject property in the amount of \$1,000,000 combined single limit for bodily injury and property damage.

12. Group Events. Company retreats, weddings, rehearsal dinners, family reunions and similar gatherings are permitted on the premises of a short-term rental during periods of transient use provided the total number of individuals does not exceed occupancy limits at any time during the rental period.

#### 4.25.035 Inspections

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

#### 4.25.040 Appeals

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

#### 4.25.045 Violations

Penalties, as specified in section 4.25.050, shall be imposed for one or more of the following violations:

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

respond” occurs if City staff is unable to reach the owner or designated representative after three attempts within a 48-hour period, using the information that the owner or designee has on file with the City.

#### 4.25.050 Penalties

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:

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

## CHAPTER 14.25 SHORT-TERM RENTAL LAND USE REGULATIONS

### 14.25.005 Purpose

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

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

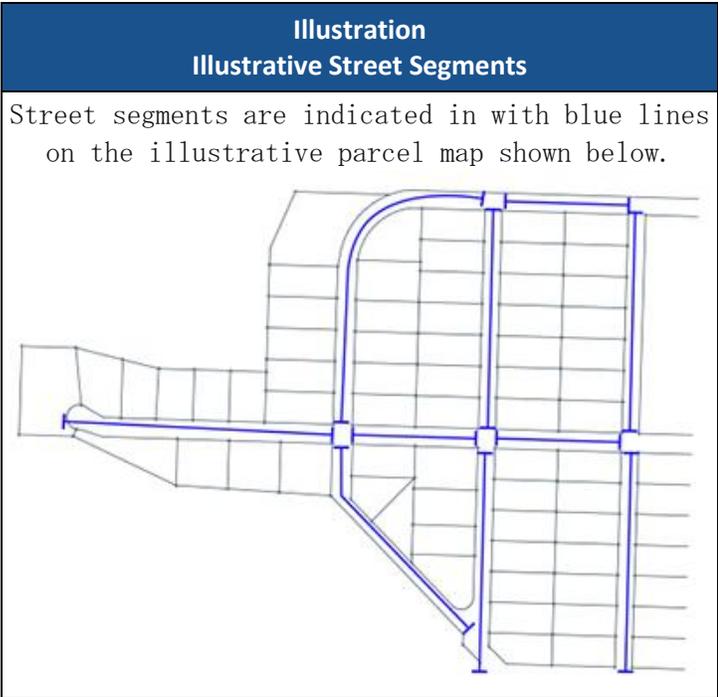
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(Staff note: the following definitions will be added to, or will update terms defined in Chapter 14.01. They are included here for reference.)

### 14.01.010 Definitions

The following definitions apply in this chapter.

- A. Authorized Agent. A property management company or other entity or person who has been designated by the owner to act on their behalf. An authorized agent may or may not be the designated point of contact for complaints.
- B. Bed and Breakfast Facility. 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.
- C. Bedroom. A habitable room that (a) is intended to be used primarily for sleeping purposes; (b) contains at least 70-square feet; and (c) is configured so as to take the need for a fire exit into account.
- D. Dwelling Unit. A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

- E. Home share. A short term rental, other than a Bed and Breakfast Facility, where a portion of a dwelling unit is rented while the homeowner is present. For the purposes of this definition, “present” means the homeowner is staying in the dwelling overnight.
- F. Owner. Means the natural person(s) or legal entity that owns and holds legal or equitable title to the property.
- G. Short Term Rental. A dwelling unit that is rented to any person on a day to day basis or for a period of less than thirty (30) consecutive nights.
- H. Street Segment. A portion of a local or collector street which is located between two intersections, or between an intersection and the end of a cul-de-sac or dead-end. *See Illustration: Illustrative Street Segments, below.*



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

#### 14.25.010 Approval Authority

- A. Upon receipt of a request by an owner or authorized agent to complete a land use compatibility statement for a short-term rental the Community Development Director, or designee, shall determine if the request satisfies the standards of section 14.25.030. If the request satisfies the standards, then the Director shall sign the statement confirming that short-term rental is a permitted use. Such action is ministerial and, as a non-discretionary act, is not subject to appeal.
- B. In the event that the Community Development Director or designee, determines that an application does not meet one or more of the standards of section 14.25.030, then the land use compatibility statement shall not be signed.
- C. If one or more of the standards under section 14.25.030 cannot be met, an owner may seek relief from those standards through a conditional use permitting process, pursuant to section 14.34.010. Such an application is subject to review by the Planning Commission via a Type III decision making process, consistent with section 14.52.010, and is to be limited in scope to those standards that cannot be satisfied.
- D. A Conditional Use Permit may authorize more than one vacation rental on street segments where ten 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.
- E. An approved Conditional Use Permit that grants relief from, or provides alternative requirements to, one or more of the standards of section 14.25.030 shall serve as evidence that standards have been satisfied so that the Director can sign the land use compatibility statement.

#### 14.25.015 Submittal Requirements

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

- A. Site plan, drawn to scale, showing the dimensions, property lines, existing buildings, landscaped area, and off-street parking locations.
- B. Floorplan of the dwelling unit that identifies the rooms dedicated to short-term rental use.

- C. If the dwelling unit is within a residential zone, a calculation of the percentage of front yard and total lot area maintained in landscaping.
- D. If the dwelling unit relies upon shared parking areas, a copy of a covenant or other binding legal instrument detailing unit owner rights and responsibilities related to the parking areas.

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

~~(Staff note: this subsection is only required if one of the four map alternatives, or a variation of one of the maps, is selected as the basis of an overlay. It will be removed if policy makers decide that an overlay is not needed.)~~

~~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.~~

*Staff: We recommend that the Commission not adopt a zoning overlay at this time as a tight license cap, coupled with spacing standards for low density areas, is likely to be more effective at protecting the character of neighborhoods and the City's supply of needed housing, which are the policy objectives that could support an overlay.*

*All four map alternatives would prohibit vacation rentals from areas where they have been historically allowed, with alternatives #3 and #4 impacting 25% to 30% of the existing licensed vacation rentals. Uses should be prohibited only if it can be shown that less restrictive measures cannot achieve policy objectives, because the end result is the elimination of a property right that many have relied upon when purchasing and investing in their properties. Map alternatives #1 and #2 are of limited value because they apply to areas that are far enough away from the beach and tourist-oriented commercial districts that they are not attractive for vacation rental use. Map alternatives #3 and #4 prohibit vacation rental uses in some residential neighborhoods and not others without a clear explanation as to why the character of some neighborhoods need to be protected through such a prohibition and others do not. This is problematic if the policy*

*objective is to protect the character of all residential neighborhoods. Concerns expressed by several Nye Beach area residents relate to this issue, as they are rightfully concerned that the adoption of one of these alternatives will lead to further concentration of vacation rentals in their neighborhoods.*

*With respect to needed housing, map alternatives #3 and #4 appear to favor the prohibition of vacation rental use of higher priced dwellings while allowing them to continue on residential properties that are more affordable (see attached summary of Vacation Rental Market Values). A fair amount of testimony has been submitted expressing concern that vacation rentals are taking away units that would otherwise be available as month to month rentals or as homes that would be available to the local workforce. Vacation rentals in R-1 and R-2 zoned areas, which these map alternatives are largely directed at, have a median market value of \$418,821 (per Zillow estimate). This is a very narrow slice of the City's needed housing, as this price point is outside of the range of what most of the City's workforce can afford, and may be most attractive to dual income working professionals and persons retiring to Newport from more affluent markets.*

*If map alternative #3 or #4 is adopted, then roughly 60 vacation rental operators could be required to wind down their operations, most of which have been renting their properties without documented complaints. It is likely that the City would need to invest in additional code enforcement staff, in addition to a third-party contract, both to ensure that the rentals are taken off the market and to police the areas on an ongoing basis. An additional code enforcement staff person, with benefits, could cost the city around \$100,000 a year. Elimination of up to 60 vacation rentals, without some other off-set, is likely to result in a reduction in room tax collections in the amount of \$125,000 to \$150,000. Fiscal impacts of this nature, where costs are added at the same time revenues are constricted is a significant considerations for city policymakers.*

14.25.025 Allowed Locations

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POLICY ALTERNATIVES  
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*A. 1.a. Home share and Bed & Breakfast Facility use of a dwelling unit is permitted in all residential and commercial zone districts.*

*and*

*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).*

*or*

***A.2. Short-term rental use of a dwelling unit is permitted in all residential and commercial zone districts.***

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*Staff: For the reasons noted above, we are not recommending that one of the map alternatives be adopted; therefore, alternative A.2. would be the appropriate option to select.*

14.25.030 Approval Standards

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POLICY ALTERNATIVES  
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***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.***

*or*

***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.***

*or*

***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.***

(Staff Note: The density limit alternatives are specific to vacation rentals and would not apply to home shares or bed and breakfast facilities. The Ad-hoc work group discussed establishing a hard cap between 200 and 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. At its 10/22/18 work session, the

Planning Commission put forth a third option of 3%, which is about 165 units or 80% of the number of short-term rentals currently licensed in the city. Alternative approaches include adjusting the percentage, applying the cap to specific geographic areas, or not imposing a density limit.)

*Staff: We recommend the Planning Commission pursue Alternative A.1. but suggest it recommend the Council, by resolution, set the cap number at a figure equivalent to the number of vacation rentals currently licensed, or in the process of being licensed. That initial cap number would be less than the 5% maximum that could be established by resolution, and if adopted at the same time the Council acts on Ordinance No. 2144, would effectively put in place a moratorium until a new resolution is adopted. This would give the City time to roll out the new rules. Once the new rules are in place, the Council could, over time, incrementally increase the cap number to account for new residential development. This type of active management will prevent rapid increases in the number of vacation rentals being licensed and allows the Council to link increases in the number of vacation rental licenses to the health of the housing market, consistent with the policy objective of protecting the city's supply of needed housing. Additionally, a tight cap furthers the policy objective of protecting the character of residential neighborhoods because it limits the growth of vacation rentals without favoring certain neighborhoods over others.*

*Alternative A. 1. prohibits the Council from establishing a cap level in excess of five (5) percent of the dwelling units within the city. This provides policy makers with a reasonable amount of flexibility. The five (5) percent threshold is also in line with what other cities, with a diverse economic base, have imposed.*

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POLICY ALTERNATIVES

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***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 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.*

*Staff: We recommend the Commission adopt alternative B.1. This will require a handful of vacation rentals to be phased out of R-1 and R-2 zoned areas. This policy alternative will prevent vacation rentals from being concentrated on a particular residential street segment or block, which impacts livability and character of residential areas. The Commission received testimony from persons worried about vacation rentals being concentrated on a particular street segment or block, and this alternative addresses that concern. Alternative B.2. extends the same principal to R-3 and R-4 zone districts; however, this method of trying to disperse units is not as effective when applied to mixed density areas and could prohibit townhouse and condo developments that were specifically designed for use as short term rentals (see problem street segment example on the street spacing maps).*

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#### POLICY ALTERNATIVES

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

*or*

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

*Staff: We recommend that the Planning Commission select alternative C.1. in light of the fact that this standard is now the maximum occupancy of the unit at any time, as opposed to just maximum overnight occupancy. Most concerns raised related to occupancy were related to potential nuisance impacts attributed to large parties, which would exceed the occupancy allowance under C. 1.*

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.

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POLICY ALTERNATIVES

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*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.*

*Staff: We recommend the Planning Commission select alternative E.2. The City has established a handful of parking districts where it provides public parking in lieu of requiring businesses construct off-street parking. In such cases, vacation rentals should have a right to use on-street spaces in the same manner as other commercial uses.*

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F. Shared Access. Short-term rentals that rely upon use of shared access and parking areas may only be permitted if a covenant or other binding legal instrument establishes that the owner of the unit maintains exclusive use of the required parking space(s).

G. Landscaping. For short-term rentals situated on individual lots or parcels in residential zones, at least 50% of the front yard and 40% of the total area shall be landscaped. No more than 50% of the front yard landscaping may be impervious surfaces, such as patios and decks. Driveway and parking areas shall not satisfy any portion of these landscaping requirements.

#### 14.25.035 Non-Conforming Short Term Rentals

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POLICY ALTERNATIVES  
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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.*

*or*

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).*

*or*

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 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).*

*Staff: Alternative A.3. provides existing vacation rental operators a reasonable amount of time to bring their units into full compliance with the new rules, and addresses the handful of units that would need to be phased out because there is more than one vacation rental on a particular street segment. The other options either allow existing vacation rentals to operate indefinitely under old rules, or they exempt rentals from having to meet the spacing standards, neither of which is as consistent with the policy objectives of Ordinance No. 2144.*

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2017 Assessor's Real Market Values for Vacation Rentals

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All Rentals Count: 203	Low: \$42,438 High: \$1,714,300  Median: \$283,100	Rentals R-1/R2 Zones Count: 60	Low: \$131,340 High: \$991,720  Median: \$390,930
Single Family Dwellings Count: 108	Low: \$131,340 High: \$1,714,300  Median: \$346,680	Rentals R-3/R-4 Zones Count: 70	Low: \$42,438 High: \$1,116,420  Median: \$303,130
Condos/Duplexes Count: 95	Low: \$42,438 High: \$743,420  Median: \$195,620	Rentals C-2/W-2 Zones Count: 73	Low: \$71,780 High: \$1,714,300  Median: \$176,970
Condos/Duplexes (Excluding C-2/W-2) Count: 38	Low: \$42,438 High: \$684,410  Median: \$302,930		

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2018 Zillow Estimate of Real Market Value

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All Rentals Count: 203	Low: \$42,284 High: \$1,714,300  Median: \$312,555	Rentals R-1/R2 Zones Count: 60	Low: \$142,210 High: \$1,100,852  Median: \$418,821
Single Family Dwellings Count: 108	Low: \$141,140 High: \$1,714,300  Median: \$379,240	Rentals R-3/R-4 Zones Count: 70	Low: \$42,284 High: \$1,282,223  Median: \$331,628
Condos/Duplexes Count: 95	Low: \$42,284 High: \$743,420  Median: \$232,328	Rentals C-2/W-2 Zones Count: 73	Low: \$91,446 High: \$1,714,300  Median: \$228,528
Condos/Duplexes (Excluding C-2/W-2) Count: 38	Low: \$42,284 High: \$684,410  Median: \$316,522		

Note: Real market estimates from the County Assessor or Zillow do not necessarily align with the asking price of dwellings that are listed for sale. For example, one of the vacation rentals has an assessor's real market value of \$437,120 and Zillow estimated value of \$568,002, but is being marketed for sale at \$749,000.

Zillow estimates were available for 184 of the 203 vacation rentals (91%). In those cases where an estimate was not available, the County Assessor's 2017 real market value was used.

**Gloria Tucker**

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**From:** Eric Lonquist <gelonquist@live.com>  
**Sent:** Wednesday, September 13, 2017 9:39 PM  
**To:** Derrick Tokos  
**Subject:** Vacation Rentals

If a limit is adopted, which seems unnecessary and shortsighted, all current licensed owners should be able to assign their license to any buyer of said property.

Sent from my iPhone

**Gloria Tucker**

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**From:** Chantelle Charpentier <chantelle.charpentier@vacasa.com>  
**Sent:** Wednesday, September 13, 2017 2:57 PM  
**To:** Derrick Tokos  
**Subject:** Regarding the upcoming City Council discussion on VRs.

Hello Derrick,

If you would be so kind as to share this with the council members it would be much appreciated.

My intention here is to point out some of the real benefits of vacation rentals to the City of Newport, its residents and businesses.

Vacasa has approximately 50-60 homes within Newport city limits. (The number is approximate because when I pull up Newport homes there are homes in South Beach and Beverly Beach area that are outside of limits but still show up as Newport.)

The number of homes Vacasa manages in Newport has increased a little over time but not tremendously, as some homes leave the rental market each year and others are sold.

From January 2017 to July 2017 Vacasa guests paid \$100,417.16 in transient rental taxes just to the City of Newport. As that is for half of the year we could anticipate that the full year would be about double.

The majority of the homes we manage are in Nye Beach, Agate Beach, the Bayfront, or near those areas. Very few are away from the tourist attractions or beach access. Most of them are second homes that the homeowners use themselves. They would not be available for long term rentals because the owners and their families use the homes themselves.

The local businesses, especially restaurants and shops in the tourist areas, benefit from the visitors. The thriving arts scene in Newport needs the support of tourist dollars. The aquarium, lighthouses, and museums all benefit from the visitors who come to town.

In Newport alone Vacasa employees 16 housekeepers. Housekeepers have a starting wage of \$15 per hour and are supplied with smartphones that they can use as their own. Vacasa voluntarily raised housekeeping wages in spring of 2016.

Newport also has three Local Operations Managers overseeing housekeeping and maintenance. As we promote from within whenever possible, one of the Local Operation Managers was recently promoted from a lead housekeeping position. These positions come with a substantial increase in salary and benefits and are a gateway to professional careers and middle class incomes.

In addition, Vacasa is very careful to comply with all city and county requirements in any communities we work in. Our homes are licensed and permitted per Newport ordinance. Our policy is to respond to any concern or complaint from neighbors of our homes. We welcome and encourage neighbors to contact us.

Vacasa is also a member of the Newport Chamber of Commerce and donates to charities and fund raisers in the community.

As a side note, Vacasa holds the Torch Award and an A+ rating from the Oregon Better Business Bureau.

I plan on attending the meeting on the 18th. If any board members have any questions and would like to email me directly I would be happy to respond.

Thank you,

Chantelle

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Chantelle Charpentier  
Vacasa Business Development Representative  
Central Oregon Coast  
[chantelle.charpentier@vacasa.com](mailto:chantelle.charpentier@vacasa.com)  
[541-305-5001](tel:541-305-5001)

**Gloria Tucker**

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**From:** Derrick Tokos  
**Sent:** Thursday, September 14, 2017 10:34 AM  
**To:** Gloria Tucker  
**Subject:** FW: Vacation Rentals - moratorium is not in the best interests of Newport

**From:** Glenn Stockton [mailto:glenn.stockton@gmail.com]  
**Sent:** Thursday, September 14, 2017 10:32 AM  
**To:** Derrick Tokos <D.Tokos@NewportOregon.gov>  
**Subject:** Vacation Rentals - moratorium is not in the best interests of Newport

Dear Mr. Tokos,

As our main residence is in Bremerton, WA and we are very busy with our lives here, I will be unable to attend the coming meeting that seeks input on the idea of placing a moratorium on adding new licensed vacation rental homes in the City of Newport. Even so, please consider my comments below as the city considers this matter:

My wife and I have maintained what was initially a grand-fathered-in and now is a licensed vacation rental home in Newport, OR since 2003. We have greatly enjoyed our several annual visits to Newport and also sharing our home with many visitors to the Oregon Coast over the years.

As we understand only about 3% of Newport homes are currently available for visitors to rent, we believe it would be shortsighted to place a moratorium on the licensing of additional homes for this use at this time. Were the percentage significantly larger, such a restriction might be warranted, but with only 3 in 100 homes in the category, it hardly seems necessary.

Rather than placing such a moratorium currently, I suggest a broader look to the future. The needed research should begin now to determine what makes sense for the highest upper percentage of homes in this category. Surely there are other cities that have had gone before Newport in determining this optimum percentage. While Newport is unique, information gathered from these other cities which have faced this question could be accessed, analyzed, and adapted to Newport's unique setting and situation. Determining the correct action in this way would enable the decision to be made, not based on the interests of pressure groups that are in seeming competition, such as hotels and vacation rental owners – but instead in the true interests of all aspects of the City of Newport. The city would thus avoid the necessity of making any sudden changes, providing homeowners in the process of making a decision about entering (or not) the vacation rental market needed information for making a truly informed decision.

It is my understanding that Newport vacation rental licensing is not currently passed from home seller to home buyer. If this is indeed the case, placing a moratorium on issuing "new" vacation rental licenses would have the impact of greatly reducing the value of the homes of current vacation rental licensees, as well as reducing the number of reasons for buyers to purchase these same homes. That would be patently unfair to vacation rental homeowners who, in many cases, have spent thousands of dollars upgrading their homes to required vacation rental standards and thereby rely on the value they have added to them to be recovered when they sell. If, against my and others advice on this, a moratorium is put in place, it will be important to current vacation rental licensees that the code is simultaneously altered to enable the renewal of licenses based on previous continuous licensing of the home and not on the continuous same ownership of that home.

Placing current restrictions on the number of any of the growing variety of rental and logging options for visitors to our beautiful city, sends the wrong message, and longterm would likely have a negative impact on the local Newport economy.

Best Regards,  
Glenn Stockton

Home location: 1156 SW Mark St, Newport, OR 97365  
My cell #: 360.621.8653

**Gloria Tucker**

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**From:** Public comment  
**Sent:** Thursday, September 14, 2017 12:42 PM  
**To:** Gloria Tucker  
**Subject:** FW: ATTN: Peggy Hawker

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**From:** Julie Sanford [mailto:julieksanford@live.com]  
**Sent:** Thursday, September 14, 2017 8:39 AM  
**To:** Public comment <publiccomment@newportoregon.gov>  
**Subject:** ATTN: Peggy Hawker

Our feedback is provided without any context for why this topic is on the City's agenda.

We strongly appose revisiting the rules for the establishment of vacation rentals for the following reasons:

1. Vacation Rentals bring in revenue to Newport in the form of spend with small business and tax money for the city. It is a big driver for tourism, which is one of Newport's key industries.
2. Adjusting rules now would cause financial hardship to those who have invested in a vacation property, in accordance with the current rules and regulations, and rely on the rental income. In the long term, investment will leave the City.
3. Intervening in the property market in such a way will have a negative effect on the current property values - for everyone in the City.

Julie Sanford

September 5, 2017

To the Newport City Council:

On April 4, I sent a letter to the Newport City Council to urge a moratorium on short term rentals. On April 5 I met with Newport Mayor, Sandy Romagoux regarding my concerns and urging the Newport City Council to place a moratorium on short term rentals as written in the Newport Municipal Code. I received no response to my letter.

I have followed this issue closely since April 4. Hence, I am here today at your planning session, a review and discussion on the regulation of vacation rentals. Again, I urge the Newport City Council to place a moratorium on short term rentals.

The City of Newport was built upon sound planning and cooperation and leadership of many individuals. At the core of Newport's vibrant community is an economic hub, diverse and strong; HMSC complex, the arts, medical, county seat, school district headquarters and tourism. All of these assets require housing. There is a shortage of available housing in Newport for families seeking to buy single family homes. All of these assets require housing.

The strength of the City of Newport should rely on the trust and support of neighborhoods and home owners who are secure in their ownership investment. Short term rentals in R 1 neighborhoods disavow the security of ownership by allowing transient commercial business, interrupting the integrity of family life, neighbors and the safety of the assumed amenities. Short term rentals are a short term solution-revenue and real estate investment- to a long term burgeoning problem of housing shortages.

I would urge the Newport City Council to begin a real review of the short term planning code and look to the need for long term housing and ownership. Bring the spokes of Newport's economic hub together- HMSC complex, the arts, medical, county seat, school district headquarters and tourism leaders and ask them their future plans and housing needs.

I urge you to protect the integrity of Newport's neighborhoods and begin a real review and discussion with leaders of Newport's economic hub.

Patti Littlehales

  
Newport, Oregon resident (46 years)

April 4, 2017

To the Newport City Council:

I urge the Newport City Council to place a moratorium on "short term" rentals. The Municipal Code (2-4-11 enacted by Ordinance No. 2032, adopted on April 2, 2012, effective July1, 2012 regarding Bed and Breakfast and Short-Term Rentals does not protect family-friendly neighborhoods. There is no recourse for surrounding homeowners. All determination of "short term" rentals is exclusive to that homeowner and not the neighborhood homeowners.

**14.25.010 Purpose**

This section establishes the terms, criteria and procedures by which bed and breakfast and vacation rental uses may be permitted 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.

I have lived in the Sea Lake Terrace subdivision and been a homeowner since 1972. In 1987 we purchased my current home, 622 NE 20<sup>th</sup> Place and continue to live here. In all 45 years, the neighborhood has been private homeowners with some long term rentals. The tenure of homeowners, in my current location have been long term, 30 years in some cases. We are a neighborhood of multi-age, family-friendly homeowners. The benefit of this location is that it is in a cul-de-sac, where children run, ride bikes and enjoy the safety of neighbor watch.

On March 17, 2017 our family-friendly neighborhood would be changed with the notification that 688 NE 20<sup>th</sup> Place would become a vacation rental dwelling subject to the standards of NMC Chapter 14.25 with maximum overnight occupancy 6. Because my home is not within 200 feet of the property I did not receive notice, but later obtained (see attached) the notice.

The VACASA website describes this neighborhood and property thus: **House, 2 Bedrooms, 1 Baths, Sleeps 6**

Next time you're in Newport, treat yourself to comfortable living with the lower level of this modern house in the Agate Beach neighborhood. Offering a dog-friendly attitude, peeks of ocean views, and the beach close by, up to six guests will make memories here. Sitting in a quiet location on the northeast side of the city with peaceful surroundings, you'll have easy access to both town and the beach. Simply make the short drive, or follow the Ocean to Bay Trail to get to the sand!

Prime residential neighborhoods are designed for single family homes, to promote family life. Allowing tourism traffic will cause a demographic shift as homeowners convert long term rentals to short term. This peer-to-peer marketplace is a new animal that defies traditional regulations. While earlier CCR's use the term "long term" the new concept of "short term" rentals is not specified because it is so new to the marketplace. Thus we find Newport's Municipal Code of bed and breakfast and short term rentals to be open- season. All zones are open to short term rentals; R1, R2, and R3. Though earlier CCR's that prohibit commercial or business transactions within family-friendly neighborhoods (see attached), the current status belongs to the homeowner doing business as a residential use. There is no provision to protect the integrity of family friendly neighborhoods. This code turns home ownership and the security of that transaction upside down. All rights to the owner, no recourse for the neighbors. Sea Lake Terrace subdivision could become Nye Beach, where short term rentals have become the mode.

While short term rentals have become the new trend in real estate investment, Newport is a city of many assets: HMSC complex, the arts, medical, county seat, school district headquarters and tourism. All of these assets require housing. There is a shortage of available housing in Newport for families seeking to buy single family homes.

For these reasons I ask the Newport City Council to place a moratorium on short term rentals. A review of the Newport Municipal Code (NMC) Section 14.25.070 needs serious review to protect single resident homeowners and long term family friendly neighborhoods in accordance with assumptions of home ownership and the integrity of longstanding neighborhoods.

Patti Littlehales

278 INC 190

BUILDING AND USE RESTRICTIONS

SEA LAKE TERRACES

NEWPORT, LINCOLN COUNTY, OREGON

The undersigned, being the record owners and parties in interest of all that property described as Sea Lake Terraces, as recorded June 16, 1966, in Book 10 of Plats, Page 14, in Lincoln County, Oregon, as re-recorded on \_\_\_\_\_, Book \_\_\_\_\_, Page \_\_\_\_\_, Record of Plats, Lincoln County, Oregon, do hereby make the following declarations of conditions and restrictions covering the above described real property, specifying that this declaration shall constitute covenants to run with all of the land and shall be binding upon all persons claiming under them and that these conditions and restrictions shall be for the benefit of and limitations upon all future owners of said real property.

1. Each of the lots in the above described subdivision shall be known, described and used for residential purposes only. Not more than one detached single-family dwelling not to exceed two stories in height and not more than one, one-car or two-car or three-car, garage or carport, and not more than two accessory buildings incidental to residential use shall be constructed or placed upon any one of said lots. Basements, which include daylight, split entry and split level types shall not be considered determining the number of stories in the dwelling.

2. A "lot", as referred to herein, is described and defined as any single lot, portion thereof, or combination of portions of lots, said whole lots being as subdivided by the plat for Sea Lake Terraces, referred to above.

3. No foundation line of a residential building which is erected on any lot shall be nearer than twenty (20) feet to the front line, nor nearer than fifteen (15) feet to any side street line, nor nearer than 7% of the lot width, but not less than five (5) feet for a one-story dwelling, nor less than six (6) feet for a two-story dwelling to any side lot line, whichever is greater, nor nearer than twenty-four (24) feet for a one-story dwelling or thirty (30) feet for a two-story dwelling to any rear lot line. For the purpose of these restrictions, eaves, steps, porches, and patios shall not be considered as part of the residential building, and lot lines are considered as building lots and are not necessarily coincident with platted lot lines.

4. No animals other than domestic household pets, shall be kept on any part of said property, nor shall any fenced animal runs or pens be placed on any side or front of any lot bordering on a street.

5. No commercial or professional or noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Nor shall any commercial truck, customarily characterized as being a "1 1/2 ton" truck or more, be parked overnight or continuously for any period of time upon any street, driveway or lot unless enclosed in an allowable accessory building.

**Gloria Tucker**

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**From:** Spencer Nebel  
**Sent:** Thursday, September 14, 2017 2:50 PM  
**To:** Gloria Tucker  
**Cc:** Peggy Hawker  
**Subject:** FW: Contact Us - Web Form

This probably should be in the comments for vrd's

Spencer R. Nebel  
 City Manager  
 City of Newport, Oregon 97365  
 541-574-0601  
 s.nebel@newportoregon.gov

-----Original Message-----

From: stevelovas@gmail.com [mailto:stevelovas@gmail.com]  
 Sent: Wednesday, September 13, 2017 8:13 AM  
 To: Spencer Nebel <S.Nebel@NewportOregon.gov>  
 Subject: Contact Us - Web Form

City of Newport, OR :: Contact Us - Web Form

The following information was submitted on 9/13/2017 at 8:12:59 AM

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 To: Spencer Nebel  
 Name: Steve Lovas  
 Email: stevelovas@gmail.com  
 Phone: 541 283 3040  
 Subject: VRD Meeting  
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Message: Reference:City Council hearing on Sept. 18, 2017

Dear Mr. Nebel,

I read with interest about the announced meeting on VRD's that was announced in the Newport News-Times and NewsLincolncounty.com.

I am writing to ask for any an all meeting minutes, briefs, etc regarding why this meeting is being called, and clarification regarding what the issues are relative to this matter.

I plan on being an active participant and don't want to hear the facts for the first time at the hearing. I'm sure you agree that preparation is key to a meaningful discussion.

Thank you in advance for your advice.

Steve Lovas

**Gloria Tucker**

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**From:** Sara <joethecat@comcast.net>  
**Sent:** Thursday, September 14, 2017 3:50 PM  
**To:** Public comment  
**Subject:** Vacation rentals, VRD

I am submitting this Email to comment since I won't be available for the city council meeting on the 18th:

I strongly support establishing a rule which will put a numerical limit on the number of homes which can be established as VRDs within the city. I also support a moratorium while the subject is debated and settled (I hope). VRD's, by their function, effect the motivation to build lower income housing, add noise and material pollution (recycling), increased traffic in the area in which they reside, and are owned by people who often don't live within the community or county, making it more difficult to monitor the renters and the property. I presume all VRD's are registered? I assume to be sure of this, it would profit the city to run searches on the various rental sites, if this isn't already being done.

Thank you for taking the time to address this issue. I'd much rather be Yachats than Lincoln City on this topic.

Sara Schreiber  
4336 S E Ellis  
South Beach  
joethecat@comcast.net

**Gloria Tucker**

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**From:** Richard Evans <richardjamesevans@live.com>  
**Sent:** Thursday, September 14, 2017 6:27 PM  
**To:** Public comment  
**Subject:** Testimony for Public Hearing on Vacation Rentals on 9/18

Attn. Peggy Hawker. The following is my testimony regarding the rules for vacation rentals. I am sorry to miss the meeting, I will be traveling.

Immediately after the eclipse this year, many small business owners told me how frustrated they were that news reports had scared away many visitors and hurt their income. Talk of restricting vacation rentals can easily have a similar effect. Except the effects will last much longer than a weekend. We must be very careful that we do not scare away tax payers, investors and visitors. Free markets, including the housing market are very complex. This discussion, regardless of our best intentions, can easily fuel perceptions which drive the devaluation in home price for every single Newport home owner, hurt our City's tax revenues and lower the income of everyone who benefits from our visitors.

Many Newport tax payers like my family use vacation rental to supplement their income. I like the fact that my visitors get to appreciate our City and bring their business to many in our community. I am not certain which issues are driving this discussion, but let me speculate. If one of the issues is nuisance, then I am very supportive of ensuring we set high standards for vacation rentals. If one of the issues is about supporting a way of life for those born here, please let's not create any perception that Newport does not welcome outsiders. Rather than do anything negative to the markets which help us welcome those good and financially beneficial visitors to our town, let's look instead at creating positive programs which create improvements for those who deserve help.

In summary, we must tread very carefully for everyone's financial benefit: any perception that we are intervening in the housing market has impacts which nobody can predict. From a social point of view, let's ensure we have good standards for vacation rentals, but please let us avoid this becoming another of today's polarizing issues of 'them' and 'us': let's not create an easy target for our problems instead of tackling the complex issues. All law-abiding citizens should feel welcome in Newport, whether they were born here, whether they are tourists or whether they are vacation rental owners.

Richard Evans, 2767 NW Pacific Place, Newport.

**Gloria Tucker**

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**From:** Colleen Harris <colleenh@HarrisWorkSystems.com>  
**Sent:** Friday, September 15, 2017 10:17 AM  
**To:** Public comment  
**Subject:** Vacation Rental Hearing

*Good Morning,*

*I am a vacation rental property owner in Newport and am near closing on another investment property the first of October. I plan on retiring to Newport, but am not able to for another six years. In the meantime, the only way for me to afford my property is to rent it out. I could most likely default on my loan if I am not allowed to rent the property that I just purchased. Most of the homes in my small community at South Beach were purchased as investments and vacation rentals.*

*This would be an incredible hardship on myself and my family. I do hope the City of Newport does NOT ban vacation rentals. I found Newport exactly this way and fell in love with the City.*

*Please do not put a ban on vacation rentals, besides the financial hardship to my family, I think that it would be detrimental to the economy of Newport.*

*Thank you for your consideration.*

*Kindest Regards,*

*Colleen Harris & Phil Mancke  
2618 SW Brant Street  
Newport, OR 97365*

April 4, 2017

To the Newport City Council:

I urge the Newport City Council to place a moratorium on "short term" rentals. The Municipal Code (2-4-11 enacted by Ordinance No. 2032, adopted on April 2, 2012, effective July 1, 2012 regarding Bed and Breakfast and Short-Term Rentals does not protect family-friendly neighborhoods. There is no recourse for surrounding homeowners. All determination of "short term" rentals is exclusive to that homeowner and not the neighborhood homeowners.

#### **14.25.010 Purpose**

This section establishes the terms, criteria and procedures by

which bed and breakfast and vacation rental uses may be

permitted 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.

I have lived in the Sea Lake Terrace subdivision and been a homeowner since 1972. In 1987 we purchased my current home, 622 NE 20<sup>th</sup> Place and continue to live here. In all 45 years, the neighborhood has been private homeowners with some long term rentals. The tenure of homeowners, in my current location have been long term, 30 years in some cases. We are a neighborhood of multi-age, family-friendly homeowners. The benefit of this location is that it is in a cul-de-sac, where children run, ride bikes and enjoy the safety of neighbor watch.

On March 17, 2017 our family-friendly neighborhood would be changed with the notification that 688 NE 20<sup>th</sup> Place would become a vacation rental dwelling subject to the standards of NMC Chapter 14.25 with maximum overnight occupancy 6. Because my home is not within 200 feet of the property I did not receive notice, but later obtained (see attached) the notice.

## Gloria Tucker

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**From:** John Vann <j.vann3@live.com>  
**Sent:** Saturday, September 16, 2017 9:08 AM  
**To:** Public comment  
**Subject:** Vacation Rentals

Dear Peggy Hawker,

I would like to make the following observations regarding the review of the impact of Vacation Rentals to neighborhoods in Newport.

We live on the cul-de-sac of NW 54th court by the lighthouse. There are 6 houses on the cul-de-sac , 2 of which are Vacation rentals. These two houses advertise a total of 20 to 30 people who can sleep here at once. There are an additional 4 to 5 other Vacation rentals in the immediate area. The issues we see are:

**Traffic :** We get a lot of people who think this is a back way to the Lighthouse so I call these Drive Bys. There have been times when I have counted more than 10 cars trying to park at the one house across from us. This Jams up the street and creates a lot of noise. Day and night. Can a sign be posted indicating no Lighthouse access?

**Parking:** When these places have the maximum occupancy there is never enough room for all the cars. We keep asking people not to park in the cul-de-sac but then they park all over the neighborhood. The problem becomes serious when the vacationers have trucks , boats and trailers that start blocking the access and ability of trash trucks and maintenance vehicles to drive in. Can there be limits to what kind of vehicles or the number allowed at one time?

**Weddings and Corporate events:** We have had two Weddings at the one house this month. This increases the above situations to the max as well as the tents and tables and chairs that are in the yards. Additionally people then stand and sit in the cul-de-sac smoking and drinking. This adds a lot of trash and noise to the area. We had one weekend when the truck and trailer with tents and tables and party stuff was left parked on the street for two days after the event. Are these types of events allowed? Can the neighbors be notified when something like this is planned?

**Pets:** Both places seem to have no limit on the number of pets allowed. I have counted as many as six dogs in one house for several days. This adds to the dog waste in the area. On labor day weekend there were two large Boxers that were basically allowed to roam the neighborhood. I asked the owners to please keep the animals on leashes and pick up after them and got nothing but attitude. Can the owners limit the number or size of these animals?

**Recreational Vehicles:** There have been two recent times when it appears sleeping 18 people is not enough and the vacationers also have an RV that needs to be parked in the cul-de-sac since there is not enough room in the drive ways. How can this be allowed? Is it legal to have random people living in RV's in the street?

Based on the above information please do not allow any more vacation rentals in this area. I realize that the city and the owners of these facilities make money but what about us who live here all the time? We pay a very high property tax rate based on the location. Can we get a portion of the profits? A reduction of the amount of taxes we pay? Can some of these activities be limited? Who can we complain to when things get out of hand? Do the Owners have rules that they give to renters? Owners and the City need to recognize that these Places are in neighborhoods where people live, children play in the streets and day to day life is impacted by the types and numbers of strangers that are in the area. If I wanted to live next to a Motel or Hotel I would have bought a house there.

**Gloria Tucker**

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**From:** Maggie Cross <maggie4996@yahoo.com>  
**Sent:** Saturday, September 16, 2017 3:33 PM  
**To:** Public comment  
**Subject:** Vacation rentals

My name is Margaret Cross. My husband and I, along with my sister and her husband, own a house located at 1522 NW Spring Street in Newport that used to be a vacation rental. Now it is only for family use. I am unable to attend the meeting on Monday, but hope to have the chance to provide greater input if there are hearings in the future. Vacation rentals can destroy neighborhoods and become a costly burden for a city in terms of code enforcement if too many are allowed in residential communities; any policy needs to be thoughtfully designed to minimize adverse impacts. I support a temporary moratorium on new vacation rentals within the city limits until the current policy can be thoroughly evaluated and the public has more time to comment.

Sincerely,

Margaret Cross  
1022 SW Russ Lane  
McMinnville, OR 97128

**Gloria Tucker**

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**From:** Rod & Darlene Croteau <croteau@charter.net>  
**Sent:** Sunday, September 17, 2017 5:18 PM  
**To:** Public comment  
**Subject:** Vacation Rentals in Newport

Dear Newport City Council:

When we built our full-time retirement home in Newport in 2001, we did so purposefully in a neighborhood where there were no vacation rentals. Now that vacation rentals have been allowed citywide, we are surrounded by 8 of them, with all of their accompanying problems. We are also confident that several more homes in our neighborhood will be converted to VRDs in the near future.

A cap on such establishments sounds good, however, it may have unintended consequences for us. As ours is now a neighborhood of VRDs, if we need to sell our home, we fear that our only serious buyers would be those who would want to turn it into a vacation rental also. If a cap precludes potential buyers from doing so, our property value will decrease and we will be losers again.

We strongly agree with the need for a moratorium on new rentals while the rules governing them are evaluated. We hope this evaluation will place a ban on any of these establishments in R1 and R2 zones within the city. This solution may not help us; however, it is the right thing to do if our "vision for Newport" is a livable city.

Anyone who buys into a neighborhood should not have to worry about eventually being surrounded by "do it yourself B&Bs". Thank you for re-opening dialog on this important issue.

Darlene and Rodney Croteau

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Rod & Darlene Croteau  
5524 NW Pinery St  
Newport, OR 97365  
541-265-8298

September 17, 2017

Newport City Council

Written testimony in the matter of Vacation Rentals

I am unable to attend due to being out-of-town, but I would like to submit my viewpoint regarding vacation rentals. I previously sent a letter to the City Council that spoke to the zero set-back for the garage on the corner of Olive Street, but also contained statements regarding the issue of vacation rentals.

I live on Mark Street in Newport. I purchased the lot in 2005, then in 2011, I built a new home which I now occupy. Of the three homes that surround my property, all three are now vacation rentals. Two are full-time vacation rentals and one is an owner-occupied home with a small studio apartment that is rented on the Airbnb site. The owners of that property are careful about who they rent to, since they live in the home. It is not true of the other 2 properties. I have had people on my roof, people on my lot in the middle of the night, people peering in my windows, and I had no alternative but to build a fence that completely surrounds my property like a fort. The one home that sleeps 10 is a party house whereas there are sometimes 10 cars in the driveway blocking my ability to go down the short street to my home. In summary, they are not regulated and degrade the livability of the neighborhood.

#### Neighborhood Changes

Living next door or adjacent to a short-term vacation rental can range from mildly concerning to completely life altering. Visitors generally rent the home(s) for only a couple days, thus neighbors see new people coming and going every few days, especially when short-term vacation rentals in the area are high. Related complaints about trash, parking issues, and noise disturbance and negligent property maintenance are constant and real. Vacation rentals change the character of the neighborhood and decrease the value of the homes that are owner-occupied. Most people looking for a full-time residence do not want to live surrounded by vacation rentals. I had to call the police twice in the last 3 months for out-of-control parties that made me fear for my safety when I returned home late at night after closing the restaurant.

#### Less Affordable Housing and Long-Term Rentals are Available

I own a restaurant in Nye Beach; people regularly come into the restaurant tell me about a modest home which they just bought in Newport, with the intent of turning it into a short-term rental. These out-of-state owners marvel at how easy it is to get a permit for a vacation rental in Newport; this alone has fueled the increase over other Oregon coast communities who have much stricter regulations and limited permits available. They come from all over the county and they have no intention of living in the home. Often, they evict the long-term renter and that person no longer has an affordable place to live. It is a real problem in Newport, which a tourist oriented service industry community. I cannot find enough people to work at the restaurant as they have no place to live affordably; I have been short staffed since opening the business almost 4 years ago. It is negatively impacting my business and many other small business owners in Newport. The shortage of housing is driving up the price of housing so that even a very modest home is now in excess of \$300,000. My business and others will have no choice but to close when there are no workers to hire because the housing stock is too expensive or non-existent. This is not an exaggeration. We will have a new hospital and college campus, but employers are having difficult recruiting and hiring employees' due to the lack of modestly priced housing.

**Gloria Tucker**

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**From:** Rose Jade <rjalate@gmail.com>  
**Sent:** Sunday, September 17, 2017 6:00 PM  
**To:** Public comment  
**Subject:** in favor of temporary moratorium on new vacation rentals

I am in favor of a temporary moratorium on new vacation rentals for the City of Newport. The City has not developed fair and effective systems for 1) structural inspection, 2) rule enforcement, or 3) complaint investigation and resolution, relating to vacation rentals.

The way the City has (poorly) handled the multiple complaints against Linda Neigebauer regarding her NW Cherokee Lane "vacation rental" is "exhibit A" in support of my position. The City needs to develop an effective method of screening City employees and council members for conflicts of interest, and affording all involved meaningful transparency and equal protection.

I feel sorry for any property owner or resident who believes the City will give their concerns -- regarding illegal or poorly managed vacation rentals -- a fair shake. I hope this changes.

Sincerely,

Rose Jade  
PO Box 2104  
Newport, OR 97365

**Gloria Tucker**

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**From:** Derrick Tokos  
**Sent:** Monday, September 18, 2017 12:22 PM  
**To:** Gloria Tucker  
**Subject:** FW: Moratorium, vacation rentals

-----Original Message-----

**From:** Tom Huff [mailto:trhuff2@hotmail.com]  
**Sent:** Monday, September 18, 2017 12:22 PM  
**To:** Derrick Tokos <D.Tokos@NewportOregon.gov>  
**Subject:** Moratorium, vacation rentals

Hi, wanted to understand more about the details, concerns here. If there have been some specific instances about guests, maybe this could be addressed also specifically, by guidelines, rules/requirements. Vacation rentals generate revenue for businesses, taxes for the town, for schools, infrastructure etc. Would be very concerning to lose this part of the financials/economy of the town. What are the next steps ahead after the hearing this evening?

Thanks!!

Tom

**Gloria Tucker**

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**From:** Nana Papa <nanaandpapaskitchen@gmail.com>  
**Sent:** Monday, September 18, 2017 11:16 AM  
**To:** Public comment  
**Subject:** Sedgwick Vacation Rental Attention : Peggy Hawker

To Whom It May Concern,

We had the pleasure of coming over to the the Sedgwick family home recently. It's always a delight to see Bill, Kassi and their adorable, well-behaved children. While we were at their home, one could not help but notice and admire how well-kept the home was, inside and out. Also, as Kassi is a certified master gardener, the lovely landscaping reflects that.

We also had the pleasure of meeting some delightful vacation rental tenants the Sedgwicks were hosting during this time. These people were quiet grandparents, so delighted to spend some quality family time in a peaceful setting. That made me smile and also made me proud of our beautiful Oregon coast.

Oregon is so special in that the beaches belong to all of us. As a child, I remember my parents saving all year so that we could camp on the coast each summer. Such precious memories. As a little girl, I purposed to one day live here on the coast, and have ever since 1996. If the rules of camping and the usage of Oregon's beaches had excluded us, my parents, siblings and I might never have enjoyed the pleasure of feeling the sand between our toes, collecting seashells, eating clam chowder my mom would make in our funky little camper from clams we dug, etc.

I might have been born and raised in Portland, but Newport, especially seemed like the best place on earth to me. Back then, vacation rentals were not available, but now they are and they are a good thing - for families and for Newport.

The people of Newport have always been big-hearted, they are a tough and also tender lot. They take care of their own. I was so shocked to learn that despite the Sedgwicks paying for and insuring their home, maintaining it beautifully, having the proper inspections and permits, are now forced to defend the rights they already have? Why? That is not what Newport is about.

My husband and I have previously lived in neighborhoods where engines are revved at 4 am, dogs bark continually, maybe someone's adult child has a meth issue and there is constant, undesirable traffic, etc. These are things worth discussing neighbor-to-neighbor. A clean, lovely vacation rental where the family has done all the right things and rents to carefully screened, quiet people? I fail to see the problem.

What I do see, is that every family that rents from the Sedgwicks, is bringing income to Newport. The jobs to manage the units, the hard-working housekeepers, the ones who maintain the grounds when Bill and Kassi cannot be there. Also, these vacationers, much like my family did back in the day, want to visit area attractions, need to purchase gas, groceries, eat in restaurants and shop in gift shops, etc. However, most importantly, these people on vacation, wish build happy memories that will last a lifetime.

I am enraged that people who pay for their home, pay taxes, do everything correctly and love this beach more than anyone I know even have to stand before you. The ironic thing is that if anyone found themselves in difficulty, Bill and Kassi Sedgwick would be the first to give.

**Gloria Tucker**

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**From:** Darlene Croteau <croteau@charter.net>  
**Sent:** Monday, September 18, 2017 11:46 AM  
**To:** Public comment  
**Subject:** 1000 words  
**Attachments:** 20170918\_090443.jpg

In front of one of our VRDS this morning . . .

Darlene Croteau



**Gloria Tucker**

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**From:** Kassi Sedgwick <kdsedgwick@gmail.com>  
**Sent:** Monday, September 18, 2017 12:34 PM  
**To:** Public comment  
**Cc:** ♡Bill♡ Sedgwick; Chantelle Charpentier; Kassi Sedgwick  
**Subject:** Vacation Rentals

To Whom It May Concern,

My name is Kassi Sedgwick & I am a lifelong local of the Oregon Coast. My husband & I have owned our current home in Newport, Oregon for eight years. We had to live in Colorado for a period of time, and during that time, we rented our 5,000sq foot house long term, to a local family. We were happy to rent to a local family that we thought were responsible, as one of the parties was employed by Newport High School. During their time in our home, they did \$14,000 worth of damage & missed rent. They skipped town & vanished, leaving us with a mess that took two years to fix. It was a devastating experience. We are responsible property owners & love our home & our neighborhood. As our children have grown & moved out, we realized we could use our extra space & one year ago we hired a local vacation rental agency to manage our vacation home in the basement level of our house. In that year, we have rented our little vacation rental to families who have traveled to Newport from all parts of the United States.

Time has changed many things, including the way that people travel. More & more families (including my own) would prefer to have full access to a kitchen & a home-like atmosphere as opposed to sharing a hotel room with their family. During the peak tourist season, our little vacation rental was booked almost 100% of the time. We had extended families & groups traveling together & it was wonderful to meet so many families who thanked us for opening our home so they could all be together for vacation. Many have stated that this is the only way that they can travel. Our short term rental provides access & affordable options for families with pets to travel to Newport whom otherwise might not. This helps generate tourism dollars that many local businesses rely on. This also helps homeowners pay mortgages & property taxes.

Recently, during our family garage sale, we were approached by a woman who stated that we were breaking the law by having a vacation rental. I told her that we were licensed with the city & she was very rude, & didn't want to talk calmly at all. She approached other neighbors, with a clipboard, as well. She told them that our vacation rental was dangerous & degraded the neighborhood, & that she was going to petition the city to get us shut down. This woman doesn't even live on our street. During the year we've had vacationers stay in our home, we have had ZERO problems. Our guests are extremely respectful of our town & our property. Many have gone above and beyond to make sure they are excellent & respectful guests. They have consistently been very respectful of street parking & all of our neighbors. We have observed that these guests have been more respectful drivers than many of our long time neighbors! They drive slowly & safely, unlike quite a few of the longtime residents in our cul-de-sac. We have hired Vacasa to manage the property when we are not there. They are very attentive to our property & have a strict rental contract. I wish that we had found someone that good to manage our local long term renters! It is an asset to our neighborhood to add such an array of friendly visiting families to Newport.

It is a myth that vacation rentals degrade neighborhoods. Our neighborhood is not a tight knit neighborhood in the first place. People come and go in Newport. We have owned our home for eight years and have never known who all of our street neighbors are. Having visitors come and go in our home is in no way changing the neighborhood in a bad way.

**Gloria Tucker**

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**From:** Bill Sedgwick <bill.sedgwick@gmail.com>  
**Sent:** Monday, September 18, 2017 1:26 PM  
**To:** Public comment  
**Subject:** Vacation Rental Hearing open letter

This letter is in favor of Vacation rentals in Newport.

Having some extra space in our home, we professionally remodeled and created a new self-sufficient space in our walk out basement. After many construction related trials and tribulations and at the expense of over \$50,000 spent locally on materials and services, we have had our vacation rental up and running since October of last year. It only was occupied 3 times until the summer, at which point it was almost fully booked for the months of July and August.

In the spring, a woman that does not live on our street walked around and solicited our neighbors to sign a petition against our rental, claiming that the traffic on our street had reached "unsafe" levels. This was a false claim aimed at swaying our neighbors to sign her petition because as of that moment, our home had only been rented 3 times for a grand total of 9 days in the previous six months. In addition, we were not in the home at the time and therefore the traffic on our block would have been significantly lower for almost the entire time. When some of our neighbors refused to sign it, knowing us and our situation, she walked off in a huff and had negative comments for them.

Our rental is professionally managed, renters are screened and required to adhere to strict "no party" policies, there is maintenance staff and security on 24 hour call. We pay taxes to the city and bring in needed tourism dollars to our local businesses. We provide a service to families travelling with pets or with larger groups that otherwise would have to rent multiple hotel rooms and be separated from each other, if they would come to Newport at all, probably preferring to stay in a different coastal city without the same restrictions currently being proposed..

There is ample parking off-street at our home, and there is plenty of street parking available on our cul-de-sac that is often used by us and our neighbors alike.

The vacation renters that we have met have been respectful of our property, respectful of our neighbors and we have noticed slower, more careful driving by them than we typically see from several of our neighbors.

We believe that a regulated vacation rental policy for Newport is the best option. There are many options available these days for homeowners to earn income by sharing their homes that would not benefit the city financially or otherwise. Providing a fair, regulated process gives us good guidelines for safety, provides a level of control to the city/county and provides tax revenues for our infrastructure. Over-regulating, placing moratoriums or otherwise being anti vacation rentals will cause the revenue to go "underground", cause already stretched resources to have to focus on enforcement and allow "out of control" situations to exist around parking, waste and safety.

With respect to the long-term vs. short term renter issue, our experience has been much better with short-term renters. When renting short-term, a home must be maintained at the highest cleanliness standards in order to receive high ratings and be successful. The grounds must be kept and the systems must be orderly and operational. In 2010, We rented our home partially furnished to locals with references for 18 months shortly after we had done a major remodel and the renters trashed our home, failed to maintain it in the agreed upon

September 15, 2017

City Council  
City of Newport

Re: Vacation Rental Dwellings in residential neighborhoods

When we built our home 20 years ago, our residential neighborhood was filled with owner-occupied houses. In recent years, three of the houses next to us have become VRDs as allowed by the new City regulations. Despite our having built a home in a R2 single family zone residential neighborhood, we now have commercial businesses next to us.

No one knew what the 2012 change in VRD regulations would mean for Newport. In our personal experience, one of the largest impacts of VRDs in residential neighborhoods is the moving in/moving out of the renters with each tenancy. This impact occurs even with good renters that do not cause any other problems. The activity takes place outside of the house proper, in the driveway, where the maximum impact on neighbors is felt. Each rental of the property means all of the renter's luggage and food must be brought in, and then taken out when they leave. The VRD is then visited by the cleaning crew prior to the next rental. Again, no one is doing anything that violates current rules. But this constant moving in/moving out, often by several different renters in a week, has a very negative effect on the residential character and livability of a single family zoned neighborhood.

The solution to this issue for those of us in R1 and R2 zones already impacted by VRDs is tenancy limits. The City should limit VRD rentals in these residential zones to no more than one tenancy within 7 to 14 consecutive calendar days in order to preserve the residential character of the R1 and R2 single family zones.

Sincerely,

John L. Waffenschmidt  
Homeowner  
1234 NW Spring St.  
Newport, OR

**Gloria Tucker**

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**From:** Larenda Bennett <l\_altmiller@yahoo.com>  
**Sent:** Monday, September 18, 2017 2:45 PM  
**To:** Public comment  
**Subject:** Attn. Peggy Hawker RE public hearing Monday

Due to the fact that I have small children and it is a school night, I won't be able to attend the meeting tonight. I do however want to add my thoughts about the vacation rentals in Newport. I live a couple doors down from a vacation rental. As I mentioned, we have small children and live on a quiet cul-de-sac... that being said we have not had a problem with vacation renters at all! In fact having a vacation rental on our street has been very useful to us. We use it often when our family and friends come to visit our small town and enjoy having a place for loved ones to stay so close by. We have not had a single problem with the renters and the place is very well taken care of by the vacation rental agency.

As a homeowner I understand the desire to have the option for vacation rental rather than a permanent renter situation. Many times peoples homes are destroyed by more permanent renters and the neighborhood suffers from the lack of care given to the property by them. One of the arguments I hear is about the lack of rentals available to locals in our community. That is a problem, but it isn't a homeowners job .. that falls to needing more affordable housing locally. In my opinion.

Please don't add more restrictions to homeowners, we are doing our very best and taking care of our families needs. Trust us to do what's best for us and our homes.

After all we do live in a vacation town, and these rentals bring money to our town as well.

Thanks for your time,  
Larenda Bennett

**Gloria Tucker**

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**From:** Ona McFarlane <onaellen@mac.com>  
**Sent:** Monday, September 18, 2017 2:51 PM  
**To:** Public comment  
**Subject:** Newport City Council VRD Public Meeting

Attn: Peggy Hawker

Dear Council Members,

Thank you for the opportunity for our community to share our views concerning the "mini hotels" in the midst of our RESIDENTIAL neighborhoods.

I moved to Newport at the end of 2009 and purchased a lovely home on a lovely dead end street for my lovely retirement....received first "Notice of Authorized Vacation Rental or Bed & Breakfast Operation" on March 6, 2014; #2 on March 21, 2014; #3 on June 16, 2017... all on NW 56th Street, all on same block.....556, 457, 555..... Goodbye lovely dead end street in a quiet, peaceful RESIDENTIAL neighborhood!!

I have experienced issues with all **three VRDs** including street parking, overflowing trash, noise (intoxication-induced loud partying in hot tub, arguments on the street, increase in traffic speeding, turning around in our driveways...

How has this affected my lovely retirement? When I do observe parking infringements, noise, etc,I have to stop what I'm doing, contact the "contact" and maybe, just maybe get it resolved.....or not..... By the way....what is a "reasonable response" for a 2AM noise complaint? One is ALREADY AWAKE and by the time enforcers arrive the Perps are passed out, I'm wide awake and it's time to get up and go to work!!! Not reasonable AT ALL!!

I support a MORATORIUM on any more licenses being issued and a magic wand to cancel ones that are currently disrupting my lovely retirement!!! If one buys a "second home" and cannot afford it without strangers paying the mortgage, I shouldn't have to PAY for that....

Regards,

Ona McFarlane  
526 NW 56th Street  
Newport, 97365  
[onaellen@mac.com](mailto:onaellen@mac.com)

Community Development Department

City Hall

169 SW Coast Hwy

Newport, Or

Reference: City council meeting on Monday Sept 18, 2017 at 6:00 PM

Dear Sir:

I am totally against the change in the ordinance.

I am a property owner in Nye Beach District. We have over the years modified and made improvements on our properties. As a property owner we have continually conformed with Newport Design Review Guidelines and Standards dated July 29, 2015. This has cost us both additional time and money.

We have noticed that the construction at Olive St and Coast St DOES Not conform with these guidelines. I assume the City of Newport has given a variance for these changes to the builder.

Since the construction at Olive and Coast Streets do not conform with the present rules, why change rules when the City will give a variance anyway.

Please refer to Chapter 14.30.10 A, B, C, D, E, F: How does a single story house being replaced by a 3-story house conform with this Chapter 14.30.10?

The only 3-story house is on the next block. This 3-story building was built long before the guidelines and standards were in place. If my memory serves me correctly this construction resulted in a lawsuit for blocking the view for other properties at that time.

Is the City of Newport going to pay property owners for the decline in their property values because the new building blocks the view of the ocean?

The city needs to conform with its established rules and not change them because of pressure from builders.

Sincerely

Francis Franklin

PO Box 1913

Newport, Or

**Royston H. Filby and Catherine A. Grimm**  
**7381 North Coast Highway**  
**Newport, OR 97365**  
Tel: (541) 265-7781

September 18, 2017

Re: Public Hearing on Vacation Rentals

To: Members of the Newport City Council

We, Roy Filby and Cathy Grimm, support a moratorium on the issuance of new Vacation Rental Licenses until the current rules outlined in Chapter 14.25 of the City Code are revised by the Council. We also strongly support a cap on the number of licenses issued for Newport, particularly in R-1 and other predominantly residential zones. Consideration should also be given to capping the number of vacation rentals as a fraction of properties in residential zones so as to not adversely affect the quality of life for existing residents. The following outlines our concerns.

The number of current licenses issued by the city is 164 (per Derek Tokos) yet according to the VRBO web site (and others) there are 300+ rentals available in Newport. Even if a number of these are outside city limits, there is apparently a significant number of rental properties that are not licensed. The City needs to make an effort to identify these properties and bring them into compliance if for no other reason than to collect room taxes.

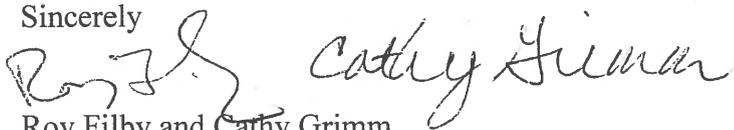
Several rules appear to be inadequate and should be reviewed by the Council:

1. Although not addressed in the code vacation rental licenses should be restricted to one per owner, as considered by Lincoln City. The original concept was to accommodate people with second homes.
2. The City informs residents within 200 ft after a license has been issued to a property owner. Existing residents should have the opportunity to comment and to request changes before issuing a license as is the case for building permits. This is the approach taken by Lincoln County
3. The occupancy rates for vacation rentals are 2 per official bedroom plus 2. This rule appears to be commonly violated and represents an intrusive problem in residential neighborhoods. For example, we are aware of a property near us in an R-1 zone that advertises on VRBO as restricted to 10 people. Yet the owner advertises "Extra Guests" at \$15 per night. In his Airbnb listing it is stated that the rental "accommodates" 16 people. In fact, both of us have observed mattresses laid out on the garage floor for extra guests thus exceeding the rental limit and possibly in violation of fire regulations etc.

4. Parking is a continuing problem. The rules require one on-site space per bedroom. There appear to be many cases where vacation rentals do not have adequate on-site parking as required by the ordinance. In our neighborhood there have been several cases of multiple cars or RVs on the street, including blocking neighbors' driveways..

We appreciate the opportunity to provide input to the hearing.

Sincerely



Roy Filby and Cathy Grimm

PLEASE READ INTO PUBLIC RECORD

September 18, 2017

To: City of Newport

**Subject:** This testimony is in regards to NMC Chapter 14.30

New construction located at the corner of Coast and Olive street dose not match the design guidelines and design standards as outlined and illustrated in documents listed below:

- Newport Design Review District 1- Historic Nye Beach Design Review Requirements "Exhibit B"
- Nye Beach Overlay – Mtg Packet 7-9-14
- Nye Beach Design Review overlay 1/21/15 – Recommendations from SERA (Architectural Urban Planning)
- City of Newport Municipal Code – 14.30.10 thru 14.30.110, Design Review Standards - Purpose, including bullets A thru F

**Concerns:**

- **Maximum height 35'** (above the foundation, approx. 12", there are 5 sheets of 4x8 plywood stacked to top pitch of roof line, 40' + 12" = 50')
- **Architectural Features that Influence "Village Character"** - Overwhelms the neighborhood
- **Approaches**
  - Safety – A heavily traveled sidewalk crosses a zero-setback garage where visibility is obstructed and pedestrians are at a high risk
  - Safety – A heavily traveled roadway and intersection at the ingress and egress crosses a zero-setback garage where visibility is obstructed.
- **Setback** – This does not match design criteria
  - Property
  - Roadway
  - Sidewalk
- **Solar shading** – the structure currently exceeds the 35' maximum height (however the solar shading study has not been reviewed and this location may not be qualified to reach the maximum height allowance)
- **Parking** – on street parking is limited and in a high traffic area
- **Vacation rental** – The property is advertised as vacation rental approved, given the limitations of the location and traffic both pedestrian and vehicular I feel this approach to development does not fit the "Historic Nye Beach" architectural vision.

I appreciate the opportunity to voice my concerns.

Thank you,

Frank De Filippis

**Gloria Tucker**

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**From:** lee davis <lmdtx@q.com>  
**Sent:** Monday, September 18, 2017 4:47 PM  
**To:** Public comment  
**Subject:** comments on vacation rentals

Please establish a moratorium on new vacation rentals. There is one right next door to me. All in the neighborhood were of the impression it was going to be a part-time resident for the purchasers, and then permanently when they retire. However, much to our surprise, it has become a full blown vacation rental with owners residing elsewhere, not in Newport. This has changed our neighborhood in many ways, with parking out in front along the ocean side street, trucks and boats in tow. The visiting dogs attacked my dog. Two family's with kids let them walk on the roof line, making it necessary for me to ask them to get down before they fall. The flood lights shine into my windows. This is an older neighborhood, and sadly as residents pass away, their homes are being converted into vacation rentals.

Please do not spoil our wonderful area further. Do not allow wealthy realtors, or those who do not live in the area to further pad their wallets with no concern that the now beautiful Newport will ultimately become just another bunch of vacation rentals dotting the horizon. Then it will be too late.

Thank you for your consideration.

Lee M. Davis

## Derrick Tokos

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**From:** April M. Lee <aprilmlee@gorge.net>  
**Sent:** Friday, September 29, 2017 11:31 AM  
**To:** Derrick Tokos  
**Subject:** Short Term Rental regulations

Hi again – One thing I forgot to mention in my letter as a recommendation – what about instituting a Licensing “probation” – if there are repeated calls due to noise complaints or disturbances that are found to be valid or valid complaints about upkeep then the vacation rental owner gets put on “probation” after a certain number of complaints (again – only if they are found to be valid violations). Then if the complaints continue and are found to be valid, they get their vacation rental license yanked. That way the only people punished are the ones who are not managing their rental responsibly.

Just another thought,

April Lee



## The Cozy Cottage At Nye Beach

731 NW 2<sup>nd</sup> Court

Newport, OR 97365

*(Mailing Address: 3319 W Augusta Ct, Coeur d'Alene, ID 83815)*

City Councilors, Community Planning, and Other Planning Officials,

Please accept my input as a vacation rental owner in Newport for your discussion regarding changes to Short Term Rental regulations and potential moratorium on new vacation rentals.

I have owned my home in Newport since fall of 2015 – completing a full renovation both inside and outside on the home before renting it to 100s of guests over the last 18 months. I am an active member of the AirBnB community and regularly receive training and “Best Practices” through multiple forums from them. In addition, my husband and I have rented dozens of vacation rentals in cities around the country from Bend to Boston, Mt. Rainier to Idaho. Until recently we also lived in Hood River, OR where in-depth discussions have been ongoing about home sharing. We now live in Coeur d’Alene, Idaho where there is also a similar discussion about whether and how to best regulate the home sharing movement.

In my early career, I also served as a small community newspaper reporter covering both City Council and City and County Planning so I am familiar with how on many issues, you receive only the perspective of people who choose to complain – often about anything and everything. I’d like to offer you a different perspective than the one I think you’re hearing about home sharing and vacation rentals in Newport.

### **Newport’s Current Policy**

As stated above, I am very familiar with vacation rental policies throughout many areas of the country and when I chose to purchase a home at the beach for the purpose of using it as a second home and a vacation rental, I chose Newport because of its reasonable and responsible guidelines and regulations for short term rentals. I believe Newport’s policy in its current form is one of the best I’ve seen in terms of protecting private property rights and balancing that with the rights of neighbors and maintaining a well-balanced complement of homes in any given area. Your current policy first and foremost allows you to know which homes in the community are vacation homes – that means both police and fire have that information available to them should any issue arise. I also am required to notify you each month of the use of my home – the amount of rentals and the corresponding taxes that go to city coffers from the use of my home. I had to undergo an inspection – which ensures that all vacation rental homes are safe and

in good working order. These regulations allow you to keep tabs on vacation rentals in the community without unduly burdening me as a homeowner or infringing on my private property rights to use my property as I see fit. The rules are well-balanced and fair – and I believe only should be modified a minimal amount.

### **Being a Good Neighbor**

From day one, I have desired to be a good neighbor in Nye Beach and to ensure the use of my home as a vacation rental does not negatively affect the experience of permanent residents in the area. To that end, I have ensured my home has the following:

- **Off-street parking** – something I believe is required in the submittal of lot plans in the vacation rental license submission. I believe this should be a continued requirement for any home that is a vacation rental to ensure guests don't take over all of the on-street parking in an area.
- **Trash** – Newport, unlike any other city where I've rented a vacation home, has a local trash provider that caters to vacation rentals with their "Concierge Service". For a fee of only \$10 per month, Thompson Sanitary comes on my property to pick up my trash can so I do not need to rely on my vacation renters to get the trash can to the street on the appropriate day. This ensures my trash is ALWAYS picked up once a week and never becomes an issue for neighbors. This is an area I believe should be required in any revisions to your vacation rental policy – it is so simple and easy and inexpensive and solves a problem that is often a point of contention with neighbors.
- **Distribution of phone number** – My direct neighbors on each side of me have my phone number and can reach me should any of my renters ever become a problem. I believe the City of Newport should include this as a recommendation in their vacation rental licensing process as well as requiring that the homeowner's phone number and a local contact be provided to police and fire should there ever be a problem with parties, noise, fire outbreak or other community concerns.
- **Regular housekeeping with reports on any damage** – I retain a local housekeeper who is at the house every few days. She is my set of "local eyes" that ensures any issues with my home are reported, any damages are made known to me and any problematic renters are made known to me as well.
- **Regular landscape maintenance** – I retain a local landscape maintenance person who ensures the yard and plants around my home are maintained and don't create an eyesore for neighbors.

These are all items that I believe should be recommended or required for any vacation rental to ensure the homes are kept up, owners know what is going on at the property and neighbors are not burdened by trash, parking, noise or other complaints. These are easy remedies to reduce conflict.

### **Improvements to the Neighborhood/Contributions to the Local Economy**

I believe when looking at the regulation of vacation rentals in a community, any Council or Planning Agency needs to look at the vast benefits short term rentals bring to the area – not just the isolated complaints coming from a small few. There are many benefits to Newport for having vacation rentals – particularly in the tourist- oriented neighborhoods such as Nye Beach and the Bayfront.

When I purchased my home, it was a run-down shack surrounded by homes that could easily have been deemed “problem homes” in the neighborhood. The homes surrounding my home were run down and at least one was being used as a drug-house with about a dozen unemployed people staying in it along with junk cars, trash and drug deals all taking place next door to me.

I invested \$60,000 in renovations in my home – most of which was paid to local laborers and suppliers – and renovated it top to bottom. In order to be successful in the homesharing industry, you MUST have a home that is attractive to renters and kept up. The homesharing industry is increasingly competitive so I would venture to say that most vacation rental homes are in good, marketable shape. As I worked on my renovation it was interesting to see what happened on my Nye Beach street. The home to the west of me, which was run down with peeling paint and gutters falling off in the street, received an upgrade of new paint, repaired gutters and regular lawn maintenance. I was told by the neighbor they decided to spruce up their home because mine was looking so nice that they realized theirs needed work. I contacted the owner of the home to the east of me that was being rented to the druggies – upon hearing about my experience with their renters, they proceeded to kick them out, clean up the house and re-rent it to a long term renter who is a quiet, elderly woman who creates no issues in the neighborhood. The junk cars are gone, the trash in the street is gone, the cigarette butts and drug deals in the middle of the night are all gone. The home behind me, which was falling down and had a failing roof, received an upgrade of a new roof and repairs. In short, as one neighbor told me, “your vacation rental has become a shining light in the neighborhood that has motivated all of us to improve our homes”. Another neighbor told me that there was no doubt in their mind that the upgrades I made to my home raised the property values for everyone on the street.

Another great benefit of vacation rentals is the contributions they make to the local economy. In addition to the \$60,000 I initially invested in renovations, I also regularly purchase supplies for my home locally in Newport. I spend approximately \$3,000 annually on supplies – most of which are purchased at local stores. I also employ two individuals for housekeeping and landscaping – contributing to the local job market. In addition to that, my home has seen literally hundreds of guests in the past 18 months. Guests are able to leave reviews both in a guest book in my home and online through the AirBnB stringent review process. In both places, guests have documented where they are visiting from. In the past 18 months alone, my home has attracted guests from all around the world – Germany, The Netherlands, British Columbia, Australia, the UK, and more, as well as people from all throughout the United States - many of whom are seeing the ocean for the first time in their lives. I provide brochures and flyers as well as give personal recommendations for places to eat, activities to enjoy and places to shop. Nearly every guest in my home has reported shopping and dining at many places in Nye Beach as well as frequenting the Aquarium, the Performing Arts Center, art galleries and shops, local fisheries and many more places in town. Nye Beach, at its core, is a tourist area – and the guests at my home spend their money there to help those businesses thrive. Likewise, when I am staying at the home, I know I spend a significant amount of money in the community.

There is no doubt that homesharing in general, and specifically in Newport, provides a great boost to the local economy by allowing people to come enjoy all the area has to offer and spend their money at local businesses. Likewise, it is not at all accurate to claim that the money spent renting short term rental properties leaves the community. Quite the contrary. The money I am paid by renters goes right back into my home – for upkeep, supplies and allowing me and my family and friends to stay there and also spend money in the community. Further – for many people – homesharing is a way to allow them to afford their home. With the growth of AirBnb it is easy to rent a portion of your home or rent your home

when you happen to be away for your own vacation elsewhere. The income gleaned from this is often the only way some homeowners are able to stay in their homes and afford their own mortgage. I often hear short term rentals being accused of being a detriment to the “affordable housing” market – but it is quite the contrary. Many times, using your home as a vacation rental is what allows people to be able to afford their home.

### **The HomeSharing Industry – An already regulated and responsible industry**

When looking at short term rental regulations, it would behoove the Council to understand the regulations and systems that already exist with most homesharing platforms. I am an active member of the AirBnB community but have also used VRBO, HomeAway and other vacation rental websites. All of these have their own set of rules and regulations to ensure responsible vacation rental operations. When renting my home through AirBnB, I am required to agree to a non-discrimination policy and to list a series of “House Rules” that focus on safety, noise, trash, parking, etc. I am also encouraged to keep safety signage in the home as well as access to emergency numbers and clear expectations on noise and parking. AirBnB also does a great job throughout their host areas to ensure local taxes are paid on time. In Newport, they collect and pay the taxes themselves to ensure that all AirBnB rentals in Newport are on time with all tax payments.

AirBnB also offers an annual conference where hosts such as myself learn new techniques, ways of working with neighbors and ways of working with local authorities to ensure responsible hosting is happening. Further, AirBnB also has a network of local “user groups” in various communities where local hosts can meet up and discuss local issues and concerns. If Newport does not currently have one, I would volunteer to start one as they are a great asset to not only the host community in the city, but also neighbors and businesses.

The final thing that is in place for a type of regulation is the review process. AirBnB has a stringent review process where guests review homeowners and homeowners review guests. Each guest gets a star ranking and each homeowner gets the same. If I don’t run my home well, if it is not clean or kept up, or trash not disposed of, etc., I will not receive great reviews and will not receive future rentals. But likewise, if there is a guest out there that is making trouble in the neighborhood – causing noise issues, parking issues or otherwise being an irresponsible guest – I am able to give them a bad review and ban them from every returning to my home. This ensures that the bulk of the guests that rent through AirBnB are responsible renters who cause few, if any, issues in the communities they choose to visit.

### **Recommendations**

In summary, I believe Newport’s vacation rental regulations in their current form are excellent and sufficient to ensure responsible renting in the community. I would recommend the few tweaks as listed above to put in place better systems of accountability such as 1) Require the concierge service for trash pick up; 2) Require phone numbers for both the homeowner and a local contact be provided to police and fire officials in case of trouble and 3) require at least one off-street parking place and enforce both parking and landscaping codes to ensure homes are kept up.

I would also recommend that any discussion about changes to the vacation rental regulations include representation from vacation rental homeowners such as myself. This will ensure a balanced

perspective and that decisions aren't being made based only on the input of a few disgruntled homeowners who have had a bad experience and are painting all vacation rentals with one broad brush. I can confidently say that my home has received zero complaints from neighbors and zero issues that would affect the community negatively. In fact, the use of my home as a vacation rental has only been an asset in Nye Beach and the City of Newport as a whole and I intend for that to be the case as long as I own it.

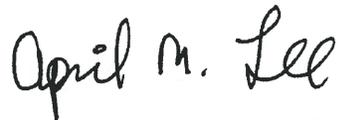
### Summary

In summary, despite the fact that my home in Newport is a vacation rental, I still consider Newport my home. I take pride in the community, contribute to its success and invest in it at every turn. I spend time in Nye Beach and Newport about every six weeks and can confidently say that I am a "local". This means I want what is best for Newport as much as anybody.

I understand there will be agenda items related to this matter on the November 20<sup>th</sup> City Council agenda. I am making plans to be in Newport at that time so I can attend and offer any other testimony that may be helpful. In the meantime, should you like any other input from a responsible vacation rental owner, you can reach me at (541) 490-5300 or [aprilmlee@gorge.net](mailto:aprilmlee@gorge.net).

Thank you for your interest and a responsible and balanced approach to managing this issue for Newport.

Sincerely,

A handwritten signature in black ink that reads "April M. Lee". The signature is written in a cursive, flowing style.

April M. Lee

Homeowner

**MEMORANDUM**

**To:** Newport Planning Commission  
**From:** Rod Croteau  
**Date:** October 3, 2017  
**Subject:** Five Year Review of VRD/B&B Ordinance Implementation

VRDs play an important role in the culture and economy of Newport, and these businesses appear to operate relatively well in the tourist zones of the City. Residents of tourist zones are more used to tourists and commercial traffic. There is a high proportion of owner-operated VRDs in these zones and, because of their density, a higher level of oversight in general. There is also a greater police presence in these zones.

The situation with the presence of VRDs in R1/R2 zones is, however, very different and their presence is incompatible with and disruptive to these neighborhoods which have no tourist attractions, as do C2 tourist zones. VRD houses in R1/R2 zones tend to be quite large and thereby attract large groups with more vehicles and having large parties which can create large problems.

R1/R2 residents are not accustomed to out-of-town vacation renters and the increased traffic that they bring while "checking in" and "checking out" every few days, with the "cleaning crew" in the house in between. These R1/R2 VRDs are mostly owned by absentee landlords and commonly managed by out-of-town agencies, thereby limiting efficient complaint resolution.

I have set out below some issues and measures that I hope the Planning Commission will consider in its deliberations regarding the Review of VRD/B&B Ordinance Implementation.

1. Issue a moratorium on new VRD licenses in order to review the Ordinance so licenses will not be approved under rules that may change.
2. Phase out VRDs in R1/R2 neighborhoods. Prior to the recently enacted VRD ordinance, VRDs were prohibited in R1/R2 neighborhoods for what were considered rational and defensible reasons. VRDs did operate illegally in these zones, but there was negligible enforcement of the law. By allowing VRDs to operate in R1/R2 zones under the new ordinance, these illegal operations were legalized with some positive benefit for renter safety, neighborhood consideration (e.g. parking requirements), and for generating a revenue stream via the room tax. However, many Newport residents consider VRDs an uncontrollable and very problematic fit for R1/R2 zones, and wish for a reset of policy to the prior time.

Phase out of such VRDs over some time period of a few years will likely raise the "just compensation" issue relating to Measure 49. It is clear that phasing out of VRDs will eliminate business income from these operations and this is clearly a legitimate concern. The concerns of

neighborhood residents about VRD operations are also legitimate but not so easy to “value by appraisal”, yet they should not be easily discounted. Very few people would choose to purchase a home surrounded by VRDs. Homeowners who bought into a neighborhood with no VRDs but are now forced by ordinance to accept VRDs should justifiably be compensated for the loss of value to their property.

A balance of commercial and community interests may be difficult to achieve, but resolution through zoning reform with enforceable rules seems the simplest solution to implement. Of the issues put forward here, this is likely to be the most contentious, but if the current trend continues, there will be no significant difference between C2 tourist and R1/R2 single family zones.

3. Cap the number of VRDs. Currently there are no restrictions on the number of VRDs, and the number of these businesses will only increase as homes become available on the real estate market. The City must put a cap on VRDs if it hopes to maintain some reasonable level of livability in all Newport neighborhoods.

4. Enforcement of VRD rules, particularly those relating to over occupancy and renter behavior, has always been a significant problem to deal with. Gross violations relating to noise, parking, vandalism, stray animals, etc., can be well handled by the local Police or Sherriff’s office but these issues do not generally reach landlords or managers unless neighborhood residents make the effort to inform them; unfortunately, many landlords/property managers do not respond when they are informed.

Other VRD related issues are less straightforward to deal with and are more “tolerance” dependent. How much traffic, noise, trespassing, smoke, garbage, dog feces, beer cans, broken tree limbs and noxious weeds is too much? Most of these complaints never receive a response and even if they do, the problem often reappears with the next set of renters. Permanent residents should not have to spend time calling in complaints and constantly monitoring their property.

5. Establish a Complaint Repository.

Accurate statistics regarding complaints and their resolution are difficult to obtain and owners and managers have an understandable wish to not make complaints public. The current system for reporting complaints to Community Service is both cumbersome and counterintuitive, and it only provides an automated receipt without any indication of follow up.

A VRD complaint repository should be added to the City website where the public can file complaints documented by physical or documentary evidence. This repository should be openly accessible to the public and searchable by VRD address. A complaint count should be responsibly archived and reviewed, such that VRD owners can be notified and held accountable for cumulative offenses, for example, by fine or loss of license.

6. Improve Notification. The written notification zone for VRDs should be expanded from 200 feet to 500 feet. Notices should include owner contact information, manager contact information (with LOCAL contact), and the website address for the complaint repository mentioned above.

7. Require reliable refuse removal. When VRDs are unoccupied, waste removal is often not attended to. Professional disposal companies will retrieve, empty and return containers, thereby eliminating the problems of containers that are set at curbside long before or long after pick up day, or those that are simply left in the backyard as animal attractions. Our local waste disposal company provides such valet service, and subscription to this service should be mandatory. A simple appeal process should be available to exempt on-site owner/operators who perform this service themselves. Finally, one large rubbish container for all refuse should be required as most renters do not separate rubbish, compost or recyclables.

8. Require yard maintenance. Many absentee landlord-owned VRD properties receive negligible landscape care, much to the detriment of adjacent properties. At minimum, monthly professional landscape care should be mandated, as with refuse removal, and include a similar “opt out” appeal process.

Most problems with VRDs are the consequence of irresponsible human behavior, for which there is no simple solution. Yet, it is fundamentally unfair when landlords profit in spite of these behaviors, while permanent residents’ quality of life suffers from them. The current system is not working and a fundamental change of course, by modification of the VRD ordinance, is needed.

## Beyond Tourists and Window Trim - Delving Into the Nye Beach Overlay

Currently, the VRD polices being proposed for Nye Beach are being directed by the base zone definition of C-2 tourist commercial zoning, which is “to provide for tourist needs, as well as for the entertainment needs of permanent residents.” While this C-2 base zone definition may allow for unlimited VRDs, the C-2 zoning in Nye Beach is subject to the Nye Beach Overlay.

Overlay zone regulations modify the regulations of the base zone. They are adopted as an additional layer of protection for the zone which they cover. Therefore, development in Nye Beach should be guided not by the base zoning regulations, but by the purpose of the Overlay zone. While it has been suggested that the purpose of the Overlay relates primarily to architecture, there is much more to it than that. In fact, the City’s Municipal Code states that the purpose of the Nye Beach Overlay is to:

“Implement the goals and objectives of the adopted neighborhood plans.”  
(Newport Municipal Code, Design Review Standards 14.30.010)

The goals and objectives of the Nye Beach neighborhood plan (Nye Beach Study, adopted 1989)) include:

- “protecting neighborhood livability”
- “creating an environment conducive to cottage industries and preservation of housing”
- “furthering the neighborhood vision as a thriving residential environment for all incomes with cottage industries and arts and crafts”
- “creation of a mixed-use zone to preserve neighborhood compatibility”

Further, Newport’s Comprehensive Plan states that:

“Every effort should be made to integrate the goals of the Nye Beach Study with any new developments in this area for maximum benefit to the city and community.”  
(Peninsula Urban Design Plan, 1992)

Yet further, a Key Strategy in the recently adopted Greater Newport Vision 2040 mirrors language of the Nye Beach Overlay:

“Promote mixed-use neighborhoods in appropriate areas of the city, incorporating a blend of commercial uses, employment, and residential development that creates a distinct sense of place.”  
( Vision 2040 - Enhancing a Livable Region - Key Strategy: Mixed-Use Development)

While vacation rentals have long contributed to a vibrant mix of uses in Nye Beach, the proliferation of VRDs now allowed have already changed the character of this mixed-use neighborhood. The proposal to place Nye Beach at the heart of a vacation rental overlay zone will allow them to dominate further. This clearly violates the intent of the Nye Beach Overlay and Newport’s Comprehensive Plan and ignores a Key Strategy of our Vision 2040 plan.

A more reasonable plan for integration of VRDs in Nye Beach is to use the R-4 proposal for density and proximity limits. I am requesting that the Planning Commission consider this option.

Wendy Engler  
10/19/2018

## OUR RESIDENTIAL (R2) NEIGHBORHOOD

Newport City officials say that VRDs comprise less than 3% of our City's total housing stock, while admitting that the numbers advertised on line are substantially higher than the numbers actually licensed. Lincoln City officials recently imposed a 10% cap on VRD populations in some of their most heavily impacted neighborhoods. A local developer stated at a recent public meeting that "neighborhoods should be able to accept a 15% level of VRDs" in all residential zones. Please keep these figures in mind.

Ours is a small neighborhood in Agate Beach zoned as R2 (Medium Density-Single Family), and it contains 37 homes in the immediate area of roughly three blocks. Prior to 2010, our neighborhood had no VRDs, and prior to 2012 this neighborhood had but one VRD that operated under the rules of the 2011 ordinance. As a consequence of the new 2012 ordinance that permitted unrestricted VRD development, our 37 neighborhood homes now harbor 8 absentee landlord owned VRDs.

These VRD businesses comprise nearly 22% of our neighborhood homes, and they operate year round without the limitations of the 2011 version of the VRD ordinance.

These 8 large VRDs have an aggregate advertised occupancy of 80 people, while our neighborhood contains 63 permanent residents including long term renters. Thus, on any given summer day over 50% (80/143) of the people in the neighborhood are transients who we do not know, and they change weekly, if not daily.

The number of legal VRD parking spaces totals 28 (this figure excludes boats, trailers and illegally parked vehicles). Neighborhood permanent residents possess 57 vehicles in total. During the summer, high VRD occupancy season, fully one-third of the traffic in our neighborhood (28/85) is VRD traffic, with an even more significant impact during the day when many permanent residents (and their vehicles) are away at work.

The 2012 VRD ordinance that permitted unrestricted growth of VRDs in ALL CITY ZONES with year round operation has resulted in the severe degradation of the character of our neighborhood because of VRD transient renter associated over-occupancy, noise, traffic, rubbish, smoke, vandalism, loose animals, trespass, littering and landscape related problems. These high occupancy VRD motel businesses are incompatible with, and simply out of place in, residential neighborhoods. We believe that the proliferation of VRD small motel businesses was the unintended consequence of the 2012 ordinance that entirely abrogated enforcement and that allowed unrestricted development of VRDs by outside interests as simple investment businesses, using homes that they never intended to occupy themselves. We cannot believe that the City of Newport, by the 2012 ordinance, intended to destroy the integrity of its residential neighborhoods by this ordinance, but this has become the reality. The City of Newport can either have single family (R1 and R2) neighborhoods or it can have VRD businesses, but it cannot realistically or sensibly have both in these residential zones.

Lincoln City is often held up as an example that Newport should never follow. Yet, Lincoln City has set a 10% VRD cap in certain neighborhoods and our neighborhood has 22% VRDs already in our midst and,

without a moratorium, the neighborhood density of VRDs continues to rise (the City's figure of 3% VRDs of overall housing is meaningless in this neighborhood context). Some relief from VRD related destruction of our neighborhoods is needed, and the City needs to act on this serious issue sooner rather than later.

Solutions to this neighborhood problem, created by the Planning Commission and City Counsel in 2012, are limited at this late date in the history of VRD motel expansion into residential zones. If the City has the will and the means, it should cap VRD numbers now and plan a timely phase-out of VRDs in residential neighborhoods, using selective neighborhood overlays if necessary. At minimum, the City should return to the provisions of the 2011 ordinance relating to residential zones. These rules allowed one rental occupancy per week and up to ten rental events per year, and were intended to financially assist seasonal residents, on-site Mom and Pop owner operators, and new home buyers with their mortgages. These 2011 rules did not promote the unrestricted 24/7, 365 day operation of small motel businesses in residential zones. These limitations of the 2011 ordinance should never have been abandoned because the City was unwilling or unable to enforce the rules that were in place at that time. Please consider the plight of residential neighborhoods in your deliberations and please assist in restoring their livability.

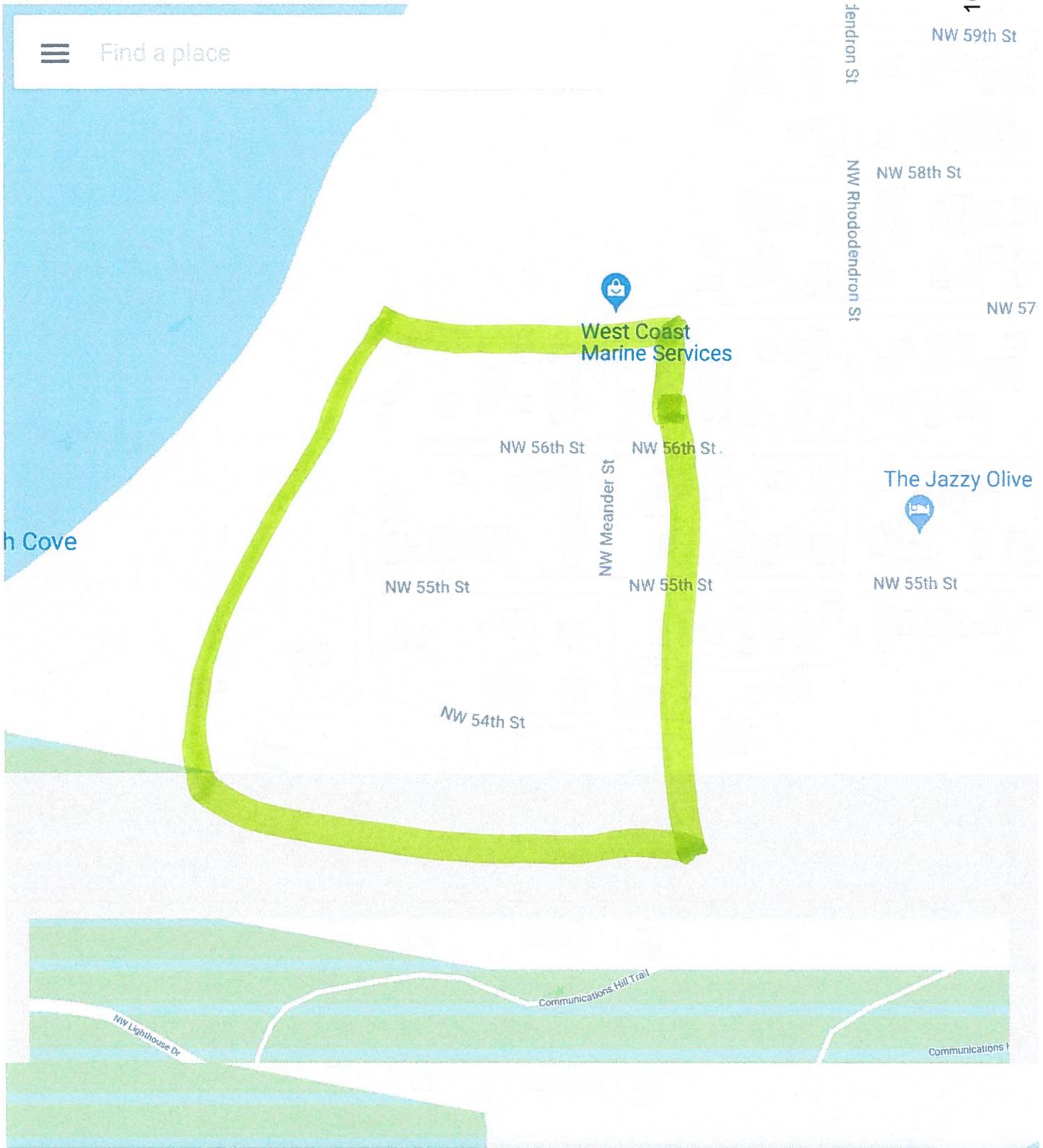
John Vann

Steve Lane

February 28, 2018

573 NW 54<sup>th</sup> Ct

615 NW 54<sup>th</sup> Ct



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**Bob Berman**  
**180 NW 73<sup>rd</sup> Court**  
**Newport, OR 97365**  
**541-265-7736 CindyAndBob@earthlink.net**

February 26, 2018

To: Newport Vacation Rental Ad Hoc Committee

Re: Thoughts on VR Ordinance Issues and Suggested Revisions

I am currently a member of the Planning Commission and formerly a member of the 2012 Ad Hoc Committee. I helped develop the current ordinance and have lived with its successes and shortcomings ever since. Your committee has an excellent opportunity to improve the ordinance by addressing several problems with the current ordinance that have come to light in the last five years.

In my neighborhood, one of the VRDs is owned and managed by an out-of-town resident who has been the subject of multiple complaints. At some point, he neglected to renew his business license and pay his room taxes at all for at least a couple of years. Eventually, he was forced into compliance by the City issuing citations which resulted in a municipal court appearance and fine. That was a long and frustrating process for everyone involved. I hope the new ordinance will add provisions that will force the few "bad" owners to better comply with the provisions.

A majority of VRD owners appear willing to comply with the requirements of the ordinance and fulfill their responsibilities. But there will always be some that do not and it is incumbent on the City to adopt an ordinance that will minimize non-compliance.

## GENERAL ISSUES

### Neighborhood Integrity

Recently, especially in Nye Beach and Agate Beach, VRDs are having a significant negative impact on the neighborhood and the residents' quality-of-life. We have heard accounts of residences being turned into VRDs to the point that, for one homeowner, residences on both sides and across the street have been turned into VRDs resulting in a serious degradation of neighborhood integrity.

Multiple VRDs in close proximity are likely to cause issues, especially with parking, noise, and security.

I would like to see the committee consider zone-based, or overlay-based, restrictions on VRDs. Specifically, I do not believe that VRDs, which are **commercial** enterprises, belong in residential neighborhoods. I would like to see an outright ban on new VRDs in R-1 and R-2 areas. Alternatively, the same result could be achieved by a requirement that new VRDs not be allowed within some specific distance of another VRD, perhaps 500 to 1,000 feet.

An overlay could also be constructed that would limit VRDs to specific tourist-oriented areas of the city and prohibit them elsewhere. Again, I believe that lots designated R-1 or R-2 should be excluded for such an overlay.

### Compliance

I will talk about enforcement below, but I am very concerned that there may be a significant number of VRDs that are not obtaining the appropriate endorsement and are not remitting room taxes. The number of online short-term rental sites has increased significantly since 2012. I am aware from trying to identify specific VRD properties from the online sites that it is very difficult to do. The Community Development department has made an effort to do exactly that, but much more needs to be done.

I recommend that the Ad Hoc Committee investigate some way to get a list of properties directly from the online sites. It is possible that many of them might comply with such a request voluntarily, but it is also certainly worthwhile investigating some legal approach to get the information.

The sites may also be willing to notify their owners listing properties in Newport of the City requirements. Airbnb has done this for Portland (see <https://www.airbnb.com/help/article/875/portland--or>); perhaps they and other site could do something similar for Newport.

### Airbnb

Unfortunately, the City Council has precluded such action with Airbnb by signing an agreement with them that all room taxes collected by them will be remitted as a lump-sum payment with NO audit trail. This not only makes it impossible for the finance department to audit the remittances, but also effectively waives all of the other requirements in the current ordinance (safety, occupancy, ...) unless the City becomes aware of the VRD's existence.

Derrick has indicated that the Ad Hoc Committee will take a look at that agreement and would strongly encourage you to so. Cannon Beach recently decided to terminate their similar agreement with Airbnb because of the audit restrictions. I believe Newport should do the same.

### Local Contact

The idea of having a local contact to respond to complaints seems pretty obvious. But, in 2012, we were unable to agree on a definition of “local” and therefore did not include that requirement.

That has turned out to be problematic. Issues that could have been addressed easily by having a local person to work with renters and neighbors have sometimes become a source of frustration, and even anger, as both parties try to deal with a contact elsewhere in Oregon or even in another state.

A local contact requirement should be included in any revised ordinance.

### Enforcement

Enforcement has been the most frustrating issue for those of us who have to deal with problem VRDs. There are some issues that need to get the police department involved (illegal parking, excessive noise, ...) but most of the ‘enforceable’ provisions of the ordinance are actually not enforceable. For example, on a Saturday night when there are many more people staying at a VRD than are allowed in the endorsement, what can be done? Nothing.

If you examine the current ordinance, there are really only two provisions that can reasonably be enforced: garbage cans left out too long and advertising in excess of occupancy limits. Enforcement for all of the other provisions and requirements would need much greater action by City departments than we have seen over the last five years.

On an ongoing basis, after the initial inspection, “bad” owners are free to ignore compliance with the posting, parking, or many other requirements; there is no ongoing monitoring except for annual fire department inspections that do not check for any of these items.

## SPECIFIC PROVISIONS

Listed below are some of the sections of the current ordinance, in italics, and my comments. I would be glad to expand on these comments upon request.

### 14.25.010 Purpose

*This section establishes the terms, criteria and procedures by which bed and breakfast and vacation rental uses may be permitted 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.*

In constructing the new ordinance, you should give precedence to these purposes, especially protecting the character of neighborhoods and how potential negative effects are addressed.

### 14.25.020 General Provisions

*A. Vacation rental and bed and breakfast use of an existing dwelling unit is permitted in all residential and commercial zone districts subject to a business license endorsement ("endorsement") pursuant to the provisions of this section;*

Here is where some zone, separation, or overlay restrictions could go.

### 14.25.040 Application Submittal Requirements

*C. Names and addresses of property owners within 200 feet of the subject property (or outline of property that is held in common), as shown in the records of the County Assessor. If the property is within a homeowners association, then contact information for the association shall also be provided.*

Notification range should be increased; maybe 500 feet.

### 14.25.050 Standards for Vacation Rental or bed and Breakfast Endorsement

*C. Parking Standards. One (1) off-street parking space per bedroom that is dedicated to the vacation rental or bed and breakfast use. The location and design of parking spaces shall comply with 14.14, and designated spaces shall be available at all times to guests;*

This provision needs to specifically state that the maximum overnight occupancy will be reduced if the required spaces cannot be provided. The lack of specificity in

this provision has caused confusion and led to a former Community Service Officer to conclude, in error, that it did not reduce the occupancy limit.

*D. Waste Management. Weekly solid waste disposal service shall be provided while the dwelling is occupied for vacation rental or bed and breakfast use;*

*1. Owner or designee shall provide for regular garbage removal from the premises; and*

*2. Trash receptacles shall be stored or screened out of plain view of the street*

I strongly support a requirement that all owners use the “concierge” service from Thompson’s.

*F. Guest Register. 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 city emergency responders upon request;*

Access to the guest register was changed from any city staff to city emergency responders by the City Council at the last minute at the insistence of a counselor who was in the real estate business. That change made auditing and tracking usage impossible.

*G. Contact Information. Owner or designee shall maintain on file with the City the name, telephone number, mailing address and email address (if available) of a contact person responsible for responding to questions or concerns regarding operation of the vacation rental or bed and breakfast. The contact person or designee must accept calls on a 24 hour basis and respond to inquiries from a tenant, complainant or the City within 24 hours. For the purpose of this subsection “respond” means an attempt to contact the person or persons that made the inquiry to address their questions or concerns;*

Here is where the requirement for a local contact should be.

*J. Posting. A copy of the business license endorsement shall be located within the vacation rental or bed and breakfast and its location shall be posted inside the dwelling unit’s primary entrance. In addition to the endorsement, such information shall include occupancy limits; a phone number and address for the designated contact; a diagram of the premises with parking locations; the maximum number of vehicles that can be parked on-site; instructions for trash pick-up, storage and recycling; emergency information; and the noise limitations of Section 8.15.015 of the Newport Municipal Code. This information shall be maintained and current at all times;*

There is currently no way to check for ongoing compliance.

*M. Business License Required. A business license for the rental use shall be obtained pursuant to Chapter 4.05 of the Newport Municipal Code; and*

*N. Room Tax. Owner or designee shall adhere to the room tax requirements of Chapter 3.05 of the Newport Municipal Code.*

There has been no ongoing monitoring of the status of business licenses not remission of room taxes. This needs to done.

#### 14.25.060 Inspections

*C. Dwelling units with an endorsement for vacation rental or bed and breakfast use shall be subject to periodic re-inspection by the Building Official or designee at the city's discretion to ensure compliance with the provisions of this chapter. The timeframe for such inspections is subject to the city's discretion and available resources.*

Let's make sure this gets done!

#### 14.25.070 Notice Requirements

*Upon issuance of an endorsement, the City shall provide notice to property owners within 200' of the subject property (or outline of property that is held in common) and a Homeowners Association, if one is established where the dwelling unit is located, advising that an endorsement for a vacation rental or bed and breakfast use has been issued. Such notice shall include the address of the dwelling unit that received the endorsement, a location where additional information can be obtained about the nature of the endorsement, and the name, phone number, mailing address, and email address (if available) of the owner or designated contact.*

Again, you should consider increasing this distance to 500 feet or more.

#### 14.25.080 Complaints

*The designated contact identified in subsection 14.25.050(G) above, is the initial point of contact for complaints regarding the use of the dwelling unit. That individual shall maintain a written log documenting the nature of all complaints related to endorsement standards, the dates they were received, and efforts taken to resolve issues that have been raised. The written log shall be provided to the City upon request.*

The whole complaint process needs to be centralized with the City providing public access.

#### 14.25.100 Penalties

*Penalties for a violation of subsection 14.25.090(A) shall be as established in Section 14.54. Where the owner possesses a valid endorsement or land use permit, the penalties for violations of 14.25.050 (B-E) shall be as follows:*

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

Under the current ordinance, warning letters have been few and far between. In the case of the VRD in my neighborhood, ongoing violations have not been acknowledged or acted upon.

If an endorsement is suspended or revoked, there needs to be a monitoring mechanism to insure compliance. Providing notification to the neighbors would help, but the City also needs to check for compliance. If the VRD owner does not comply, then what?

Thank you for participating in this process. I am confident that you will propose a new ordinance that will address the problems you have heard about. And thank you for considering my comments and ideas.



## **A Review of Some Short Term Rental Ordinances**

### **From East Coast Tourist Destinations**

**By Rod Croteau**

**I visited the websites of several East Coast tourist destinations to review their short term rental ordinances, with the idea that these municipalities have had an historic experience with VRDs that may be of interest to the Newport Ad Hoc Committee. The targeted jurisdictions were Cape Elizabeth, Maine; Provincetown, Massachusetts; Cape May, New Jersey; Myrtle Beach, South Carolina; and Cape Coral, Florida. Below I describe some of the general findings and salient features of the ordinances reviewed.**

**All of these jurisdictions define short term rental regulations by zone and they all appear to have quite substantial tourist/commercial areas where the greatest leeway is allowed. Myrtle Beach prohibits short term rentals in all residential zones; Cape Coral and Provincetown prohibit short term rentals in single family residential zones; the remaining that permit residential use regulate by rental frequency or occurrence (weekly and yearly, or seasonally). All jurisdictions continue to allow long term rentals and home businesses in residential zones. Because residential allowance and operation of short term rentals in residential zones is limited by these jurisdictions, the following apply largely to commercial/tourist zones.**

**All jurisdictions define short term rental operations as businesses, require a business license, as well as a structural/safety inspection, and a "room tax" of some sort.**

**All jurisdictions defined a short term rental as less than 30 days, but varied in their definition of long term rentals (e.g., greater than 30, or 60, or 90 days).**

**All jurisdictions, especially "Spring Break Destinations", define a bedroom in the ordinance and indicate, for example, "other rooms are prohibited from use as sleeping quarters" or "sleeping overnight in a room other than a bedroom is prohibited".**

**All jurisdictions have maximum occupancy limits and generally specify two per bedroom (with additional one or two and some definition of children allowed).**

**All jurisdictions have some sort of vehicle parking restrictions with numbers tied to occupancy, and all involve off street spaces, paid parking or some sort of permitting (e.g., a unique parking sticker, hanger, card or other identifying display).**

**All jurisdictions do non-dispatch/non-emergency enforcement by way of City officers variously defined as Code Enforcement, Compliance, Community Assistance, Community Services, etc. Complaints are filed directly with these agencies as first contact, not with VRD owners or managers. All of these offices maintain complaint records. Cape Elizabeth and Cape Coral codes define evidence needed to file a**

**“substantiated complaint” (officer visit, photographs, testimonial, etc), and all jurisdictions describe a fine schedule for offenders and procedures for license revocation; several have a “three strikes” rule. Public access to complaint data compiled at the city website varies from full (Provincetown) to none (Cape Elizabeth).**

**All jurisdictions have occupancy limits, and many have rental frequency limits, set, for example, per week, per month and per year. In dealing with “over-occupancy” and “over-frequency” problems, some jurisdictions define occupants as “all persons entering the premises are counted as occupants (Cape May) or chargeable guests” (Cape Coral) or “Any person on the property after 10:00PM (Cape Elizabeth) or 11:00PM (Myrtle Beach) shall be considered an occupant for the purpose of the ordinance”.**

**Regarding “over-frequency”, all ordinances require a guest registry and demand various levels of detail beyond names and vehicle information. In residential cases where frequency of tenancy is limited, there is a set quota of rental occupancies (by week, month, season, etc). ANY occupancy, whether paying guest, friend or relative, or whether or not there is a financial transaction, is counted as an “occupancy” and is taken against the businesses set quota. The Cape May rules allow “friends and relatives of the business owner are permitted to stay in the licensed premises with prior notification.” “Frequency” is not counted for these, but all the other rules apply.**

**All jurisdictions but the major “spring break destinations” (Cape Coral, Myrtle Beach) prohibit outright “organized social events” or “subsidiary uses” such as parties, meetings, weddings, reunions, etc. The latter require detailed registry entries including photo ID, proof of age and residency and disallow anyone under 18 years of age without an adult presence or chaperone “in loco parentis”. These “spring break” jurisdictions also specify those permitted activities in the outdoor and parking areas, and require all guests to sign a liability statement.**

**In most of these locales, the City provides for rubbish removal, fall leaf pickup, etc.; Provincetown and Cape Elizabeth require landscape maintenance.**

**I have not delved deeply into the historical development of short term rental ordinances in these jurisdictions, all of which have been revised since 2013. It is clear from local newspaper sources that in some cases the revision process has not been smooth, and that substantive aspects of current regulations have been shaped by citizen referendum.**

**The issues surrounding short term rental regulation are clearly of concern on both US coasts and they continue to be discussed, including limitations on operation, notification and permitting procedures, influence on housing costs and property values, real estate disclosure, and methods and costs of enforcement. Of additional note was a citizens action to provide a tax break for long term rental operations (not short term) in order to offer financial incentive as a means of alleviating a housing shortage.**

**2/12/2018**



Visitors to Seattle have made hotel alternatives such as Airbnb popular. The city hopes new rules will help permanent residents find housing that currently is being rented. *Elaine Thompson, Associated Press*

#### SHARING ECONOMY

## Seattle tackles housing crunch with new limits on short-term rentals

**Daniel Beckman** *Seattle Times*

SEATTLE — By limiting the number of homes that property owners can operate as short-term rentals for visitors, can Seattle preserve its housing stock for locals?

The City Council decided to try the strategy this week, voting 7-0 to enact new regulations for short-term rentals, including those listed on platforms such as Airbnb and HomeAway.

Council members said they want to rein in a rapidly growing industry that caters to tourists and other out-of-towners looking for alternatives to hotels. With rents and home prices rising and affordable housing in short supply, Seattle can't afford to lose permanent units, council members said.

The regulations, which will take effect on Jan. 1, 2019, will require all operators of short-term rentals to obtain licenses and will limit new operators to listing their primary resi-

dence and one additional unit. Existing operators across most of the city will be limited.

Only existing operators with short-term rentals in the downtown core and in small buildings constructed after 2012 on First Hill and Capitol Hill will be grandfathered in.

The new limits won't affect mom-and-pop operators using their own homes to make ends meet, council members said. They said the limits are meant to prevent business people from taking units off the housing market and from converting apartment buildings into de-facto hotels.

The city has lost more than 2,000 housing units to the short-term rental market in recent years, according to Puget Sound Sage, a non-profit organization. People of color are hurt the most and benefit the least because they're less likely to own property.

Short-term rental operators and platforms will pay fees to cover costs of the regulations.

## OUR RESIDENTIAL (R2) NEIGHBORHOOD

Newport City officials say that VRDs comprise less than 3% of our City's total housing stock, while admitting that the numbers advertised on line are substantially higher than the numbers actually licensed. Lincoln City officials recently imposed a 10% cap on VRD populations in some of their most heavily impacted neighborhoods. A local developer stated at a recent public meeting that "neighborhoods should be able to accept a 15% level of VRDs" in all residential zones. Please keep these figures in mind.

Ours is a small neighborhood in Agate Beach zoned as R2 (Medium Density-Single Family), and it contains 37 homes in the immediate area of roughly three blocks. Prior to 2010, our neighborhood had no VRDs, and prior to 2012 this neighborhood had but one VRD that operated under the rules of the 2011 ordinance. As a consequence of the new 2012 ordinance that permitted unrestricted VRD development, our 37 neighborhood homes now harbor 8 absentee landlord owned VRDs.

These VRD businesses comprise nearly 22% of our neighborhood homes, and they operate year round without the limitations of the 2011 version of the VRD ordinance.

These 8 large VRDs have an aggregate advertised occupancy of 80 people, while our neighborhood contains 63 permanent residents including long term renters. Thus, on any given summer day over 50% (80/143) of the people in the neighborhood are transients who we do not know, and they change weekly, if not daily.

The number of legal VRD parking spaces totals 28 (this figure excludes boats, trailers and illegally parked vehicles). Neighborhood permanent residents possess 57 vehicles in total. During the summer, high VRD occupancy season, fully one-third of the traffic in our neighborhood (28/85) is VRD traffic, with an even more significant impact during the day when many permanent residents (and their vehicles) are away at work.

The 2012 VRD ordinance that permitted unrestricted growth of VRDs in ALL CITY ZONES with year round operation has resulted in the severe degradation of the character of our neighborhood because of VRD transient renter associated over-occupancy, noise, traffic, rubbish, smoke, vandalism, loose animals, trespass, littering and landscape related problems. These high occupancy VRD motel businesses are incompatible with, and simply out of place in, residential neighborhoods. We believe that the proliferation of VRD small motel businesses was the unintended consequence of the 2012 ordinance that entirely abrogated enforcement and that allowed unrestricted development of VRDs by outside interests as simple investment businesses, using homes that they never intended to occupy themselves. We cannot believe that the City of Newport, by the 2012 ordinance, intended to destroy the integrity of its residential neighborhoods by this ordinance, but this has become the reality. The City of Newport can either have single family (R1 and R2) neighborhoods or it can have VRD businesses, but it cannot realistically or sensibly have both in these residential zones.

Lincoln City is often held up as an example that Newport should never follow. Yet, Lincoln City has set a 10% VRD cap in certain neighborhoods and our neighborhood has 22% VRDs already in our midst and,

without a moratorium, the neighborhood density of VRDs continues to rise (the City's figure of 3% VRDs of overall housing is meaningless in this neighborhood context). Some relief from VRD related destruction of our neighborhoods is needed, and the City needs to act on this serious issue sooner rather than later.

Solutions to this neighborhood problem, created by the Planning Commission and City Counsel in 2012, are limited at this late date in the history of VRD motel expansion into residential zones. If the City has the will and the means, it should cap VRD numbers now and plan a timely phase-out of VRDs in residential neighborhoods, using selective neighborhood overlays if necessary. At minimum, the City should return to the provisions of the 2011 ordinance relating to residential zones. These rules allowed one rental occupancy per week and up to ten rental events per year, and were intended to financially assist seasonal residents, on-site Mom and Pop owner operators, and new home buyers with their mortgages. These 2011 rules did not promote the unrestricted 24/7, 365 day operation of small motel businesses in residential zones. These limitations of the 2011 ordinance should never have been abandoned because the City was unwilling or unable to enforce the rules that were in place at that time. Please consider the plight of residential neighborhoods in your deliberations and please assist in restoring their livability.

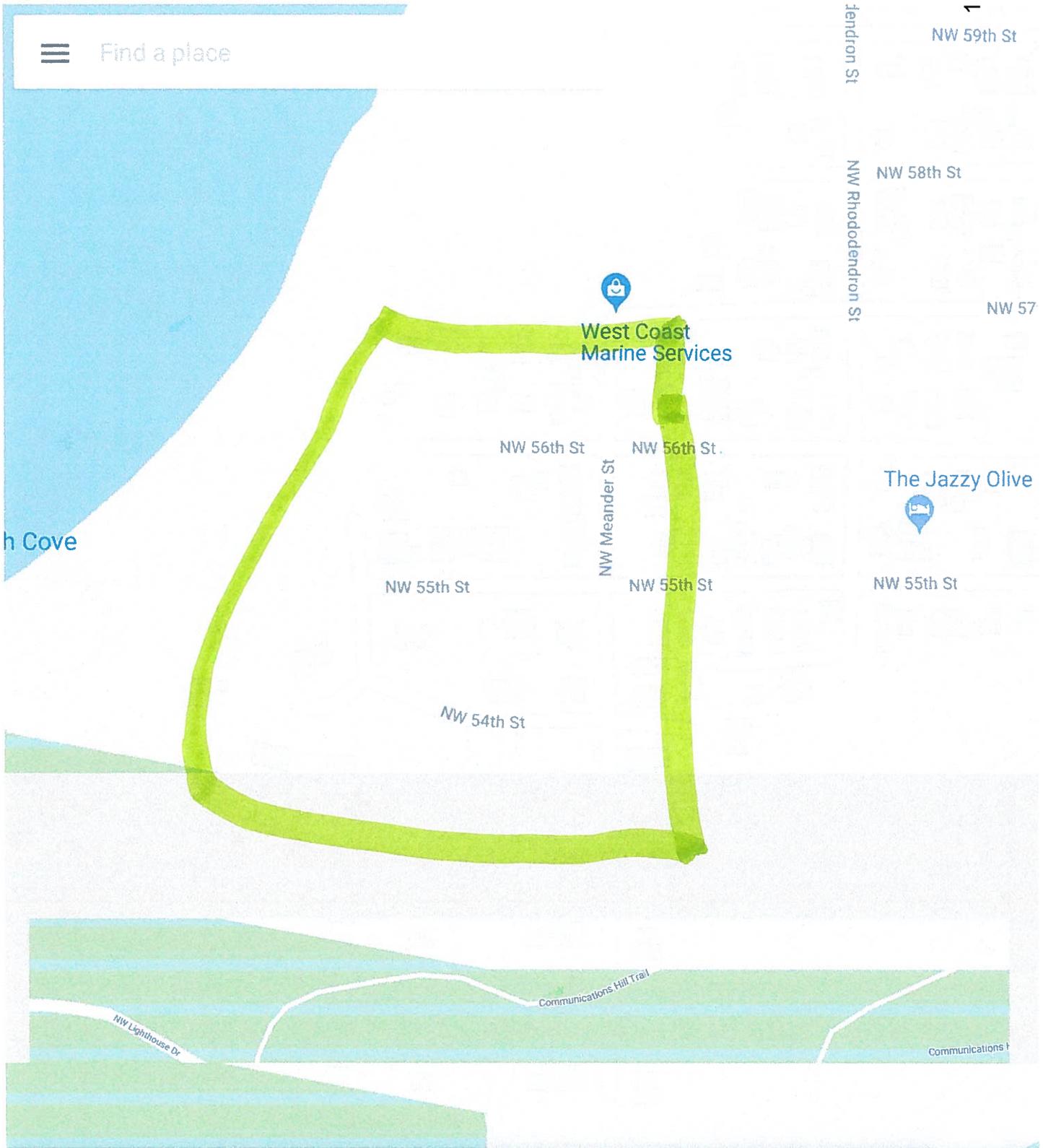
John Vann

Steve Lane

February 28, 2018

573 NW 54<sup>th</sup> Ct

615 NW 54<sup>th</sup> Ct



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USE THE APP

**Bob Berman**  
**180 NW 73<sup>rd</sup> Court**  
**Newport, OR 97365**  
**541-265-7736 CindyAndBob@earthlink.net**

February 26, 2018

To: Newport Vacation Rental Ad Hoc Committee

Re: Thoughts on VR Ordinance Issues and Suggested Revisions

I am currently a member of the Planning Commission and formerly a member of the 2012 Ad Hoc Committee. I helped develop the current ordinance and have lived with its successes and shortcomings ever since. Your committee has an excellent opportunity to improve the ordinance by addressing several problems with the current ordinance that have come to light in the last five years.

In my neighborhood, one of the VRDs is owned and managed by an out-of-town resident who has been the subject of multiple complaints. At some point, he neglected to renew his business license and pay his room taxes at all for at least a couple of years. Eventually, he was forced into compliance by the City issuing citations which resulted in a municipal court appearance and fine. That was a long and frustrating process for everyone involved. I hope the new ordinance will add provisions that will force the few "bad" owners to better comply with the provisions.

A majority of VRD owners appear willing to comply with the requirements of the ordinance and fulfill their responsibilities. But there will always be some that do not and it is incumbent on the City to adopt an ordinance that will minimize non-compliance.

## GENERAL ISSUES

### Neighborhood Integrity

Recently, especially in Nye Beach and Agate Beach, VRDs are having a significant negative impact on the neighborhood and the residents' quality-of-life. We have heard accounts of residences being turned into VRDs to the point that, for one homeowner, residences on both sides and across the street have been turned into VRDs resulting in a serious degradation of neighborhood integrity.

Multiple VRDs in close proximity are likely to cause issues, especially with parking, noise, and security.

I would like to see the committee consider zone-based, or overlay-based, restrictions on VRDs. Specifically, I do not believe that VRDs, which are **commercial** enterprises, belong in residential neighborhoods. I would like to see an outright ban on new VRDs in R-1 and R-2 areas. Alternatively, the same result could be achieved by a requirement that new VRDs not be allowed within some specific distance of another VRD, perhaps 500 to 1,000 feet.

An overlay could also be constructed that would limit VRDs to specific tourist-oriented areas of the city and prohibit them elsewhere. Again, I believe that lots designated R-1 or R-2 should be excluded for such an overlay.

### Compliance

I will talk about enforcement below, but I am very concerned that there may be a significant number of VRDs that are not obtaining the appropriate endorsement and are not remitting room taxes. The number of online short-term rental sites has increased significantly since 2012. I am aware from trying to identify specific VRD properties from the online sites that it is very difficult to do. The Community Development department has made an effort to do exactly that, but much more needs to be done.

I recommend that the Ad Hoc Committee investigate some way to get a list of properties directly from the online sites. It is possible that many of them might comply with such a request voluntarily, but it is also certainly worthwhile investigating some legal approach to get the information.

The sites may also be willing to notify their owners listing properties in Newport of the City requirements. Airbnb has done this for Portland (see <https://www.airbnb.com/help/article/875/portland--or>); perhaps they and other site could do something similar for Newport.

### Airbnb

Unfortunately, the City Council has precluded such action with Airbnb by signing an agreement with them that all room taxes collected by them will be remitted as a lump-sum payment with NO audit trail. This not only makes it impossible for the finance department to audit the remittances, but also effectively waives all of the other requirements in the current ordinance (safety, occupancy, ...) unless the City becomes aware of the VRD's existence.

Derrick has indicated that the Ad Hoc Committee will take a look at that agreement and would strongly encourage you to so. Cannon Beach recently decided to terminate their similar agreement with Airbnb because of the audit restrictions. I believe Newport should do the same.

## Local Contact

The idea of having a local contact to respond to complaints seems pretty obvious. But, in 2012, we were unable to agree on a definition of “local” and therefore did not include that requirement.

That has turned out to be problematic. Issues that could have been addressed easily by having a local person to work with renters and neighbors have sometimes become a source of frustration, and even anger, as both parties try to deal with a contact elsewhere in Oregon or even in another state.

A local contact requirement should be included in any revised ordinance.

## Enforcement

Enforcement has been the most frustrating issue for those of us who have to deal with problem VRDs. There are some issues that need to get the police department involved (illegal parking, excessive noise, ...) but most of the ‘enforceable’ provisions of the ordinance are actually not enforceable. For example, on a Saturday night when there are many more people staying at a VRD than are allowed in the endorsement, what can be done? Nothing.

If you examine the current ordinance, there are really only two provisions that can reasonably be enforced: garbage cans left out too long and advertising in excess of occupancy limits. Enforcement for all of the other provisions and requirements would need much greater action by City departments than we have seen over the last five years.

On an ongoing basis, after the initial inspection, “bad” owners are free to ignore compliance with the posting, parking, or many other requirements; there is no ongoing monitoring except for annual fire department inspections that do not check for any of these items.

## SPECIFIC PROVISIONS

Listed below are some of the sections of the current ordinance, in italics, and my comments. I would be glad to expand on these comments upon request.

### 14.25.010 Purpose

*This section establishes the terms, criteria and procedures by which bed and breakfast and vacation rental uses may be permitted 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.*

In constructing the new ordinance, you should give precedence to these purposes, especially protecting the character of neighborhoods and how potential negative effects are addressed.

### 14.25.020 General Provisions

*A. Vacation rental and bed and breakfast use of an existing dwelling unit is permitted in all residential and commercial zone districts subject to a business license endorsement ("endorsement") pursuant to the provisions of this section;*

Here is where some zone, separation, or overlay restrictions could go.

### 14.25.040 Application Submittal Requirements

*C. Names and addresses of property owners within 200 feet of the subject property (or outline of property that is held in common), as shown in the records of the County Assessor. If the property is within a homeowners association, then contact information for the association shall also be provided.*

Notification range should be increased; maybe 500 feet.

### 14.25.050 Standards for Vacation Rental or bed and Breakfast Endorsement

*C. Parking Standards. One (1) off-street parking space per bedroom that is dedicated to the vacation rental or bed and breakfast use. The location and design of parking spaces shall comply with 14.14, and designated spaces shall be available at all times to guests;*

This provision needs to specifically state that the maximum overnight occupancy will be reduced if the required spaces cannot be provided. The lack of specificity in

this provision has caused confusion and led to a former Community Service Officer to conclude, in error, that it did not reduce the occupancy limit.

*D. Waste Management. Weekly solid waste disposal service shall be provided while the dwelling is occupied for vacation rental or bed and breakfast use;*

*1. Owner or designee shall provide for regular garbage removal from the premises; and*

*2. Trash receptacles shall be stored or screened out of plain view of the street*

I strongly support a requirement that all owners use the “concierge” service from Thompson’s.

*F. Guest Register. 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 city emergency responders upon request;*

Access to the guest register was changed from any city staff to city emergency responders by the City Council at the last minute at the insistence of a counselor who was in the real estate business. That change made auditing and tracking usage impossible.

*G. Contact Information. Owner or designee shall maintain on file with the City the name, telephone number, mailing address and email address (if available) of a contact person responsible for responding to questions or concerns regarding operation of the vacation rental or bed and breakfast. The contact person or designee must accept calls on a 24 hour basis and respond to inquiries from a tenant, complainant or the City within 24 hours. For the purpose of this subsection “respond” means an attempt to contact the person or persons that made the inquiry to address their questions or concerns;*

Here is where the requirement for a local contact should be.

*J. Posting. A copy of the business license endorsement shall be located within the vacation rental or bed and breakfast and its location shall be posted inside the dwelling unit’s primary entrance. In addition to the endorsement, such information shall include occupancy limits; a phone number and address for the designated contact; a diagram of the premises with parking locations; the maximum number of vehicles that can be parked on-site; instructions for trash pick-up, storage and recycling; emergency information; and the noise limitations of Section 8.15.015 of the Newport Municipal Code. This information shall be maintained and current at all times;*

There is currently no way to check for ongoing compliance.

*M. Business License Required. A business license for the rental use shall be obtained pursuant to Chapter 4.05 of the Newport Municipal Code; and*

*N. Room Tax. Owner or designee shall adhere to the room tax requirements of Chapter 3.05 of the Newport Municipal Code.*

There has been no ongoing monitoring of the status of business licenses not remission of room taxes. This needs to done.

#### 14.25.060 Inspections

*C. Dwelling units with an endorsement for vacation rental or bed and breakfast use shall be subject to periodic re-inspection by the Building Official or designee at the city's discretion to ensure compliance with the provisions of this chapter. The timeframe for such inspections is subject to the city's discretion and available resources.*

Let's make sure this gets done!

#### 14.25.070 Notice Requirements

*Upon issuance of an endorsement, the City shall provide notice to property owners within 200' of the subject property (or outline of property that is held in common) and a Homeowners Association, if one is established where the dwelling unit is located, advising that an endorsement for a vacation rental or bed and breakfast use has been issued. Such notice shall include the address of the dwelling unit that received the endorsement, a location where additional information can be obtained about the nature of the endorsement, and the name, phone number, mailing address, and email address (if available) of the owner or designated contact.*

Again, you should consider increasing this distance to 500 feet or more.

#### 14.25.080 Complaints

*The designated contact identified in subsection 14.25.050(G) above, is the initial point of contact for complaints regarding the use of the dwelling unit. That individual shall maintain a written log documenting the nature of all complaints related to endorsement standards, the dates they were received, and efforts taken to resolve issues that have been raised. The written log shall be provided to the City upon request.*

The whole complaint process needs to be centralized with the City providing public access.

#### 14.25.100 Penalties

*Penalties for a violation of subsection 14.25.090(A) shall be as established in Section 14.54. Where the owner possesses a valid endorsement or land use permit, the penalties for violations of 14.25.050 (B-E) shall be as follows:*

*A. For the first violation within a 12-month period, City shall issue a written warning to owner.*

*B. For the second violation within a 12 month period, City shall suspend owner's vacation rental or bed and breakfast endorsement for 30 days.*

*C. For the third violation within a 12-month period: 1) City shall revoke owner's vacation rental or bed and breakfast endorsement; and 2) where an endorsement includes a Conditional Use Permit, city shall also initiate the revocation procedure as outlined under 14.52.150.*

Under the current ordinance, warning letters have been few and far between. In the case of the VRD in my neighborhood, ongoing violations have not been acknowledged or acted upon.

If an endorsement is suspended or revoked, there needs to be a monitoring mechanism to insure compliance. Providing notification to the neighbors would help, but the City also needs to check for compliance. If the VRD owner does not comply, then what?

Thank you for participating in this process. I am confident that you will propose a new ordinance that will address the problems you have heard about. And thank you for considering my comments and ideas.

### **The Influence of VRD Expansion on Available Housing**

There is a housing shortage in Newport that applies across the affordability spectrum. This shortage is aggravated by the conversion of single family homes into vacation rental dwellings (VRDs) and it negatively impacts housing for Newport's workforce. We continue to hear reports from educators, physicians, engineers, scientists, and other professionals that they cannot find housing in Newport. If we want to grow our economy and attract working professionals to Newport, then we must stop converting single family homes into vacation rentals.

Some people erroneously argue that the conversion of homes to VRDs has little influence on workforce housing. They feel that the workforce could not afford the homes that are converted to VRDs. This position appears to be based on intuition alone because it is not supported with evidence. There is ample evidence, however, that VRDs do negatively influence the total housing supply and limit availability for Newport's professional workforce. In this white paper, we document this evidence and call on the City of Newport to set appropriate limits on VRDs so that we can preserve, and ultimately enhance, workforce housing.

While some VRDs are certainly high-end and outside of the reach of many workers, what is less commonly discussed is the influence of VRD proliferation at the middle range of the home affordability spectrum. Does the competition for homes at this level (many VRDs are currently listed at less than \$350,000 market value) impact the Community's ability to hire and retain medical, legal, educational, human services and scientific professionals, as well as support staff? To address this question, we asked administrators, human resource directors, and staff members at all levels of the Samaritan Pacific Communities Hospital, Lincoln County School District, Department of Human Services, District Attorney's Office, Hatfield Marine Science Center, NOAA, and Oregon Coast Community College. The answer across the board was a resounding "Yes!"; the lack of housing, both permanent and long-term rental, has major negative impact on the ability of this Community to recruit and retain a wide range of professionals and their support staff.

The impact is difficult to precisely quantify, but several examples are illustrative; the Department of Human Services has offered six positions to people still looking for housing; the Lincoln County School District had 15 position offers (of 60) turned down for lack of housing; NOAA has 17 vacant positions (at the \$86,000 to \$100,000 pay scale) on hold due to the lack of permanent housing or long term rentals. Both the Hospital and the Marine Science Center have lost top candidates in large part because of the housing issue. This is a serious problem that we need to face if we want a functional, viable community. We can easily have more tourists if we want, or we can focus more attention on recruiting and keeping physicians, teachers, case workers, scientists and many others, at all professional and support staff levels, who are the essential, foundational contributors to our Community.

The immediate losers in this competition for housing are generally younger professionals and staff, at the higher end of the income scale, many of whom are looking for a residential neighborhood to raise a family. The greater loser in this competition is the Newport Community that suffers from the

**inability to recruit and retain an essential segment of our small permanent residential population. This is a local problem, unlikely to garner much sympathy from absentee landlords living outside of Lincoln County, and it needs to be dealt with locally and broadly by restricting further growth of VRDs and by stimulating an increase in purchasable housing and long-term rental opportunities.**

**Prepared by,**

**Rod Croteau**

**Matthew Fisher, MS, MS Ed.**

**(Works in Newport but lives in Lincoln City because he couldn't find housing in Newport)**

**Contact info: fisher.matthew.r@gmail.com**

### A Centralized VRD Complaint Registry is Necessary

The current ordinance regarding short term rentals employs a “complaint driven” approach for enforcement of VRD regulations. Yet, there are no reliable data to permit understanding of either the number or nature of complaints about VRDs. At present, complaints may be directed to at least seven destinations: Newport Police, County Sheriff, Newport Fire Department, 911 Emergency, Newport Community Services, VRD owners and property managers. Owners and managers often do not acknowledge, let alone respond to, complaints and they may not keep records of complaints or their resolutions. Until recently, complaints could not be reported to the Newport Community Services Office because it was non-functional. The only available records ever publically made available were from Newport Police call-ins for noise and parking infractions, and many who have called the police to report a complaint, and later reviewed these records, consider these records inaccurate.

There is no communication or cross talk between complaint destinations. There are no records summarized and integrated. There is no evaluation and no feedback. A centralized, City-operated complaint registry should be put in place, preferably at a functional Community Services website, where complaints can be filed and acknowledged. Such a registry should include call-outs by law enforcement agencies as well as those legitimate complaints, about which many homeowners are reluctant to call the authorities but which nevertheless diminish residential quality of life; problems such as over-occupancy, unattended garbage, stray dogs, trespass, littering, landscape issues, and many forms of obnoxious behavior by intoxicated transient VRD renters. Only in this way can the City gain an assessment of substantiated and testimonial complaints to build a reliable database upon which to understand the issue and to devise enforcement measures. Support for such a registry, and for enforcement costs, should be provided, at least in part, by fees generated by VRD businesses.

## MEMORANDUM

TO: The Vacation Rental Ad-Hoc Committee

FROM: Roy Filby, 7381 N. Coast Hwy, Newport; rfilby@charter.net

SUBJECT: Community Input to the VRD Application/Review Process

Given that existing VRDs in Newport have created innumerable problems and community anger in residential areas, the Vacation Rental Ad-Hoc Committee (AC) should consider greater input to the VRD application and review process by the affected neighborhoods. The AC is considering many changes to the existing VRD code but most of these to date involve how VRDs are regulated and monitored and the AC should be commended for this essential task. I hope, however, that the AC can also consider two aspects of the VRD process that will increase community input, particularly input to new VRD applications. Both actions will tend to reduce the uncontrolled increase in VRDs in residential zones.

### The Application Process

The existing code requires notification of property owners within 200 ft of a proposed VRD **after** the City has approved a VRD license. Thus neighbors have no say in a decision to locate an intrusive business (i.e. a mini-hotel) that can have many negative long-term effects on their environment, way of life, and property values as have been documented in repeated City Council and Planning Commission meetings. In R-1 and R-2 zones a VRD is the only type of business that is permitted. Other neighborhood changes such as new construction, home remodels, deck additions etc, which may impact the community require a Building Permit which is posted for 30 days so that affected property owners can comment on, or contest, prior to approval by the City. This is customary in most jurisdictions and essential for community involvement. A VRD can have far more long-term impact on a community than construction of a new house or remodel and residents should have the same opportunity to review, comment on or contest a VRD application prior to approval. This seems only logical and democratic. Several jurisdictions, e.g. the City of Durango and Lincoln City among others, require prior notification of affected property owners that a VRD license is being considered and give residents the opportunity to comment.

I propose that when a VRD application is received by the City that affected property owners in a 500 ft (rather than the 200 ft current notification) radius be informed and that 30 days be allowed for review and comment. This can be done during or prior to the safety/environmental review by the City. The affected community has a much better appreciation of the impacts of a new VRD on traffic, parking, noise, waste management, etc. The AC could also consider, for R-1 and R-2 zones, whether a license could be contested and whether it should be **denied** if more than two thirds of the property owners in the 500 ft radius vote to oppose. In this fashion the community from the beginning would feel involved in the process that can adversely affect them.

### Periodic Review

Currently a VRD business license is renewed each year. There is no direct community input into this process, even if the VRD has had repeated adverse effects on the neighborhood. A more thorough review should be held every 3 or 5 years during which all aspects of the operation, including complaints, infractions, violations etc can be evaluated. This should be a public review in which property owners in the 500 ft radius have input before a renewal license is issued by the City.

**Bob Berman**  
**180 NW 73<sup>rd</sup> Court**  
**Newport, OR 97365**  
**541-265-7736 CindyAndBob@earthlink.net**

To: Vacation Rental Ad-Hoc Committee,

Re: Topics for May 2 meeting

A few thoughts on today's topics:

#### Density Limitations

Some sort of limitations on density are definitely called for. As others have pointed out, there are now residences completely surrounded by VR dwellings.

I would support proximity limits to directly address this issue in the future. By forcing separation, VRDs could no longer dominate a neighborhood. I think 500-1,000 feet would be appropriate. Any new code could be structured to address the condominium issue.

Ownership limits would probably be ineffective because it is very easy to title properties such that a single owner does not show up on multiple properties (family members, LLCs, etc.).

I believe these limits should not apply to any VRs where the owner is always present such as B&Bs and homeshares.

#### Tenancy Limitations

Speaking from experience, such limits are practically unenforceable.

Prior to the 2012 ordinance, there were tenancy limits on short-term rentals. In our neighborhood, we had (and still have) a problem rental. We complained to the city and were told to document excess tenancy. For THREE YEARS, we documented that this rental was occupied over 30 times per year (the limit at the time was 10 times per year).

We submitted all of our documentation (dates, number of vehicles, license plate numbers) to the city expecting that the ordinance would finally be enforced. But the response from the city was that we had insufficient evidence of a violation and they refused to do anything. I believe that this instance was part of the reason that the revision to the ordinance was initiated.

This possibly could work if 1) all occupancies of the home (except for the owner) were counted, including "friends, relatives, and business associates", and 2) the city specified what would be acceptable evidence for the neighbors to gather.

### Homeshares

I think homeshares are more akin to B&Bs than to classic VRs and, as such, do not pose most of the same problems; the presence of the owner on site should eliminate issues such as noise, trespassing, etc. Congestion/parking can still be an issue.

### Mapping Alternatives

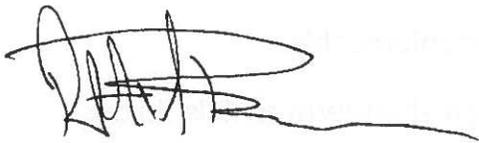
Just two comments:

I see no reason to prohibit VRs in the areas north of US-20 and east of US-101. These areas are not as desirable for VRs but if an owner can make a go of it, why not?

I know this is a future discussion, but if there are prohibited areas, what is effect on existing VRs? They could be grandfathered in, but would that grandfathering apply to any stricter provisions in the new code? For example, if the current "two per bedroom plus two" is changed to drop the plus two, wouldn't existing VRs be subject to the lower limit?

Thanks you for considering these thoughts during your discussions.

Respectfully,

A handwritten signature in black ink, appearing to read "Bob Berman", with a long horizontal line extending to the right.

Bob Berman

May 2, 2018

## **Newport's Comprehensive Plan & Interpretation of C-2 Zoning in Nye Beach**

**The definition of C-2 in the Nye Beach Overlay is currently being misinterpreted. The pre-eminent policy document of the City, the Comprehensive Plan, provides the intent behind the C-2 zoning designation in Nye Beach. This perspective is important because it shows in the Seventh Amendment, as adopted, that the concept of C-2 was in no way an abandonment of residential use.**

**The City of Newport Comprehensive Plan's Peninsula Urban Design Plan states:**

**"Every effort should be made to integrate the goals of the Nye Beach Study (Seventh Amendment to the Newport Urban renewal Plan) with any new developments in the area for maximum benefit to the city and community." (Page 4)**

**The Seventh Amendment recommends; "the creation of a mixed use zone and development regulations to preserve...neighborhood compatibility." (Page 51)**

**"The new C-2\* zone is meant to accommodate existing residential uses in the C-2 areas of Nye Beach, which predominate, by making them conforming within C-2\* and by creating an environment conducive to cottage industries and preservation of housing." (page 64)**

**Additionally, the Seventh Amendment states "It is the permanent residents in the tourist commercial zone that have suffered most from being zoned nonconforming and who suffer and will increasingly feel the impacts of the tourist attractors' traffic and parking demand." "The objectives of the Seventh Amendment to NURP are to alleviate traffic conflicts and parking conditions, to protect neighborhood livability in the historic portion of Nye Beach,.." (page 71)**

**Pertaining to housing issues in general, Newport's Comprehensive Plan, Peninsula Urban Design Plan policy #9 states:**

**"Preserve and enhance the existing housing supply. Encourage the increase of affordable housing in Newport."**

**Going forward, vacation rental discussions and decisions need to align with Comprehensive Plan policies and objectives. This may include redefining C-2 in Nye Beach.**

April 30, 2018

To: Mayor Sandra Roumagoux, Council President Dietmar Goebel, and Members of Newport City Council; Newport Planning Commission; Vacation Rental Ad Hoc Committee and Spencer Nebel, City Manager  
Derrick Tokos, Community Development Director  
Steve Rich, City Attorney

From: Cathey Briggs, 118 SW High Street, Newport, OR 97365

**RE: Request to City Council for Emergency Moratorium on Solicitation and Acceptance of Additional Vacation Rental Dwelling Permits**

I have been following with interest the work of the Vacation Rental Ad Hoc Rental Committee. I understand that the calendar for completion of a recommendation to City Council has been extended beyond its original schedule. It appears now that the recommendation to the Planning Commission that is the start of the formal adoption process will not start until August or September. In the meantime, Vacation Rental Dwelling permits continue to be submitted and processed. I heard that there were 180 licensed vacation dwellings when the committee began its work around 1/31/18, that the number approved jumped to 188 by 2/15, and that an additional 43 applications are being processed. Given the extension of the calendar for the committee, it is conceivable that another cluster of permits will be submitted before any action is taken by City Council in the fall.

All this is being done against a backdrop of an increasingly constrained housing market, especially for lower-income households. In the *Newport Student Housing Report*, November 2014, commissioned by the City of Newport,

([http://newportoregon.gov/dept/cdd/documents/CompPlan/CompPlan\\_appendixD.pdf](http://newportoregon.gov/dept/cdd/documents/CompPlan/CompPlan_appendixD.pdf)), ECO Northwest found a shortage of affordable workforce housing in Newport. Though the study is somewhat dated, there has been little, if any, building of multi-family housing to alleviate the documented shortage of workforce housing in Newport. Notably, the consultants found that there is “substantial in-commuting by workers at Newport businesses who live in outlying areas because they cannot afford housing in Newport....”

The report cites data from the US Census that indicates that about 70% of people working in Newport live outside the city - some by choice, but also many do so because the Newport housing inventory is constrained, especially for lower-income households. We have all heard anecdotal reports of restaurants and retail stores that cannot find, hire or retain staff because they cannot find housing that they can afford. Ironically, I have heard that some vacation rental owners have had a hard time finding crews to clean their VRDs.

Oregon is distinguished for its Statewide Planning Goals, including Goal 10: Housing, and the “Housing Rule,” which requires that jurisdictions inventory and zone an adequate supply of buildable lands for residential use to ensure the availability of needed housing units at price ranges and rent levels that match the needs of its households. The State of Oregon’s Land Use Board of Appeals will often hear cases where Cities are deemed to be out of compliance or in violation with State Land Use Law. This is a

very abbreviated description, but enough to highlight a recent decision regarding Lincoln City's Vacation Rental Ordinance that has implications for Newport's approach to vacation dwelling permits. Lincoln City recently enacted new VRD regulations, tightening limitations in most of the city, as well as creating a Vacation Rental Dwelling (VRD) Zone in one section of the city. As a result of the new limitations, the City was sued by Oregonians In Action Legal Center and Jon Chandler, who contended that the Housing Element of the Statewide Planning Goals obligated cities to provide zoning for vacation rental housing for use by tourists because it is "needed housing."

In a significant decision the Land Use Board of Appeals clarified and affirmed that while second homes can be considered "needed" housing, vacation rental dwellings for seasonal use, are not deemed to be "needed housing" and cities do not need to accommodate them. On the other hand, seasonal housing for use by seasonal workers is considered needed housing and jurisdictions must plan and zone for such housing. (*LUBA Nos. 20014-108/2015-002/003*).

As indicated in the ECO Northwest report, Newport has a lack of affordable housing for workers. The report indicates that "Newport has experienced limited multifamily rental apartment development. While 32% of the new dwellings permitted in Newport during the 2000-2010 period were multifamily, the vast majority of multifamily housing was intended as second homes, with some vacation rentals. In short, the market is producing virtually no multifamily dwellings for local residents and workers." The result is that seasonal workers in the tourist economy are in competition with vacation rental dwellers for already scarce housing. The report goes on to state that "Newport continues to have a shortage of affordable housing, with a deficit of 500 units affordable to households with incomes below \$25,000..."

The City of Newport appears to be bending over backwards to make sure that anyone who has ever considered renting their house as a VRD has an opportunity to apply and get approval now, before any limitations are enacted.

Where is the commensurate consideration of the impact on housing available and affordable to Newport's workforce, including the seasonal workforce that keeps our hotels, restaurants, retail stores, clean and staffed? What is the impact of even more VRDs on the hotel and motel industry – are they operating at full occupancy? We already know that we have a serious shortage of housing affordable to our workforce and to our workforce retirees, and flipping rental housing to VRDs exacerbates the problem. The City Council and the Planning Commission must ask itself if the VRD regulations that will eventually be recommended by the Ad Hoc Committee will make this condition better or worse for the folks who serve our community.

**I request that at its meeting on May 7, City Council reconsider the adoption of an emergency moratorium on accepting applications for new VRD permits to 1) allow staff the time to evaluate the impact of the cited LUBA decision on the proposed options for VRD regulations for the City of Newport; and 2) allow staff and City Council time to consider the findings of the Newport Student Housing report (November 2014), which already raised the alarm about the lack of affordable workforce housing in the City.**

1                   BEFORE THE LAND USE BOARD OF APPEALS  
2                                   OF THE STATE OF OREGON

3  
4                   OREGONIANS IN ACTION LEGAL CENTER  
5                                   and JON CHANDLER,  
6   *Petitioners,*

7  
8   vs.

9  
10                   CITY OF LINCOLN CITY,  
11   *Respondent.*

12  
13                                   LUBA Nos. 2014-108/2015-002/003

14  
15                                   FINAL OPINION  
16   AND ORDER

17  
18                   Appeal from Lincoln City.

19  
20                   Lynn R. Stafford, Tigard, filed the petition for review and David J.  
21                   Hunnicuttt argued on behalf of petitioners.

22  
23                   Richard Appicello, City Attorney, Lincoln City, filed the response brief  
24                   and argued on behalf of respondent.

25  
26                   RYAN, Board Chair; BASSHAM, Board Member; HOLSTUN, Board  
27                   Member, participated in the decision.

28			
29	LUBA NO. 2014-108	AFFIRMED	April 22, 2015
30	LUBA NO. 2015-002	AFFIRMED	April 22, 2015
31	LUBA NO. 2015-003	TRANSFERRED	April 22, 2015

32  
33                   You are entitled to judicial review of this Order. Judicial review is  
34                   governed by the provisions of ORS 197.850.

**NATURE OF THE DECISION**

These consolidated appeals challenge three ordinances enacted by the city (the Ordinances). In LUBA No. 2014-108, petitioners appeal a city ordinance (Ordinance 2014-21) that creates a new Vacation Rental zoning district. In LUBA No. 2015-002, petitioners appeal a city ordinance (Ordinance 2014-22) that amends the special use provisions of the city’s zoning code regulating vacation rental dwellings. In LUBA No. 2015-003, petitioners appeal a city ordinance (Ordinance 2014-23) that amends the provisions of Title V of the city’s municipal ordinances relating to the issuance of vacation rental dwelling business licenses.

**MOTION TO SUSPEND APPEALS**

After the petition for review was filed, petitioners moved to suspend the appeals until after a May 2015 city election has taken place.<sup>1</sup> According to petitioners, the Ordinances are the subject of referenda, and if the Ordinances are rejected by the voters of the city in the May election, the Ordinances will not take effect.

The city opposes the motion. The city attaches copies of the referenda and points out, correctly, that only Ordinances 2014-22 and 2014-23 are the subject of the referenda, and Ordinance 2014-21 is not the subject of either of the referenda. Accordingly, the city argues, the election results will not have any effect on Ordinance 2014-21 and the consolidated appeals should proceed.

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<sup>1</sup> Ordinances 2014-22 and 2014-23 provide that they take effect July 1, 2015.

1           Petitioners do not dispute that the referenda will have no effect on  
2 Ordinance 2014-21. The three assignments of error presented in petitioners’  
3 petition for review do not raise separate or independent challenges to each of  
4 the Ordinances, and the arguments in support of the assignments of error  
5 contain intertwined arguments regarding all three Ordinances. Therefore, it is  
6 not possible to suspend only the appeals of Ordinances 2014-022 and 2014-23  
7 that are subject to the referenda. Accordingly, we decline to suspend the  
8 appeals.

9           Petitioners’ motion is denied.

10 **FACTS**

11           The city’s zoning code regulates the use of dwellings in all zones for  
12 vacation rental purposes. In order to understand the changes the Ordinances  
13 make to the existing regulations, we first describe the provisions of the city’s  
14 zoning code and the city’s business license regulations that apply to vacation  
15 rental dwellings, and then describe the changes that the Ordinances make to  
16 those zoning code provisions and license regulations.<sup>2</sup>

17           **A. Existing Zoning Code Provisions**

18           Under Lincoln City Municipal Code (LCMC) 17.80.050, a vacation  
19 dwelling rental is a special use allowed in the city, subject to the standards at  
20 LCMC 17.80.050.B. In a residential zone, a vacation rental dwelling is

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<sup>2</sup> The city submitted separate records for each of the appealed Ordinances. In this decision we refer to the record and page numbers the city submitted for LUBA No. 2014-108, the appeal of Ordinance 2014-21 as “Record 1-x;” the record and page numbers the city submitted for LUBA No. 2015-002, the appeal of Ordinance 2014-22 as “Record 2-x;” and the record the city submitted for LUBA No. 2015-003, the appeal of Ordinance 2014-23 as “Record 3-x.”

1 allowed as an “accessory use.” LCMC 17.80.050.B.2. LCMC 17.08.010  
2 defines “accessory use” as “a \* \* \* use incidental and subordinate to the main  
3 use of property and located on the same lot as the main use, including any  
4 required off-street parking within 200 feet (measured in a straight line) of the  
5 building or use it is intended to serve.”

6 In order to use a dwelling as a vacation rental dwelling, the owner must  
7 apply for and obtain land use approval for the vacation rental dwelling and  
8 provide the information required in LCMC 17.080.050.C.<sup>3</sup> The planning

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<sup>3</sup> LCMC 17.080.050.C provides:

“1. Application Requirements.

- “a. The owner of the property or authorized agent shall apply for a vacation rental dwelling on a form provided by Lincoln City. The owner shall sign the application. No application shall be accepted without payment of the application fee.
- “b. At a minimum, the names, mailing addresses, and telephone numbers of all persons holding an ownership interest in the property, or holding an ownership interest in the entity that owns the property, shall be provided in the application.
- “c. The applicant shall certify that the person identified as the owner on the application does not own other property in the city that is used as a vacation rental dwelling or is approved by the city for vacation rental dwelling use, if the application is for a vacation rental dwelling in a residential zone.
- “d. The applicant shall certify solid waste collection service is provided to the property.
- “e. The application shall demonstrate parking and landscaping standards of this section are met.

1 director then reviews the application and issues a decision on it. That decision  
2 is appealable to the city’s planning commission. LCMC 17.80.050.C.3. The  
3 land use approval for a vacation rental dwelling terminates with a sale or  
4 transfer of the property. LCMC 17.80.050.B.1.

5 After land use approval is received, the owner must present that approval  
6 to the city and pay a fee to obtain a vacation rental dwelling business license  
7 from the city, pursuant to LCMC 5.14. The license is required in order to rent  
8 the dwelling as a vacation rental pursuant to the land use approval.

9 **B. Ordinance 2014-21**

10 Ordinance 2014-21 amends the city’s zoning code to add a new mixed  
11 use zoning district, the Vacation Rental (VR) zone. A vacation rental dwelling  
12 is an outright permitted use in the VR zone and is not subject to the “accessory  
13 use” limitations described above for vacation rental dwellings in the residential  
14 zone. Ordinance 2014-21 does not zone any property in the city as VR.

15 **C. Ordinance 2014-22**

16 Ordinance 2014-22 is arguably the primary focus of petitioners’ appeal.  
17 As described above, LCMC 17.80.050.B.2 provides that a vacation rental  
18 dwelling is an “accessory use” in a residential zone. Accordingly, land use  
19 approval for a vacation rental dwelling in a residential zone is an approval to  
20 use the subject dwelling for vacation rental purposes in a manner that ensures

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“f. Providing false information in the application shall be a violation and grounds to deny the application, void the approval, enjoin the use, and revoke a vacation rental dwelling license issued for the dwelling under Chapter 5.14 LCMC.”

1 that the vacation rental use of the dwelling remains “incidental and  
2 subordinate” to the main use of the dwelling, for single family residential  
3 purposes.<sup>4</sup>

4 Ordinance 2014-22 amends the special use provisions of LCMC  
5 17.80.050 described above.<sup>5</sup> First, Ordinance 2014-22 creates a new  
6 “Expedited Review” option. Under the expedited review option, a property  
7 owner can agree to limit vacation rental dwelling use of the dwelling to 30  
8 nights in a calendar year. No land use approval is required for the expedited  
9 review option, and the city will issue a Residential Accessory Use VRD  
10 License to the property owner upon receipt of an application for that type of  
11 license pursuant to LCMC 5.14.050.C.2 (as amended by Ordinance 2014-23).

12 Second, Ordinance 2014-22 creates an “Administrative Allowance”  
13 option. Under this option, a property owner can agree to limit vacation rental  
14 dwelling use of the dwelling to no more than 180 nights per calendar year. If  
15 the property owner elects the Administrative Allowance, the city will issue a

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<sup>4</sup> Ordinance 2014-22 amends the definition of “vacation rental dwelling” (VRD) to provide that “a VRD is a permitted commercial use, and like other commercial uses, is expressly prohibited in residential zones except as specifically authorized in [LCMC Title 17], such as the limited allowance for such use as an incidental and subordinate Accessory Use in a residential zone (LCMC 17.80.050).”

<sup>5</sup> The findings adopted in support of the Ordinances make clear that due to increased conflicts between vacation rental dwelling use of single family dwellings in residential zones and permanent residents the city intends to begin enforcing the provisions of the zoning code that regulate vacation rental dwellings, and specifically to begin enforcing the “accessory use” limitation on vacation rental dwellings in residential zones. Record 2-49.

1 type of vacation rental dwelling business license called a “Special VRD  
2 License.” LCMC 5.14.050.C.3 (as amended by Ordinance 2014-23).

3 Third, Ordinance 2014-22 allows a property owner with an existing land  
4 use approval and companion vacation rental dwelling business license to seek  
5 verification that the vacation rental use of the dwelling is a nonconforming use  
6 of the property or that the owner possesses a vested right to rent the dwelling  
7 for vacation rental use in a manner that exceeds the “accessory use” limitation  
8 in LCMC 17.80.50.B.2.

9 Importantly, even with the amendments adopted by Ordinance 2014-22,  
10 under LCMC 17.80.050.B a property owner with a dwelling in a residential  
11 zone continues to have the option to apply for land use approval to use the  
12 dwelling for vacation rental use and receive an administrative decision from the  
13 planning director in the manner described above.

14 **D. Ordinance 2014-23**

15 Ordinance 2014-23 amends LCMC Title 5, Section 5.14. As explained  
16 above, in order to legally operate a vacation rental dwelling in the city, a  
17 property owner must obtain land use approval for the vacation rental dwelling  
18 under LCMC Title 17, and then must obtain a vacation rental dwelling business  
19 license under LCMC 5.14. In order to obtain a vacation rental dwelling  
20 business license, a property owner must demonstrate that land use approval has  
21 been obtained. LCMC 5.14.060.B.

22 Ordinance 2014-23 amends LCMC 5.14 to incorporate the expedited  
23 review, administrative allowance, and nonconforming use/vested rights options  
24 adopted in Ordinance 2014-22 as options for satisfying the vacation rental  
25 business license requirement for prior land use approval. Under the expedited  
26 review option, no prior land use approval is required in order for a property

1 owner to obtain a type of vacation rental dwelling business license called a  
2 “Residential Accessory Use VRD License.” Ordinance 2014-23 also adopts  
3 conforming amendments to the Special VRD License provisions to incorporate  
4 the administrative allowance and nonconforming use/vested rights land use  
5 approval options.

6 **MOTION TO DISMISS LUBA NO. 2015-003**

7 The city moves to dismiss LUBA No. 2015-003, the appeal of Ordinance  
8 2014-23. According to the city, Ordinance 2014-23 is not a “land use  
9 decision” within the meaning of ORS 197.015(10)(a) and LUBA lacks  
10 jurisdiction over the appeal.<sup>6</sup> The city maintains that the provisions of LCMC  
11 5.14 are not “land use regulations” as defined in ORS 197.015(11).<sup>7</sup> The city  
12 explains that the regulatory framework for vacation rental dwellings requires a  
13 separate land use decision and a subsequent, separate license decision under  
14 LCMC 5.14, which does not contain any land use regulations. Accordingly,  
15 the city argues, because Ordinance 2014-23 amends only licensing provisions  
16 that are not “land use regulations,” as defined in ORS 197.015(11), Ordinance  
17 2014-23 is not a land use decision.<sup>8</sup>

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<sup>6</sup> As relevant here, a land use decision is “[a] final decision or determination made by a local government \* \* \* that concerns the adoption, amendment or application of \* \* \* [t]he goals; \* \* \* [a] comprehensive plan provision; \* \* \* [a] land use regulation; or [a] new land use regulation[.]”

<sup>7</sup> ORS 197.015(11) defines “land use regulation” to mean “any local government zoning ordinance, land division ordinance adopted under ORS 92.044 or 92.046 or similar general ordinance establishing standards for implementing a comprehensive plan.”

<sup>8</sup> The city also takes the position that to the extent that Ordinance 2014-23 implements the newly created “expedited review option” created in Ordinance

1           Petitioners respond that LCMC 17.80.050 and LCMC 5.14 operate  
2 together to carry out the provisions of the city’s zoning regulations governing  
3 VRDs. Petitioners point to language in LCMC 17.80.050 that provides that a  
4 VRD is an accessory use in the residential zone “provided the VRD meets the  
5 applicable standards of [Chapter 17.80.050] *and obtains a license under*  
6 *Chapter 5.14 LCMC.*” (Emphasis added.) Accordingly, petitioners argue, the  
7 city’s vacation rental dwelling business license provisions are “land use  
8 regulation[s]” as defined by ORS 197.015(11) and Ordinance 2014-23 is an  
9 amendment of a land use regulation.

10           We agree with the city that Ordinance 2014-23 is not a “land use  
11 decision” within the meaning of ORS 197.015(10)(a). Petitioners have not  
12 established that any provision of LCMC 5.14 is “a local government zoning  
13 ordinance, land division ordinance adopted under ORS 92.044 or 92.046 or  
14 similar general ordinance establishing standards for implementing a  
15 comprehensive plan” and have therefore not established that LCMC 5.14 is a  
16 “land use regulation” as defined in ORS 197.015(11). Accordingly, Ordinance  
17 2014-23’s amendment of LCMC 5.14 does not qualify as a “decision that  
18 concerns the \* \* \* amendment \* \* \* of \* \* \* a land use regulation.” The fact  
19 that LCMC 17.80.050 includes a reference to a requirement to obtain a

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2014-22, that portion of Ordinance 2014-23 qualifies for the ORS 197.015(10)(b)(A) exception to LUBA’s jurisdiction for decisions that “do not require interpretation or the exercise of policy or legal judgment[.]” That is so, the city argues, because the “over-the-counter” license for a property owner who opts for the expedited review option, which automatically allows 30 nights of vacation rental use without further inquiry, is an objective, non-discretionary decision that requires no exercise of policy or legal judgment because the city has determined that 30 nights VRD use qualifies the use as an “accessory use” under LCMC 17.80.050.B.1 without necessity of further inquiry.

1 business license under LCMC 5.14 does not convert LCMC 5.14 into a “land  
2 use regulation.”

3 Petitioners request that if LUBA determines that Ordinance 2014-23 is  
4 not a land use decision, the decision be transferred to circuit court. OAR 661-  
5 010-0075(11)(a).

6 LUBA No. 2015-003 is transferred to Lincoln County Circuit Court.

7 **FIRST AND SECOND ASSIGNMENTS OF ERROR**

8 Petitioners’ first and second assignments of error argue that the  
9 Ordinances are inconsistent with the comprehensive plan’s Housing Element  
10 and Economic Element.<sup>9</sup> Petitioners additionally argue that the Ordinances  
11 violate ORS 197.303 *et seq*, the needed housing statute.

12 **A. The Housing Element and the Needed Housing Statute**

13 Petitioners’ arguments are premised on a number of assumptions about  
14 the city’s comprehensive plan Housing Element and about the effect of the  
15 Ordinances on the future availability of vacation rental dwellings in residential  
16 zones. We start by explaining, and rejecting, petitioners’ assumption about  
17 what types of housing the city’s Housing Element and the needed housing  
18 statute at ORS 197.307 require the city to provide.

19 Two provisions of the comprehensive plan’s Housing Element are at  
20 issue in this appeal. First, the Housing Element lists four “users” of housing  
21 “which determine Lincoln City housing needs.” Petition for Review App. B-2.  
22 As relevant here, included as one of those categories of “users” is “the seasonal  
23 resident seeking shelter.” Second, the city’s Housing Inventory that is a part of

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<sup>9</sup> ORS 197.175(2)(d) requires the city to make land use decisions that are consistent with the city’s adopted and acknowledged comprehensive plan.

1 the Housing Element identifies “single family second homes” as housing  
2 needed to meet the needs of its citizens, and identifies a need for 83 acres of  
3 land for single family second homes. Petition for Review App. B-43.

4 According to petitioners, the “seasonal resident seeking shelter” includes  
5 “tourists” seeking to rent a single family dwelling for vacation  
6 accommodations. Petition for Review 7. We understand petitioners to argue,  
7 then, that where the Housing Element identifies one of the “users” of housing  
8 in the city as “tourists,” the city is obligated to provide for the housing needs of  
9 those tourists, including the desire for those tourists to rent vacation rental  
10 dwellings. Petitioners argue that those vacation rental dwellings are provided  
11 by “single family second homes.” Petitioners argue that the Ordinances limit  
12 the ability of property owners to accommodate the need identified in the  
13 Housing Element for tourists’ use of vacation rental dwellings by limiting the  
14 number of dwellings in the residential zone that are available for use by  
15 tourists.

16 According to petitioners, the city has a shortage of residential land  
17 available to meet the need identified in the Housing Element for single family  
18 second homes, and the Ordinances exacerbate that shortage by limiting the  
19 ability of the owners of single family second homes to rent the homes to  
20 tourists to offset the cost of the home, and to finance the cost of the home.  
21 Accordingly, petitioners argue, the Ordinances will increase the shortage of  
22 land for single family second homes. Petitioners argue that limiting vacation  
23 rental dwelling use of single family dwellings in the residential zone will make  
24 it less likely that single family second homes will be built, and therefore the  
25 city will not be able to provide adequate housing for tourists, as petitioners  
26 argue the Housing Element requires the city to do.

1           The third source of authority that petitioners’ arguments implicate is the  
2 needed housing statute at ORS 197.303(1), which defines “needed housing” in  
3 relevant part as “housing types determined to meet the need shown for housing  
4 within an urban growth boundary at particular price ranges and rent levels[.]”

5           The city adopted findings that reject petitioners’ assumptions that the  
6 Housing Element’s description of the “seasonal resident seeking shelter”  
7 includes “tourists” and that the Housing Element obligates the city to provide  
8 for the housing needs of tourists by making vacation rental dwellings available  
9 to them. Record 2-56-57. First, the city found that “seasonal residents seeking  
10 shelter” are part-time or seasonal residents, and as “residents” those users are  
11 not, by definition, tourists. Second, the city found that while single family  
12 second homes are identified in the Housing Element as “needed housing,”  
13 vacation rental dwelling *use* of a single family second home is not identified in  
14 the Housing Element as “needed housing.” Such uses are allowed in  
15 residential zones only if accessory to the primary use. Finally, the city also  
16 adopted findings that the Ordinances will not change the amount of land  
17 devoted to single family second homes because vacation rental use of those  
18 homes is already limited by the existing “accessory use” limitation. Record 2-  
19 74.

20           We reject petitioners’ argument that the Housing Element or the needed  
21 housing statute obligate the city to provide vacation rental dwelling housing for  
22 use by tourists. The city interpreted the phrase “seasonal resident seeking  
23 shelter” used in its comprehensive plan as including part-time, seasonal  
24 residents who are owners of single family second homes, and not tourists  
25 seeking short term vacation rental dwellings. That interpretation is affirmed.  
26 ORS 197.829(1).

1           The city also correctly concluded that while the Housing Element and the  
2 Housing Inventory identify single family second homes as needed housing,  
3 they do not identify vacation rental dwellings as needed housing. Accordingly,  
4 the needed housing statute is not implicated.

5           Finally, we agree with the city that the Ordinances will not change the  
6 amount of land devoted to single family second homes. The Ordinances do not  
7 create any *additional* limits on vacation rental dwelling of single family second  
8 homes. LCMC 17.80.50.B.2 limits that use to an “accessory use,” and that  
9 provision is unchanged by the Ordinances. Ordinance 2014-22 is best  
10 characterized as the city’s attempt to publicly announce the limits the city will  
11 consider to be “accessory use,” within the meaning of LCMC 17.80.050.B.2  
12 and the definition at LCMC 17.08.010, in the future when it considers whether  
13 an existing or proposed vacation rental dwelling is an “accessory use,” either in  
14 the context of an enforcement proceeding or a new application for a vacation  
15 rental dwelling. But the property owner continues to have the option to seek  
16 approval of use of a single family second home for vacation rental dwelling  
17 purposes under the existing “accessory use” limitation. That option existed  
18 before Ordinance 2014-22 was adopted and it remains in place after Ordinance  
19 2014-22 was adopted.

20           Similarly, Ordinance 2014-21, which creates the new VR zoning district,  
21 appears to increase the availability of VRDs in the city by permitting *unlimited*  
22 VRD use of a dwelling that is in the VR zoning district. Because the  
23 Ordinances do not affect the amount of land available for single family second  
24 homes, the comprehensive plan’s Housing Element and the needed housing  
25 statute are not implicated.

1           **B.     Economic Element**

2           Petitioners also argue that the Ordinances are inconsistent with the  
3 comprehensive plan’s Economic Element, in two ways. First, petitioners argue  
4 that the Ordinances are inconsistent with the Economic Element goal to  
5 “support the tourist industry,” where they limit the availability of housing for  
6 tourists. Second, petitioners argue that the new VR zone will be applied to  
7 properties that are currently zoned commercial and therefore exacerbate an  
8 existing shortage of commercial lands by developing commercial land with  
9 non-commercial uses.

10          The city responds that the Ordinances are not inconsistent with the  
11 Economic Element. First, the city points out, the Economic Element includes  
12 several goals that the city must balance with the goal of supporting the tourist  
13 industry, including a goal to “achieve a degree of diversity in the community  
14 which will allow a balanced economy[.]” Petition for Review App B-4. The  
15 city also disagrees with petitioners’ assertion that the Economic Element  
16 demonstrates that there is a shortage of commercial land in the city. Finally,  
17 the city disagrees with petitioners’ assertion that the new VR zone will  
18 decrease the amount of land available for commercial development. The city  
19 points out that all commercial zones in the city already permit unlimited VRD  
20 usage and for that reason petitioners’ speculation that the city will rezone  
21 commercial lands to VR is without support.

22          We agree with the city on all three points. For the reasons explained by  
23 the city, petitioners have not demonstrated that the Ordinances are inconsistent  
24 with the comprehensive plan’s Economic Element.

25          The first and second assignments of error are denied.

1 **THIRD AND FOURTH ASSIGNMENTS OF ERROR**

2 Statewide Planning Goal 9 (Economic Development) requires in relevant  
3 part that comprehensive plans must provide for “an adequate supply of sites of  
4 suitable sizes, types, locations, and service levels for a variety of industrial and  
5 commercial uses[.]” A related administrative rule cited by petitioners, OAR  
6 660-009-0025(3), requires certain cities to “designate suitable land to respond  
7 to economic development opportunities as they arise.”

8 In their third and fourth assignments of error, petitioners argue that the  
9 Ordinances are inconsistent with the requirement in Goal 9 to provide an  
10 adequate supply of sites for a variety of commercial and industrial uses, and in  
11 the cited administrative rule to respond to economic development  
12 opportunities. According to petitioners, the city’s enforcement of the existing  
13 accessory use limitation on vacation rental dwellings in residential zones  
14 coupled with the creation of the new VR zoning district will increase vacation  
15 rental dwelling development and uses on commercial and industrially zoned  
16 lands, resulting in an inadequate supply of commercial and industrially zoned  
17 lands for other commercial and industrial development opportunities.  
18 According to petitioners the city erred in failing to demonstrate that an  
19 adequate supply of sites for commercial and industrial uses will remain.

20 The city first responds that the city’s comprehensive plan shows an  
21 adequate supply of commercial and industrial lands available for economic  
22 development opportunities. Next, the city responds that petitioners have failed  
23 to demonstrate that the Ordinances reduce the supply of land available for  
24 commercial and industrial uses. Finally, we also understand the city to respond  
25 that petitioners’ arguments are premature, because nothing in the Ordinances  
26 actually applies the new VR zoning district to any property in the city.

1           Again, we agree with the city on all points. First, petitioners’ arguments  
2 challenging the adoption of the VR zoning district are premature. The  
3 arguments petitioners make all assume the city will actually apply the VR  
4 zoning district to city property. Such arguments must await a city decision that  
5 actually applies the new zoning district to some property in the city. *Port of St.*  
6 *Helens v. City of Scappoose*, 58 Or LUBA 122 (2008).

7           Second, for the reasons explained above in our discussion of the first and  
8 second assignments of error, petitioners’ arguments regarding the potential  
9 effect of the city’s future enforcement of its existing accessory use limitations  
10 on vacation rental dwellings fail to demonstrate that the Ordinances will have  
11 the effect of reducing the supply of commercial and industrial land available  
12 for economic development opportunities.

13           The third and fourth assignments of error are denied.

14           LUBA Nos. 2014-108 and 2015-002 are affirmed.

### Why prohibit VRDs in Only Some Residential Areas?

In a previous (14 MAR 2018) written and oral presentation to this Ad Hoc Committee, Matt Fisher and I provided data to document a housing shortage across the Newport economic spectrum. While sensitive to the needs of all employment sectors, we placed our emphasis on the issues facing medical professionals, scientists, teachers, social workers, attorneys and others in similar occupations who could well serve this community if they could find housing in appropriate residential neighborhoods in which to raise a family.

It appears now that one option being considered by the Ad Hoc Committee is the prohibition of VRDs from the area north of route 20 and east of route 101, ostensibly to protect this area (largely R2, R3 and R4 zones) for work force housing. This area has a negligible number of VRDs as it is and, thus, would not seem to need further protection.

I support the general concept of protecting residential homes from transient use. However, I disagree with prohibiting VRDs so selectively in an area to protect housing for what is largely our tourism related employment sector (such as the hospitality industry, and related retail and services), without providing equal protection to other residential areas of the City and ALL employment segments of our community.

It is also important to note in this context that many R1 and R2 zoned neighborhoods outside the protected region, such as those in the Agate Beach area, contain a high proportion of “affordable housing” and thus are worthy of similar protection on that basis.

To intentionally protect affordable housing for largely tourist related employment in only one restricted area but not protect affordable housing for all permanent residents in all residential zones seems both unfair and without justifiable rationale. To proceed with this proposal for protecting the selected area for “affordable housing” will in fact result in protecting largely the tourist industry while ignoring the community housing needs of other employed permanent Newport residents. I believe that this selectivity is a bad policy option and that all residential zones should be similarly protected.

Rod Croteau  
4 JUN 2018

## Sherry Marineau

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**From:** Cindy Lippincott and Bob Berman <CindyAndBob@earthlink.net>  
**Sent:** Friday, June 08, 2018 1:31 PM  
**To:** Derrick Tokos  
**Cc:** Sherry Marineau; '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'; 'Rodney Croteau'; 'Mike Franklin (mike@newportchowderbowl.com)'; 'Lee Hardy'; 'William Branigan'; 'Jim Patrick'  
**Subject:** Vacation Rental Violations

Hi Derrick -

I recently found a reference to FlipKey.com, the TripAdvisor VR listing site. I decided to take a quick look at Newport listings. I did not spend more than a half-hour and scanned only about 30 listings.

I immediately found five properties that were advertising occupancy in excess of the limits in the current ordinance (assuming that the number of bedrooms listed on each webpage is accurate). One of them was not on the VR spreadsheet at all and two others were in the Embarcadero so I could not tell if they were registered.

I am copying the entire committee so they can see they the relative magnitude of the problem and hopefully find a way to address it in the new ordinance.

Here are the listings. The first two are two halves of a duplex, the third appears to not be registered. Note that all are managed by either Vacasa or Meridith Lodging:

<https://www.flipkey.com/properties/9414449/>  
Bedrooms: 3 Sleeps: 9  
Shown on spreadsheet as Sleeps: (4 or 8, duplex)  
on Hurbert between Olive and 2nd  
VACASA rental

<https://www.flipkey.com/properties/9414673/>  
Bedrooms: 4 Sleeps: 12  
Shown on spreadsheet as Sleeps: (4 or 8, duplex)  
on Hurbert between Olive and 2nd  
VACASA rental

<https://www.flipkey.com/properties/3547317/>  
Bedrooms: 4 Sleeps: 12  
NOT on spreadsheet  
on NW Gilbert Way near NW Agate Way  
VACASA rental

<https://www.flipkey.com/properties/9090635/>  
Bedrooms: 2 Sleeps: 8  
Embarcadero  
Meredith Lodging

<https://www.flipkey.com/properties/9384841/>  
Bedrooms: 2 Sleeps: 8  
Embarcadero  
VACASA rental

Can you or the enforcement personnel please confirm these violations and issue violation letters as necessary.

Thanks

Bob

--

=====  
Cindy Lippincott and Bob Berman  
180 NW 73rd Court, Newport, Oregon 97365  
541-265-7736 home 541-961-6395 cell  
=====

VRDs offer themselves to a community as a conundrum. Opinions are all over the map—some people are completely indifferent and some think they represent a new Ebola. So when it comes to where or how many VRDs will be “permitted”, the stage is set for acrimony. Of course, this is no secret to those committee members already toiling with the minutia of the VRD issues.

The VRD intricacies require the study of numerous other jurisdictions to avoid the pain and agony of re-invention. In my limited study of this issue, I have noticed what looks like a common remedy and a reasonable approach, the “Cap.” A Cap would potentially solve a lot of problems—control the VRD birthrate, help protect the residential housing pool and help protect housing values, to name a few. I can see that certain residential areas might end up with few VRDs allowed and some with more—each determined individually, zone by zone.

The most contentious, I’m guessing, will be Nye Beach where the highest number of VRDs are currently licensed and much of which is in the **C-2/Tourist Commercial Zone**. The Municipal Code Chapter 14.03.040 describes the intent of the zone as follows: “**The intent of this zone is to provide for tourist needs, as well as for the entertainment of permanent residents.**” Well, as a ‘permanent resident’, I must admit that I am entertained by that description—so I guess it works! No, actually I have pondered this definition for some time and have concluded that it is so trite that the real meaning must exist somewhere else—and it does. (Please see Municipal Code 14.03.070 and City’s website under Zoning District Uses.)

The best way to look at Nye Beach is not as a Mecca of commerce and tourism but simply as a mixed use neighborhood. It is, in fact, Newport’s oldest neighborhood. Great pains have been taken over the years to maintain the neighborhood feel and architecture as evidenced in volumes of documents:

- **The Seventh Amendment (Nye Beach Study, adopted 1989)**
- **Newport Peninsula Urban Design Plan(1993)**
- **Historic Nye Beach Zoning Overlay District, (adopted 1997)**

Thousands of hours of work have been put into these City documents over many years in the worthwhile attempt at neighborhood conservation—keeping Nye Beach a vibrant community (where people actually live and work.) It is feared and legitimately so, that much of that effort will have been for naught if the VRD numbers are not controlled. When Nye Beach is seen in this context—as a neighborhood— it doesn’t look terribly different from the strictly residential zones which border it.

A logical concern of Nye Beach residents is that in attempting to achieve some “acceptable” VRD/residence ratio (to determine a Cap), and with the predictable pressure to lessen the encroachment on R-1 thru R-4 zones, Nye Beach, with a large C-2 component will, by default become the VRD “dumping ground” and get tagged with a high cap.

I don’t believe that VRDs are intrinsically evil, but the measure of their objective good or evil must be determined by their impact. With high VRD numbers, relative to resident habitation, one case is easy to make that VRDs turn a neighborhood into a “ghost town” where, in the off-season, the place is empty and what used to be a neighborhood is quite dead. With closely regulated numbers, on the other hand, VRDs might barely be noticed, achieving a level of normalcy typical of a neighborhood. It is the “ghost town” scenario that is most feared and to which, I am hopeful, the Ad Hoc Committee will be most attentive.

Respectfully,  
Lon Brusselback, Newport resident

**Bob Berman**  
**180 NW 73<sup>rd</sup> Court**  
**Newport, OR 97365**  
**541-265-7736 [CindyAndBob@earthlink.net](mailto:CindyAndBob@earthlink.net)**

### **A few thoughts on the new Vacation Rental ordinance**

Because I missed the previous meeting and I will be unable to attend the June 13 meeting, I want to share some thoughts on specific issues related to the VR ordinance. Forgive me if these have already been resolved in your prior discussions.

#### Guest Registry

When the previous Ad-hoc committee developed the current ordinance, the language called for the guest registry to be available to any City staff as needed. The City Council changed that availability to “First Responders” only (without any public input) because a realtor/property manager on the council did not want to have to disclose her customers. That change severely restricted the ability of the Community Development department to audit occupancy and respond to complaints.

For example, this Memorial Day weekend, the VR in my neighborhood had four cars and an RV parked in front and at least 14 bicycles in the front yard.



This appeared to be a clear violation of the occupancy limit of 10. But we did not even bother to file a complaint because there was no reasonable way for Community Development to confirm the violation without access to the guest registry with its names and license numbers. The guest registry can be a key enforcement tool if it is available when needed.

### Prohibited Area

At a previous meeting, it was apparent that the committee was leaning toward 1) a hard cap on the overall number of VRs and 2) a density/separation requirement. If these two clauses are included in a new ordinance, I don't believe that there is any need for any prohibited areas. In fact, I think prohibited areas as described in the three options are actually counter-productive. They would force all new VRs into the already saturated areas west of 101. Wouldn't it be better to see a few new VRs in areas east of 101 instead of being as close as possible to the current VRs.

### Occupancy Limits

I understand that the committee is considering dropping the "Plus 2" when calculating the maximum overnight occupancy. I agree with that recommendation. However, in the current ordinance, the reduction in occupancy associated with inadequate parking is not very well enumerated.

For example, with the VR in my neighborhood, the house has five bedrooms but only four offstreet parking spaces. Appropriately, the endorsement was issued for a maximum occupancy of 10 (4 parking spaces [not 5 bedrooms] plus 2). That was correct.

However, when a former Community Service Officer, who was responsible at the time for enforcement, was presented with evidence of an occupancy of 12, he insisted that the parking clause had nothing to do with occupancy; he wrote "*NMC 14.25.050(C) applies to parking standards, not occupancy*" and "*The occupancy limit is not affected by the parking limitations, only on the number of listed bedrooms.*". Therefore he did not investigate the obvious violation.

Bottom line, if maximum occupancy is to be reduced due to insufficient parking, that should be explicitly stated in the ordinance.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

8-15-18 VRD  
Open House  
Comments

Wednesday, August 15, 2018 at 6pm

Comments: Thank you for all your thoughtful hard work.  
The idea of. Issuing license or monetary fine for violations  
by the VRD owner seems like a good idea.  
Yes to parking for 1 space per bedroom, prohibit use of VRD's for  
organized events weddings  
Disagree i Safety concepts.  
My home VRD @ this time is safer occupied, than sitting vacant.  
Yes to 2 people per bedroom. - Have same rules as  
long term rentals

\*Comments can be emailed to Derrick Tokos at d.tokos@newportoregon.gov or dropped off at the  
Community Development (Planning) Department in City Hall at 169 SW Coast Highway, Newport, OR.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: It would really be a shame to loose my  
2nd home to be potentially torn down for an  
access front hotel. and loose the Community feel  
of Nye Beach's small dwellings  
Another idea could be to limit how much the  
VRD's can be rented out ~~per~~ a year.

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Community Development (Planning) Department in City Hall at 169 SW Coast Highway, Newport, OR.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: I can't understand why the city has zones that are not subject to enforcement. The city's decision to permit VRD's - Commercial activities in residential zones should be considered illegal & unlawful. VRD's are businesses w/o regulation & licenses to operate. No consideration for residence.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: I THINK THE IDEA OF A CITY-WIDE CONTACT PROGRAM, IS A GREAT IDEA I HOPE THAT CITY SANCTIONED MANAGEMENT COMPANIES ARE ALSO IN WORKS -



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: You have to get rid of vacation rental hell in Newport & Lincoln County it has killed local livability!!

You have whored our precious Oregon coast to tourism we are NOT California of tourism

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: FEW TAKE AWAY FROM TODAY'S PRESENTATION MATERIAL:

1 IT IS IMPORTANT TO REMEMBER THAT A VACATION RENTAL IS NOT NECESSARILY A LONG TERM RENTAL IF IT IS NOT A VACATION RENTAL. MANY VACATION RENTALS IN TOWN ARE SECOND HOMES THAT PEOPLE USE OCCASIONALLY AND THEN WHEN THEY AREN'T BEING USED BY THE OWNERS THEN ARE USED AS A SECONDARY SOURCE OF INCOME. IF THE CITY DECIDES TO LIMIT THE NUMBER OF VACATION RENTALS IN ANYWAY THIS WILL LIKELY HAVE MINIMAL TO NO IMPACT ON OUR HOUSING SHORTAGE BECAUSE MANY HOMES WILL THEN JUST SIT EMPTY FOR A SIGNIFICANT PORTION OF THE YEAR SINCE THE OWNER'S WILL STILL WANT TO USE THEIR SECOND HOMES WHENEVER THEY WOULD LIKE. NEWPORT'S LONG TERM RENTAL ISSUES ARE A REAL ISSUE AND A VALID CONCERN BUT ELIMINATING VACATION RENTALS WILL NOT SOLVE THIS PROBLEM.

2 I'M VERY OPPOSED TO PROXIMITY LIMITS. THERE ARE AREAS OF TOWN THAT LEAN THEMSELVES TO VACATION RENTALS AND LIMITING VACATION RENTALS BY STREET UNFAIRLY HURTS CERTAIN PROPERTY OWNERS.

MOVE ON BACK ->

\*Comments can be emailed to Derrick Tokos at d.tokos@newportoregon.gov or dropped off at the Community Development (Planning) Department in City Hall at 169 SW Coast Highway, Newport, OR.

→ ③ I STRONGLY AGREE WITH THE ENFORCEMENT CHANGES BEING PROPOSED INCLUDING THE CENTRALIZED COMPLAINT SYSTEM, THE OVERNIGHT OCCUPANCY LIMITS, THE 24-HOUR HOTLINE, PROHIBITING VACATION RENTALS FOR EVENTS SAFETY STANDARDS, WASTE MANAGEMENT AND A REVISED APPROVAL PROCESS. I LIVE ON A STREET WITH 2 VACATION RENTALS AND THEY HAVE BEEN A BENEFIT TO OUR NEIGHBORHOOD. THAT BEING SAID THAT IS BECAUSE THE VACATION RENTALS ON OUR STREET ARE A HUGE ASSET BECAUSE THEY ARE MANAGED VERY WELL. I HAVE HEARD HORRIBLE STORIES FROM OTHER CITIZENS WHOSE LIVES WERE AND ARE NEGATIVELY IMPACTED BY VACATION RENTALS. THESE ARE MANAGEMENT ISSUES, NOT ZONING ISSUES. BEFORE THIS COMMITTEE CONSIDERS ANY LIMITS OR ZONING CHANGES I IMPLORE YOU TO INCORPORATE THESE ENFORCEMENT MANAGEMENT, AND/OR SAFETY CONSIDERATIONS AND SEE IF THESE ITEMS ADDRESS THE VACATION RENTAL CONCERNS IN OUR CITY BEFORE YOU CONSIDER IMPLEMENTING ZONING CHANGES OR LIMITS ON LOCATION OR LIMITS ON THE NUMBER OF VACATION RENTALS IN THE CITY OF NEWPORT. EMPTY HOMES ARE WORSE FOR OUR CITY THAN TOURISTS USING THOSE HOMES TO GENERATE INCOME FOR LOCAL BUSINESSES. IF YOU CAN SOLVE THE MANAGEMENT ISSUES I THINK THESE CHANGES WILL RESULT IN A WIN FOR VACATION RENTAL OWNERS AND THE CITY OF NEWPORT.



**Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals**

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: \_\_\_\_\_

Put a MORATORIUM on  
the vacation rentals now  
they have ruined the community  
for profits only Thank you!

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments:

Map alternative 3 seems most fair @ hard cap; @ 3rd party vendor compliance support; centralized complaint system; occupancy limits; off street parking standards; valet waste service required; signage; annual license endorsement; increase license fees; increase license notification to neighbors before the fact & more than 200 feet away

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments:

VRDs ARE businesses AND need to  
be prohibited in Residential zones  
ALL

\*Comments can be emailed to Derrick Tokos at [d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov) or dropped off at the Community Development (Planning) Department in City Hall at 169 SW Coast Highway, Newport, OR.



**Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals**

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

**Comments:** Concierge garbage service should be required. The occupants often leave well in advance of garbage pickup day, and the garbage/recycle containers are left at roadside. The wind can come up the next hour or day, and the containers tip over. The rental across from our house is an example: garbage flies everywhere. No response can be fast enough to stop that from happening - only concierge can prevent it.

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**Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals**

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

**Comments:** The VRD representative should be there to meet the occupants - to explain occupancy and parking rules, garbage and recycle rules. In our neighborhood the occupants park out in the street because they don't like the rental driveway. If forced to use it, maybe the owner would make it more vehicle-friendly.

\*Comments can be emailed to Derrick Tokos at [d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov) or dropped off at the Community Development (Planning) Department in City Hall at 169 SW Coast Highway, Newport, OR.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: A local contact should be required. Last weekend I called because a garbage and recycle receptacle blew over. I waited about 10-15 minutes for the representative in Penelton answered. Nobody showed up ~~to the~~ until about two hours later. My neighbor and I had to pick up the garbage/receptacles and place them out of the wind, or the garbage would have blown down to the beach. Parking violations are the same - we get no response for hours, and the cars may have left - to come back and park in violation again.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: I THINK IT IS REDUNDANT AND POSSIBLY OVERLY RESTRICTIVE TO LIMIT VRDs TO 4-5% OF TOTAL HOUSING, PLUS PUT RESTRICTIONS ON NUMBER OF UNITS ON A STREET. THE LIMITATION TO CERTAIN GEOGRAPHIC ZONES IS GOOD, AS THOSE AREAS HAVE AN INHERANT EXPECTATION OF MORE "BUSY-NESS", AND ARE OBVIOUSLY MORE APPEALING TO RENTERS (EXAMPLE - AREA ABOVE BAYFRONT HAS MORE NOISE FROM PROCESSING PLANTS, BARS & RESTAURANTS). I ALSO LIKE CLARIFYING "OFF STREET PARKING" TO INCLUDE SPACE ON UNIMPROVED PROPERTY THAT IS NOT INTERRUPTING TRAFFIC FLOW. OUR ~~NEIGH~~ STREET HAS VACATION RENTALS AND LONG TERM RENTERS; THE

\*Comments can be emailed to Derrick Tokos at [d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov) or dropped off at the Community Development (Planning) Department in City Hall at 169 SW Coast Highway, Newport, OR. LONG TERM RENTERS WERE MORE PROBLEMATIC. MAYBE HAVING VRDs WITH 3-4 TENANTS LIMITS THE CLIENTELE TO A QUIETER GROUP.

164

OVER)

THE PROPOSAL TO EXEMPT "HOME SHARES" FROM LOCATION AND ~~DENSITY~~ DENSITY LIMITS IS A GOOD IDEA.

MY PRIMARY CONCERN IS THE OVERALL LIMITATION OF VRDS. WITH ALL THE PROPOSED RESTRICTIONS AND 3RD PARTY ENFORCEMENT, THERE MAY NOT BE SIGNIFICANT PROBLEMS HAVING 500 OR MORE VRDS. I BOUGHT MY PROPERTY WITH THE INTENT OF MAKING IT AVAILABLE FOR RENTAL FROM TIME TO TIME, AND I DON'T WANT THAT DREAM SHATTERED.



## Public Open House for Potential Changes to Newport's Rules for Vacation Rentals

### GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: I believe I should be allowed to sell my VRD biz to a buyer for my house. I spent many years building repeat customers and an excellent 5 star reputation. Why should it be worthless? A prospective buyer for my home could benefit from my years of work and its unfair if I can't get value out of my biz if I decide to sell my house.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: Enforcement is essential, and can be paid from an increase in licensing and a % of room tax. Enforcement should include a full time city position to handle licensing, complaints, inspections, and possibly - most important - finding and taking appropriate action on unlicensed facilities. Action can be complaint driven, research driven (find online sites that rent nation wide/world wide - and vet the rentals), or through networking to seek out unlicensed units.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: We agree to separating HomeShare + BnB from VRD's maybe allow 3 possible 4 rooms for rent. Intermediary for enforcement of rules & regulations. Better reporting of taxes breaking down taxes by nights + locations to make it better for finance to process. Parking should remain on properties.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: VRD Caps & Densities  
should be established  
by neighborhood -  
no one size fits all.

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Community Development (Planning) Department in City Hall at 169 SW Coast Highway, Newport, OR.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: Placing advertisement in front of the VRD  
would decrease my property value. Would I receive a  
tax reduction as if the signage were to be adopted?

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: Having signs for the VRD's will  
decrease my property value. (sign advertising  
it's a VRD)

- Having VRD's take away from neighborhoods.
- Problems with noise after 10pm -
- Dogs barking when visitors leave them unattended.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: VRD owners need to live in Newport.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: How does the reduction of long term  
housing support Newport? ~~is it~~ Note: We have a  
housing shortage.

Medical professionals leave the area because there is  
no place to live. as an example.

Homelessness is a problem.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: A city-wide cap is  
ridiculous!

The east should not  
count towards a cap.

We started hearing  
complaints at around 125 or  
150 total. Using a total of  
220 or 275 is too much on a

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Small area.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: ADDITIONAL COMMENT: AFTER SPEAKING TO MORE  
COMMITTEE MEMBERS I THINK CONSIDERING A NEIGHBORHOOD  
APPROACH WOULD BE A GOOD IDEA. THE BAYFRONT, NYE  
BEACH + AGATE BEACH COULD CONSIDER LIMITS BY AREA.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: VR Rental Log

If the log is not available to enforcement  
organization, it will be very difficult to enforce  
occupancy limits

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 15, 2018 at 6pm

Comments: ADDITIONAL COMMENT: AFTER SPEAKING TO MORE  
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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

8-22-18 VRD  
Open House  
Comments

Comments: VR Rental Log

If the log is not available to enforcement  
organization, it will be very difficult to enforce  
occupancy limits

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: Limiting transfer of license, upon sale  
limits the value of a business & property for  
the current owners. If they have operated a  
successful business, followed the rules, paid their  
taxes & licenses, and had limited or no complaints. A  
business owner should be able to capitalize on  
their success through a sale w/out government influence or  
restrictions.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: 24/7 Hotline  
ok with - please adjust to a more manageable  
time to respond.

- Reduction in occupancy from 2 per bedroom plus 2 to  
2 - Exemp young people. - Your encourage people to  
cheat the system. The County (Lincoln) has an  
existing policy - keep things the same throughout county  
for this to cut down confusion.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Proximity limits

Comments:

Hard Cap based upon zoning & eliminating or phasing out existing VRD is unacceptable, I could see grandfathering them in and not allowing new ones in specific areas, Measure 49 restricts gov't from taking away property owner rights.

R1 & R2 & having VRD's in the West of 101 & south of 20 should be allowed.

Please don't over think this.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments:

I like Retained parking standards that allow off street parking to extend into undeveloped public right of way....

Broad Zones for limiting VRD's rather than proximity limits seems logical.

Southern

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: Strong  
- Posting a phone number in street view seems redundant. ~~It would~~ create a website that has the VRD owners info through the city.  
Each VRD provides contact info to renters, cities & licensing departments  
This seems like targeting them

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: VRD's in non permitted "zones"  
- how can you restrict someone's <sup>business</sup> investment in the community to a period of time?  
What if it is a family investment to be passed onto generations?  
longer time frame 15 years - 30 years or stays with same family etc.  
If it is a well established business w no complaints or issues why would you want to have it go away?

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: I am ok w a hiner license fee,  
that could be used for code enforcement

- Random insted of annual inspections by fire  
dept seems more reasonable.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: \_\_\_\_\_

• Wye Beach is a neighborhood - hope it stays a neighborhood.  
- if VRDs are limited to W. of 101 - will lose a neighborhood  
character

• VRD license should not transfer w/ sale of VRD -  
treat like a business license or liquor license

• require professional property mgmt ability & proximity  
to respond to a complaint w/in 30 minutes - in person

• limit the # of VRD permits

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- Third party vendor
- prohibit use of VRD for events, outside of Commercial zone
- annual license renewal
- progressive ~~enforcement~~ enforcement - 3 strikes you're out
- post named phone # of responsible party (owner/mgr) on outside of VRD - like Norm Ferber does
- City should provide notice of public hearings & on VRD recommendations - not just to VRD owner, but to neighbors within the required notice of VRD approval area.



**Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals**

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments:

Map Alternatives

There is no logical reason to limit ~~VR~~ where  
VRs can be operated.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: This is an addendum to my previous comment where  
I ~~pre~~ said I was in favor of a hard cap. I think  
The proposed cap ~~off~~ of 220-275 is too high.  
We are already experiencing a residential housing  
crisis. It is not just a matter of affordability  
people who want to work & study here cannot  
find rentals. The cap should be no higher than  
~~it currently is~~ the current number of VRDs.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: AGREE w/ Map Alternative 1 & 2 - Not 1/1  
AGREE WITH 24/7 HORNE & VIOLATION  
STATEMENTS. SAFETY IS IMPORTANT FACTOR.  
OCCUPANCY LIMITS MUST BE REQUIRED - KEEP IT DOWN  
WHERE LARGE PARTY HOUSE CAN NOT HAPPEN. WASTE MGMT.  
IS IMPORTANT - LAND OWNER MUST ASSURE CLEANLINESS.  
NO PROPERTIES SHOULD BE GRANDFATHERED!! ALL  
SHOULD REQUIRE YEARLY INSPECTION & LICENSING.  
ANY VIOLATION SHOULD REQUIRE LOSS OF LICENSE.

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I am particularly interested due to personal experience - we left our "forever" home in Lincoln City due to vacation rental issues - all around us, vandalism, ↑ noise, ↑ trash, ↑ traffic issues. I don't want to experience this again or have this happen to someone else. Newport needs housing for forever residents and housing for working residents.



**Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals**

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: VRD's should be phased out in R-1 and R-2 zones. Alternative 3.

No signage as most of these are not owner occupied, could create potential security issues.

No large parties/events.

Drop the plus 2 / Children under 5 shouldn't be counted in determining occupancy.

Although not limited to VRD's, outside

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over

Lights that shine onto neighboring properties need to be addressed.



**Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals**

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: R1 + R2

Do Not Allow VRs in R1 + R2, period.

Phase out existing VR in R1 + R2

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments:

- Remove VRDs from R-1 and R-2
- move out faster than 5 yrs
- license not transferrable
- ~~cap~~ cap should be 150-175
- density needs to be reduced w of 101

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: I am in favor of a hard cap on VRDs that can only be changed with public input (not just a Council resolution — perhaps a referendum?). I am also in favor of zone restrictions — I do not want to see residents unable to rent or purchase property on the west side of the highway because it is all VRDs. The city should prioritize the well being of residents. I am in favor of looser restrictions (still some limits) on homeshares and B<sup>3</sup>Bs, where the owner still lives there full-time.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: Tenancy limits such as a 3 night  
minimum are the best way to help those  
of us in R-1 and R-2 zones. A moratorium  
will take at least 5 years to have an  
affect. We need relief now.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: Locals who serve the tourist  
industry need affordable housing.  
Vacation rentals should be allowed  
in residential zoned areas ever.  
We need to make City-County  
laws that help our neighbors!!  
Single women working 2 jobs end up  
in cars parked somewhere just to  
make ends meet. Shameful. We are better

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(than)  
that



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: Committee should be commended for its hard work. I have several comments

① Eliminate VRDs in Residential zones - e.g. - Alternative 3 R-1, R-2 zoning does not permit businesses - why are intrusive VRDs allowed? Need to be phased out

② All new applications should be presented to affected neighbors before a license is issued

③ No signage - this will become advertising - see

Lincoln City

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Roy Filby, 7381 N. Coast Hwy rfilby@charter.net.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: First Do TRT dollars matter to the city of Newport? Talking with Newport staff I'm told the budget is around ~58 million annually with ~3.8 million from TRT. This is low compared to Lincoln City with ~15 million annually in TRT dollars coming in - VR's will increase at double digit rates for the next 5 years or more - so far this year my company has ~22% rev. growth vs market growth of ~3.9%.

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182  
TF you improve tourism you might increase your budgets & income city saved.



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: I appreciate every ones hard work on this work group.  
I ask that you don't be severe due to a few bad VR owners.  
The ones that cause problems should be the ones that pay fines or  
lose their license. An onsite manager is the difference  
between a problem and no problems. If not an onsite manager,  
then an on call (in Newport) manager. I myself am an onsite  
owner/manager & have had zero problems ever, going  
on 3 years. Thank you  
Steve Palmer stevesway78@gmail.com

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: We are VR owners, we like the  
home share concept. We occupy the house  
in which our VR is located and live  
there fulltime. Our VR is a 2 room "mother-  
in-law" apartments <sup>in the house</sup> We rent it only when we  
are present. We meet & interact with all our  
guests and emphasize to them that we live in  
a neighborhood, not a resort. If our situation does  
not meet the letter of the home share concept, please =>

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Consider changing the concept to include such  
VRs.



**Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals**

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: Newport does have a housing short-  
age. Regulating VRs is not the answer  
to solving that problem. We need hundreds  
of units not a few dozen.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: I hope the ad hoc committee under-  
stands that there are many, many responsible  
VR owners who live in Newport, in the  
units that contain their VR. There are  
many VR owners who are involved in the affairs  
of the community and their neighbor hood.  
Please don't penalize those who are good  
neighbors and taxpayers.

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: I think vacation rental dwellings  
belong somewhere else. Also Air B+B's if they  
are here too. They should never be allowed to  
exist in Residential areas (R1+R2). The impact  
effects ~~are~~ <sup>our</sup> lower income families. Housing for  
Rental housing needs to available to locals.  
There are families who get a job here, move here  
and forced to rent a vacation rental. They can't  
afford it. All kinds of people work here in tourist industry

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: We bought our house to retire in here, hopefully 8-10 years from now. We live in Portland. We VR to help pay for the place until we can move here full time. We have changed occupancy from 8 down to 6 and raised the nightly price to discourage problems and have had little to no trouble. It's imperative to be able to rent until retirement; all our money is tied up in that house.

Thank S

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Ruppel 457 NW 57th St



Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

GENERAL COMMENTS

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

- Comments:
- 1) Consideration should be given to size of VHR - large dwellings bring large groups & more prone to noise/parties. I have a small 1 born cottages and only have 2 people - mainly couples - neighbors have no complaints. ~~Esay~~ there are never problems w/ noise
  - 2) Consideration should be given to density - ~~the~~ large lots in a small secluded area has no impact to neighbor
  - 3) Restricting VHR to address affordable housing will drive property values, lower tax revenues & reduce revenue to business owners

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Public Open House for Potential Changes to  
Newport's Rules for Vacation Rentals

**GENERAL COMMENTS**

City Hall Council Chambers

Wednesday, August 22, 2018 at 6pm

Comments: Thank you for the opportunity to be part of our community  
by voicing my opinion. It's evident that the Ad-hoc committee  
has done an excellent job at looking at alternatives.  
As a resident of Newport I want to see my community  
protected - integrity of neighborhoods is extremely important.  
Please prohibit VRD's in all residential areas.  
There are plenty of motel / hotel rooms available for tourists.  
We need to choose the health of our citizens first.  
More comments to come soon. Thank You

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Community Development (Planning) Department in City Hall at 169 SW Coast Highway, Newport, OR.

Vacation rentals operate as businesses and should not be permitted in residential areas. A high volume vacation rental operates behind our house. Average occupancy is 5 persons per stay and average length of stay is 3 days. This is equivalent to 608 strangers vacationing behind our house per year.

This is high volume, high traffic continuous rotation of strangers in and out of our neighborhood. Additionally vacation renters are unconcerned or unaware of issues impacting our neighborhoods to include environmental, burn bans, fireworks, parking, noise, etc.

We had no prior notification that the property behind us would become a vacation rental. We received a notice in the mail and the next weekend the vacation renters showed up. There was no advanced notice nor an opportunity to express our concerns with the action. Now we are stuck with the VRD and the many others in our neighborhood.

August 22, 2018

Dear Derrick and VRD Ad Hoc Committee members,

Regarding the information presented at the VRD Open Houses, I thank you all for your hard work and tireless commitment to this effort.

I was, however, very surprised that there was not an option to ban VRDs in all residential zones. This is by far the simplest and most obvious first step to fix the most significant part of the VRD proliferation problem.

VRDs are businesses in every sense of the word and they do not belong in residential neighborhoods. All eleven VRDs in my R-2 neighborhood operate year round and owners never actually occupy the dwelling except for occasional short visits to check on their property. All reside outside of Newport. These homes are purchased for the sole purpose of being a for profit short term rental, exactly like a motel. They conform to every definition of a business and should not be allowed in residential zones.

With that said, the stricter regulations proposed to be applied to VRDs are extensive, well thought out and absolutely essential. I endorse implementation and enforcement of all of them.

Darlene Croteau  
Permanent Newport Resident

## Derrick Tokos

---

**From:** Paul at Northwest Reliable, LLC <paul@northwestreliable.com>  
**Sent:** Saturday, August 18, 2018 12:22 PM  
**To:** Derrick Tokos  
**Subject:** Vacation Rental Dwellings concern

Hello Derrek,

I'd like to take this opportunity to express my deep concerns about the method by which vacation rental dwelling licenses are allowed in our city. Having lived in the same long-term rental home since our arrival in May 2009, we've seen the addition of 4 VRD homes within a 2-block radius. These VRD's have gained popularity, and as such they're frequently being rented and turned-over for new rentals. The amount of "trips" associated with these homes is nothing short of significant. Traffic in our sleepy neighborhood has grown to the point that I fear for the safety of our young children and 2 dogs. Its unequivocal that the majority of this traffic increase ends up at one of the VRD's. The unfamiliarity with the area and disregard for the "SLOW DOWN" signage I've posted indicates they're not one of my neighbors and are transient tourists. Nevertheless, I fully believe these nightly rental homes are in fact for-profit businesses situated in an otherwise residential neighborhood. We chose to move to this particular area due to its neighborly appeal and tranquil environment. Had I wanted to partake in tourism activities and hustle/bustle of a commercial district, I would have found a long term dwelling near the bayfront district or the Nye Beach district which are mixed-use and business areas - or moved near a hotel. I ask, how can these VRD "businesses" be all of a sudden allowed in residential neighborhoods, and when does it cease? Have these VRD businesses been assessed systems development charges to help the infrastructure burden on the city resources? While I do enjoy my home and my long-term neighbors, I feel the activities associated with these VRD's are inconsistent with traditional residential neighborhoods that we've been accustomed to. The negligent littering, fireworks, backyard fires, and disregard for parking restrictions come to mind.

Please give careful consideration to zoning restrictions in the Newport municipality and help us to understand how these VRD business are allowed to operate legally. As a local business owner, I am careful to keep my business activity mobile and out of my neighborhood. We all can reasonably assume that I wouldn't receive approval from my neighbors or planning commission review board to open up a retail establishment or service garage at my home.

For the record, my neighborhood referenced is the area in NW Newport around NW 54th Court.

Thank you for your consideration on this matter.

Paul E. Dunphy, *Owner*  
**Northwest Reliable, LLC**  
**\*Grounds Maintenance**  
**\*Home Repair & Improvement**  
*(541-961-2744)*  
PO Box 1363 -- Newport, OR 97365-0106  
General Contractor CCB # 194178  
Landscape Contractor LCB # 9240  
web: [www.NorthWestReliable.com](http://www.NorthWestReliable.com)

## Derrick Tokos

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**From:** Rob Hildebrand <rhildebrand@multnomah.edu>  
**Sent:** Monday, August 06, 2018 5:38 PM  
**To:** Derrick Tokos  
**Subject:** Feedback for Vacation Rental Dwellings discussion

Greetings,

I just received your letter telling of the open houses coming up on Aug 15<sup>th</sup> and 22<sup>nd</sup>. I'd like to make one of them if I can, but for the time being I thought I'd pass along the feedback you were requesting.

First of all, we love Newport. I'm a college teacher in Portland and as we were starting to think about retirement we built a house on NW 56<sup>th</sup> St. a couple years ago. We decided to pattern it after the Yaquina Bay Lighthouse and had a lot of fun putting in lots of special touches to the house. Now.... Honestly, we're not rich folks, definitely in the bottom tax bracket, so we've needed to rent the house out to help pay it off. We're hoping that in a few years we can wean that off, and hopefully move to Newport full time. In the meantime, we're very much hoping you don't move the goal posts on us. Does that figure of speech make sense? We built it a little nicer than we normally would because we figured the rental income can help to pay it off. So major changes to the system could make for a significant difficulty for us.

Of course, we recognize the benefits that the vacation houses offer: We paid over \$25,000 in building fees to the city. We pay \$4,000 a year in property tax for our 1600sq ft. house, and another \$1,000 or so for the rental tax. We built the house with a local builder and bought our supplies at the stores in town. And those that rent our place (including a lot of personal friends) eat at restaurants often, and bring a fair amount of revenue to the city.

I do think that it's important to protect the neighborhoods, and ensure a good quality of life for everyone. Here would be my suggestion: Implement a significant fine system to be paid by the offender. I don't want someone keeping all my neighbors up late at night, or packing the house out with too many people. But how do I control that. All it takes is someone to lie to me, or break the rules, and it's tough to know until the fact is over. But.... If you had fines for the offenders, the renter who breaks the rules could be faced with a significant ticket, not unlike the way we enforce traffic laws. Honestly, I'd be happy to see offending renters penalized for misusing our property to the detriment of our neighbors.

I suppose I'm hoping for a solution that will protect the long-term residents, but also allow for growth and for some of us younger folks hoping to retire one day (well... maybe I should say middle age folks☺). But also, keep in mind that many of us have made our decisions based on the current rules, so it would be nice to find solutions that don't bring anyone to ruin (or perhaps grandfather clauses).

Thanks for your time, and reading this. 503.975.5169 is my cell.

Rob (for my wife Leslie too)

**Dr. Robert J. Hildebrand**  
Chair, Youth Ministry Department  
Assistant Dean, School of Biblical/Theological Studies  
Chair, Practical Theology Division  
503.251.6425 | [rhildebrand@multnomah.edu](mailto:rhildebrand@multnomah.edu)



## Derrick Tokos

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**From:** Nancy Thurston <nancy.e.thurston@gmail.com>  
**Sent:** Monday, August 06, 2018 4:59 PM  
**To:** Derrick Tokos  
**Subject:** VRD Information

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Derrick,

My husband and I have a VRBO in Newport and recieved the letter recently sent out regarding the open houses coming up. With such short notice I am not certain we can make either meeting. We live in Boise, Idaho and it is 600 miles away.

We do have local workers that take care of our property. We are very concerned about the upcoming decisions that will be made that may inapct our business.

Please keep my email address so that we will be informed of what is going on.

--

Thank You,

Nancy Thurston

Real Estate Agent  
John L.Scott Real Estate  
208-861-2666

[nancy.e.thurston@gmail.com](mailto:nancy.e.thurston@gmail.com)

Practice random acts of kindness!

August 22, 2018

City of Newport  
169 SW Coast HWY  
Newport, Oregon 97365

Attention: Ad-Hoc Work Group, Planning Commission, City Council, City Manager and Derrick Tokos;

This letter represents our official feedback to be published on record as part of the public comments. We are homeowners on 540 NW Alpine Street where our home is a full home vacation part of the year and we live here and home share during part of the year in the Commercial C2 Zone.

We agree with the following proposal points you have outlined:

- Establishing caps on the number of vacation rental units
- Offer alternatives that prohibit VRDs in areas outside of commercial zones
- Creating density limits outside of commercial zones
- Maintain updated set of clear and objective approval standards

We have the following questions we feel need to be answered and considered before finalizing new vacation rental codes:

- How will you ensure that an outside, for profit organization will be fair and transparent in managing a centralized complaint system? It seems ironic that the work group is giving preference to on-site management when the city is considering farming out this work to someone presumably outside of Newport.
- Why distinguish between home share and vacation rental? What would you do with homes like ours that do both?
- Annual licensing would be very time consuming for owners and the city, not sure how the city would have bandwidth to do this and why penalize vacation rental owners who are well run and do not receive complaints? Why not have those with three infractions in a year have to do an annual license? For those who are complying with existing rules they should be entitled to keep license in place without having to go through the whole process again and just do the annual renewal of business license.
- What do you consider a child?

Our comments on areas we disagree with and suggest the group consider:

- If you are in a commercial zone you should be allowed to transfer your license when you sell the property.
- We believe homes should not post signs that they are vacation rentals or home shares. This could create a public safety issue encouraging people to possibly break-in or try to squat in homes they believe may be possibly vacant. (See recent home invasion style robbery on a vacation rental on Alpine street in August 2018.)
- We want to keep the 2 people per room plus 2 program. We understand you want to limit number of people staying in a home and not encourage over usage but homes should be allowed to have one pull out sofa/futon bed, many hotel rooms have pull out sofa beds in rooms if they have parking to accommodate as we do.
- These rules and regulations sound good now when we have a robust economy but you may want to consider when the economy tanks and people can't pay their mortgage do you want to eliminate their opportunity to be a vacation rental to keep their home instead of having a bunch of homes in foreclosure and abandoned. If there are many abandoned homes this could make Newport less desirable for tourist hurting local businesses and overall economy.
- It seems the real issue instead of changing the rules requires the city to invest in more police or a department that can follow up with owners who enable guests to have parties, don't maintain landscaping, or manage their trash. These owners should be fined as that changes behaviors and owners who follow the rules should not be penalized.

- Currently, Newport struggles with maintaining the current issues; such as business permits and now you want to add additional enforcement? For example, we have sent our fee for our business permit several times and both times it has been applied to our utility bill and if we didn't follow-up we would appear to be not compliant when it was not our fault but the city's. Our check clearly stated in notes for business permit not utility bill. Under the new guidelines we would have an infraction when we are in fact compliant. This concerns me as a law-abiding vacation rental owner.

For Proposed Policy Alternatives:

1. We are against the focused effort on units that are not occupied by permanent residents.
2. We are for limiting areas where VRDs are allowed
3. We agree with the establish license and density limits except for limiting transferability of licenses. For example, do you limit a successful business in Nye Beach to not sell that business to another owner. Why should you limit us from selling our successful vacation rental to another owner when we are simply running a successful commercial enterprise in a commercial zone?
4. We agree to improving enforcement, but you currently don't have budget or bandwidth to do this today, how are you going to find dollars to do this in the future? Additionally, if enforcement is done budget should go to a city department doing this not a third-party business. Citizens deserve to have checks and balances that a for-profit entity outside the city may not be as transparent or accountable to citizens.
5. We are okay with refining the approval standards, but we have the following two issues with the standards: 1. what is your definition for young children and how would you enforce it? 2. For owners who meet the parking requirement they should be allowed to have 2 guest per room plus 2 option.
6. We disagree with the annual licensing. Why not have those with three infractions in a year have to do an annual license? For those who are complying with existing rules they should be entitled to keep license in place without having to go through the whole process again and just do the annual renewal of business license.
7. We agree with phasing out non-compliant VRDs.

We believe owners who are compliant and follow the rules should not be penalized. We maintain our license, business permit, follow all regulations, are code compliant and ensure our home and landscape meets the highest standards. We also take the time to volunteer and clean the neighborhood, the Nye Beach turn around and Nye Beach, going above and beyond. Thank you, if you have any questions or want to follow-up with us please contact us at 425-457-2837 or [gregstempson1@gmail.com](mailto:gregstempson1@gmail.com)

Lorene Johnson and Greg Stempson  
540 NW Alpine Street  
Newport, OR 97365  
425-457-2837

## Derrick Tokos

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**From:** Peggy Hawker  
**Sent:** Thursday, August 23, 2018 5:48 AM  
**To:** Derrick Tokos  
**Subject:** Fw: Contact Us - Web Form

FYI

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**From:** Jeannine\_Pound@yahoo.com <Jeannine\_Pound@yahoo.com>  
**Sent:** Wednesday, August 22, 2018 10:14:57 PM  
**To:** City Council  
**Subject:** Contact Us - Web Form

City of Newport, OR :: Contact Us - Web Form

The following information was submitted on 8/22/2018 at 10:14:57 PM

-----  
To: City Council  
Name: Jeannine Pound  
Email: Jeannine\_Pound@yahoo.com  
Phone: 425-894-5183  
Subject: Vacation Rentals in Newport  
-----

Message: Hello,  
I just heard on KUOW public radio in Seattle, that Newport is considering restrictions on vacation rentals.

We spend a lot of money each year on the Oregon Coast, we average 12 days in 3 cities, varying locations from year to year. We rent homes through VRBO and other rentals from owners. We eat out at restaurants, buy souvenirs, buy groceries, clothes, and a lot of ice cream.

I hope the council decides to promote tourism in your beautiful city, rather than restrict it.

I see a lot of poor areas as we make our way to our destinations each year. Tourism could be the next great industry bringing dollars into Newport. The concern expressed by Newport residents on the radio is that residents of Newport have a hard time finding affordable long-term rentals during the summer (a 3 month term was the example.) Perhaps Newport can find ways to encourage long-term rentals and at the same time promote the short-term vacation rentals that pour so many new dollars into the Newport economy.

I hope so :)  
I grew up vacationing on the Oregon coast, and now my kids are growing up vacationing there too :)  
Thank you,  
Jeannine Pound  
Sammamish, WA

## Sherry Marineau

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**From:** Derrick Tokos  
**Sent:** Thursday, August 30, 2018 1:00 PM  
**To:** Sherry Marineau  
**Subject:** Fwd: Potential changes for V. Rentals

Please add to comment summary.

Derrick

Sent from my iPhone

Begin forwarded message:

**From:** Steve Palmer <[stevesway78@gmail.com](mailto:stevesway78@gmail.com)>  
**Date:** August 30, 2018 at 12:17:35 PM PDT  
**To:** [d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov)  
**Subject:** Potential changes for V. Rentals

Hello all,

The open house you had for potential rule changes was appreciated. There are a few different scenerios that vacation rental owners fall into with the main two being: 1: Onsite owner/manager 2: Offsite owner (usually out of town).

The reason there were no mad or concerned neighbors of mine at any of the city council meetings or open house is because I fall into category # 1. Not everyone can have my setup, but it may be the model concept. I live in the house where the tourist stay, meet them and have never had an issue in three years. It is an R3 neighborhood (Between the hospital and Yaquina Bridge on 11th Street). I have room in my driveway for five cars, but I only allow two. It's an organized, clean situation outside and inside.

However, it is easy to see where absentee homeowners, especially in R1 & R2 have become bad apples.

Of the potential rule changes, the ones that are reasonable and most important are:

- 1) 3 strikeout rule.
- 2) Restrict or weedout license in R1 and or R2.
- 3) Owner or designated manager must be live on site.

Probably most vacation rental 'stay at home people' aren't greedy and actually need the income, as main income or supplemental income. Older people, or ones that can't find jobs to suit their physical disability, rely on the additional income and social aspects of the tourists. Some out of town homeowners look at vacation rental in Newport just as a money business with no concern to those of us who live here. We already go by city rules/regulations and inspection when we got our business license. If you create a hardship with too many rules, you could really affect the ones here who need it most.

If you decide on a third party enforcement policy, hopefully it will only concern and the fees be charged to the VRs without live-in owners/managers, since they are the ones causing the problem.

If you do have changes, make it simple. Get rid of the bad ones and restrict new ones from getting in R1 and R2.

Thanks so much,  
Steve Palmer

August 15, 2018

Derrick J. Tokos, AICP  
Community Development Director  
City of Newport

RE: VRD public comments.

This is my list of problem encounters with VRD occupants overrunning our neighborhood; a 2 block area with 9 VRDs, 12<sup>th</sup> and Spring to the dead end at 15<sup>th</sup> street, and the house behind me, an occupancy 10 VRD.

1. 1330 NW Spring Street: Dogs tied to tree in back of property. As I walked by on the street with my dog, they broke loose and attacked him, causing a visit to the vet. They saw the whole thing, and offered to reimburse me for the veterinary fee. Luckily it was minor. They did reimburse me, but slammed door very hard afterward. Children on top of house walking along the ridge of the roof like a balance beam. I finally called to them from my deck to get down before they fall down and get hurt. Flood lights shining into my windows all hours of the night as people run in and out.

2. 1409 NW Spring Street: Property managed by Oregon Vacation Rentals. Dogs were left outside for 30+ minutes barking to be let in while occupants were inside. Called rental agency who said the dogs were just playing. I insisted she do something that they were not playing but left outside with occupants inside house. She finally said, "I'll give them a call." The next couple of hours, I was out in my yard with my dog, and the same dog (pit bull mix) came running over into my yard ready to attack my dog. Occupant came running over after him saying he had broken through the fence. I again complained to the rental agency, and told them to insist the occupants pay attention to their animals.

3. 1452 NW Spring Street: Occupants (5 or 6) sitting on deck in early morning as I walked my dog past. They flew a drone over my head and my dog, across rooftops of condos below and over beach area. This is a very dangerous action. Dog went crazy, and I was not too happy myself, that time telling them they were rude, to go home.

In general there are cars, pickup trucks sometimes pulling a boat, parked all over Spring Street, traffic speeding, going up and down the street, turning around wherever they like. I have almost been hit several times, and then the drivers gesture at me, like I am in the way. Overnight car count in early morning is always higher than midday, suggesting too many occupants for house. 10-15 people at a time walking all over area, cutting through yards, leaving their dog droppings wherever they drop, in the street and in my yard. You never know who is in your space; too many numbers of people who have no respect that they are in our neighborhood, we are just in the way of their good time. It is difficult to take a leisure stroll through your own neighborhood, without encountering strangers staying in a VRD.

Lee M. Davis

541-272-7815

lmdtx@q.com

City of Newport

Planning Department/ City Counsel

My Name is Jon Lynch and I have been the broker owner of a real estate company in the Newport area for more than 44 years. During this period of time I have seen many changes to the area in demographics, tourism, infrastructure, and development. None seem to be more dramatic than the recent popularity of vacation rentals. So I would like to add my 2 cents worth to the mix when considering new proposals towards this topic.

(Recently I attended the 8-15-18 open house and spent two hours listening and talking with representatives to get a better idea of their concerns and express mine.)

During my time in Newport as a local realtor

1. I have yet to experience any complaints from individuals about issues with vacation rental properties. Although I am sure there have been, I personally have never heard even one.
2. Also I need to mention that I have never had one seller or buyer complain or even make a comment about being next to a vacation rental.
3. I am not even aware of many vacation rentals in town. They just do not stand out apparently.

Based on this alone, and I am not saying that there are no issues, it seems to me that the City of Newport could be accused of over reacting. The last thing that I would ever wish to happen to Newport is what happened to Lincoln City. What happened to Lincoln City, as all of us know, is a moving disaster. I am sure the majority of folks in this community recognize that Newport is a completely different city than really any other coastal town in Oregon. Therefore Newport should seek it own unique way of handling vacation rentals and not assume some other city's rules and regs.

So to move forward logically if you are thinking about changing rules, enforcing issues and complaints as well as overlaying areas designated for vacation rentals, I advise moving slowing. I advise more open and general rules and regulations until you absolutely see repeating issues that are not being addressed.

I think that it is fair to say most of our city ordinances cover most of the issues that are being experienced. (although I know of no issues so cannot really comment on that)

I, personally, do not have issues with designating areas that seem committed to **vacation rental style homes** vs areas that seem committed to full time **residential communities**. For instance, properties on the west side of Hwy 101 seem to gravitate towards vacation type usage. This could be a vacation home, bed and breakfast, motel, hotel, or vacation rental as examples. This is what I am talking about when referring areas committed to vacation rental use. These are areas with tourist attractions abundant in the neighborhoods. I do not see zoning a factor as much as location.

When crossing Hwy 101 to the East side you can see a difference as a natural change in character occurs. You have tight communities of full time residences, churches, parks, schools and services that tend to be for full time Newport residency. The change is pretty obvious. Again, no matter what the zoning is, it seems more likely to eliminate vacation rentals in areas such as these.

Hwy 20 south to the bayfront: This area tends towards the vacation, tourist side. It seems to follow close to the same demographics as the area west of Hwy101 and I would seem think the rules should be similar.

Enforcement of rules etc that I feel should be considered.

1. All vacation rentals should be managed by either a professional management organization with local representation or a local person which can be reached within 2 hours of any complaint
2. All vacation rental properties should have an additional occupancy fee for local enforcement costs. Newport should not suffer because there are not enough responders based on budget. So those who require responders should be responsible for their costs.
3. In the event a vacation rental becomes a bad apple (too many complaints or failure to correct, there should be a way to remove this vacation rental.
4. Licensing should be year to year whereby if rules change or violation abuse occurs that the most the city would have to put up with the bad apple is one year.

\*\*\*\*\*Very important\*\*\*\*\*

I feel that my next suggested to be of utmost importance

If one has a vacation rental in good standing then they should always be able to sell this as a vacation rental to a new buyer without fear that they will lose their status. The next

buyer would have to abide by all rules and regulations and be licensed, but be allowed to buy for the rental income value that the seller is selling.

The reason that this is important is that in most cases, the current owner may have spent years in building a good reputation as well as develop a good customer base and a desirable business model. The value of this owner's property rests both in the structure as well as their business. To not let a person sell their business with their improvement can greatly decrease the value of the property. This is just not and could be considered a taking. This is much like down zoning a property where by its uses are now restricted. A taking of value by eliminating the income can be quite detrimental in any sale.

I hope that you will consider my email in making your decision in the future on how to handle the vacation rental home market in Newport. I tried to make several points and hope I did not confuse anyone.

Most Sincerely,

Jon Lynch

Broker/Owner

John L Scott Newport

541-270-2714

## Sherri Marineau

---

**From:** Derrick Tokos  
**Sent:** Monday, September 03, 2018 1:05 PM  
**To:** Sherri Marineau  
**Subject:** Fwd: Vacation Rental Comments from the Open house

Please make copies for the committee.

Derrick

Sent from my iPhone

Begin forwarded message:

**From:** Janet Webster <[janet.webster@charter.net](mailto:janet.webster@charter.net)>  
**Date:** September 3, 2018 at 11:33:43 AM PDT  
**To:** Derrick Tokos <[D.Tokos@NewportOregon.gov](mailto:D.Tokos@NewportOregon.gov)>  
**Cc:** Rod & Darlene Croteau <[croteau@charter.net](mailto:croteau@charter.net)>, Wendy Engler <[wendy.engler@yahoo.com](mailto:wendy.engler@yahoo.com)>  
**Subject:** Vacation Rental Comments from the Open house

Derrick,

I don't see a comment form on the City's web site for feedback on the VRD Open House, so am sending mu comments as an email.

I am using the two page summary of proposed changes as my reference.

- I agree with the "Focus Efforts on Units that are not Occupied by Permanent Residents."
- Limiting VRDs to areas that have tourist amenities is problematic as it's unclear what this means. For example, are these amenities within walking distances? Is the beach an amenity? Much of Newport has tourist amenities.
- I lean towards Alternative No. 2 on limitations as it gives options yet has restrictions. I fear that Alternative No. 3 would mean that all VRDs would be in Nye Beach and that VRDs become a replacement for more hotels.
- I agree with limiting the total number of VRD licenses and would do a hard cap of 200 allowing for expansion if additional hotels are built or permanent housing increases.
- I would not allow licenses to be transferred. A new owner would be able to get a license if there was one available.
- I agree with the one per street face and think that this should apply to Nye Beach as well given the overlay.
- I endorse the enforcement improvements as these are long overdue.
- I agree with the refinements of approval standards. I would also like to see that waivers are not continued for lack of parking.
- On the annual licensing, I would like to see a regular inspection process - at least every two years.
- The Phase-out points are positive. I would also refer to the continued practice of parking waivers.

I encourage you to use an online survey form similar to the one for the Parks Master Plan to solicit more input. The open house seemed aimed at VRD owners and not to the general public. Better publicity would help get input from those who live with VRDs in their neighborhoods. You might consider putting the two page summary as an insert in the monthly water bills.

Thanks for the attention.

-Janet

Janet Webster  
[janet.webster@charter.net](mailto:janet.webster@charter.net)

## Derrick Tokos

---

**From:** Sonja Lovas <realtorsonjalovas@gmail.com>  
**Sent:** Tuesday, September 04, 2018 12:40 PM  
**To:** Derrick Tokos  
**Subject:** Vacation rentals input

Derrick, I have received a lot of calls regarding the policy of the City of Newport and Vacation Rentals. I am working with at least 5 potential buyers who have indicated they want to purchase a home in Newport but would need to offset some of the expenses owning a home, including taxes, by having it as a vacation rental. They are looking in areas that are close to the beach and/or restaurants as the most desirable. With the uncertainty in the air they are taking a wait and see attitude. I have also received inquiries from potential buyers who “don’t want anything to do with Yachats, Depoe Bay or Lincoln City” because of their perceived anti-vacation rental policies and attitudes and I’d hate for them to include Newport on their list

It is unclear to me why people who want to live in a City that encourages tourists and that help supports the community why the City would then discourage it with restrictions that limit the number of vacation rentals. Perhaps a better way to go would be to develop a method with better control regarding the number of people in the house, cars parked on the street, and specific areas or zoning guidelines. Restricting and/or reducing the number of vacation rentals will also hinder service workers who would no longer be able to work in the area.

It just seems like a few squeaky squawking individuals want to determine the financial viability of numerous individuals. If they were in a position of needing to sell their home and they couldn’t because the profile of a buyer for their home was a vacation rental use, and they lost value in their home because of that, perhaps they would be singing a different tune.

It is a difficult position to have to make changes, not sure why the current regulations were not adequate, other than the squeaky no progress people made it that way.

Merry Everything & Happy Always!

Sonja Lovas  
 Broker, ABR,CBR,GRI,  
 567 N. Coast Hwy  
 Newport, OR 97365  
 541-961-3866 Cell or Text

Website & Blog <http://martekrealestate.com/sonja-lovas/>



City of Newport

Planning Department/ City Counsel

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\*\*\*\*\*Very important\*\*\*\*\*

I feel that my next suggested to be of utmost importance

If one has a vacation rental in good standing then they should always be able to sell this as a vacation rental to a new buyer without fear that they will lose their status. The next

buyer would have to abide by all rules and regulations and be licensed, but be allowed to buy for the rental income value that the seller is selling.

The reason that this is important is that in most cases, the current owner may have spent years in building a good reputation as well as develop a good customer base and a desirable business model. The value of this owner's property rests both in the structure as well as their business. To not let a person sell their business with their improvement can greatly decrease the value of the property. This is just not and could be considered a taking. This is much like down zoning a property where by its uses are now restricted. A taking of value by eliminating the income can be quite detrimental in any sale.

I hope that you will consider my email in making your decision in the future on how to handle the vacation rental home market in Newport. I tried to make several points and hope I did not confuse anyone.

Most Sincerely,

Jon Lynch

Broker/Owner

John L Scott Newport

541-270-2714

## Derrick Tokos

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**From:** Janet Webster <janet.webster@charter.net>  
**Sent:** Monday, September 03, 2018 11:34 AM  
**To:** Derrick Tokos  
**Cc:** Rod & Darlene Croteau; Wendy Engler  
**Subject:** Vacation Rental Comments from the Open house

Derrick,

I don't see a comment form on the City's web site for feedback on the VRD Open House, so am sending my comments as an email.

I am using the two page summary of proposed changes as my reference.

- I agree with the "Focus Efforts on Units that are not Occupied by Permanent Residents."
- Limiting VRDs to areas that have tourist amenities is problematic as it's unclear what this means. For example, are these amenities within walking distances? Is the beach an amenity? Much of Newport has tourist amenities.
- I lean towards Alternative No. 2 on limitations as it gives options yet has restrictions. I fear that Alternative No. 3 would mean that all VRDs would be in Nye Beach and that VRDs become a replacement for more hotels.
- I agree with limiting the total number of VRD licenses and would do a hard cap of 200 allowing for expansion if additional hotels are built or permanent housing increases.
- I would not allow licenses to be transferred. A new owner would be able to get a license if there was one available.
- I agree with the one per street face and think that this should apply to Nye Beach as well given the overlay.
- I endorse the enforcement improvements as these are long overdue.
- I agree with the refinements of approval standards. I would also like to see that waivers are not continued for lack of parking.
- On the annual licensing, I would like to see a regular inspection process - at least every two years.
- The Phase-out points are positive. I would also refer to the continued practice of parking waivers.

I encourage you to use an online survey form similar to the one for the Parks Master Plan to solicit more input. The open house seemed aimed at VRD owners and not to the general public. Better publicity would help get input from those who live with VRDs in their neighborhoods. You might consider putting the two page summary as an insert in the monthly water bills.

Thanks for the attention.  
 -Janet

Janet Webster  
[janet.webster@charter.net](mailto:janet.webster@charter.net)

Jeff and Julie Hollen  
223 NW Gilbert Way  
Newport, OR 97365

September 6, 2018

Braulio Escobar  
P.O. Box 747  
Newport, OR 97365

Re: City of Newport Vacation Rentals

Dear Mr. Escobar:

Thank you for serving on the City of Newport committee reviewing the vacation rental ordinances. After attending one of the meetings, we would like to repeat and expand on some of the comments provided at that meeting.

We live across the street from a vacation rental in the Agate Beach area, at the base of Yaquina Head. The rental house has a two car garage and a driveway which is partially concrete and partially gravel on a downhill slope. The gravel makes it difficult to back out of the driveway, and even the cleaners park on the street to avoid backing out. The renters should be able to park six cars on the property, but they don't want to deal with the gravel or block themselves in, and therefore park on the neighborhood streets. They often arrive with boats, and park the boats on the street. The streets are already filled with beachgoers, and this excess makes it much worse.

Vacasa is not there when they arrive, and it is obvious that the renters do not acknowledge the parking or occupancy restrictions. The occupancy limit is generally exceeded. Vacasa does not monitor the occupancy limit, and the excess cars at the property are indicative of the overflow of people. The only time Vacasa evicted someone for this violation was when we called about a fraternity party in which approximately 35 drunk students were throwing bottles off the front porch into the wooded area below the house.

The renters customarily exceed the garbage receptacle limits, and the containers are placed on the roadway when they leave with the lids partially open. The crows pull out trash, and the wind blows the tops completely open. The time between when the containers are placed on the road and when the garbage service arrives is often several days, as the renters do not always leave on the day of garbage service. With a moderate amount of wind the receptacles blow over and the garbage starts blowing down to the beach. There is no prompt response from Vacasa, so the neighbors have little choice but to go pick up the trash and move the containers back to the house. Along these lines, the renters fill both the recycle bin and the garbage bin with garbage. Finally, when the trucks do arrive to empty the containers, the containers remain in the roadway indefinitely, until the cleaner or next renters arrive to move them back to the house. As I write this letter, the empty garbage and recycle containers have been on the street four days after being emptied.

The calls to Vacasa are extremely frustrating. Most recently we were directed to call someone in Pendleton about another garbage problem. I had to wait 15 minutes for the call to be answered by a person. That person did not know anything about our location or the rental house. They needed a complete explanation of the rental location and the problem. They then said a

Braulio Escobar  
September 6, 2018  
Page 2

local person would be contacted. My neighbor also called and had the same experience. Nobody showed up in the next two hours. This frustration was expressed on social media, and a candidate for mayor called Vacasa. Someone finally showed up after that call. By that time my neighbor and I had picked up the garbage which was blowing about the neighborhood.

From our perspective, these companies should be held more responsible for their intrusion into neighborhoods. The rental house should be required to have their garbage and recycle containers in a fenced area so they do not blow over. They should be required to pay Thompson Sanitary for the concierge service, so the containers are not left on the road before or after the garbage is emptied. The rental agency, in this case Vacasa, should be present during or shortly after arrival, to explain the rules to the renters and confirm the occupancy is not exceeded. The rental agency should be required to have a local person on call, with ability to respond in less than 30 minutes.

With respect to the larger issues that these vacation rentals raise, we would like to let our feelings be known. We both grew up in this area of Agate Beach, and we were glad to live here for more than 50 years. This single vacation rental is such an annoyance it makes us want to leave. It was built by a nonresident as a short-term rental, not as a residence. It is a disservice to residents that transients are invited to intrude into our neighborhoods in these substitute motels.

Sincerely,



Jeff Hollen



Julie Hollen

## **Sherri Marineau**

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**From:** Derrick Tokos  
**Sent:** Friday, September 07, 2018 2:42 PM  
**To:** Sherri Marineau  
**Cc:** 'jeffgauvin@hotmail.com'  
**Subject:** FW: Contact Us - Web Form

Hi Sherri,

Please include Mr. Gauvin's email in the packet for the Committee's upcoming meeting.

Thank you,

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

-----Original Message-----

From: jeffgauvin@hotmail.com [mailto:jeffgauvin@hotmail.com]  
Sent: Friday, September 07, 2018 2:37 PM  
To: Derrick Tokos <D.Tokos@NewportOregon.gov>  
Subject: Contact Us - Web Form

City of Newport, OR :: Contact Us - Web Form

The following information was submitted on 9/7/2018 at 2:37:27 PM

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To: Derrick Tokos  
Name: Jeff Gauvin  
Email: jeffgauvin@hotmail.com  
Phone: 8012300545  
Subject: Proposed Vacation Rental Changes  
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Message: Derrick, I was hoping you could share this e-mail with the advisory committee for the proposed vacation rental changes as I will not be able to attend the public hearings. While I do think current regulations are already sufficient, I would guess that there are some frequent offenders that paint a poor picture for all vacation home rental owners. That said, I am deeply troubled by the possibility of not being grandfathered in with my existing license if the districting is passed and my property is not inside the new district allowance. Why not prohibit new permits in areas outside the

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permitted districts, this would naturally cull the existing licenses as properties sell or change use over time. Allowing a 5-7 year window for existing license holders may work for some, but all it does for me is to put an expiration date on my property. I grew up on the East Coast and every summer my family would rent a beach house for a week. I love that I can use my house for my own family yet share it with other families the rest of the year. My property is managed by Oregon Beach Vacations and to my knowledge, my property is well cared for with zero complaints due to my guests or my management company. I know that the public hearings will only give a megaphone to those locals that just hate that they live in a tourist town - it is unfortunate. I hope you can share my thoughts as it relates. Better enforcement of existing rules and regulations is all that is needed - more regulation has unintended effects on good people. I would hate to be forced to sell my home, that would be a tragedy. Respectfully, Jeff Gauvin

## Sherri Marineau

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**From:** Derrick Tokos  
**Sent:** Friday, September 07, 2018 7:44 AM  
**To:** Sherri Marineau  
**Cc:** 'Rodney Croteau'; 'rfilby@charter.net'  
**Subject:** FW: County of Hawaii VRD Bill

Hi Sherri,

Please include this email and the linked article (below) in the packet for the advisory committee's next meeting.

Thank you,

Derrick

-----Original Message-----

From: rfilby [mailto:rfilby@charter.net]  
Sent: Wednesday, September 05, 2018 5:28 PM  
To: Rod & Darlene Croteau <croteau@charter.net>  
Cc: Derrick Tokos <D.Tokos@NewportOregon.gov>  
Subject: County of Hawaii VRD Bill

Rod/Darlene,

Even the island of Hawaii plans to prohibit VRDs in residential and agricultural areas!

see

<http://www.westhawaiiitoday.com/2018/09/04/hawaii-news/vacation-rental-bill-16-tweaks-recommended-as-bill-heads-to-planning-commission/>

Might be worth sending to the Ad-Hoc Committee

Roy

# Vacation rental bill: 16 tweaks recommended as bill heads to Planning Commission

By [Nancy Cook Lauer West Hawaii Today ncook-lauer@westhawaii.com](mailto:ncook-lauer@westhawaii.com) | Tuesday, September 4, 2018, 12:05 a.m.



Planning Director Michael Yee. (Nancy Cook Lauer/West Hawaii Today)



Karen Eoff

HILO — The county Planning Department is suggesting some tweaks to a bill regulating vacation rentals as it heads to its next stop in a long process toward becoming law.

The Windward Planning Commission has scheduled Bill 108 for 9:30 a.m. Thursday at Aupuni Center in Hilo. It then goes to the Leeward Planning Commission on Sept. 20 before returning to the County Council for possible amendments and vote. The public can testify at the planning commissions as well as at the council meetings.

Planning Director Michael Yee is asking the commissions to send a favorable recommendation on the bill with 16 suggestions for changes, some administrative in nature and some more substantive.

North Kona Councilwoman Karen Eoff, one of the bill sponsors, said late Friday she was still reviewing the recommendations and hopes to meet with the Planning Department staff next week to discuss the ramifications of the suggestions.

“This has been a long process with a lot of input from the public, the administration and from council members,” Eoff said. “I’m looking forward to the discussions with both the Windward and the Leeward Planning Commissions.”

The bill is an attempt to prohibit unhosted short-term rentals in residential and agricultural zones, while allowing them in hotel and resort zones as well as commercial districts. Existing rentals in

disallowed areas would be able to be grandfathered in by applying for a nonconforming use certificate that must be renewed annually.

Bill 108 applies only to unhosted, short-term or vacation rentals where the owner does not live on site. Hosted rentals, such as bed and breakfasts and home-sharing units, are not addressed in the bill.

The bill tries to strike a balance between residents facing an inundation of vacationers in their once-quiet neighborhoods, and those trying to supplement their income, or make an income, by renting homes to vacationers.

Hawaii Island relies on short-term vacation rentals to fill gaps in lodging inventory for visitors looking for lower-priced accommodations or for accommodations in areas visitors want to stay but are not served by hotels, notes the Planning Department staff analysis released Friday.

“Thus, any proposed regulation of vacation rentals should be made thoughtfully so that the safety and convenience of surrounding neighbors is balanced with the economic benefits of providing a mix of visitor accommodations,” the staff report says. “It is uncertain what the overall effect of this bill will have on the economy of the island, which relies heavily on tourism, but it is apparent that this bill may have beneficial economic impacts in some areas (primarily resort zoning) and adverse economic impacts in other areas like agricultural areas and Volcano Village.”

Vacation rentals in agricultural areas could especially be affected, because state land use law dictates that all dwellings on land in the state land use agricultural district are deemed farm dwellings and visitor accommodations are not allowed, except for the first dwelling on lots created before June 4, 1976. State law requires that farm dwellings be used to house farm workers rather than vacationers.

“Based on vacation rental statistics for the county it is likely that many hosted and unhosted short-term vacation rentals currently operate in the agricultural district without regard for state law,” the report notes.

Since the county zoning code currently doesn’t define or regulate short-term vacation rentals except for bed and breakfasts, these visitor accommodations have been established by landowners without any permitting requirements by the department.

“Thus it is likely that visitor accommodations in farm dwellings, which do not conform to state law, will come to light and be instructed to cease operations when the department investigates complaints as a result of this bill,” the analysis states.

That means each vacation rental within the agriculture boundary on land rezoned since 1976 must be handled on a case-by-case basis through a special use permit, Deputy Planning Director Daryn Arai told the County Council earlier this summer.

Article Link: <http://www.westhawaii.com/2018/09/04/hawaii-news/vacation-rental-bill-16-tweaks-recommended-as-bill-heads-to-planning-commission/>

## **Sherri Marineau**

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**From:** Gregory <pantherebear@yahoo.com>  
**Sent:** Sunday, September 16, 2018 2:16 AM  
**To:** Derrick Tokos; Sherri Marineau  
**Subject:** Vacation Rental Rules Review

Dear Mr. Tokos and members of the ad-hoc committee on this issue:

I just learned of your imminent meeting, and am sending this brief missive from the road.

I'm quite concerned about the possibility that a person might be granted a vacation rental license, only have it rescinded arbitrarily after two or three years.

In my case, I have a home at 137 SW 12th in Newport, that I have owned since 2000. I raised my sons in that house. They are both in college, and I have taken a job in WA. Thus, the house sits empty. I'd love to keep for a retirement home for me, and as something to leave for my sons someday. However, since I am having to pay for housing in WA, keeping the house in Newport is only financially feasible by making it a vacation rental, since it still has a huge mortgage. This is a superior option to trying to rent it for a number of financial and practical reasons. Most importantly, I would still have access to my home for my own vacations from WA, and the monthly income would likely still be higher than renting, pretty critical for me.

In order to make my home a successful rental, I anticipate needing to make \$20,000 in improvements. It will also take one to two years for the home to reach it's maximum potential for occupancy rate.

To embark on this process, with the sizable investment involved, is somewhat risky under the best of circumstances. To do so under the shadow of a possible arbitrary withdrawal of permission by the city to continue to run the business, at any random time, would be foolish.

I do understand the concerns about a glut of vacation rentals, and the impact on housing for permanent residents. It seems reasonable to limit the total number of rentals as a percentage of total housing, or by some other strategy.

However, granting licenses without any promise to honor them in the future is unfair and unreasonable. I also feel that such an arbitrary policy fails to distinguish between long term residents of Newport, such as myself, who have a temporary need to create a vacation rental, and opportunistic newly arrived entrepreneurs who have no connection to the community.

I hope my comments are of some value in your deliberations. Thanks for taking the time to read them.

Sincerely,

Greg

Gregory Bear, MD

541-961-8177

[pantherebear@yahoo.com](mailto:pantherebear@yahoo.com)

**Sherri Marineau**

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**From:** Cindy Lippincott and Bob Berman <CindyAndBob@earthlink.net>  
**Sent:** Sunday, September 23, 2018 9:39 PM  
**To:** Sherri Marineau; Derrick Tokos; '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:** 'Rodney Croteau'; 'Mike Franklin (mike@newportchowderbowl.com)'; 'Lee Hardy'; 'William Branigan'; 'Jim Patrick'  
**Subject:** A couple of Comments on the Draft VR Ordinance

Hello All -

I am on an extended vacation and will not be able to attend the September 26th committee meeting.

Here are a couple of comments I have based on my initial look at the materials, I hope you will consider them as you deliberate the ordinance section-by-section:

4.25.030-C-4 – Electronic Availability

Delete the word 'operator' on the third line.

4.25.030-D-2 – Guest registry

The Guest Registry must be available to all authorized city personnel, not just first responders. It will be impossible to audit compliance with room tax remittances and occupancy limits without access to the Guest Registry. An inaccurate or incomplete Guest Registry is a violation but if the registry cannot be reviewed, it cannot be used for enforcement.

Any privacy concerns (the original reason for limiting access to first responders) can easily be addressed by appropriate administrative policies, as is done with other sensitive information the city has access to.

14.25.030-C and E - Approval Standards, Occupancy and Parking

There should be language included that, regardless of the maximum occupancy established in subsection C, the maximum occupancy will be reduced if the parking standards cannot be met. Specifically, if the occupancy based on the number of bedrooms is established, it must be reduced if the required parking spaces cannot be provided.

I am asking for that clarification because a previous city code enforcement officer insisted, after reading the ordinance, that occupancy was solely determined by bedrooms and had nothing to do with parking.

Thanks for all your hard work.

Regards

Bob

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Cindy Lippincott and Bob Berman  
180 NW 73rd Court, Newport, Oregon 97365  
541-265-7736 home 541-961-6395 cell

=====

**Derrick Tokos**

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**From:** Cathey Briggs <catbriggs2@yahoo.com>  
**Sent:** Wednesday, October 03, 2018 11:52 AM  
**To:** Derrick Tokos  
**Cc:** Spencer Nebel  
**Subject:** Vacation Rental Dwelling Committee Meeting, October 3

I am sorry I am unable to attend today's meeting, which as I understand it, may be the last meeting. I attended the last meeting and thought that the Committee had made a lot of progress and had some very interesting discussions, but it's also clear that there are some big unanswered questions. Please forward my letter to the VRD committee for consideration at today's meeting.

I thought it might be helpful if Derrick gives the Committee a quick overview of one of the State's Land Use Planning goals, Goal 10: Housing. This requires cities above a certain population, to periodically inventory its buildable lands and develop plans that encourage the availability of adequate numbers of needed housing units at price ranges and rent levels that are commensurate with the financial capabilities of its residents, and also allow flexibility of housing location, type, and density. The State evaluates these plans periodically for conformance. Why this is important to this discussion is that the proliferation of VRDs in Newport, and the policies that currently allow VRDs, may be in conflict with the City's ability to meet its Housing Goals.

For me the fact that the City had to amend its zoning code to allow seasonal workers to stay in hotels or motels for more than 30 days was a big red flag that indicates that there is an imbalance in housing supply at lower income levels, and that the local housing supply is not meeting local needs.

I understand that people who own VRDs, or bought them with the idea of generating an income for themselves, either temporarily or permanently, are concerned about potential changes to the code that might limit, or eliminate, their ability to operate their VRD. But the City is not required to allow VRDs either outright or with limitations.

Tourists are an important part of the local economy. No question about it. That is why we have lots of hotels and motels. But also important are the people who work in local industries, schools, hospitals, etc. If they are unable to find housing to meet their needs, at a price that they can afford, they will go elsewhere, and Newport's economy will suffer. As I understand it, Newport's hotels and motels are not operating at full occupancy and do have the capacity for additional tourists, and some of these hotels and motels have adapted their inventory, legally, to provide larger units with kitchens to meet the needs of larger groups and families.

There is no question that the City can limit the number and locations of VRDs, or can prohibit them entirely. There was already litigation in Lincoln City by a property rights group regarding the limitations that Lincoln City placed on the location of VRDs. The group claimed that VRDs are "needed housing" according to Oregon's land use laws, and must be accommodated. Oregon's Land Use Board of Appeals (LUBA) ruled in favor of Lincoln City and its VRD restrictions. LUBA's decision stated that housing for vacation renters was not considered needed housing, but that housing for workers, including "seasonal workers" was needed housing.

A recent article in The Oregonian (9/29/18) highlighted Newport's ongoing discussion on VRDs. I have to say I was very surprised at Derrick's comments that the VRD issue is limited to higher end housing that hourly workers couldn't afford to buy or rent, and that most VRDs are million dollar waterfront homes, with the implication that this does not affect the entire housing market. While there are very expensive ocean view VRDs, we've all seen the VRD map. There are concentrations in certain areas, in Nye Beach, South Beach, the Bay Front, but VRDs are located throughout the City. The constriction of the housing market at the middle to high end, because of conversion to VRDs, has impacts throughout the market. The housing market responds to demand at the high end by putting pressure on houses all the way down the line, thus increasing prices and rents at all levels.

I know today's agenda is expected to include the issue of transferability of a VRD license upon sale. This will be a tough discussion to have, but it will also illuminate the impacts of VRDs on the housing market. The transferability of a VRD permit would allow the seller to command a higher sales price because of expected return over time. This is how housing markets operate. And it operates this way from the waterfront home to the mid-town townhouse or cottage. If Newport is ever to get back to a more balanced and affordable housing supply, VRD permits should not be transferable, except in a zone where hotels and motels are allowed as of right.

I am a retired City Planner who specialized in housing issues.

Thanks for all your hard work.

Cathey Briggs  
118 SW High Street  
Newport

Dear Sir,

Reference is made to your letter of the 12th inst. in relation to the above matter. The same has been referred to the appropriate authorities for their consideration. You will be advised of the result of their deliberations as soon as it is possible to do so.

Very truly yours,  
[Signature]

Enclosed for you are the following documents: [List of documents]

If you have any further queries, please do not hesitate to contact me.

Yours faithfully,  
[Signature]

I am, Sir, very truly,  
Your obedient servant,  
[Signature]

Very truly yours,  
[Signature]

I am, Sir, very truly,  
Your obedient servant,  
[Signature]

Very truly yours,  
[Signature]

I am, Sir, very truly,  
Your obedient servant,  
[Signature]

Very truly yours,  
[Signature]

## Beyond Tourists and Window Trim - Delving Into the Nye Beach Overlay

In response to an explanation to the VRD Committee, April 18, 2018, that the Nye Beach Overlay is mostly about tourists and architectural tweaks, the following quotes from the founding documents and recent Vision 2040 Plan below reveal much more:

Currently, VRD policy in Nye Beach is being directed by the base zone definition of C-2 tourist commercial zoning, which is “to provide for tourist needs, as well as for the entertainment needs of permanent residents.” While this C-2 base zone definition may allow for unlimited VRDs, the C-2 zoning in Nye Beach is subject to the Nye Beach Overlay.

Overlay zone regulations modify the regulations of the base zone. They are adopted as an additional layer of protection for the zone which they cover. Therefore, development in Nye Beach should be guided not by the base zoning regulations, but by the purpose of the Overlay zone. The purpose of the Nye Beach Overlay is to:

“Implement the goals and objectives of the adopted neighborhood plans.”  
(Newport Municipal Code, Design Review Standards 14.30.010)

The Nye Beach neighborhood plan (Nye Beach Study, adopted 1989)) goals and objectives related to vacation rental policy include:

- “protecting neighborhood livability”
- “creating an environment conducive to cottage industries and preservation of housing”
- “furthering the neighborhood vision as a thriving residential environment for all incomes with cottage industries and arts and crafts”
- “creation of a mixed-use zone to preserve neighborhood compatibility”
- “accommodation of existing residential uses making them conforming with a NEW C-2\* zone” (a modified C-2 zone for mixed uses)

Further, Newport’s Comprehensive Plan addresses the concepts outlined above, stating that “Every effort should be made to integrate the goals of the Nye Beach Study with any new developments in this area for maximum benefit to the city and community.”  
(Peninsula Urban Design Plan, 1992)

Yet further, a Key Strategy in the recently adopted Greater Newport Vision 2040 mirrors language of the Nye Beach Overlay:

“Promote mixed-use neighborhoods in appropriate areas of the city, incorporating a blend of commercial uses, employment, and residential development that creates a distinct sense of place.”  
( Vision 2040 - Enhancing a Livable Region - Key Strategy: Mixed-Use Development)

The proliferation of vacation rentals now allowed in Nye Beach has already changed the character of this mixed use neighborhood, and it clearly violates the intent of the Nye Beach Overlay and Newport’s Comprehensive Plan, as well as a Vision 2040 Key Strategy. It is time for the Development Director to initiate a refinement plan for the Nye Beach Overlay that will critically review the founding documents and draft a clear plan for the future that is consistent with the stated objectives of the Overlay, Comprehensive Plan and Vision 2040.

Wendy Engler  
10/2/2018

**DRAFT**

742 NW 2<sup>nd</sup> Ct.  
Newport, OR 97365  
October 8, 2018

Mayor Sandra Roumagou and City Council Members  
City of Newport  
165 SW Coast Hwy  
Newport, Or. 97365

The planning commission and the city council needs to make sure that whatever decisions are made regarding vacation rentals in Nye Beach are compatible with the previous adopted documents that outline the goals and objectives of the Nye Beach area. The following documents include:

- \* The 1989 adopted Nye Beach Neighborhood Plan
- \* The 1992 Nye Beach Comprehensive Plan
- \* The 1998 Nye Beach Overlay
- \* The 2040 New Vision Plan

These plans were designed to create a zone area that would fit the needs of the permanent residents and create guidelines for a mixed use that would maintain it as a livable neighborhood.

The proliferation of vacation rentals in Nye Beach is changing the quality of the neighborhood in a negative way. Vacation rentals are NOT permanent residents. They are owned by people who do not live here, don't vote here, and don't support local businesses. Plus, they reduce the availability of rental housing so necessary for people who want to move here for job opportunities.

The city needs to make sure that Nye Beach maintains its sense of place and livability in the future. Honoring the goals and objectives of the plans mentioned above should be the framework for the decisions made in proving guidelines for vacation rentals.

Thank you for your attention to this matter.

Sincerely,

Frances Van Wert

**Derrick Tokos**

**From:** Derrick Tokos  
**Sent:** Wednesday, November 07, 2018 2:09 PM  
**To:** 'Philarney's Beach House'  
**Subject:** RE: Draft Ordinance Number 2144

Hi Julia,

Thanks for reach out. Licensing requirements will change and while there are "grandfathering concepts" included as policy options, none of them would exempt existing vacation rental operators from the new licensing requirements.

I will provide a copy of your email to the Planning Commission so that they are aware of your concerns. Please don't hesitate to drop me an email if you have other thoughts you would like to share with them.

*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](mailto:d.tokos@newportoregon.gov)

**From:** Philarney's Beach House [mailto:philarneys@gmail.com]  
**Sent:** Wednesday, November 07, 2018 1:49 PM  
**To:** Derrick Tokos <D.Tokos@NewportOregon.gov>  
**Subject:** Draft Ordinance Number 2144

Hello Mr. Tokos,

I received the Public Notice of Potential Land Use Change related to draft Ordinance Number 2144. I currently have a vacation rental house, licensed by the City of Newport, Nyevana at 135 SW Coast Street in Newport, Oregon. As I understand the proposed changes to be discussed at the upcoming public hearing, my permit would remain the same as we are in a neighborhood with tourism facilities and adjacent to commercial zone of Nye Beach merchants. Please let me know if I have misunderstood.

My primary areas of concern are:

- potential limit of overnight occupancy to 2 people per bedroom, a reduction of 2 people
- potential limit due to parking constraints

Nyevana has a living room couch that converts to a bed, which easily sleeps two people. As a historic house on a relatively small lot, such as they are in the historic Nye Beach neighborhood, we only have space for the one car garage. That garage is original to the house, and as such it might not meet the current City parking stall dimension standards. There is ample street parking in front of Nyevana, as the playground and Performing Arts Center are literally across the street.

Nyevana went through all the proper permitting processes, maintains a current license with the City of Newport, and pays City of Newport taxes monthly. It is my understanding that our licensing requirements should not

change with the proposed Ordinance Number 2144, at least so long as the property ownership stays the same. Is that correct?

Thank you!

Julia Rask, Owner of Nyevana

**Derrick Tokos**

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**From:** miyoko muneyuki <miyokomuneyuki@yahoo.co.nz>  
**Sent:** Wednesday, November 07, 2018 8:39 AM  
**To:** Derrick Tokos  
**Subject:** November 13th Hearing  
**Attachments:** Short term vacation rentals.pdf

Dear Community Development Director Derrick I. Tokos

We would like to send our concerns for coming November 13th hearing as we do not seem to be able to attend.

I have attached a PDF file to contribute our thoughts (my husband, Samer Abufadil and myself, Miyoko Abufadil).

We would appreciate if you are able to take it as a consideration and pass it to the committee.

Miyoko Abufadil  
cell 503-984 4068  
736 NW 3rd Street

Miyoko Abufadil  
 Home owner of  
 736 NW 3<sup>rd</sup> Avenue, Newport 97365

To Director Derrick I. Tokos  
 The City of Newport Community Development Department

Re: limiting short term vacation rentals.

We are writing to let the committee know how we feel and think about short term vacation rentals.

We live in Portland, and have a vacation home in Nye beach. Before we purchased the house, we had always liked Newport and wanted to stay around the area. However, whenever we had been in Newport, we could not find any vacant accommodations. They were always booked out. Therefore, we had been unable to stay in Newport and we stayed in Lincoln city or other areas instead.

There is a lack of accommodations in Newport, OR which means tourist do not dine, shop or go sightseeing because, they do not stay long periods of time.

Having strong tourism supports the local economy such as restaurants, stores, gas stations, builders and building supplies, interior designers, architects and contractors. It creates more jobs and brings money to the city. That is not all, tourism brings property values up, and even when homeowners are not in town, the town will not be empty; houses will be maintained by vacation rental companies instead of been abandoned.

Moreover, if short term vacation rentals are not allowed, some people may not be able to afford to have vacation homes in Newport since nobody will help to pay part of their mortgage. In addition, private investors will not invest in Newport properties since they cannot get a return on their investment. Instead, large developers will build large complex and spoil the quaintness of the city.

Pros of short term/ vacation rentals:

- ✓ Strong effect to the city's economy- supports local businesses, creates more jobs, increases property values, more revenue for the city, brings more businesses and developments->more employment-> more populations.
- ✓ Prevents the city from becoming abandoned -> safe city
- ✓ Keeps properties clean-> more attractive city
- ✓ Supports art/ visual art center and aquarium through tourism

Negative impacts of limiting vacation rentals

- Property owners may not be able to afford properties
- Less businesses can survive

- Less revenue to the city
- Negative impact to the local economy
- Less employment opportunities -> drop in population due to exodus or more unemployed people
- Abundant /foreclosure properties -> unsafe city
- General drop in the value of Newport properties

In order to support strong tourism and all the benefits that come with it, the city of Newport needs various style of accommodations for tourists that have various purposes. We are worried about limiting vacation rentals in the city that will reduce the influx of owners and limit the growth of the city.

We do not support the idea of limiting short term vacation rentals.

Thank you for consideration of our concerns.

Gary & Judy Smith

Residence: 2535 NW Pacific St, Newport, OR

Mailing Address: 2226 N Coast Hwy, #37, Newport, OR 97365

10/29/18

CITY OF NEWPORT

City of Newport- Planning Commission

NOV 05 2018

169 SW Coast Hwy

RECEIVED

Newport, OR 97365

Attention: Newport Planning Commission members

Re: Scheduled 11/13/18 hearing on draft ordinance # 2144- potential land use change-  
vacation rentals within the City of Newport

Members:

Please enter this letter into the permanent record for the above referenced hearing. Also, since we will be out of town on 11/13 and therefore not able to attend the hearing we are giving copies of this letter to our neighbors John and Meredith Gilbert of 2510 NW Pacific Street and Maria Hunter of 2540 NW Pacific and asking that one of these neighbors hand the letter to the Commission....and read our letter aloud on our behalf at the hearing, if this is allowed.

My wife and I live in a private residence at 2535 NW Pacific Street, Newport. We have owned our home since building it in 1999-2000. Over a year ago our next door neighbors to the north at 2545 NW Pacific Street moved out of State and sold their private residence home to an individual residing in the Seattle area. We assumed he would be moving to Newport and that we would have a new neighbor. Then we were advised by the City of Newport that he did not intend to move to Newport...but instead had applied to the City to allow the private residence home to become a "daily vacation rental". We along with other neighbors on our street voiced serious objections to this arrangement and sent letters to the City...to no avail... I never even received a response to mine. The Seattle owner was given approval by the City for the rental. Our objections were (and are) based on the following problems and potential problems with having a "daily vacation rental" residence on our street and in our neighborhood:

1. Pacific Street is a long, very narrow winding street with significant slope from north to south. Parking cars on our street, especially if parked directly across from one another creates a significant risk that the fire department may not be able to have full and quick access for their large fire trucks to drive the length of the street and have access to fire hydrants in case of a fire. The fire department has shared this view. Also, medical personnel could have access problems for EMT ambulances in the case of someone living on the street needing immediate emergency help---such as for a heart attack or stroke. Other vehicles may have very difficult access when many cars and trucks are parked on the street, including large UPS and FedEx trucks, Thompson garbage trucks, City street sweeper vehicles, etc.
  
2. The lots on Pacific Street, especially the ocean front lots like the one at 2545 are small and very narrow (barely 50' wide), extending from the street...west to the 70' high cliff. This cliff is completely unfenced and there is potential that a young, unsupervised child could easily fall off of the cliff down the steep slope all the way to the beach. A child would be badly hurt or killed in such a fall and this would be a real tragedy. I have voiced this issue with the owner of the "rental" property and he has shown little interest in doing anything about it, including the posting of signs warning of the danger. In addition, significant liability issues for the City of Newport and Lincoln County could be involved in the above referenced circumstance...especially after being appraised of the danger. There is just no way to adequately "fence" this bluff, as such "fencing" would not only be very difficult if not impossible to construct but would look unsightly. Also fencing could adversely affect the re-sale value of the property and surrounding properties due to such fencing infringing on the unobstructed ocean and lighthouse views. And drilling large post foundation holes in this west bank for concrete footers and the pouring of significant amounts of heavy concrete could affect the physical integrity of the cliff itself. Pacific Street is just not a residential street where the lots/residences are suitable for daily rentals. The 2545 property should never have been considered for such a use in the first place, in our opinion.
  
3. Unsupervised children, especially small children allowed to run out on the street could result in another tragedy if they were to be hit by a passing vehicle. The extensive trees, brush and overgrowth on the lot at 2545 totally block the view north or south of the street from the narrow driveway.... and of anyone existing the property, on foot, bicycle or by vehicle. In addition we have witnessed

unsupervised small children swimming and playing in the large 5' deep swimming (wave) pool located at the lower west end of the 2545 lot. This could also be another tragedy waiting to happen. In our view an adult needs to be out there at this pool at all times when children are present or the pool completely drained and covered....or removed. Here again, significant liability for the owner and the City could be involved here if a child were to drown in this pool.

4. Loud barking dogs and sometimes large, aggressive dogs not leashed by renters of the property...roaming lose up and down the neighborhood are creating problems and repeated requests for the renters to correct this problem have been ignored. These animals have been observed relieving themselves on adjacent properties, including ours. Renters have even gone so far as to tell neighbors that it is none of our business what they (the renters) do with their pets. One even suggested that the City could not require him to put his dog on a leash because it was some kind of "service" animal or "comfort" animal to help him cope with "anxiety" (I guess the "anxiety" he was referring to was that caused by renting an ocean front daily rental in Newport, Oregon!!!) Anyone who is bitten or otherwise injured by one of these unleashed animals could have a significant lawsuit not only against the owner of the animals and the owner of 2545 but also the City of Newport for allowing this to continue.
5. The constant stream of daily vacation renters moving in and out; parties with loud music; late night drinking, etc. are disturbing the peaceful enjoyment of our property and other owner's enjoyment of their properties along the street. Lights inside of this house and disturbing outside spotlights are constantly left on...sometimes all night. We have noted the presence of some young people, kids in their 20's it appears, staying at the property. I spoke with one who said he was a college student from OSU. The owner of 2545 advises us to "contact my property manager in Newport" if we have any problems or issues with his renters...while he sits up at his residence in the Seattle area. He apparently never had any intention to move here and just views the property as some kind of "cash cow" investment regardless of how it affects neighbors.
6. We have observed as many as 7 vehicles parked on the driveway and two car garage, overnight at the property, campers unhooked from vehicles and set up with generators in the driveway for people to stay in; large vehicles so wide that

they had to be partially parked on the street and in the front yard, etc. (photos enclosed). Many times large #'s of people are observed on the outside decks and in the hot tub. We have no way of knowing if they are staying at the house or just visiting. But judging from the # of cars observed in the early mornings we assume they are staying there....certainly more than allowed by the City code. On occasion we have found cigarette butts, empty beer cans and other debris tossed from the decks of this property over on our property, for us to pick up.

7. If other homeowners along our street decide to "jump on the bandwagon, sell or convert their homes to "daily vacation rentals" we will have a very negative, zoo-like atmosphere along our heretofore quiet residential street, with serious traffic and other problems, such as referenced above.

We are requesting that the permit for this "daily vacation rental" be rescinded immediately and the owner encouraged to either move to his property, sell it to someone who will, or rent it out to a long term renter (for a year or more at a time, on a lease). And that no additional "daily vacation rental" permits be granted for any such rentals along Pacific Street.



Gary and Judy Smith

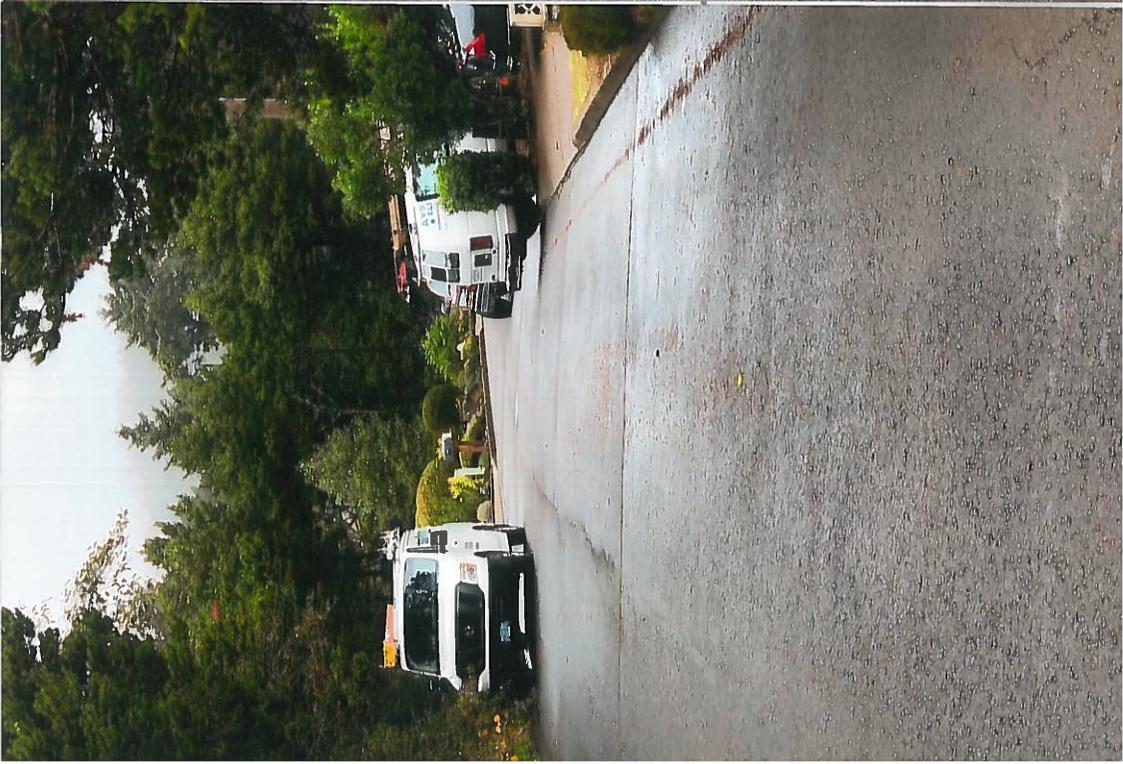
Enclosures: several recent photos

Cc: John and Meredith Gilbert

Maria Hunter

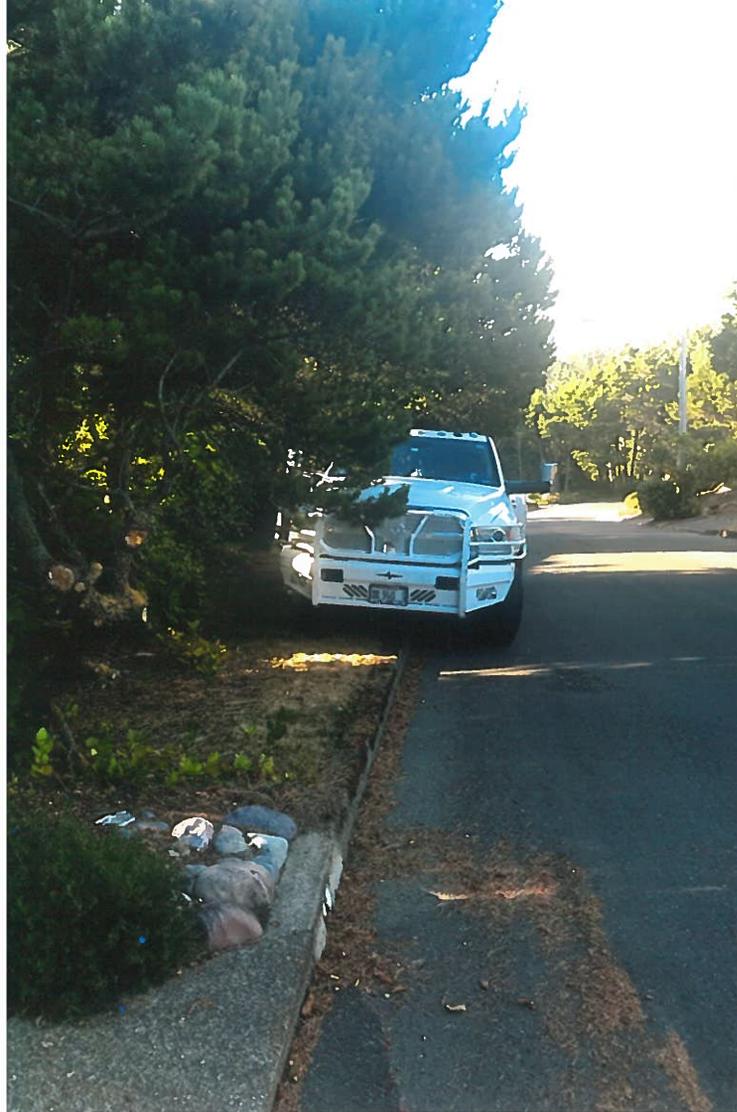


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**Derrick Tokos**

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**From:** chena2@ak.net  
**Sent:** Friday, November 02, 2018 7:48 PM  
**To:** Derrick Tokos  
**Subject:** Contact Us - Web Form

City of Newport, OR :: Contact Us - Web Form

The following information was submitted on 11/2/2018 at 7:48:28 PM

-----  
**To:** Derrick Tokos  
**Name:** William and Ruth Hutmacher  
**Email:** chena2@ak.net  
**Phone:** 541-265-2426  
**Subject:** Draft Ordinance No. 2144 - VRD changes  
-----

Message: We strongly support the draft ordinance No. 2144 regarding Vacation Rental Dwellings. We recommend that the Planning Commission approve the draft using Alternative 4 (most restrictive). Residential areas (zones R-1 and R-2) are for residences, NOT businesses.

**Derrick Tokos**

---

**From:** Betty Willis <0817betty@gmail.com>  
**Sent:** Friday, November 02, 2018 2:29 PM  
**To:** Derrick Tokos  
**Subject:** Against VRD restrictions

I'm writing regarding proposed changes to the Newport city code restricting (or at least controlling) vacation rental dwellings.... like mine.

I'm sitting down to write this letter to the commissioners, cautioning them to go easy on restrictions, not to punish the owners but rather the offending renters, and to remind them that without tourists, for the most part, Newport is just another poor fishing community that appears unwelcoming to visitors. I'm not buying the argument that VRD's are the cause of a lack of housing inventory in the low-income range. I'm also suspicious that the proposed restricted areas center around current motels and resorts.

**Even if I was not allowed to have a VRD, I would not be renting my home long term, so no long term rental would be gained by trying to take away my VRD status. By being a VRD, I am able to use my home when I desire and have it occupied with dollar spending tourists when I am not there. This is good for the city's economy and for the local Nye Beach shopping and restaurant area that is a short 2 block walk from my house.**

**I am against restrictions.**

Thank you,  
Sincerely,  
Betty Willis  
610 NW 9<sup>th</sup> Newport, Oregon (no mail received at this address)  
Contact via email 0817betty@gmail.com  
or phone 530-410-1391

November 1, 2018

Newport Planning Committee City Hall Newport, OR

Ref: Vacation Rental Dwellings

My wife and I currently reside at 3904 NW Cherokee Lane Newport, OR. We wish to voice our strong opposition to allowing VRD's in either R1 or R2 zones within the city limits of Newport.

Our home is on NW Cherokee Lane where we currently have one VRD operating on our short dead end street. Fortunately, the home is occupied full time by the owner and she rents out the other part of the home on a short time basis. Due to the owner residing in the home the problems associated with most VRD's (noise, parking problems and property upkeep) do not exist for the most part. With parking extremely problematic on our narrow dead end street any additional VRD's would be nightmare.

There is no question that VRD's owned or managed by out of town owners can cause serious problems in residential neighborhoods. We can see no reason why these commercial enterprises are allowed to operate in R1 or R2 zones. Just as motels, hotels and other business are not allowed in these zones VRD's should be treated no differently. There are plenty of commercial zones within the city limits of Newport for these operations to exist where they do not cause problems with owner occupied residences.

We purchased our property, as I am sure many other single family homeowners did, because it is quiet neighborhood. Why should any citizen be plagued with the problems VRD's bring by their nature. Zoning is designed for a reason. What is the benefit of allowing VRD's in residential zones?

Let's get this right. Ban VRD's from R1 and R2 zones and only allow them in commercial zones and then with appropriate rules to monitor their violations.



Ken and Denise Doerfler

3904 NW Cherokee Lane Newport, OR

CITY OF NEWPORT

NOV 05 2018

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CITY OF NEWPORT  
 169 SW COAST HWY  
 NEWPORT, OREGON 97365  
 COAST GUARD CITY, USA



phone: 541.574.0629  
 fax: 541.574.0644  
<http://newportoregon.gov>  
 mombetsu, japan, sister city

## PUBLIC NOTICE OF POTENTIAL LAND USE CHANGE

**This is to notify you that the City of Newport has proposed land use regulations that may affect the permissible uses of your property and other properties. Specifically, the land use regulations relate to circumstances under which dwelling units may be used as vacation rentals. The proposed changes are contained in draft Ordinance Number 2144.**

**The City of Newport has determined that adoption of this ordinance may affect the permissible uses of your property, and other properties in the affected zone districts, and may change the value of your property.**

**On Tuesday, November 13, 2018, the City of Newport Planning Commission will conduct a public hearing regarding the adoption of Ordinance Number 2144. The hearing will be held at 6:00 p.m. in the Newport City Hall Council Chambers, located at 169 SW Coast Highway.**

**Newport Municipal Code Section 14.36.010 allows city land use regulations to be amended by the City Council, upon recommendation of the Planning Commission, when it is determined that such changes are required by public necessity and the general welfare of the community. These are the approval criteria for the proposed land use regulations, and testimony and evidence must be directed toward these criteria or other criteria, including criteria within the Newport Comprehensive Plan and its implementing ordinances, which persons believe apply to the decision. Failure to raise an issue with sufficient specificity to afford the city and the parties an opportunity to respond to an issue precludes an appeal, including to the Land Use Board of Appeals, based on that issue.**

**Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, and testimony from proponents and opponents to draft Ordinance Number 2144. Written testimony sent to the Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, OR 97365, must be received by 5:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing.**

**Draft Ordinance Number 2144, and related materials, are available for inspection and may be purchased for reasonable cost at the Community Development Department, Newport City Hall, located at 169 SW Coast Hwy, Newport Oregon 97365. A copy of draft Ordinance Number 2144 may also be downloaded from the City of Newport website at: <http://newportoregon.gov/>.**

**For additional information concerning draft Ordinance Number 2144, you may contact Derrick Tokos, City of Newport Community Development Director, at 541-574-0626 or [d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov). Testimony may also be submitted via this email address.**

CITY OF NEWPORT

NOV 05 2018

RECEIVED

Community Development (Planning)

Attn: Newport Planning Committee

City Hall

Newport, OR 97365

We did not build our house and duplex to become neighbors to vacation renters -- We have 2 rentals to help with the housing shortage and if more of the people with vacation rentals would rent to residents instead of vacationers, it would solve a lot of our housing shortage.

Isn't that what motels and houses built on the beach are there for?

Duane & Rena Phibbs

CITY OF NEWPORT

OCT 31 2018

RECEIVED

F. Duane Phibbs  
464 NE 9th St.  
Newport, OR 97365-2812

244

29 OCT 2018 PM 4 L



City of Newport

169 S.W. Coast Hwy

Newport, OR

97365

Planning Commission 97365-38068

October 28, 2018

Community Development Department  
Newport City Hall  
169 SW Coast Highway  
Newport, OR 97365

CITY OF NEWPORT

OCT 31 2018

RECEIVED

RE: Ordinance Number 2144

I am writing to submit comments about the proposed draft of ordinance 2144 regarding land use regulations relating to vacation rental dwellings. There are some features that I agree are necessary and welcome, and others that are highly questionable. To help organize this, I will proceed by listing specific comments and suggestions in the order presented in your "Markup And Rationale For Vacation Rental Code Amendments ver. 3.0 10/23/18".

First, one general comment to the Commission; I urge you to approach this matter with the needs of the Newport economy in mind. Without tourists, Newport is just another poor coastal community with excellent but underutilized natural features. Not every individual or family wants to (or is able to) stay in a motel or resort during their visit. While controls and regulations are necessary to strike a balance between owners, neighbors and neighborhoods, choking off this stream of income for owners and the Newport community is a shortsighted solution. The money VRD renters bring to Newport is spent locally and spent many times over. Rental income brings about increases in property values, which brings more tax dollars for all projects needed and desired.

Second, a word about VRDs in actual practice. Several of the proposed rule changes seem to regard the VRD owner as an independent operator, managing the rental process and property on their own with no help from anyone. That is simply not the case, and the proposals should take that into account. The vast majority of VRD owners today contract with VRD management agencies, such as: Vacasa Inc, Meredith Lodging, VRBO, Beachcombers NW and Flipkey, to mention just a few. Yes, firms like AirBnB and HomeAway do have a small number of listings, but nothing approaching the numbers affiliated with management companies that manage the listings, bookings, collections and even maid service. These VRD management agencies should be made to step up and do their jobs of rules enforcement, noise abatement and monitoring the property. There are many opportunities to do that within the framework of the proposed ordinance.

#### 4.25.030 Business License Endorsement and Endorsement Renewal

Regarding notifications... In your explanation, you state, "The city does not have staff to provide annual mailings to property owners within 250 feet of every short-term rental." This brings up a concern about exactly what the City of Newport is taking on with this increased regulation. An increased staff and the expenses that come with it MUST be a concern because it will become a necessity. You are making it so with these changes. If the Planning Commission does not consider it, the City Council absolutely must do so. And it isn't just the simple things like notifications; electrical and structural inspections, fire inspections by the NFD, will all require more people to do that job, especially if you create one date when all licenses come due (consider staggering those annual application dates or you'll swamp your already overburdened staff!).

Here again is another example of making the VRD management agencies do their job. One of the changes should be, where a local VRD management agency is employed by the owner, that the agency must make the notifications to surrounding neighbors as a requisite to do business in Newport. Where the owner is on their own, it will be up to them either electronically, by using signage or by US Mail.

“Endorsements that are revoked... are not eligible for renewal”. That isn’t as easy as it sounds, nor is it as legally enforceable as it sounds. Have a discussion with the city attorney about that. Should someone bring a lawsuit asking for a fair hearing and reconsideration, it would be a very expensive undertaking for the city, one in which they would likely lose the case – this is a due process issue. Consider instead a “reconsideration hearing” in which the owner may present a case showing remediation, new professional management or even a new plan for managing the VRD but still may be turned down if given criteria are not met.

Transferal of VRD endorsement along with the sale of the property should not be allowed. It should be handled much like a liquor license, where the new owner must apply anew and be judged on their merits. If a property was grandfathered in under the original owner, it could still be considered for VRD endorsement unless the phase-out process is in force, but the new owner gets one chance, along with everyone else in their restricted area, to gain that endorsement with their application. If they either choose not to apply at or near the time of sale or make an application that does not meet requirements, then the VRD eligibility rule at that time holds.

The endorsement application issue brings about a question that was not addressed at all... if these restrictions on VRDs per street, block, etc., what will the criteria be to select one owner from several applicants for a VRD endorsement in a restricted area, say one street or city block? What will be the determining factor as to who gets the endorsement? I think you’ll have a big, expensive problem on your hands unless you make that process very clear and very fair.

“Contact information” – this section should be rewritten to include specific mention of a VRD management agency contracted by the owner, should one be used. Failure of the agency to respond appropriately to a complaint or emergency at the property may (and should) lead to disqualification as an approved management agency in the city of Newport. Do not punish the owner – punish the responsible agency.

“9 – Violations” – again, there should be a specific mention of a VRD management agency, should one be employed by the owner. If a short-term rental business license endorsement be revoked as a result of action taken or omitted by the VRD management agency, that agency loses their right to do business in the city of Newport. If the violation is an owner violation, then that owner should at least have one chance to make repairs or changes to operations and present them in a hearing to determine if they lose their endorsement for good.

“Guest Registry” – this new section does not go nearly far enough to identify tenants and to hold them responsible for legal and property violations. I believe, in addition to a registration of guest names, addresses and license plate numbers, all VRD tenants must post a deposit with the City of Newport against any response by law or code enforcement personnel. It would also work to have the VRD management agency responsible for posting a bond with the city of Newport for every tenant, refundable after a successful stay. If, for example, a VRD tenant is cited for excessive noise, they must not only be immediately evicted from the VRD rental by either the management agency or the owner, the tenant should lose that deposit plus be responsible for any costs the violation brings including all court costs. Again, punish those who cause the problems, not the owner of the property.

I am very pleased to see specifics written into the code regarding the number of people allowed in the VRD at any time (two per bedroom, no more) as well as for parking. I would also like to see the maximum number of people allowed in any VRD capped at six, no matter how many bedrooms and bathrooms are available (this may have already been written in and I did not see it).

#### 14.25.030 Approval Standards

Density – I disagree with the use of a general percentage standard to establish a cap on VRD endorsements in the city of Newport. If, as stated earlier in your rationale, part of the reason in going through all this in the first place is to preserve more housing stock for local renters and low income tenants, then your cap plan is flawed from the start.

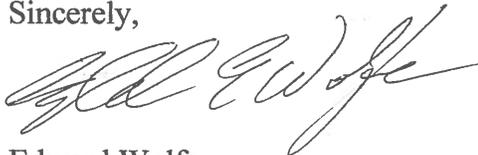
Not every VRD home falls within what might be called low-income available housing. To the contrary, a greater percentage of VRD homes are actually higher-market homes, those with some or all of the following; a favorable location with a view, beach access, near shops and attractions, near trails or the harbor. They have three, four or more bedrooms, with a similar number of bathrooms. They come with hot tubs, pool tables, cable TV, internet service and a family room full of electronics. These homes and condo units are typically valued thousands of dollars higher than homes away from those amenities, and these are the homes where tourists look to stay during their visit. These are NOT the stock of homes in the Newport area that would be available to those employed in many local lower-income trades. In short, while I strongly agree that Newport needs more mid- and low-income housing for both sale and rent, this is absolutely not the way to solve the problem. It is a fallacy, a false argument with a faulty presumption and it will not achieve the goal you desire.

In addition, look at what happens when someone buys a distressed or dilapidated property and turns it into a VRD property. If it is going to be a success, it must be updated inside and out, made attractive in a competitive rental market. I understand my observations are anecdotal, but what I typically see is a big improvement made by the update of a home, which brings about an improvement in the neighborhood in which it is located. Property values are increased all around, which brings in more tax dollars for needed projects. Local businesses get those remodel business dollars, local workers get paid for carpentry, floors, roofs and painting. I am all for the incentive to improve local properties provided by VRD income. There is not room here for me to launch into what does improve availability of mid- and low-income housing, but I will tell you again... limiting VRD properties by blind cap numbers is not the way to do it.

....

In conclusion, there is one more aspect of VRD ownership that has been overlooked. Where would the Newport housing market be without buyers? Not every buyer comes to Newport the day after retirement with a pocketful of cash fresh from selling their house, ready to be spent on a retirement residence. Many of us discover Newport along the way, decide it's the place where we want to spend the last third of our lives, and we work hard to make it happen. Making the commitment to buy a home, remodel and update it, then rent it out either for short-term rentals or long-term stays is the only way many near-retirees can make that dream happen. This is a positive for the Newport economy – more money to businesses, contractors and local government. Higher home values and cleaned-up neighborhoods make Newport an even more desirable place to be. More tourists means more business income, more people spreading good news back home about the beautiful city on the Oregon coast, and that brings in even more people. It's a great, positive cycle to be in. Do not choke it off by punishing owners for the transgressions of a very small percentage of tenants.

Sincerely,



Edward Wolfe  
11820 North Lancelot Drive  
Spokane, WA 99218  
Owner, 616 NW 9<sup>th</sup> Newport, OR

October 22, 2018

Derrick Tokos  
Community Development Director  
City of Newport  
169 SW Coast Highway  
Newport, OR 97365

CITY OF NEWPORT  
OCT 30 2018  
RECEIVED

Dear Mr. Tokos,

We would like to express our support for the Vacation Rental Advisory Committee's efforts to update the rules governing the City's Vacation Rental Dwellings. Please forward this letter to the Committee for consideration as our neighborhood has been significantly impacted by this issue.

NW Pacific Pl is a short, dead end street of 13 oceanfront and ocean view homes. Additionally it has relatively easy access to the beach. In April 2017, 2767 NW Pacific Pl was granted VRD status. This has led to a dramatic increase in traffic as well as excessive parking blocking, at times, access to mailboxes and even homes themselves. We've posted "Please Slow Down" signs to try to mitigate the risk to pedestrians from cars traveling at excessive speeds, especially on the semi-blind curves at the beginning of the street. Unfortunately these signs are, for the most part, ignored. Many of us no longer feel safe walking in our neighborhood.

Recently the properties at 2725 and 2755, also on the streets' west side, have changed hands. It has been learned, through sources both direct and indirect, that the new owners intend to apply for VRD or B&B status. We understand that this is a way to offset the expenses of owning and maintaining a home. We also understand the significant impact tourism has on our local economy and having short-term rentals in desirable locations can be profitable for both the homeowner and city. But we also feel that, as people who live and work in Newport, we are entitled to consideration as well. NW Pacific Pl is a neighborhood of people who have lived here for years, even decades. A rare place where everyone knows and cares for each other. We are like a family in the best possible sense. We built and bought our homes because we want to be in a residential single family neighborhood as this street is zoned. That should be our right and it shouldn't be taken away from us.

Protections must be put in place to preserve the character and integrity of Newport's neighborhoods. Allowing only one VRD per street face segment in zoned low-density residential areas (R-1 and R-2), as proposed by the committee, seems reasonable. **There must also be safeguards established so that VRD and B&B applications aren't "snuck in" under the wire before these protections can be implemented.**

Sincerely,

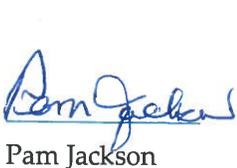
  
Debi Furay

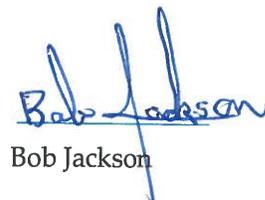
  
Arzu Wooten

  
Larry Wooten

  
Roy Peterson

  
Pat Crowe

  
Pam Jackson

  
Bob Jackson

Debi Furay  
2735 NW Pacific Pl  
Newport, OR 97365

PORTLAND OR 972

27 OCT 2018 PM 3 L



Derrick Tokos  
Community Development Director  
City of Newport  
169 SW Coast Highway  
Newport, OR 97365

97365-380669



CITY OF NEWPORT

OCT 24 2018

RECEIVED

Norm Ferber  
 Owner Fairhaven Vacation Rentals  
 29 SW Coast Street , Newport  
 541-574-0951  
 10/24/18  
 Residence 5726 NE Big Creek Road, Newport Oregon

To the entire City Council , planning commission as well as the city administration.

Transferability:

1. There doesn't seem to be any recognition that there have been some of us ( even if it is only me ) who have made a decision, made not solely as a business decision, but rather a composite of several inputs to create a business entity that uses vacation rentals medium to create that entity.

A. I made the decision to pursue conditional use permit to operate my vacation rentals as a business.

B. The community of Nye Beach in the early 90's and prior was a slum.

The visual arts center was built in 1983

The performing arts center was built in 1988

Neither one became the catalyst for development that transformed the area.

In 1990 I made the decision to experiment with vacation rentals specifically as opposed to work force apartment style housing.

In 1995 when I had accumulated sufficient funds and thought the economic climate acceptable enough to experiment I built my first vacation rental.

It wasn't until 1998 when building my second vacation rental did I witness my first actual family walking down coast street. (I know this because I was so struck by the phenomenon that I called my wife to say I think we might make it)

People with a short time perspective take this phenomenon for granted. Nye Beach was not an area, at least as I experienced it during the period of 1973-1998, as a worker utopian family oriented residential zone. During that period I rented my 15 rental units ( comprised of old motel units and run down housing ) to first friends, some on drugs some not, then a period of Hispanic families , then single Hispanic and low income people Caucasians some on drugs some not.

But the rental units were old 30's and 40's style motels in need of a lot of renovation. They had clay tile sewer lines, knob and tube wiring, screw in fuse boxes, galvanized water lines, and post and pier foundations and aged

cedar shingle roofs . And this was the entire area not just the property I owned and still is the case for much of the area.

During that period I fixed my units up and replaced every thing I mentioned above. And this all cost me money a lot of money, But that did not bring families to my homes. Don Davis once specifically called me an idiot for remodeling my homes. ( he didn't know I was standing right next to him ) .

I made the decision to build the homes I built for several reasons .

1. I was tired of monthly rentals I wanted to try something different.
2. I wanted to built something to benefit the community , to add value and beauty . I wanted to test and expand my skills as a builder . I wanted people to stop and pause and point at something they didn't see every day. I wanted people to come and remember that the beach was just a block away . I didn't need to build Victorian homes , I didn't need to hand cut each ginger bread shingles , and design and create both elaborate interior and exterior trims for my homes. I could have used cedar bevel siding or T111. And built 1500 sq foot three bedroom apartments . Similar to what is found all over town. But does any one actually think a vibrant alternative tourist community and shopping community that benefit's the entire town would of built up around that . ( Witness the area east of the entire motel strip located along Elizabeth Street. ) Do you see a lot of tourists and there families or for that matter members of the greater community and there money spending the day walking through that entire zone of multiple family units .

I am in no way suggesting I was the catalyst but I was certainly one of several who stepped in and took a chance with ones own money and time. And I use the word several as opposed to many because you could count those willing to take that chance sometimes on your two hands. Even to this day the transformation of Nye Beach is still taking place. There are still many eyesores and empty lots .

One of the reasons I never built the next two homes I intended to was the imitation by others who tried to duplicate my success. So was that a bad thing for the community? ( The fact that others were willing to step up and take a chance with their money and time ) Isn't that what the city had hoped for in building the Visual Arts Center and Performing Arts Center. A re-emergence of the area.

Which one of you want to be held accountable by the worst examples of members of our society. There will always be bad actors , but are we all

collectively responsible for the inability of those people to manage responsibly in society?

The reasoning behind this is I feel that there needs to be some acknowledgment that there is a categorical difference in those of us who sought to create a business and others who have simply taken an opportunity to for what ever reason, augment there income or lessen their mortgage payment. ( and I am in no way suggesting that reason alone is inadequate) And for that matter those of us who have acted as responsible owners and managers and those of us who have not.

Having said all that why shouldn't I have the right to create value and transfer that as an entity to some one interested in buying a successful business?

As regards minimum days of operation: Is that a requirement city wide for any business to operate? Why should I as a business be forced to operate to any schedule that does not harmfully impact the community? As I have aged my needs to stay open have evolved. Do you require any other business to stay open as a requirement of their licensing?

This explanation or argument or point of view is a work in progress but because I was unable to attend the last two meetings and have listened to them I wanted to add my observations .

Norm Ferber

Norm Ferber  
 Owner Fairhaven Vacation Rentals  
 29 SW Coast Street , Newport  
 541-574-0951  
 10/26/ 18  
 Residence 5726 NE Big Creek Road, Newport Oregon

To the entire City Council , planning commission as well as the city administration.

Version 2.0 10-26-19

1.

I understand that there is an attempt here to legislate good management practices. That there have been bad actors , new and amateur managers and property owners who have poorly managed their own properties or have been misled by professional management organizations.

Promises of large money pay outs with little necessary personal input , absentee management and little to no oversight by owners and their appointees.

But I and others have managed our properties respectfully. I can personally attest that over the 26 years that I have managed my properties that the results being targeted by these measures I have been guilty of . Who among us have not made mistakes during the creation and development of our goals.

In 2012 I testified that there would be a resultant growth of amateur managers and a learning curve and weeding out during that learning curve. I testified against the expansion into R-1 and R-2 not to enrich the value of my own properties but because it has not been my experience that you solve a problem by making the scale of that problem larger.

I think that we can all agree that this has proven to be an accurate prediction .

Further , name any other business in this community that has to pass a litmus test in order to be sold as such. A wine shop owner selling her business does not ask the buyer to first prove his or her qualifications.

A person selling a personal residence does not ask the buyer if they intend to keep it as a personal residence or establish a Vacation Rental.

A shop or restaurant owner doesn't have a set of qualifications that they must first establish the new owners possess before they pass on the value they have added to the real estate + value they have created during their learning curve.

Without transferability my property is just that property. No value added to a lifetime of intentional and motivated learning. The accumulation of a loyal customer base.

It is fundamentally unfair that I am being asked to sell a lifetime of business creation as merely and solely the value of the real estate.

To be continued . Norm Ferber owner Fairhaven Vacation Rentals

CITY OF NEWPORT

OCT 26 ;

RECEIVED

October 22, 2018

COPY

Derrick Tokos  
Community Development Director  
City of Newport  
169 SW Coast Highway  
Newport, OR 97365

Dear Mr. Tokos,

We would like to express our support for the Vacation Rental Advisory Committee's efforts to update the rules governing the City's Vacation Rental Dwellings. Please forward this letter to the Committee for consideration as our neighborhood has been significantly impacted by this issue.

NW Pacific Pl is a short, dead end street of 13 oceanfront and ocean view homes. Additionally it has relatively easy access to the beach. In April 2017, 2767 NW Pacific Pl was granted VRD status. This has led to a dramatic increase in traffic as well as excessive parking blocking, at times, access to mailboxes and even homes themselves. We've posted "Please Slow Down" signs to try to mitigate the risk to pedestrians from cars traveling at excessive speeds, especially on the semi-blind curves at the beginning of the street. Unfortunately these signs are, for the most part, ignored. Many of us no longer feel safe walking in our neighborhood.

Recently the properties at 2725 and 2755, also on the streets' west side, have changed hands. It has been learned, through sources both direct and indirect, that the new owners intend to apply for VRD or B&B status. We understand that this is a way to offset the expenses of owning and maintaining a home. We also understand the significant impact tourism has on our local economy and having short-term rentals in desirable locations can be profitable for both the homeowner and city. But we also feel that, as people who live and work in Newport, we are entitled to consideration as well. NW Pacific Pl is a neighborhood of people who have lived here for years, even decades. A rare place where everyone knows and cares for each other. We are like a family in the best possible sense. We built and bought our homes because we want to be in a residential single family neighborhood as this street is zoned. That should be our right and it shouldn't be taken away from us.

Protections must be put in place to preserve the character and integrity of Newport's neighborhoods. Allowing only one VRD per street face segment in zoned low-density residential areas (R-1 and R-2), as proposed by the committee, seems reasonable. **There must also be safeguards established so that VRD and B&B applications aren't "snuck in" under the wire before these protections can be implemented.**

Sincerely,

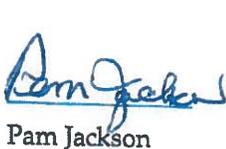
  
Debi Furay

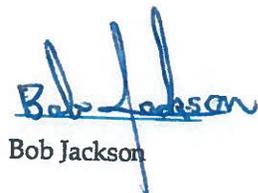
  
Arzu Wooten

  
Larry Wooten

  
Roy Peterson

  
Pat Crowe

  
Pam Jackson

  
Bob Jackson

Nye Place, LLC  
13999 S Clackamas River Drive  
Oregon City, OR 97204  
503.970.3998  
[nyeplace@gmail.com](mailto:nyeplace@gmail.com); [stephenlmadkour@gmail.com](mailto:stephenlmadkour@gmail.com)

November 7, 2018

By Email: [d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov)

Derrick Tokos, Community Development Director  
City of Newport  
169 SW Coast Highway  
Newport, OR 97365

Re: Draft Ordinance No. 2144

Dear Mr. Tokos and Members of the Planning Commission:

My wife and I and another couple recently bought a house in Newport's historic Nye Beach district. It's a great place and we enjoy it as much as we can. To offset our expenses, we went through the city's application process and obtained approval to make the property a lawfully registered and established short-term rental.

We consider ourselves as good stewards of the property, responsible owners and law-abiding and discerning hosts. Naturally, we have no desire to host any individuals in our home who would not show both respect and civility to the property, the neighbors, and the city. Our property has experienced a very successful rental history and the comments from tenants has been overwhelmingly supportive of the area and the opportunity to stay at the property. With limited exceptions, every short-term tenant we have hosted has come from out of state to visit Newport and the Oregon coast. They rented cars; they bought fuel, and groceries. They toured the Bayfront, went shopping, whale watching, dined at local restaurants, left tips, and payed a transient lodging tax. Moreover, each one promised a return visit to Newport and its surroundings.

With that as context, we encourage the ad-hoc committee and the planning commission to be mindful of a few critical details in their review and consideration of proposed revisions to the City's VRD code.

First, I think it is important not to be swayed by the bad choices or questionable conduct displayed by a minority of short-term unit tenants or their hosts. I have reviewed the materials that were presented to and considered by the ad-hoc committee. I empathize with those property owners that have experienced disrespectful and disruptive behavior by tenants. Equally troubling is the dismissiveness or disregard expressed by some unit owners to the concerns of their neighbors. These are unfortunate situations and hopefully they are the exception. Unfortunately, it is awfully difficult to regulate against rude or boorish behavior. However, if the concern about short-terms rentals is the perceived impacts upon the quality of life in particular neighborhoods, then attention should be focused on ways in which to minimize those impacts.

Based on what I reviewed, it appears that both the ad-hoc committee and the planning commission have a number of viable options before them to make sure that the interests and concerns of the hosts and users of short-terms units, as well as neighbors, and the community are adequately addressed, satisfied, and accommodated.

I have reviewed the proposed amendments to the Newport Code with respect to VRDs. The proposed amendments are fairly extensive and between the inspection, registration, licensing, and insurance requirements they are arguably as onerous and expensive on a property owner than any other residential or related use permitted within the City.

Our primary concern with the proposals you have before you are the treatment of lawfully established and existing uses and the transferability of those uses. I encourage the Commission to be mindful of the reliance that property owners have placed on these City approvals and the expectation to be able to continue these uses without fear of having the city terminate the prior approvals or impair the transferability. To that point, we support alternative A.1 in section 14.25.035, and B.2 of 4.25.025.

While I generally respect and support regulatory requirements directed toward health, welfare, and safety, I am not so enthusiastic with proposals that unnecessarily increase costs to property owners. One of those costs would be associated with the proposal to have a local agent within 30 miles. I consider that requirement as an unnecessary burden and expense on those owners that successfully and thoughtfully manage their properties. I have reviewed the committee's minutes and failed to identify any rational basis articulated for imposing this local agent requirement. I seriously doubt its efficacy. An alternative would be to extend the distance to at least 150 miles, or perhaps to impose that requirement only after a certain number of complaints went unanswered or ignored. A blanket imposition of that requirement is unwarranted.

An additional concern of ours is the requirement that properties be posted with some signage. I know that Lincoln City and other communities have imposed this requirement. We would prefer not to use our property to advertise for Meredith or any other management group. At the time of our application, our contact information was provided to the city and property owners within 250 feet. Moreover, that information is currently available through the city.

I appreciate the efforts and contributions made by the ad-hoc committee and the commission. I believe, however, that some of the proposals before you for consideration are too drastic and burdensome on individual property owners and represent an overreaction to what appears to be a limited and quantifiable enforcement matter.

Thank you for your consideration.

Respectfully,



Stephen L. Madkour, Member  
Nye Place, LLC

Nov 9th 2018

Derrick Tokos  
City of Newport Community Development Director

I am strongly opposed to any ordinance that will change the land use of mine or anyone else's property here in Newport. Newport is a tourist destination that has been so for over 100 years. Families & friends have been renting homes here on the coast and supporting all the businesses that have established themselves here. All the restaurants, retail stores, entertainment, fishing, are dependant on these tourists who will not stay in hotels. Additionally when properly managed these vacation rentals are the best places in our community and add significant value to us. 100's of jobs would be lost in the form of property management, house keeper, landscapers, handymen, painters, roofers etc., home furnishings, designers, appliance stores would also suffer. Besides the estimated 20% devaluation across the board of all these properties you can expect 10's of millions in lost revenue for the communities of the people who work here.

Contrary to modern opinion there

is no lack of affordable housing in Newport. What there is a lack of are dorms for college students that should be built on the hill instead of single family homes. Many of the people seeking housing here will not ever be able to rent because of the following "bad credit", felons, substance abuse problems, bad references, no job or income, large barking dogs + also smokers

Having been a landlord for about 40 years I recently took most of ~~our~~ HUD properties away as a result of the very problematic tenants. By contrast to other tourist towns rents here are cheap. HUD provides \$760 a month for a studio and/or a one bedroom → there are essentially no takers.

The homeless situation will also not be solved by this ordinance as most of them are penniless → have the aforementioned problems and by in large over 80% are not from here.

As an alternative I would

suggest if you have problematic vacation rentals they be required to have a property manager to facilitate taking care of their home. Another alternative as mentioned earlier is building student housing/dorms near the college which is being accredited. Another solution is there are many empty commercial spaces that haven't been rented for years could be converted into housing like they did in Merced when they built the college. Another solution is to waive fees on new construction provided they build along with the main house guest quarters to house a veteran/elderly person or a young person going to school. This will generate much needed additional tax revenue instead of offering free low income housing incentives.

The cost of real estate has changed here in the past 20 years, the taxes have more than doubled, insurance & utilities have kept pace with these increases

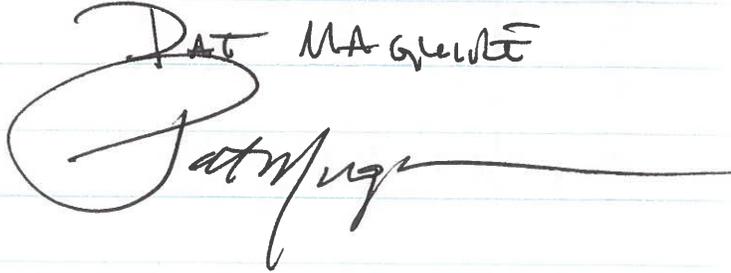
It would be impossible for someone to rent a home here to anyone for less than these costs + mortgage payments. Since a 3 bedroom typically rents for about \$1500 a month here or thereabouts that would need to be increased to \$2000 plus utilities for "these vacation rentals" which I do see by far some of the nicest properties here in Newport. I've from time to time have also rented by downstairs guest apt. short term to help pay my bills as I am on social security. For myself, my brother Paul, and all those who have vacation rental here I am strongly opposed to this proposed ordinance Number 2144.

I also reserve my right & all others rights to due process under the law before any zoning changes occur which will dramatically reduce the value of property & my ability to sell for market and trade should I wish to do so.

I'm happy to meet to discuss alternatives + other solutions but considering the ordinance precludes the construction of affordable housing in South Beach + Agate

Beach and the dorms being built for the new college near Hatfield science center. I'd recommend we abandon this proposal + revisit in a couple years to get real input from all parties effected.

When I first came to Newport in 1993 I cleaned up NYE beach, the homeless & drug problem & was bankrupt afterwards. No one has done more than myself over the years to help house & take people off the streets. still have a dozen people with roofs over their heads today because of me. lets keep Newport the #1 Tourist destination in Oregon & protect the hundreds of millions we invested here over the years to keep it Great!!

Pat Maguire  


CITY OF NEWPORT

NOV 08 2018

RECEIVED

November 8, 2018

Dear Planning Commission

The housing shortage in Newport is well documented across the entire economic and employment spectrum. Housing issues are not only faced by service industry and seasonal employees, but also by medical professionals, scientists, teachers, social workers, law enforcement officers, government and business personnel and many others in critical occupations who serve this community and who wish to find housing in suitable residential neighborhoods in which to raise a family.

Map alternatives I and II prohibit of VRDs from selected residential areas of Newport ostensibly to protect these areas for "affordable housing". These areas of the City have a negligible number of VRDs as it is, and would hardly seem in need of "protection" from further VRD proliferation.

While I support the general concept of protecting residential neighborhoods from transient use, I disagree with prohibiting VRDs so selectively without equal protection to ALL residential areas of the City and ALL "work force" employment segments that are so essential to the community as noted above.

To so intentionally protect "affordable housing" for largely tourism related employment but not protect workforce housing across the much broader employment spectrum for ALL permanent residents in ALL residential zones of this community seems both unfair, unwise and without justifiable rationale. For these reasons, I believe that Map Alternatives III and IV are far better policy options that will still support the tourism industry while better serving the needs of permanent Newport residents.

Darlene Croteau  
5524 NW Pinery St  
Newport, OR 97365

## Derrick Tokos

---

**From:** John Vann <j.vann3@live.com>  
**Sent:** Thursday, November 08, 2018 9:04 AM  
**To:** Derrick Tokos  
**Subject:** VRD Discussion

Dear City Council,

I understand that before the 2012 VRD ordinance, my small agate beach R2 neighborhood had only one (non-compliant) VRD business. Now over 30% of the homes in my neighborhood are VRDs and all are operated by absentee landlords, most from out of state. The 2012 VRD ordinance promoted the corporate purchase of large homes for the operation of small motel VRD businesses. The constant turnover, increased traffic and nuisance problems created by these transient renters have significantly degraded the residential character of this R2 neighborhood. I am a voting, permanent resident of Newport and am asking you to prohibit short term vacation rentals from R1 and R2 single family residential zones, and to phase out over time the existing VRDs in these neighborhoods. The 2012 VRD ordinance made a serious mistake in allowing the unrestricted, new development of VRDs throughout the City, and this mistake must be corrected before these VRD motels destroy more residential neighborhoods.

Among the suggestions entertained in the most recent version of the VRD ordinance please emphasize the following:

1. Set occupancy levels at Bedroom availability PLUS / (and/or) off street parking spaces provided.
2. Licenses to operate a VRD should not transfer with the sale of the property.
3. No VRD's in R1 and R2 zones, especially north of NW54th. There are no tourist amenities and very little beach access.
4. Oversize vehicles such as boat trailers, RV's and utility trailers should not be allowed in VRD's. I think off street parking might be allowed in the marina for such vehicles and emphasized in advertising for these rentals. .
5. Secondary uses such as Corporate Retreats , Weddings and religious services should not be allowed.

Thank you for your time.

John Vann

TO: Newport Planning Commission

REGARDING: City of Newport Vacation Code update

I want to commend and thank the Ad-hoc Work Group for conducting a very thorough Study of Vacation Rental Dwellings in our city. I would also like to provide my input on their Summary of Potential Changes. I have circled my choice of the most important proposed policy alternatives that I personally would like to see in the Vacation Rental Code Update. I hope that my thoughts might be helpful in the selection for presentation to the City Council. We are full time residents at 2510 NW Pacific Street.

Thank you,

*John W. Gilbert*

John and Meredith Gilbert

541 - 265 - 2795

CITY OF NEWPORT  
169 SW COAST HWY  
NEWPORT, OREGON 97365

COAST GUARD CITY, USA



phone: 541.574.0629  
fax: 541.574.0644  
<http://newportoregon.gov>

mombetsu, japan, sister city

Fall 2018

## City of Newport Vacation Rental Code Update Summary of Potential Changes

### Overview

In the fall of 2017 the City Council received a significant amount of public testimony that the City's regulations for Vacation Rental Dwellings (VRDs) need to be updated to protect the character of residential neighborhoods and to preserve the City's long term housing supply. In response, the City Council directed the Planning Commission to assess how the rules could be improved and the Commission, in turn, pulled together an Ad-hoc Work Group of interested persons to assist city staff in developing a package of recommended changes.

### Ad-hoc Work Group's Responsibilities

- Review the City's existing vacation rental regulations
- Evaluate Best Management Practices used by other jurisdictions
- Discuss policy options for revising the City's codes
- Select policy alternatives for presentation to the public
- Conduct open houses to obtain public feedback (occurred 8/15/18 and 8/22/18)
- Review public comments and determine how best to integrate responses into the policy alternatives
- Propose a package of legislative code amendments, based upon the policy alternatives, for review by the Planning Commission and City Council as part of a formal public hearings process.

### Proposed Policy Alternatives

#### *Focus Efforts on Units that are not Occupied by Permanent Residents*

- Distinguish "home shares" where an owner rents rooms in a dwelling unit where they reside, and Bed and Breakfast (B&B) establishments where an owner or manager lives on the premises, from VRDs where the entire unit is rented for transient purposes.
- Exempt home shares and B&Bs from location and density limits, because the presence of a permanent resident mitigates potential nuisance issues and does not impact the supply of long term housing.

#### *Limit Areas Where VRDs are Allowed*

- Limit vacation rental uses to areas that possess tourist amenities
- Provide policy makers with multiple options for drawing the boundaries, including:
  - Alternative No. 1: Recommends US 101 and US 20 be used as an easily understood break point, with VRDS allowed west of US 101 and south of US 20 (least restrictive)
  - Alternative No. 2: Similar to first option, but limits VRDs west of US 101 and south of US 20 to areas in close proximity to ocean views, beach access, and tourist commercial uses.
  - Alternative No. 3: Limit VRDs to areas where tourist commercial uses are concentrated
  - Alternative No. 4: Limit VRDs to areas outside of R-1 and R-2 residential zones (most restrictive)

### *Establish License and Density Limits*

- Limit the total number of vacation rental licenses to preserve the City's long term housing supply.
  - Apply a hard cap on licenses issued between 200 and 300 (roughly 4% - 5% of the total housing stock).
  - Provide that the City Council may adjust the license cap by resolution.
  - Limit transferability of licenses, upon sale, to commercial zones (or areas adjacent to commercial zones)
  - Institute proximity limits to avoid concentration of VRDs to the point that they change the character of residential neighborhoods:
    - Allow only one VRD per street face segment in R-1 and R-2 zones;
    - Limit VRDs in R-3 and R-4 zones to one multi-family or single family dwelling per street face segment

### *Improve Enforcement*

- Develop a centralized complaint system that facilitates transparency and citizen access to information.
- Engage with a third party vendor to provide a 24/7 complaint hotline and to provide ongoing monitoring of vacation rentals for permit and tax collection compliance.
- Structure progressive enforcement to achieve "three strikes and you are out."
- Establish a two year cooling off period for before an individual that had a license can reapply
- Require VRD operators to have a local contact capable of responding to the premises in 30 minutes.

### *Refine Approval Standards*

- Reduce overnight occupancy from (2) per bedroom plus two to simply 2 per bedroom. Exempt children ages 3 and under from overnight occupancy limit.
- Retain parking standard of one space per bedroom, but require applicants show that spaces are sized such that they meet City parking stall dimensional standards. Allow off-street parking to extend into undeveloped public right-of-way with stipulation that license will be revisited if street is improved.
- Update safety standards to reflect current building and fire code requirements
- Require VRD 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.
- Prohibit special events at VRDs in excess of occupancy.

### *Require Annual Licensing*

- Operator's to provide proof of insurance and update designated contacts with annual license.
  - Licenses to automatically expire if inactive to prevent "license hoarding" under a hard cap.

### *Phase Out Non-Compliant VRDs*

- Conditional use permits that allowed alternative standards will not be grandfathered.
  - Permit licensed VRDS in areas where they are no longer allowed to continue to operate for a 5 year period of time to realize a return on investment. Licensed VRDs in areas that exceed density limits to phase out as licenses expire (or through 5-year amortization).

### Next Steps

The Ad-hoc Work Group has forwarded the "policy alternatives" as potential code changes to the Planning Commission, who will hold its first public hearing at 7:00 p.m. on November 13, 2018 at the Newport City Hall. The Commission provides a recommendation to the City Council, who will hold its own public hearing(s).

### Additional Information

A complete copy of the draft changes, identified as "Ordinance No. 2144," and its supporting materials, are available on the City of Newport website at: <http://newportoregon.gov/>. Questions or concerns may also be directed to Derrick Tokos, Community Development Director at 541-574-0626 or [d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov)

Randy & Pamela Hoepfl  
540 Collier Drive  
Springfield, OR 97478  
[Pam@precisioncapital.net](mailto:Pam@precisioncapital.net)  
541-954-0630

October 30, 2018

City Of Newport

We are unable to attend in person November 13, 2018 for your Planning Commission meeting, regarding Potential Land Use Change.

This letter is to urge you to continue allowing the individual owners at Pacific Shores Motor Coach RV Resort located at 6225 North Coast Highway 101, to rent out to travelers from all over the USA. This is an area that only allows new Motor Coaches, and large RV's and welcomes tourists that enjoy the Oregon Coast.

The amount of revenue that is generated from these Tourist is significant, as most of these visitors are towing vehicles and take advantage of eating out most meals, buying supplies, shopping and the beautiful scenic drives and seeing the Ocean Beaches.

Please visit the Pacific Shores RV Resort and see what a quality clientele it attracts and how well maintained the grounds are. This resort shows pride of ownership and will continue to attract quality visitors.

Respectfully,

Randy & Pam Hoepfl

CITY OF NEWPORT

NOV 08 2018

RECEIVED

November 6, 2018

Derrick Tokos  
City of Newport Community Development Director

Re: Jon Tesar Written Testimony on proposed Ordinance Number 2144 (Short Term Rental Business or "VRD")

My wife and I purchased 2 properties in Newport within the past 3 ½ years with the intent that one or both could become vacation rentals. We selected Newport because of the vibrant business and tourist environment, the quality of life, and the rational approach of the City Government. Although I am generally against the degree of proposed restrictions on VRDs, the cap on total number of VRDs is particularly burdensome to me.

I currently live part-time in a home above the Bayfront. It already suffers from noise and light pollution, and it is very busy with vehicle and pedestrian traffic. But that is just the "price of admission" for being in such an interesting area. I do not see the vacation renters as a problem. I much prefer a well maintained VRD to a long term rental that could have loud and obnoxious tenants, drug transactions, squatters, nuisance animals, improper maintenance, and an obvious lack of pride of ownership. At least with a VRD, the owner is motivated to beautify the property and any problem tenants would be temporary.

If a cap is imposed on the total number of vacation rentals, it would be the only category of business that is capped in Newport. I understand that retail recreational marijuana dispensaries are the only businesses subject to a limit due to a 1,000 foot spacing requirement, and other businesses are restricted by zoning ordinances. Therefore, if the proposed regulations are adopted, VRDs would be capped, but other potentially loud or high traffic business such as bars, gas stations, cafes, apartments, and hotels would not. In addition, per section 14.03.050 of the Newport Municipal Code, the following businesses are permitted in at least one of the Residential Zones (R-1 through R-4): Multi Family Residential, Mobile Home Park, Home Occupations, Private Schools, Child Care Facility, Residential Care Homes, Nursing Homes, Rooming and Boarding Houses, Hospitals, Membership Organizations, Museums, Condominiums, Residential Facility, Assisted Living Facilities, and Bed & Breakfast Facility. Even though these businesses can be the source of excessive noise, overcrowding, illegal parking, and nuisances (e.g. accumulation of refuse, light pollution, etc.), the City does not cap the number of such businesses.

It appears to me that the proposed geographic limitations and enforcement procedures are sufficient to limit the total number of VRDs, without the need for an arbitrary limit. The precedence established by imposing a limit could lead to a limit of other types of business if some people see the business as objectionable.

It does make sense to encourage VRDs in the areas with a good view and high tourist activity. These homes are more likely to justify the additional investment to make them attractive to renters and to comply with the VRD safety standards. In addition, I believe the value of these homes would require rents that are too high for the “workforce” tenants. If the prospect of becoming a VRD is the only way an owner can justify fixing-up a dilapidated property, then I am all for it. However, if the City imposes an arbitrary limit on the number of VRDs, then an investor may not be willing to risk the investment. Even if a property owner verifies that a property would qualify for a VRD, the final qualification based on the cap would not be known until the time of application for a license, this could be months or years after the owner starts investing in the improvements. It would be a very unpleasant surprise to discover that a flood of other VRD applications caused my property to be ineligible.

In addition, I have comments on two other aspects of the proposals:

**(a) Policy Alternative- “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.”**

I encourage the City to allow off-street parking to extend into unimproved public right-of-way.

**(b) Section 4.25.020 A 8, Proof of Residential Use (for Home shares and Bed and Breakfast Facilities)-** The proposed primary residence verification precludes a part-time resident from operating a home share business, even though the owner is present while the property is rented. This reflects a bias against part-time residents.

Sincerely,

Jon Tesar

**Royston H. Filby and Catherine A. Grimm**  
**7381 North Coast Highway**  
**Newport, OR 97365**  
Tel: (541) 265-7781

November 8, 2018

To: Members of the Newport Planning Commission

Subject: Testimony Concerning Proposed Ordinance 2144

We, the undersigned, are impacted by the proposed Ordinance 2144 relating to Vacation Rentals as our property, in an R-1 zone, is bordered to the south by a VRD and there is another VRD one property removed to the north. The Ordinance proposed by the Ad Hoc Committee is clearly a great improvement over the existing VRD Ordinance and the Committee should be applauded for its thorough work. Our comments below relate to the various alternatives prepared by the Ad Hoc Committee and submitted to the Planning Commission.

*Limit Areas Where VRDs are Allowed.* We strongly urge the Planning Commission to limit VRDs to areas outside R-1 and R-2 zones (Alternative 4). VRDs are intrusive businesses that, like other businesses, should not be permitted in residential zones. The Ad Hoc Committee has documented the many negative effects that VRDs have on the quality of life in residential areas. VRDs should be restricted to commercial and tourist areas of the city, as many members of the Ad Hoc Committee have recommended.

*Establish License and Density Limits.* We support a hard cap on the number of VRD licenses as a fixed number, (200 or current number permitted) rather than a percentage of the housing stock. We also strongly oppose transfer of a VRD license upon sale of a property in a residential zone.

*Improve Enforcement.* We strongly support the creation of a centralized complaint system coupled with hiring a third party vendor to monitor complaints, permitting etc., and for enforcement of code. This concept is key to satisfying residents' many complaints concerning noise, parking and garbage. The City has not effectively monitored VRDs in the past and should not have to spend scarce resources on what is a growing problem. The funding for a third party vendor should be primarily from VRD owner fees and not from city taxpayers. The requirement that a local contact be identified that can respond to complaints within 30 minutes should be enforced.

*Refine Approval Standards.* We support revising the occupancy limits to 2 per approved bedroom and the one parking space per bedroom. Special events should not be permitted.

*Phase-Out of VRDs.* Existing VRDs in residential zones should be phased out over a 3 to 5 year period.

*Other Issues.* There is little or no input by affected residents prior to granting a VRD license that will have significant impacts on their quality of life. The City proposes to inform residents within 200 ft after a license has been issued to a property owner. Affected residents should have the opportunity to comment and to request changes before issuing a license as is the case for building permits. This is the approach taken by Lincoln County. Similarly, residents should have the opportunity to review the operation and history of any VRD in their neighborhood and provide input prior to renewal of a license.

We appreciate the opportunity to comment on the proposed Ordinance 2144.

Sincerely

Roy Filby and Cathy Grimm

**Derrick Tokos**

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**From:** carla perry <perry.carla@gmail.com>  
**Sent:** Friday, November 09, 2018 5:55 PM  
**To:** Derrick Tokos  
**Subject:** Concern about missing item in Ordinance No. 2144 regarding VRDs

Derrick,

I will be out of town on Tuesday, November 13 so will not be able to attend the PC Commission Meeting.

I received no confirmation that the email I sent to you (and others) on November 5 was received, and I noticed it was not included in the Planning Commission packet for next Tuesday night's meeting. In that packet were letters from numerous other people weighing in on the VRD issue, so I am sending my email again. Please confirm that you will raise this issue at the next meeting where VRDs are discussed, and please incorporate it into the testimonial record.

Thank you.

-Carla

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 To: Derrick Tokos, members of the Planning Commission Ad-hoc VRD Advisory Committee, and other interested people,

From: Carla Perry, [perry.carla@gmail.com](mailto:perry.carla@gmail.com)

November 5, 2018

I am a member of the Planning Commissioner's Ad-hoc Vacation Rental Advisory Committee and I have a concern about an item not addressed in the current draft of ORDINANCE NO. 2144: AMENDMENTS TO THE NEWPORT MUNICIPAL CODE RELATED TO SHORT TERM RENTAL LAND USE REGULATIONS.

My concern is the lack of a process to decrease the number of already permitted vacation rentals in areas that will be restricted after the new VRD policy is implemented, assuming that either a cap or proximity limits (or both) will be implemented.

**How will existing VRD permits in over-saturated areas be eliminated?**

I recommend that a statement be added to Ordinance No. 2144 that clearly defines the phase-out process, the timeline, and the consequences of non-compliance.

Attrition is one method that Derrick Tokos mentioned, another is noticing the newest permit holders that their permit will be revoked as of a certain date, but this topic is not addressed in the Ordinance. If the phase-out period is 3 years (5 years is too long), what steps will ensure no limits are exceeded at the end of that period?

Phase-out cannot be enforced unless there is a clear statement included in the Ordinance describing the phase-out process and the consequences for continuing to operate.

Thank you for considering adding this topic to Ordinance No. 2144.

-Carla Perry

**Derrick Tokos**

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**From:** Bernard Cooperstein <bdctzc@me.com>  
**Sent:** Friday, November 09, 2018 6:55 PM  
**To:** Derrick Tokos  
**Subject:** Vacation Rentals

To: Derrick Tokos

Regarding any plan by the city to regulate vacation rentals, we are very much in favor of not allowing any new vacation rentals in residential (R1 and R2) neighborhoods. Please take our wishes into account when a decision is made. We are permanent residents here in Newport.

Thank you,

Bernard Cooperstein  
Thelma Cooperstein

Roger Benney/Sheryl Craner  
 Owners of a South Beach Vacation rental  
 VRBO# 600858

With regard to the the proposed changes to the regulation covering Vacation rentals etc in Newport , Oregon in 2018

My wife and I have owned and managed our Vacation Rental since July 2014 and to date we have over 180 Five-star reviews.

We believe that we run a polished and professional operation and we have an excellent relationship with our neighbors in our Town-House development.

It is our opinion that the fact that we are extremely careful who we allow to stay at our place, even to the point of losing some potential bookings plus the fact that we do NOT rely on any agencies to make booking for us is a large part of the reason we get good ratings and have a good relationship with our neighbors. In other words it is possible to not have the negative issues that give some VR's a bad name

We have of course heard stories of irresponsible owners of VR's allowing too many vehicles and loud late night parties etc and have long been concerned that this kind of unprofessional conduct would trigger a need for changed regulations. Indeed, within reason we would support some changes.

1- We chose South Beach for a very good reason apart from it's undeniable views and it's State park. It is an area that is made for Businesses that are tourist and Science/Education related and as such is in need of good quality Rental accommodations and therefore we feel that any restrictions to the number and locations of Rentals should be very limited. South Beach is nothing like Nigh Beach and there is room for expansion in South Beach- unlike in Newport itself.

2- A business license endorsement should be transferable on an established VR if that business has a very good reputation, no complaints etc.

If Existing VR's have off street parking such as garages or driveways that adhere to existing regulations for vehicular parking, this should be good cause for more that one VR to be operational in every 5 lots or parcels. Since on road parking is usually the main problem in residential streets this would seem to be fair.

3-As per other areas such as Lincoln City for example, 5% seems at this moment with what housing is currently available and built to be a reasonable limit to work with, especially since we are not near that mark yet.

4-Maximum occupancy in our VR is 6 and we have two bedrooms. The reason is most guests we have have children and for them we supply a couch/day bed with a trundle bed underneath. This seems perfectly reasonable in order to fit a typical family or one or two extra persons. Our view therefore is for C1 – 2 persons per bedroom plus two additional persons

5-If there is to be an endorsement made to give preference to the longest running VR over the other VR's in that area, then it must be the VR with the earliest endorsement date that has been continuously run as a VR during that time not an on and off business such as when the owner at various times occupies the property for the winter for example.

Whilst we do not like this type of endorsement because it is hard to be truly fair in its administration, if it is to become an endorsement then the VR with longest running history as a full time business should take preference.

These are our opinions at this time and we apologize for being unable to be in Newport on the 13<sup>th</sup>

Roger Benney and Sheryl Craner

3605931616

**Derrick Tokos**

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**From:** Sandy Benning <ctwmn007@yahoo.com>  
**Sent:** Monday, November 12, 2018 8:40 AM  
**To:** Derrick Tokos  
**Cc:** sandra.benning@noaa.gov  
**Subject:** Concerns regarding VRD's in residential areas

Mr. Tokos,

Prior to the 2012 short term rental ordinance, when VRD operations were restricted, my single family R2 residential neighborhood was friendly, quiet and safe, and without a single, legally operated VRD business. Since then this single family zoned neighborhood has changed drastically with the explosion of large VRDs advertising overnight occupancies up to 18, and that often exceed 20 overnight renters.

This year alone, January 1 to date, our neighborhood of 35 homes and about 60 permanent residents experienced an influx of over 900 transient vacation renters who brought with them the problems of increased traffic, campfire smoke, noise, unleashed dogs, untended garbage, litter, trespassing and vandalism by drunks and drug users.

There are areas of the city including tourist, commercial and water related zones and adjacent areas where VRDs are appropriately allowed and policed, and where tourism is promoted through the amenities of shops, restaurants, galleries, entertainment centers, restrooms and ready beach access. These tourist oriented areas are certainly important to the economy of Newport, but also important are single family residential areas where permanent residents of the City can be expected to live and raise families in a typical and normal neighborhood setting.

There are single family residential neighborhoods in Newport that lack any tourist amenities other than large homes, operated by absentee landlords, that offer rents lower than hotels and motels, which are still prohibited in these zones.

To achieve some balance with tourism for the permanent residents of Newport, these VRD operations should be phased out of such single family residential zones. These small areas could thus be returned to the real neighborhood condition they enjoyed prior to the 2012 ordinance that allowed uncontrolled VRD businesses expansion throughout the City.

I will be attending the council meeting to express my concerns in person.

Thank you

Sandy Benning

## Derrick Tokos

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**From:** Glenn Stockton <glenn.stockton@gmail.com>  
**Sent:** Monday, November 12, 2018 8:57 AM  
**To:** Derrick Tokos  
**Cc:** loristockton@gmail.com  
**Subject:** Ordinance Number 2144 - Comments regarding the proposed VRD changes

Dear Mr. Tokos, City of Newport Planning Commission, and members of the Ad-hoc Work Group,

*Please confirm receipt of this email prior to the Planning Commission meeting scheduled for 6:00 p.m., Tuesday, November 13, 2018. Also, please confirm that the information this letter contains will be considered by the Planning Commission during the meeting.*

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Upon our return from vacation this past Saturday, we fortunately found the “Public Notice of Potential Land Use Change” in our huge volume of mail. In the future, we highly recommend that such notices be provided not only via snail-mail but also via email in order to enable greater response from those who could be impacted by proposed actions by the City of Newport.

We have been the owners of the “Yaquina House” with a postal address of 1156 SW Mark Street (though its entrance is from Government Street) since March, 2003. The fact that it was a vacation rental home made it possible for us to purchase it, and we have operated it as such from the time of our purchase. For use by tourist visitors to the City of Newport, along with its close ocean view which is protected by the adjacent Yaquina Bay Lighthouse park, the house is also ideally equidistant between the Historic Bayfront and Nye Beach. We currently employ a management company that manages all advertising, rentals, general upkeep, etc.

We are now both retired. The “Yaquina House”, and its continued use as a vacation rental, play prominently as a financial resource during our coming years. The loss of the ability to use it as one of our sources of income would significantly compromise our future.

As can be discovered in the title information of the property, when it was constructed the intent was its use as a small time-share property. Though we don’t know when this idea was abandoned and the transition made to single ownership and its use as a vacation rental, note that its entire history, since construction, has been one of periodic use by multiple families and groups as opposed to long term housing. As the house was constructed in 1975, we believe its construction and use either as a time-share or vacation rental property predated nearly all the homes that now surround it by many years. It’s use as such during this time and our period of ownership has been known by all surrounding property owners.

Regarding the “Yaquina House” specifically, contrary to the suggestion in the opening line of the “Summary of Potential Changes”, that “the character of residential neighborhoods” require protection, a strong argument can be made that the long term housing provided by homes in the immediate vicinity of the “Yaquina House” violate the initial character established by its historic and ongoing intent to serve the interests of periodic use by vacationing visitors.

Without addressing the proposed Alternatives No. 1 through 3 at all, as from what we have had time to discern from the online documentation, they apparently do not threaten the continued and historic use of the “Yaquina House” as a vacation rental home, we strongly oppose Alternative No. 4 and suggest that it’s implementation would likely result in significant legal peril and eventual expense for the City of Newport.

We do appreciate the efforts of those who have worked and are working on this. It is certainly a great challenge to balance the need for long term housing with the great benefits provided by quality and varied housing opportunities for visitors to our wonderful city. However, if there is truly unmet demand for long term housing, we wonder why this is not being sufficiently addressed through new residential construction.

We guess that a major factor that plays into this discussion and proposed actions are the interests of institutions such as hotels and motels. In recent years their interests are being countered with the explosive growth of alternative uses for residential dwellings such as vacation rentals, home shares, hostels, bed and breakfasts, etc. It is the revolutionary internet marketing sources that enable individuals and property management companies to successfully market such uses, including [vrbo.com](http://vrbo.com), [airbnb.com](http://airbnb.com), etc. As with any such revolution, the interests of the old way of doing things are put under pressure and sometimes simply disappear. We know this well from Glenn's many years working in the newspaper industry, which has suffered greatly with the rise of easy information access provided by the internet.

Please also refer below to the general comments offered last year regarding the then proposed moratorium of licensing new vacation rentals.

Best Regards,  
Glenn & Lori Stockton  
360.621.8653

On Thu, Sep 14, 2017 at 10:32 AM Glenn Stockton <[glenn.stockton@gmail.com](mailto:glenn.stockton@gmail.com)> wrote:

Dear Mr. Tokos,

As our main residence is in Bremerton, WA and we are very busy with our lives here, I will be unable to attend the coming meeting that seeks input on the idea of placing a moratorium on adding new licensed vacation rental homes in the City of Newport. Even so, please consider my comments below as the city considers this matter:

My wife and I have maintained what was initially a grand-fathered-in and now is a licensed vacation rental home in Newport, OR since 2003. We have greatly enjoyed our several annual visits to Newport and also sharing our home with many visitors to the Oregon Coast over the years.

As we understand only about 3% of Newport homes are currently available for visitors to rent, we believe it would be shortsighted to place a moratorium on the licensing of additional homes for this use at this time. Were the percentage significantly larger, such a restriction might be warranted, but with only 3 in 100 homes in the category, it hardly seems necessary.

Rather than placing such a moratorium currently, I suggest a broader look to the future. The needed research should begin now to determine what makes sense for the highest upper percentage of homes in this category. Surely there are other cities that have had gone before Newport in determining this optimum percentage. While Newport is unique, information gathered from these other cities which have faced this question could be accessed, analyzed, and adapted to Newport's unique setting and situation. Determining the correct action in this way would enable the decision to be made, not based on the interests of pressure groups that are in seeming competition, such as hotels and vacation rental owners – but instead in the true interests of all aspects of the City of Newport. The city would thus avoid the necessity of making any sudden changes, providing homeowners in the process of making a decision about entering (or not) the vacation rental market needed information for making a truly informed decision.

It is my understanding that Newport vacation rental licensing is not currently passed from home seller to home buyer. If this is indeed the case, placing a moratorium on issuing "new" vacation rental licenses would have the impact of greatly reducing the value of the homes of current vacation rental licensees, as well as reducing the number of reasons for buyers to purchase these same homes. That would be patently unfair to vacation rental homeowners who, in many cases, have spent thousands of dollars upgrading their homes to required vacation rental standards and thereby rely on the value they have added to them to be recovered when they sell. If, against my and others advice on this, a moratorium is put in place, it will be important to current vacation rental licensees that the code is simultaneously altered to enable the renewal of licenses based on previous continuous licensing of the home and not on the continuous same ownership of that home.

Placing current restrictions on the number of any of the growing variety of rental and logging options for visitors to our beautiful city, sends the wrong message, and longterm would likely have a negative impact on the local Newport economy.

Best Regards,  
Glenn Stockton

Home location: 1156 SW Mark St, Newport, OR 97365  
My cell #: 360.621.8653



## Dr. Ronald H. Davidson & Dr. Christine V. Davidson

281

536 NW 55<sup>th</sup> Street • Newport, Oregon • 97365  
email: [rhdaavidson@icloud.com](mailto:rhdaavidson@icloud.com) • Telephone: 312.925.1011

November 12, 2018

Dear Members of the City of Newport Planning Commission:

We write to express our support for a City ordinance that would prohibit the use of VRD housing within any Newport residential areas which are presently zoned R-1 and R-2.

While our concerns about the proliferation of VRDs in Newport are numerous – many of which we share with our neighbors in the community, who we know have previously expressed to you their strong opposition to such VRD proliferation – we are especially dismayed by some increasingly disruptive side-effects caused by the numerous vacation renters in our community over the past several years; specifically: increased police calls, reported cases of property theft, loud partying at late-hours (often with large numbers of non-resident guests), among a host of other unacceptable (and preventable) public nuisances.

In sum, while Newport must retain its well-earned reputation as a welcoming community for visitors, common sense would also suggest that such natural hospitality ought not to be abused at the expense of the quality of life for all our permanent residents.

We look forward to discussing this important issue with you and our neighbors on Tuesday.

Regards,

Dr. Ronald H. Davidson & Dr. Christine V. Davidson

## Derrick Tokos

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**From:** Jim Norwick <jdnorwick@gmail.com>  
**Sent:** Monday, November 12, 2018 5:54 PM  
**To:** Derrick Tokos  
**Subject:** Draft Ordinance 2144 proposed changes

As homeowners with a Vacation Rental Dwelling (VRD) in the Nye Beach area of Newport we would like to provide testimony/comment on several aspects of draft Ordinance #2144.

1.) The requirement under 4.25.020 4 and 4.25.030 D. 11. Liability Insurance for \$1,000,000 *is arbitrary, excessive and punitive to the homeowner and should be removed. Individual property insurance should be left to the discretion of the homeowner and has no impact on the city. This appears to simply be an attempt by the city to place unnecessary and capricious insurance burdens on VRD owners.*

a) *Where does the city get regulatory authority to demand the type and amount of insurance a business or private homeowner carries?*

b) *Are all businesses in the city of Newport and especially "in home" businesses such as massage therapy and professional counseling services where clients come and go required by the city to carry \$1,000,000 in liability insurance??*

2.) Under 4.25.020 5 Land Use Authorization: *Will every VRD within the city be evaluated by the Community Development Director and the homeowner receive the referenced "land use compatibility statement" signed by the Director for business license and renewals?*

3.) Under 4.25.020 11. Fire Safety 12. Structural Safety and 13. Waste Management: *Will the city be sending out the referenced checklists to all VRD owners?*

4.) 4.25.030 C. 3. Notice to Neighbors. *should be removed. The requirement for blatant labeling of a property as a VRD via signage on the premises indicates intermittent occupation and encourages vagrancy and increases risk of vandalism to the property.*

5.) 4.25.030 C. 9. Violations. *For consistency, referencing a short term rental business license endorsement under this section should have the same penalties provision as under section 4.25.050. In other words, the same penalties provision in 4.25.050 Penalties, should be applied to 4.25.030 C. 9. Violations. Otherwise 4.25.050 and 4.25.030 are confusing and contradictory. (Also, there is no 4.25.040 (B-E) as referenced in 4.25.050, there is only 4.25.040)*

Thank you for the opportunity to comment.

Jim & Camille Norwick  
 White Pine Properties, LLC

## Derrick Tokos

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**From:** Paul at Northwest Reliable, LLC <paul@northwestreliable.com>  
**Sent:** Sunday, November 11, 2018 7:24 AM  
**To:** Derrick Tokos  
**Subject:** Opinions in Opposition to VRD for 13NOV meeting

Hello Derrek,

I'd like to take this opportunity to express my deep concerns about vacation rental dwellings in our city. Having lived in the same long-term rental home since our arrival in May 2009, we've seen the addition of 4 VRD homes within a 2-block radius. These VRD's have gained popularity, and as such they're frequently being rented and turned-over for new rentals. The amount of "trips" associated with these homes is nothing short of significant. Traffic in our sleepy neighborhood has grown to the point that I fear for the safety of our young children and 2 dogs. Its unequivocal that the majority of this traffic increase ends up at one of the VRD's. The unfamiliarity with the area and disregard for the "SLOW DOWN" signage I've posted indicates they're not one of my neighbors and are transient tourists.

Nevertheless, I fully believe these nightly rental homes are profitable businesses situated in an otherwise residential neighborhoods.

If these homes were to be available for monthly long-term rentals, it's reasonable to assume the owners wouldn't profit nearly as much as a VRD would. I understand that pre-2012, allowing these transient activities in R-1 and R-2 zones was not permitted. So why have our residential neighborhoods been compromised for this highly profitable business? We have a shortage of long-term, affordable homes available in the city. Keep tourism and transients out of R-1 and R-2!

We chose to move to this particular are due to its neighborly appeal and tranquil environment. Had I wanted to partake in tourism activities and hustle/bustle of a commercial district, I would have found a long term dwelling near the bayfront district or the Nye Beach district - or moved near a hotel. Keep residential neighborhoods just that - "RESIDENTIAL". There's a reasonable expectation of commerce and hotel activities in mixed use zones like the Nye Beach district.

While I do enjoy my home and my long-term neighbors, I feel the activities associated with these VRD's are inconsistent with traditional residential neighborhoods that we've been accustomed to. The negligent littering, fireworks, trespassing, backyard fires, and disregard for parking restrictions come to mind. Please consider zoning restrictions, residents' way of life, and supporting business development in tactful and legal manner.

Paul E. Dunphy, *Owner*  
**Northwest Reliable, LLC**  
**\*Grounds Maintenance**  
**\*Home Repair & Improvement**  
(541-961-2744)  
 PO Box 1363 -- Newport, OR 97365-0106  
 General Contractor CCB # 194178  
 Landscape Contractor LCB # 9240  
 web: [www.NorthWestReliable.com](http://www.NorthWestReliable.com)

**Derrick Tokos**

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**From:** Ona McFarlane <onaellen@mac.com>  
**Sent:** Monday, November 12, 2018 2:06 PM  
**To:** Derrick Tokos  
**Subject:** VRD DISCUSSION MEETING - NOVEMBER 13, 2018

Hi Derrick

Attached please find my written testimony for the meeting. I would also like to present this orally during the public hearing  
 Kindest regards,  
 Ona McFarlane

**ATTN: PLANNING COMMISSION  
 NEWPORT, OREGON**

I am a permanent resident in the R-2 Zoned Agate Beach RESIDENTIAL neighborhood. In 2012, a VRD ordinance was enacted that made a major change in land use, **NEGATIVELY IMPACTING** my R-2 zoned neighborhood. This ordinance, allowing the unrestricted propagation of VRDs, was enacted without safeguards or enforcement policies in place to protect **PERMANENT RESIDENTS** and has resulted in degrading the residential character of my neighborhood. This ordinance of land use change was passed without the citizens of Newport being informed by a Public Notice mailed to their homes like the one recently received (**PUBLIC NOTICE OF POTENTIAL LAND USE CHANGE**)

These short-term rentals (aka “mini-hotels”) have generated not only greatly increased traffic but also numerous problems with transient renter use due to general disrespect of our RESIDENTIAL neighborhoods (illegal fireworks, noisy parties, untended garbage, trespassing, vandalism, animals - allowed or not - , etc. )

The 2012 VRD ordinance, created by the Planning Commission and enacted by City Council, has de facto defaced my neighborhood, basically re-zoning it from a RESIDENTIAL R-2 neighborhood into a C-2 tourist zone, without due process. This ordinance **NEEDS TO BE REVISED**. Vacation rentals have an important economic presence in Newport, but they should **NOT BE ALLOWED IN RESIDENTIAL NEIGHBORHOODS AND MUST BE PHASED OUT**.

The ordinance allowing unrestricted propagation of VRDs brought unintended consequences....unrestricted propagation!!!  
 Can the Genie be put back in the bottle??

Thanks,  
 Ona McFarlane

ISSUES REGARDING POTENTIAL LAND USE CHANGE  
ref., draft ordinance #2144

Derrick Tokos  
City of Newport Community Development Director  
Newport City Hall  
169 SW Coast Hwy, Newport 97365  
541-574-0626  
d/tokos@newportoregon.gov

This is a very major issue, and is complex, and needs to be carefully qualified in order to minimize the damaging impacts that are possibly likely to occur. In particular, I am concerned about how this will potentially impact resident for local resident owners and renters. For example, some local motels apparently have long-term rental residents living in their apartments. For residential owners of vacation properties, those properties may be a significant income source for them. There are considerable differences between residential property owners and foreign non-resident property owners in terms of commercial-economic impacts on the local community (ref., in terms of whether property use income benefits the city-community or is being siphoned-off by non-resident owners).

This is an issue that greatly impacts many vacation-resort communities. The issue is broader than simply regulating the use of residential dwelling structures as vacation rentals. From a perspective of community prosperity, there needs to be regulations concerning how much of the property within a community is owned by local residents and how much property, residential, business and commercial, is owned by non-residents, and this includes vacation home owners, vacation rental properties, local business enterprises (and especially those that are profiting from locally available resources – including vacation resort capabilities, food production, environmental resources, etc.), local properties, non-resident investors (including other governments and international speculators), and non-resident for-profit corporations.

Without these restrictions and regulations, the problem with vacation resort communities is that when too much of the local properties and resources are 'foreign-owned' (i.e., owned-etc by non-residents) that the community becomes financially crippled, and it becomes difficult to afford municipal operating costs without continually raising property taxes and probably other taxes. There is a lot of local money and wealth being generated, but it does not benefit the community when it is being immediately siphoned-off.

Uncontrolled property tax increases can force residents to relocate somewhere else, and this leads to more of the land/properties/resources-etc being owned by foreign non-resident investors and for-profit corporations, and this requires further property-etc tax increases for several reasons:

- Non-residents are not contributing to a healthy local economy, because they live somewhere else, and may only be concerned about their local property investments in commercial for-profit terms, or perhaps only

spend a few holidays here annually or seasonally; and

- Foreign non-resident for-profit corporations, siphon-off all of the profits to some non-local or international offshore commercial bank. This is a very silly and stupid thing for a community to allow to occur, especially when the income money being siphoned-off concerns local resources, which for Newport includes tourism, along with fish products, food produce, etc., and even local services.

This issue is becoming an increasingly problematic with large foreign (non-resident) corporations, and this is apparent especially with Walmart and the new discount grocery considering that most/all of the employees are part-time in order to pay them substandard hourly wages and without needing to provide employee benefits. This increases the social welfare costs for the community... while all of the profit income being earned is being siphoned-off out-of the community. Effectively, the community needs to subsidize these big-box stores by provide the store employees with welfare benefits that they are unable to afford as employees.

Major land use policies and rezoning that restrict the rights of foreign (ref., non-resident) property owners-investors and national-and-transnational corporations will experience tremendous outrage and reactions from corporate lawyers. Just as with the WallStreet lawyers self-asserted 'rights' to overthrow social democracy as has happened to the voter-authorized ban on aerial spraying of toxic pesticide cocktails that is apparently being permanently delayed by a local judge from going into effect before WallStreet lawyers can figure-out some way of eliminating this public initiative legislation altogether, comparable shenanigans can be expected with any major land use regulation amendments that are not in the interests of for-profit corporate capitalism.

Perhaps the best justification model will be the property ownership situation in Hawaii where non-resident and foreign property ownership of the land is very regulated and restricted, even though non-resident investors and for-profit corporations can own properties build on the land.

This issue will become overwhelmingly problematic with the return of transnational corporations to U.S.America, and is being demonstrated already by Amazon. The new regeneration of transnational corporations will be plug-in robo-factories and fully automated warehouses, and will be further assisted and facilitated by self-driving cargo vehicles and delivery vans.

Amazon is playing a brilliantly shrewd strategy of offering starting pay at \$15/hour, because every community will want to have a local employment operation that pays this kind of minimum income to workers. The problem will be that although there will initially be at least a few employment positions until those employment positions will be phased-out and replaced with robots (and telecommuted management services) for obvious corporate costs-savings benefits. By the time that roboticizing fully happens, these robo-factories and totally automated warehouse operations will have become entrenched within the communities. Further exacerbating this problem will be that in the anxiousness to have these relatively high-paying labor-employment enterprises, the



properties through providing home ownership & improvement loans that default.

There are several possible ways to go about creating greater community-based prosperity:

1. An ultimate solution may be to declare all undeveloped land within the city limits as being city-owned, and then to no longer sell that land, but instead to only lease the land to residents-only, including offering resident lifetime leases. (note: This is probably already being done in Newport to have affordable housing for city employees???)
2. If undeveloped land is already city-owned, to rezone all undeveloped city land as being exclusively for residential uses-only unless petitioned-etc by local residents for a zoning change or city planning reclassification and that is approved publicly, and without any concessions for non-resident speculators-buyers.
  - (note: This arrangement will probably need to be enacted for protection of farmlands, in order to keep farmlands designated as farmlands being continued to function as farmlands, unless the local resident public approves zoning changes to the farmland. The reason for this is that corporate economics have pushed the cost-value of farmland up to the level that the land costs more than it can reasonably generate while remaining purposed (zoned) as farmland. This means that new farmers cannot afford to buy the land because the farmland is not worth how much it costs as farmland. Instead, what happens is that farmland becomes re-purposed for housing developments, and the amount of productive farmland diminishes while the population increases. Instead, the lease rate for community-owned farmland properties could be adjusted to enable a serious professional farmer to earn a reasonable income on the land from agriculture, or there could be a share-cropping arrangement where the lease rate is a percentage of the income earnings from practical use-management of the farm for farming income purposes.) (note: In fact, the community can be actively supportive of farm produce marketing, and significantly improve the income for small farms as to earn the additional costs of leasing farmlands or sharecropping them with resident farmers.)
3. A related strategy is to place zoning restrictions on the city/metropolitan land that it can only be sold to residents or individuals-families who are in the process of moving here to reside here (e.g., possibly within a 1-year or 1½ years time frame), or sold to local business enterprises also with restrictions that if residents or local businesses move away, they are required to sell the land to the city or to resident buyers (ref., within a limited residency time frame), or the land could be confiscated and locally auctioned, and to then send the sale money to the non-resident owner who has moved-away.
4. A companion regulation will need to be that if a property-owner defaults on a commercial bank mortgage or home-etc improvement loans, that instead

of the for-profit corporation claiming default ownership of the land, that instead, the city-community acquires to land to sell in public auction to local residents, and then proportionally dispenses the money from the auction-sale to the creditors who are/were damaged by the property-owner's default. This will also reduce the use of irresponsible loans that are made with the intention of being-able-to acquire the land in the case of property-owner default due to personal bankruptcy or chronic joblessness-etc.

- (note: I believe that before for-profit corporate capitalism took control over the federal government, American who experienced bankruptcy, could declare bankruptcy and still retain their home and an automobile. Now, banks can confiscate both, and render a bankrupted person or family homeless and also confiscate their vehicle, which some homeless people are now living-sleeping-in. In fact, in some parts of the country, Wallmarts reportedly have sections of the parking lot separated-off for underpaid part-time employees who are still living in their outright-purchased vehicles.)
5. For purposes of building affordable housing or having affordable housing built by contractors, the city needs to set-up a city-owned property development corporation that contracts with resident building contractors to use local construction labor to build the affordable housing units and apartment buildings, and this may require actually hiring one or two building contractors as city employee positions (part-time???). For construction of affordable single family residences, this might also involve the city forming special arrangements with a local Habitat-for-Humanity chapter-program.

In fact, I recommend a coordination between urban development planners, Habitat-for-Humanity, and the architecture departments at the two state universities to identify what is needed in affordable housing, the construction costs that can be affordable (ref., and there needs to be a series of residence structures that span the range from very affordable up to homes that are now typically in the \$200,000 to \$350,000 range).

Tentatively, the combination of the university architectural design programs and Habitat-for-Humanity will develop a half dozen basic housing designs at various costs, and the university students will probably also be available to participate in summertime building projects for purposes of learning the practical experiences of building home-habitat structures and what is involved in being a contractor.

- (note: There is clearly already an affordable housing crisis throughout the nation for homes costing less that \$250,000, which means that young adults and young families can no longer buy 'starter homes' and then work their way up to more expensive-etc homes. This is a critical issue because it essentially means that young adults-families only have the options of a mobile home, trailerhome, or manufactured home, or to spend much of their lives living as renters [ref., renting from for-profit corporations and commercial mortgage banks], or literally leasing their homes from for-profit

corporations for probably all of their lives, in an effectively 'lease-to-never-own' arrangement... or else are compelled to move away.)

Smaller urban cities and resort communities are learning that employee-workers are difficult to have and keep without providing affordable housing for them, or else, like petroleum drilling sites need to pay premium wages for people to agree to live in dormitory-style bootcamp conditions. Lack of affordable housing also especially dissuades married employees from participating at all or from become long-term employees.

There is also another problem, which is that in the recent past that it was believed that the foundation of American democracy was based on private home ownership, and now that for-profit corporations own or control virtually all privately-owned land in U.S.America our government has coincidentally transformed from a pro-democracy republic into a corporate oligarchy, especially at the federal level.

- The Trump Administration has totally acquiesced to Saudi regime's barbarian vengeance-assassination behaviors involving a U.S. Resident who was working here for a major U.S.American news corporation, and this compromise of spiritual-political values is because of importance-of or dominance-of our military-industrial complex marketing a huge business deal to sell a lot of military weaponry to the Saudi government.
  - (note: It is also important to note that the collapse of the Saudi regime would plummet Arabia and the MiddleEast into a state of total chaos, worse the Afghanistan-etc or Syria, and Arabia would probably be taken-over by Iranian religious fanaticism. This happening would be a totally worst-case scenario from a perspective of global political destabilization where social chaos widely prevails.)

A third major factor is the increasing number of climate destabilization refugees in U.S.America who's homes have been destroyed by global warming effects, or who are becoming so overwhelmed that they are being forced to relocate. This is probably a major cause of the shortage of available homes costing less than \$250,000. During the summer, the Seattle area was reportedly experiencing 1,000 new residents every week. I anticipate that very soon, the climate destabilization problem crises will be quickly becoming so severe that entire new urban communities will need to be developed and constructed as practical alternatives to a burgeoning homeless population. These new designer communities will also need to be located on lands that are unsuitable for agriculture, and this will add another collection of challenges to deal-with, and there will be other problems too, including the electricity power-plant needs for the designer community and possibly the heating fuel needs; and, of course, the basic needs of water, sewage, habitat structures, living conditions, interactive employment, transportation, food production, etc.

Newport could become an optional location to rapidly expand into a refugee resettlement community; however the uncertainties about the subduction

earthquake that is now 101 years overdue (ref., in an allegedly 216-years event cycle) and the offshore volcano, along with the also predictable ocean level rise, that will probably favor moreso inland locations. (note: With total melting of global glacial ice, which is expected now as being inevitable over hopefully a slow timeline, lasting until the next century, ocean level will rise an additional 260 feet, which means that the Oregon coastline will be somewhere in Coast Range Mountains, which is like three ranges, which means that one or two could become offshore islands or island chains... and the Mississippi River Valley area will become a vast inland sea. The realistic projections at this time are overwhelming, not to mention extensive inland desertification impacts from the combination of global warming and the further destabilization and collapsing of the biospheric weather-and-climate stabilization mechanism(s). Actually, this horrifying outcome will probably not happen, and instead a prolonged global winter or iceage will be triggered to occur, probably within less than a decade, considering how much faster deterioration-etc effects are happening than conservative scientists have been willing to project-anticipate. Merely a prolonged global winter will probably reduce global populations of humans and animals by 80% (e.g., 5.76-billions of people) within two years of merely continuous winters.

6. The city also needs to establish a coop-investment group, for residents-only, that raises money to invest-in construction-development projects, or probably multiple coop-investment groups, with each having totally focused community development goals.

Transnational corporate capitalism has become divorced from the functional national economy that the American public is experiencing, and this untethered corporate capitalism is very volatile, and is beginning to phase-out small investment opportunities, especially because of the radical volatility that is presenting too much risk variability in publicly traded stock investment values. There are significant investment profits to be earned in such volatile stock market conditions for a shrewd investor who can devote his/her time to being an investment jockey, and has sufficient investment capital to risk-venture, whereas a lot of maturing resident Americans would prefer investments that are safe, secure and at least moderately income-generating.

The fact is that now corporate capitalism has taken-on a lot of ancillary cost factors, especially in maintaining control over federal politics and federal politicians, not to mention very pricey CEOs, corporate lawyers and other upper-level management, and these expenses mean that the general stockholders needs to be collectively paying for these expenses before they receive dividends from their investments.

A non-profit or limited-profit city-owned resident investment cooperative is an alternative to a bond-issue. As a non-profit cooperative, the costs can be repaid and continuing operating costs can be paid, and beyond that, any income benefits could go directly to the coop investors. The city government is merely operating this city government authorized, essentially owned, regulated, restricted, and controlled investment coop in a practical way that ensures that it

will become an ongoing community service mechanism and part of the overall community services infrastructure. In the wild-west, community service began with a local sheriff, and then expanded to include fire responsiveness, and then probably water supply, and so-on, until now an urban community has a lot of community services that are being provided and delivered. The pioneering towns of the wild-west expected that everyone would respond to an emergency, at least for recovery-etc., such as putting-out or containing a building-fire to the extent that a community could collectively do. Urban-municipal community service responsibilities and obligations have vastly expanded since those pioneering wild-western times. Within a social democracy, it is the resident public that identifies and even defines what is collectively needed by the community, and representatives, especially, are supposed to diplomatically find some collective common-ground perspective to present in political decision-making.

A second construction cooperative will involve the earned value from the construction projects paying for materials-etc costs, and providing a return on the investment cooperative investments to the investors, and with the rest potentially going to construction workers. The income to the construction workers could sponsor a resident local professional cadre of trained construction workers. Potentially, there could be two or three construction projects ongoing at any time, enabling the cadre of construction workers to intermittently work in the ongoing construction projects and live within the community comfortably without have full-time employment, which may become increasingly difficult to hold onto in this age of for-profit corporate capitalism automation and robotics.

In fact, I anticipate that the community colleges will increasingly need to expand into having a vocational college component that focuses on training and certifying the various construction, enterprise management, and entrepreneurial skills that will need to be developed within resident communities. The vocational college component might partner with Habitat-for-Humanity in providing the construction skills training needed within the community. Considering the numbers of people now being regularly annually rendered homeless by corporate capitalism (ref., automation, robotics and imported products using outsourced labor), global warming and weather-climate destabilization, there are increasing needs for construction workers trained and skill in building habitat structures and other basic structures (e.g., greenhouses, workshops, garages, sheds, shade structures, etc.)

From a community economics perspective, providing a liveable wage income to a professional cadre of local resident construction workers, is virtually as good as directly earning the profits that would be possible by paying the construction workers at substandard non-liveable wages as are paid to Walmart employees. Those resident construction workers will also be actively participating-in and supporting their local communities, and will probably be recycling-recirculation much of their incomes back into the local community, and that will build the shared prosperity level within the community. Consequently, this is a very positive, beneficial and economically profitable community services program strategy for the community to engage-in, and will be a much more effective than giving tax breaks and property values to transnational corporations

that will be setting-up local out-reach installations back here in mainland U.S.America. (note: Oregon will be a primary target for transnational corporations to set-up automated robo-factories because of the hydroelectricity [ref., which is inexpensive and will not be subject to sequestered carbon taxes], and because of having one or more Pacific Ocean ports for importing products, components, etc.)

The community management coop-organization or the city government will also have options of determining what seems to be an optimal balance between machine-automation and providing income-generating opportunities for local resident workers and entrepreneurs in the design of local coop enterprises.

Any type of local community-based investment coop will involve an investment pool of capital that is obtained through grants, through a local bond issue, or through other creative funding means, and becomes a dedicated pool of capital for a specific purpose or limited collection of eligible purposes, and in-which the money is continually being recycled as it is recovered, and is then again recycled or re-invested on each subsequent recovered.

Special purposes will include

- affordable housing, and also (separately)
- local commercialization-installation of renewable energy technologies, and possibly
- other local coop ventures, such as perhaps
  - the development-construction of community-owned motels and vacation spa-resorts for vacationers
    - (including landscaped parks for RV-homes and other trailer-home and mobilehomes), and also for
  - construction of community production facilities, such as
    - commercial kitchens for local farmers-etc to use in producing packaged food products or
    - coop membership-owned/operated workshops (e.g., a wood shop coop for making picture frames in an arts-graphics community). For example, the city could own the land and the building, and the functioning workshop could be owned and operated by a local resident coop that leases the land-building from the city.
- (note: Now that corporate-capitalism is acquiring virtually all of the privately-owned land in U.S.America, public needs for affordable housing will greatly increase the demand for trailer-homes that can be towed and parked and for manufactured homes that can be placed on durable, but not necessarily permanent, foundation structures. Urban communities need to be establishing and managing landscaped park communities for Rvs, mobilehomes, and trailerhomes because this is a major affordable housing trend that is already occurring.

Construction of manufactured housing (including trailer-homes and structure-assembly kits) is likely to become a significant practical and affordable housing option and a significant local production-employment coop industry for communities, especially in the western states to establish) for generating both affordable housing and local employment. This is a local coop industry that may be practical, especially for resort areas and other places where people would simply enjoy to live. Ideally the coop investment programs that fund local coop property development and construction projects will then blend into the community by providing other services that maintain these affordable housing properties.

My concerns about affordable housing and habitat shelters in general have resulted from designing-etc international refugee settlements and economics structures within refugee settlements that are necessary to keep the refugee settlement functional and self-maintaining. Charity-based rescue efforts are generally oblivious to issues like self-sustainability. I formerly worked for United Nations Agencies as a systems designer-developer-etc. There is no point in innovating something/anything that is not self-sustaining or that does not take-on a life-of-its-own.

I then recently adapted these settlement designs and structural-shelter designs for homeless residence recovery campus facilities here on the west coast (i.e., tentatively for Newport) and possibly for other arts-oriented communities (e.g., art studio complexes and live-in sculptures – I formerly lived within a live-in sculpture that I sculpted, and it was a totally profound experience).

There are reportedly 66-millions people who are currently homeless around the world, and the U.N.Relief Agency is attempting to manage temporary settlements for around 6-million homeless refugees. One solution-strategy for homelessness is to teach homeless individuals how to construct-assemble durable shelter structures, involving an innovative new architecture style of construction that I have derived from modifying geodesics, and which I refer-to as polyhedral tensegrity structures. These are exoskeleton structures that are rigid and are more durable and structurally coherent than either tents or conventional wood-frame homes, can be produces as DIY kits, can be disassembled and relocated and then reassembled, are remarkably inexpensive, and are incredibly versatile and easily adaptable for a very wide-range of environmental conditions (ref., because they utilize exterior insulation that can be adjusted for local climate conditions), and can be built-assembled on a variety of temporary or permanent foundations, including pontoon structures, decks, and cement or sealed asphalt pads, or when used as emergency structures can be placed on the open ground, to the extent that they can become earth-anchored. I first began developing this architecture for U.N. Refugee settlements in desert-like conditions in order to create a progressive on-site economics system that the residents would buy into and would then providing self-structuring benefits, and then made tropical paradise modified versions for Haiti (ref., in response to the totally blundered and failed rescue attempts after their last major earthquake) and then further adapted them for dealing with the Nepal subduction earthquake. People in Nepal in mid-fall were camping outside because they were afraid of a secondary quake-



- The 20<sup>th</sup> century inventor-etc., Buckminster Fuller, (who also introduced the energetics concepts of synergy and geodesic tensegrity geometry) described the potentials for engineering or effectively causing rapid socio-cultural change as being like a short-circuiting in an electrical circuit. One of the dynamics of all natural systems-mechanisms is energy-use efficiency, and when a greater energy conversion efficiency is introduced (including short-circuiting), the channeling of energy will dramatically change virtually immediately (ref., a dynamic that Darwin misinterpreted as being interspecies' survival competition struggles between the fittest organism-lifeform species, and with only the fittest surviving).

The dynamic power of coop capitalism investment accounting programs is at least initially based-on:

1. The investment funds are recyclable because of costs-recovery strategies, which will become earnings over time once the costs have been repaid, which means that these investment funds programs will be inherently progressive, and will potentially-probably continue to generate income long after costs-recovery has occurred.
2. These investments will also generate at least limited amount of investment income for investors, along with providing very secure long-term investment opportunities. Although, the primary focus will be on developing an integrated community-based economics development systems structure that is self-sustaining and generates local prosperity, employment, and other benefits for the community residents, there may be limited opportunities for selected non-resident) investment opportunities, such as for university endowments, retirement and pension funds accounts, trust funds, foundations pursuing humanitarian programs, etc. Just as for-profit corporate capitalism is essentially concerned with sustaining and developing the corporation and paying for the CEO and other management expenses (including federal government control, bribery expenses, quid pro quo political gifting, etc.), community-based coop capitalism will be fundamentally based on developing, supporting, sustaining and facilitating the local community rather than any outside organizations or special interests. There will need to be special ways of working with non-resident investors, along with limitations on how much capitalization is being provided by outside organizations, and there will be broad categories of non-resident investors who will be totally forbidden to participate, including non-resident for-profit corporations and investors from other states or nations. For example, there will be different policy mechanisms that will apply to retirement and pension funds accounts for resident business-enterprises than for non-resident retirement and pension funds accounts. In all cases, the investment funds will be specifically focused on what the investment money, both resident and selected non-resident, will be explicitly used-for, such as commercialization-installations of small-scale renewable energy technology/biotechnology micro-systems.

One practical optional possibility is by using futures contracts, such as

locally issued 'energy savings bonds' where renewable energy technology/biotechnology project investments are able to generate income benefits that will repay the savings-bond costs, including interest earnings on those bonds, ideally a few years before the savings bonds have matured and can be cashed-in.

- (note: The brilliance of 'energy savings bonds' is that the interest costs for these savings bonds will be less-expensive than what usurious commercial mortgage-banks charge for loaned capital, and there will not be the speculative risks of confiscation or contrived recessions and bank-failures that occur with obtaining funding from usurious commercial mortgage-banks. Renewable energy technologies/biotechnologies will continue generating income-benefits regardless of banking deregulation policies, government imposed tradewars, or other corporate-political party shenanigans.

For other higher risk investment development activities, such as tourist accommodations, affordable housing, local food production-processing facilities, etc., there will probably need to be underwriters, which will probably be provided at the state or county levels, possibly the federal government, and probably foundations... similar to arrangements made by non-profit radio stations.)

The income factor provided to investors can be adjusted, as necessary, to deliver as much basic limited investment income as is necessary to encourage further investments. This will be explicitly defined with savings bonds, but may be more loosely defined for resident investors, who will also be benefiting in other additional ways in various real and existential ways from developing local community prosperity conditions. Even more importantly and significantly, these are totally secure non-volatile investment strategies, unlike the now free-floating stock markets.

- (note: These investment funds-programs will be managed by community government, probably similar to a public utility district (PUD) or community owned utility (COU) where the money management is essentially non-profit, but with minor income growth to ensure sustainability and comprehensive self-management of functions and obligations, including repair-replacement costs and limited upgrading costs and perhaps coverage area expansion-development. There will be several management options that may be involved:
  - If community residents are investing in these managed (secured and guaranteed) investment accounts, those investors will be able to receive some investment income returns, probably at several times the value of money management accounts offered by commercial corporate banks or credit unions.
  - Another potential investment incentive will be that if the local facilities-capabilities developed through these local

investment development projects need to be locally managed (e.g., a housing project, local food processing facility, commercial kitchen, etc.), first options for awarding a management lease option will ideally go to investment partners. Consequently, resident investment partners could securing ongoing income benefits from become an active partner in community economic development, or this could be ways-and-means for a parent to generate employment and long-term career - opportunities for adult children, and in general, these integrative community development program opportunities could provide incentives for making it unnecessary for maturing youth to move-away to find income activities to engage-in.

- (note: This is a huge issue for west coast communities, and perhaps coastal communities everywhere, and is a reason that coastal populations often have higher percentages of middle-aged adults and seniors who do not necessarily depend on local income-generating capabilities. As a young adult, I was forced to relocate for purely economic reasons.)
- Ideally, to keep the facilities'-capabilities' benefits within the community, these facilities-capabilities will remain owned collectively by the community government and will be leased-or-rented or conditionally sold only to local residents.
  - (ref., a conditional sale or conditional lease means that the sale only remains valid for as long as the buyer is a resident, and there are regulations restricting future re-sales only to other community residents, or possibly that a conditionally sold property is re-acquired when a resident moves-away and is then re-sold through a public auction, and with that auction income provided to be now former resident.)
  - The facilities-capabilities and coops will be technically owned by the community government, which in the case of a production operation or local factory, may collectively decide how much of the operation or factory will be automated and how much will be made operated with employment positions, and those employment positions could also be treated as commodities that are sold to residents wanting a secure long-term income, or possibly leased to them (ref., who are qualified for the employment position). In this situation, the operational management and the workforce, will both be commodity

products that are being generated from the investment development programs. These leases or conditional sales will further contribute to the investment cost recovery.

- (note: In these cases, a member-employee can still be fired or let-go for negligence or incompetence, but not for arbitrary or frivolous reasons, and such a drastic action will require a coop decision, and if the membership-employment position had been purchased, then that position is auctions, and the sale income is given to the retired or fired member-employee.)

Presumably, all of the employment positions will be conditionally sold as commodities to local residents, and can be filled with temporary employees until those positions are sold to resident members. Those commodity employment positions will probably be sold by the investment coop responsible for the job-site through a mortgage arrangement, or possibly through a local credit union, but not through a commercial corporate bank or other commercial mortgage lender.

This is another unique post-corporate coop-capitalism strategy that bridges between a public utility service operation that the community-government or an independently operating project within the community-government is managing, and which interfaces with the commercial economic system, by employing local professionals and skilled labor as needed, and even with the community using a community college or other means for training the skilled labor as necessary. This will probably especially be necessary for introducing renewable energy technologies and other innovative new dimensions, including artificial intelligence and robotics. (note: In general, there is far more youth enthusiasm concerning learning robotics skills and virtual reality skills, than there are adequately learning opportunities as this time.) Coop capitalism can also be used in managing sustainable commercial-retail enterprises, but without becoming a totally commercial enterprise commodity that the community could lose control-of or that could be sold to a foreign non-resident corporation or non-resident investors.

- (note: There is a model for this in Oregon that I don't know very much about, and which is conservation easements on forest properties. My understanding that these easements are secured by property tax reduction incentives. The owner(s) can cancel the easement and convert to corporate capitalism or other commercialization options, but would have to pay the unpaid back taxes since the conservation easement was established. If this conservation easement has been established for a prolonged period of time, the property back-taxes could exceed the income potentials from re-commercializing the property, and the property will remain as a conservation easement property for perpetuity.

The local government could establish limited service cooperatives. A limited service cooperative could be set-up to provide a specific service or specific collection of services to the community.

- For example, a PUD special-program could focus explicitly on commercializing small-scale renewable energy technologies and/or reducing the use of sequestered carbon fuels (i.e., fossil-fuels and petro-fuels) or specifically for managing methane generation from landfills and other organic waste management recovery and community composting operations. In effect, locally-regionally-based PUDs will progressively become small-scale networked power-plants that are involved in facilitating and managing the development-installation-maintenance of small-scale electricity-etc generating facilities within communities or regional districts.
- A highway port docking facility that unloads cargo and merchandise for local deliveries to residents and small businesses may be dedicated to serving these specific functions and located along the industrial edge of the community.
- Community-owned driverless vehicle fleet services will probably be dedicated to providing residents with driverless automobile and hauling-and-towing services, along with another driverless vehicle fleet of delivery vehicles. (note: delivery vehicles will operate between the cargo in-ports on the outskirts of urban communities, which is already happening on the east coast according to intercontinental truck drivers and intercontinental anchorages and moorings and limited port services, referred-to as 'truck stops'.
- Another application that will especially benefit a rural-urban community like Newport will be a fleet of driverless vans that serve the local small farms community. The vans will show-up at local area farms, when they have marketable produce-etc., and after collecting all of that, it might be made available in designated locations for buyers from restaurants, grocery stores, cafes, etc. to select from, and the still usable, but cosmetically less-than-perfect or deformed, produce then going to a local foods processing facility or composting facility. This unique fleet of delivery vans will greatly boost small farm economics, will greatly promote the marketing and use of locally grown foods (which can now be greatly expanded because of the use of inexpensive greenhouses that can modify growth environments for extended growth seasons and for growing produce that is not possible with open-field and open-garden growing), and this will create a new local industry and employment for individuals working in foods processing and packaging using the community coop-funded commercial kitchen facilities. As a simple example, imagine a coop commercial kitchen that seasonally changes its production activities as the harvests change, and during one part of the year is rented-dedicated to making jams, jellies, beverages, etc., made from locally grown berries.
  - (note: Santa Cruz California offers a perfect example for Newport. I have a seasonal-affective disorder and moved there upon leaving Oregon in search of sunshine. Santa Cruz also had a burgeoning university community and university groupies. The first major new-age innovations happening there were locally produced granola

cereals (including with dried fruits), and food coops, and then local bakeries baking specialty bread products, and then Santa Cruz became a brand-name for fruit juices, etc. Newport could be experiencing a comparable developmental trend, with 'Newport' also becoming a brand-name for a collection of locally produced and processed foods, including foods made from berries, packaged sea foods (including fish, algae/seaweeds and crustaceans [especially including crabs and clams and possibly mussels]). There are also many small-farm specialty products that the combination of driverless vans and local food production facilities will provide. I grew-up as a child on a small filbert-hazelnut farm in the Willamette valley, and farmers' markets, then especially, were not really a viable marketing activity for small farms with specialty products, and still are not. Instead, the harvests were bought-up by Whitmans Chocolate Company and shipped to Turkey to be shelled, and then shipped back to the U.S.America for production-packaging into boxed chocolates. There were a lot of income economics involved, especially in transporting the filberts/hazelnuts to and from Turkey that could have benefited Oregon and small farms here in Oregon. For example, one of the world-class small-enterprise chocolate candies producers lives with her small business a few miles north of Yachats. As a former chocolatier, I am frankly amazed that she has even managed to produce world-class dark chocolate truffles and other packaged chocolate products here in these high humidity conditions.

Considering that the economic potentials are literally enormous in interacting this one set of specialty production activities together with another set of specialty production activities, including growing/harvesting filberts/hazelnuts, a mechanical facility to crack the nuts and remove the nut kernels, and, using those nuts in making a collection of chocolate products boxed or simply packaged and marketed possibly as roasted and salted nuts. There are several of these opportunities in a garden paradise state like Oregon, here and in the valley.

Another example worth mentioning that does not actually apply here to Lincoln Country (at this time) is a winery in Santa Cruz that makes a collection of the best wines I have experienced, and it is small-enterprise production that was then able to nationally distribute its wines as far east as Fresno California. It was totally consumed within the state. There are several 'Newport' brand products that will also experience this, once these production capability are connected together.

One of the greatest tragedies, in my opinion, was the selling-out of the fish canneries in Salinas on the southern edge of Monterrey Bay (ref., that Steinbeck had written-about). Obviously, there was more fast-money to be gained in selling them out to non-resident corporations. However, they had provided a major economic foundation for that south bay community. We are now at a point of realizing that developing durable long-term income resources is worth far more than the quick-fast money from selling-out to non-resident corporations. Foreign

non-resident corporations are definitely more efficient in producing and marketing food products than local small enterprises; however, our social-economic values are changing, and it is not longer just about making fast-big money for money's sake or for creating an ultra-wealthy elite, but rather to support the lifestyles and living conditions of residents and communities, and to generate community-based prosperity. There is an African (Nigerian?) proverb expressed in very broken American-English, and the translated gist of the proverb is that it is better to be the captain of a small fishing boat than a deckhand on a larger ship, and this is becoming true here, especially as we enter the age of robotic-automated manufacturing and production factories.

- Another obvious near-timeline futuristic projection is that taxi-cab corporations will become increasingly converted into leased arrangements within local urban governments to manage the variety of driverless vehicle fleets that the community or municipal government owns, which will include a fleet of delivery vans, and a fleet of hauling vehicles, and probably a few larger almost-cargo-sized delivery vehicles, and a fleet of taxicabs (probably with a few driver-operated taxicabs for conservatives and seniors who are not psychologically-ready to talk with their vehicles and leave the driving to them), and fleet of automobiles for residents to use when they need to go somewhat or take a family vacation.
- A vocational services program, such as a beauty salon training program or even a community beauty salon or spa might be dedicated to providing these training and/or professional services within the community. Every urban community needs several of these.
  - One of the most amazing examples of this that been the manicure-pedicure salons for women established by Vietnamese immigrant women, across the country. Actually, another amazing contribution of Vietnamese immigrants in NewYorkCity was the establishment of news-stand-tents with newspapers, magazines, and fresh produce. In the 1970s, there were only two grocery stores that I was aware-of in Manhattan. If a person wanted to taste fresh produce, that was only available by eating-out at restaurants or living on the coast where fishing fleets harbored. I would shop at the grocery store with fresh produce in the West Village, but going there (over 50 blocks away) and getting home involved nearly a half-dozen buses or a taxicab ride, which meant that grocery shopping could be a nearly half-day adventure by buses. Then, suddenly, there were Vietnamese-operated tent magazine-newspaper-and-fresh-produce stands at virtually every street corner along 1<sup>st</sup> Avenue in the mid-town region.
  - A beauty salon or vehicle repair garage service are excellent examples of limited services cooperatives, where the work stations could be conditionally sold-or-leased to qualified individuals, and become a long-term income support structure for those individuals. These are limited services cooperatives because they are intended to be continued explicitly as beauty salons or vehicle repair garages.

- An unlimited services cooperative might include a wood-working workshop coop or wood-working products assembly-line coop facility where there is a workshop-factory facility capability that could be modified, such as assembling different products than originally intended, such as where wood-working workshop coop factory could be used for make picture-frames-etc for local resident artists to market their works (ref., which would probably expand the market opportunities of the artworks to hotels, motels, restaurants, and local businesses and professional offices where the buyers may not have the time-etc to arrange framing-etc., even though the framed artwork might have a market value that is several times more income-generating than the same artwork unframed), or the wood-working workshop could be converted to making wooden toys or converted to making solar thermal collectors or vintage antique Ford automobiles or perhaps birdhouse kits or etc. In these kinds of unlimited services cooperatives, the factory-workshop facilities could be established by the local government or community-cooperative member employee-owner-workers. Actually, the manufacturing of birdhouse kits will become a perfect garage-based industry using a 3-D printer or computer-operated wood-cutting machine.
  - Those wood-working workshop employment positions could be sold-or-leased on a conditional basis to residents (ref., for as long as they remain residents), and those member workers-owners-or-lessees could collectively decide on the products being manufactured. In addition to receiving retirement income, a retiring worker would also be able to sell that employment position to another resident, or the community coop organization could sell that employment positions (e.g., on a mortgaged arrangement rather than necessarily an outright sale-purchase, and without commercial banking interest charges) and provide that money to the retired individual (or member-owner-worker who has become disabled or otherwise unable to continue in that employment position). The factor-workshop could also simply hire a replacement employee to fill-in until there is a new buyer of that position.
- A special dimension of practical community services concerns designing income-support structures for homeless residence recovery campus-facilities. My experiences as an experimental innovator of new programs has been that enthusiastic funding for truly innovative projects runs-out in around five years, for a variety of reasons. Therefore, a homeless-etc recovery facility needs either become self-funding within five years or at least become more expensive to shut-down than it is to keep it operating.
  - (note: There is a third option too, which is for an innovative project to become so endearing to the local community that the community will not allow it to be shut-down. This was brilliantly done at the University of California at Santa Cruz: A British Shakespearian actor and organic gardener was brought-in to set-up campus gardens, and after a few years, it became apparent that these gardens were being operated by the local hippie community rather than by the students, and so the University was considering shutting-down these gardens

down. Instead, the garden began extensively growing flowers, and Santa Cruz is a garden paradise. There was a bus stop shelter at the entrance to the campus, and every morning, except in the winter, this shelter structure was filled and surround by bouquets of cut flowers for the instructors, professors, staff and anyone to take for free to their offices-etc. Those gardens remained in operation, even without attracting many resident students to participate.)

For homeless-etc recovery facilities, considering the trending towards robotically operated and automated factor-warehousing activities, a traditional approach to training employment skills would be pointless. Instead, the 'recovering' homeless individuals need to learn community service skills because community services will be needed and there is not enough income or profits in community services for for-profit corporate capitalism to even be interested-in providing.

- The need to developing a self-sustaining local economics had been even more apparent in designing third-world refugee communities so that they can afford to provide self-maintenance capability and not deteriorate into charity-supported slums. An especially interesting problem occurred with the Jungle in France (ref., at the entrance to the underground tunnels to England) where many of the Jungle-slum residents were actually skilled professionals who could have been organized and mobilized with a basic on-site economics structure.

I have developed a half-dozen or so economic development strategies for homeless-etc recovery facilities. One of the elaborate strategies involve disassembling and recycling automobile parts (ref., from wrecking yards, etc.). There are several community services and entrepreneurial spinoffs from this. One of these spinoffs is simply to refurbish-repair and resell vehicle parts and components. There are different cadres of individuals who would be involved, including one cadre that disassembles, salvages and repairs-refurbishes the recoverable vehicle parts, and another cadre that will managing the warehousing, packaging, shipping/mail-order delivery of these refurbished parts, and a third cadre who will operate the interconnected website network marketing of these refurbished parts and components. This support structure can operate a limited micro-economics support structure capable of economically supporting all of these cadres of individuals involved, and these networked enterprises have operated nationally for decades already.

This foundation will then support several related spinoff income generating activities, and all of these essentially involve new money by recycling vehicle parts rather than simply smashing the vehicles recycling the metals. Another spinoff concerns the overlapping between vehicles and habitat-shelter structures, which might involve repurposing recovered-etc vehicle parts. Vehicle chasses could be used to construct trailers, which could support lawn-care services and even being used for building trailerhomes. A somewhat unique product for desert regions is a papercrete production trailer (ref., involving an automobile transmission, lawnmower blade and a tub. Vehicle engines in relatively good condition can be rebuilt in a machinshop a cogenerator that uses biofuels, and

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this could become a major underground industry that can expand the use-life a modified rebuilt engine by the equivalent of 100,000 miles of driving (e.g., 4,000 hours, when using a clean biofuel).

- Another optional strategy is for a community to use a bond issue to fund some income-generating community services coop, which then generates the income over time to repay the local residents for approving the bond funding. There are several interesting community development options in these arrangements for limited services cooperatives and networked cooperative complexes:
  - For example, an arts community like Newport could decide that the local marketing income from graphic artworks and sculptural artworks could be tripled by having a workshop to make frames or display cases or display pedestals for locally produced artworks, and pass a bond issue to fund the construction of a wood-working workshop or this could be funded by a local investment coop. Those costs could then be recovered by selling the employment positions for the workshop to local residents, and the workshop could earn income from constructing the frames-etc or could take-on an expanded role of marketing the artworks, with an online gallery and marketing outreach to businesses wanting to buy artworks or new constructions that have special artworks budget components, and then earn a commission percentage on the increased value of the artworks that have been marketed as finished products that are ready for display. Another optional arrangement could be that the commercial buyers, such as hotels-etc could then also resell these displayed artworks, and then buy additional artworks to replace them, and seemingly have a changing collection of artworks on display. A vacationer could take home a piece-of-Newport by buying on the hotel-motel artworks. Any of these optional product packaging and marketing arrangements will increase the income coming into the community, and potentially with that income recirculating through the community at least three times or more, and definitely adding to the local community prosperity with each recirculation.
    - (note: This is a somewhat existential concept of a community service structure; however, could be totally self-supporting, self-sustaining and local income generating, and could totally pay for the costs involved from the increased income being generated.)
    - For example, imagine the community or that wood-working workshop cooperative operating an online marketing gallery channel on the Internet that includes a web cam on the ocean, and then having a brief portion of every hour (except during sunsets) devoted to showing ocean photography and coastal artworks that are currently available for sale.
    - Once there is a ocean-&-sunsets web cam installed (such as on the Visual Arts Center or a cliffside hotel), there will be valley homes and businesses that will install large panel video screens as

electronic picture-windows with ocean views, and this could be popular among valley residents and businesses and other inland locations by people who enjoy visiting the Oregon coast, and for inland restaurants that serve seafoods. There will also then be live video streaming of coastal events, such as parades of lighted fishing boats, fireworks over the bay, visiting big sailing ships, possibly sailing yacht races, commuting whales, etc. The increased tourism that such a window on the ocean motivates and facilitates could easily pay for the web cam channel, or there could be a hotel-motel tax levy to pay for the costs. Inland resort spas have been using web cams for decades, including web cams that viewers can remotely pivot-around and are self-focusing showing pool areas-etc for marketing promotion.

- Another very possible investment opportunity for Newport might be support structures to have a community-based fishing fleet that is not corporate-owned. Instead, the collective supportive community services might include a sea-foods processing facility and possibly a couple restaurants and a cafe that specialize in sea-foods or more broadly in locally grown, caught and produced foods. The payback to the community residents for approving the bond funding once these restaurants-cafe network becomes operational and undoubtedly successful might be dinner coupons or special discount coupons for packaged foods being locally produced by the foods packaging-processing facility. There may be a time lag between when the bond funding is approved by voters, and when the payback occurs, and the residents who receive the benefits may be not entirely the same residents who approved the bond funding, but once these payback benefits begin occurring, the community will probably become very committed to these kinds of self-investment bond funding projects, and unlike ongoing bond funding projects like for funding education or health services, these limited infrastructure development projects could be a one-year or two-year limited tax increase. For example, as it becomes possible to payback the resident voters for approving the bond funding, it could be done as a computerized lottery, where active voters are randomly selected to receive the coupon vouchers for food products or dinners or discount credits to use at the community-owned restaurants-cafes, and possibly with awards only given once to any specific voter. This strategy will encourage voter approval of these kinds of community services infrastructure developments, and encourage voter participation in local elections. This strategy could also be used for limited services cooperative, such as beauty salons (e.g., a free hair treatment or free manicure/pedicure), health spas (e.g., a free day pass), and automobile garages (e.g., free oil change, discount on tire purchases and installation, a free engine tune-up, etc.). In these arrangements, the lease or sale of work stations-etc income will pay for the free services being provided, so that in effect, the voters are reimbursed for the costs that these special community development bonds have funded, and if a

person has no need for the benefit coupon or discount, it can be given away as a gift or even sold or used as a contribution in charity auctions. All of these options will serve to better integrate the local community, support democracy and voter participation, establish durable local services structures, generate prosperity, and improve the local standards of living, and create more opportunities for local residents.

1. By being local community-based economics development programs, the income being generated will be substantially recirculated within the community, contributing to the community's overall prosperity and further raising the local standards of living conditions.
2. Even more significantly, these investment cooperative will quickly be, in philosophical terms and ideological terms and practical terms, the most appropriate and also most secure investment opportunities for universities, pension programs, retirement programs, annuities, trust funds, and other financial management programs that are seeking appropriate investment opportunities that are secure and self-sustaining and reliably durable. Communities are the absolute best investments, because when communities fail, everything fails. Communities have needs, and investing in providing ways to progressively deliver or achieve those needs is the best possible investments, and those investments do not need to afford over-bloated incomes and benefits for CEOs, corporate lawyers, commercial banks, federal politics expenses, transfer of wealth being siphoned-off for the wealthy elite, etc., which means a much greater return on investments for the investors and much greater dynamic prosperity for the communities those community-based investors are living within. These investment mechanisms need to be carefully designed so that they become self-sustaining by accomplishing costs-recovery while also generating very basic secure profitability sufficient to attract investors, but with most of whatever income generating potentials or actualized capabilities are used to provide overall betterments, improvements, greater social cohesion and prosperity within these individually self-managing and self-maintaining communities. These newage post-corporate capitalism economics will be most easily, initially and emphatically demonstrated in resort vacation environments like Newport.

This is also probably the absolute best strategy for developing affordable housing, which includes a wide range of housing-living situations ranging from community owned-and-operated RV parks, mobile vehicle and trailerhouse communities to tiny house communities with extensive community support facilities (ref., somewhat like a highrise apartment/condo building, but with the apartments actually being tiny single family and single resident structures within somewhat landscaped micro-lots, to small single family dwellings, to apartment buildings to vacation motels.

Affordable housing will involve local community service coops that do the construction and maintenance of these housing and rental accommodations, and

these housing coops will probably be leased to local residents to operate and manage.

In general, affordable housing will involve smaller residential structures, and this will require additional community support facilities, such as neighborhood community centers, public-commons buildings (including play areas for children, recreation centers, neighborhood laundromats, coffeeshop-lounges, spas, etc.), arts and entertainment plazas-complexes, garages (ref., for general storage, workshops, private home offices, etc.), storage sheds, etc.

Probably to keep costs down, minimalistic structures will be used to the extent practical, including modified geodesic structures. The combination of smaller residence structures and smaller property lots and geodesic-etc structures will also probably require special zoning-coding-use provisions.

- (note: Building security will be increasingly provided by surveillance cameras, which means that building structures will not need to be over-built for security and anti-vandalism protections. The current state of metropolitan surveillance camera systems are able to recognize individuals, and includes the ability to track the movements of individuals within-through communities, which also means being able to recognize the presence of strangers. This combined with increasing sophistication with forensics suggests that petty crimes will become increasingly impractical to successfully pull-off. Contemporary residences are already relatively easy to break-into. Door locks and window locks are token gestures that protect against relatively honest people. Surveillance cameras will effectively expand the presence of honest people within communities, and surveillance camera systems with artificial intelligence will be able to detect problems and do notifications and alerts while problems are in the process of happening. This is already happening with lights-etc (including surveillance cameras) that are operated by motion detectors and only activate when activated by sensors.)

Consider how much money alone comes-in from motel rentals within Newport, and realize that with community-owned motels, that income would be supporting and generating prosperity within the community, if it was not being siphoned-off to non-resident owners and foreign non-resident corporations and investors. A community with investment cooperatives could easily manage the operation and maintenance-etc of these facilities or could subcontract those responsibilities to local residents to manage. For example, once Newport develops and establishes a community-based investment coop, and it begins generating positive results, and it has acquired a status of permanent durability and/or has guaranteeing underwriters, there will probably be a serious risk of having too much investment capital offers to adequately manage. This is a somewhat unique kind of situation that is happening now because there are some major changes that are happening that are fundamentally destabilizing our economic systems, and this is causing changes in valuations, which is, in turn, causing significant changes in our economic systems, assuming they survive the turbulent waters of now and the turmoil ahead.

There is no question about how amazingly that corporate capitalism-industry-manufacturing is able to materialize whatever it can imagine and believes-in; however, as values change, that dynamic self-righteous creativity might not be providing a sufficient answer to the needs of the American public or to support American-style democracy.

By structuring and restrictively-designating these community-based investment cooperative to have specific focus and to accomplish costs-recovery over time, while also having the self-maintenance-etc capabilities of becoming self-sustaining on an ongoing basis, while also being progressive (ref., self-managing and income-generating), is the absolute best economics systems design strategy for engineering prosperity into a community.

Newport is especially aware of the deeper meanings of this newage economics reasoning because of our local Public Utility District, and PUDs, PUCs and COUs in general. (note: This also makes sense in the Pacific Northwest because of the renewable energy economics [ref., in terms of establishing durably self-sustaining benefit mechanisms, such as hydroelectricity] that provide greater benefits than for-profit community electricity service providers anywhere.)

- (note: This will happen in general with renewable energy technologies commercialization, including small-scale renewable energy technologies commercialization at community levels. Consider that half to two-thirds of the costs of renewable energy technology installations are the funding-financing charges. There are then three costs factors after excluding funding-financing, and which are (1) siting and site preparation, (2) the renewable energy equipment, and (3) the installation costs. (4) A fourth cost, which is the most minor is the maintenance and repair costs to keep the renewable energy system-installation functioning-operating. (5) There is also a fifth cost which is labor intensiveness in operating the system-installation, which, in general, is far too expensive for corporate capitalism to want to bother-with in general (especially with small-scale renewable energy technology installations), and which will continue to be demanding, especially for some renewable energy technologies and biotechnologies until they can be totally automated.

The significances of this renewable energy technologies/biotechnologies model are that once the problems with labor-intensiveness can be marginalized or subsidized, then the costs of maintaining, repairing and replacing a small-scale renewable energy technology/biotechnology system in perpetuity are in the range of 10% to 20% or less than the initial startup, setup, installation, financing, etc. costs. Therefore, once these micro-systems can pay for themselves, they become income-generating, and in some cases, significantly income generating... and it will be less expensive to keep these systems operating in perpetuity than to build new systems, and that will also frustrate corporate capitalism. This is the essence of newage post-corporate capitalism economics that can be applied to other community services operations.

The core issue is labor intensiveness, which makes community service operations impractical for for-profit corporate-capitalism because the labor cost

cut-into the possible-practical profit margins too greatly to be practical for for-profit corporate economics. However, for residents wanting to engage in income-generating activities comfortably within thriving local communities, moderate amounts of labor-intensiveness are involved in any worker-based income-generating activity, and doesn't cost anything compared by buying comparable needs that are provided by for-profit corporate capitalism.

The combination of driverless vehicles, robo-factories and robotically operated warehouse docks will fundamentally change the future of urban design, especially for smaller to mid-sized urban communities, including for a place like Newport.

Urban communities will all want have fleets of driverless automobiles. There will always be people who want to own a private vehicle; however, this will no longer be necessary, and there will be new communities and designated areas within existing communities that will be essentially vehicle-free (ref., at least for gasoline-powered privately owned vehicles). The vehicle-free community areas will not need to have streets designed for two-way vehicle traffic, nor on-street parking, and not even for off-street parking.

At this time, it is estimated that every community-owned driverless automobile replaces seven privately owned automobiles. This means that it will be less expensive for a community coop service structure to own-maintain a fleet of driverless vehicles than it costs to construct and maintain city streets that are designed for private vehicle ownership, parking and use.

Next generation automated robo-factories will be essential 'plug-and-play'. They will involve modularized manufacturing, warehousing and packaging operations, probably as somewhat elongated factory structures with a cargo unloading dock on one end and a re-loading dock on the other end for cargo and local-regional deliveries. These robo-factories can be set-up anywhere there is an adequate electrical outlet(s) to plug into. The production-etc modules will be assembled together as needed for whatever manufacturing, production and packaging operations that are needed.

It will probably make sense to have regional or state manufacturing facilities rather than large manufacturing hub centers. In part, this will be practical because robo-factories can operate 24-hours/day and also on holidays and weekends, which means that a robo-factory will only need to be between one-fourth and one-fifth the size of a present-day factory and still be able to out-produce larger present-day factory complexes.

The logical model for the robo-factories will be adaptations of the Amazon warehouse business model, which means that Amazon will become the major manufacturing corporation in U.S.America because Amazon will have the automated warehouses and delivery services, and can simply add production modules into their automated warehouses to branch into whatever manufacturing and production activities Amazon management wants to branch-out into. This model will be linear factory-warehouse complexes with docks on either end. Manufacturing, packaging, etc. modules will probably be flatbed platforms or

railcars that have parking spots along the warehouse factory that can be replaced if/when they wear-out or breakdown or if the factory operations are changed.

For a community like Newport, it will make sense to have an Amazon style robotic-automated warehouse docking port at the main highway entrance (i.e., highway 20) and perhaps smaller docking ports also on the north and south ends of highway 101 if there is significant cargo entering Newport along highway 101. Much or most of the cargo entering the community will be unloaded at these docks for warehousing and local delivery to residents and community businesses.

This new business model being developed by Amazon will also be adopted by progressive communities with investment and construction cooperatives that are exclusively available to residents. A community coop will then operate a local fleet of delivery vans, and this also means that deliveries can be scheduled to occur at the most appropriate times for residents and local small businesses.

#### SUMMARY:

The summary of this overall discussion is that for-profit corporate capitalism will be progressively phased-out within small and medium-sized urban communities, including rural-urban communities, like Newport because they cost too much by siphoning-off all of the profits, and these realizations and considerations **need** to be introduced into urban development planning, land use planning, and planning commissions at this time... because these progressive developments are on the verge of happening immediately, and when they happen, it will seem like they are happening almost overnight.

## Derrick Tokos

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**From:** Rob Hildebrand <[rhildebrand@multnomah.edu](mailto:rhildebrand@multnomah.edu)>  
**Sent:** Tuesday, November 13, 2018 12:45 PM  
**To:** Derrick Tokos  
**Subject:** Feedback for tonight's meeting.

Mr. Tokos,

I regret that I cannot attend tonight's meeting in person. But I did want to enter my thoughts into the record since your committee has extended that ability to those of us who own a home in Newport. Thanks again for soliciting our thoughts.

Fundamentally, I see this proposal, as it currently exists, as a move that helps some folks and hurts others. Some folks will no longer have VRD in their neighbourhood which will raise their quality of life a little. Others will lose their livelihood, or, in my case, potentially our retirement strategy. The latter group are significantly more impacted by this decision than the former group.

But rather than just approaching this from the perspective of "which group is more important?" I'm hoping that you also consider the issue of fairness. Many of us have made our plans with the existing set of rules in place. If those rules are to change I would hope that there are grandfather clauses in place so that the "losers" of the decision are protected. It is fair and right for a city to want to protect all its residents.

Personally, I think that residents should have the right to utilize their homes as they wish. It seems unfair, in my eyes, that one group should be able to impose its will on another, particularly when the impact will be so severe on some.

Thanks for hearing my family. In short, we would vote against the proposals, if it were a vote.

Rob

**Dr. Robert J. Hildebrand**  
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 Assistant Dean, School of Biblical/Theological Studies  
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November 13<sup>th</sup>, 2018

Planning Commission  
City of Newport  
169 SW Coast Highway  
Newport, OR 97365

Dear Planning Commission,

I am writing to provide testimony for the public hearing tonight in regards to draft Ordinance Number 2144. My wife Alison and I own property at 2821 SW Brant Street in South Beach.

I agree that policy should focus on units that are not occupied by permanent residents. I understand the need to limit areas where vacation rentals are allowed. I will support Alternatives No. 1 and No. 2 in establishing the areas where vacation rentals are allowed. I support phasing out vacation rentals in other areas over a 5-year period.

I strongly oppose the other proposed restrictions on vacation rentals described in Ordinance 2144. I do not think it is appropriate for the City Council to limit the total number of licenses for vacation rentals. The local economy benefits greatly from tourists that often stay in vacation rentals. If the total number of vacation rentals is restricted further, these vacationers will take their business elsewhere on the Oregon Coast. This would be an overall loss for our city. Many of the proposed measures add undo expenses and administrative costs to those property owners operating vacation rentals. My specific comments for each proposal are below:

- I strongly oppose any limits on the number of licenses or on the density of vacation rentals
- I oppose the proposed enforcement efforts, especially the proposed complaint system and hotline. I think such a system would quickly be abused and prove a burden all property owners. It is unnecessary. Also, such a system would be expensive to maintain.
- I oppose refining approval standards. I don't believe that vacation rentals need additional requirements. A sign may provide a target theft and vandalism. Prohibiting events can take away from the experience for some vacationers.
- I oppose requiring an annual license. This is another expense and burden on owners of vacation rentals. Increased costs may eventually discourage vacationers to rent in Newport.

Feel free to contact me if you need any clarity or additional input. Thank you for all the work your commission has put in to addressing the issues with vacation rentals in Newport. Please continue to provide avenues for public input.

Sincerely,



Luke Whitman

**Derrick Tokos**

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**From:** Nancy Thurston <nancy.e.thurston@gmail.com>  
**Sent:** Tuesday, November 13, 2018 2:43 PM  
**To:** Derrick Tokos  
**Subject:** City Council Meeting tonight

Hello,

I am an out of state owner and I cannot attend tonight's meeting. I would like to weigh in on what changes are going to take place.

1. Please consider that without tourists Newport's economy would suffer.
2. Some owners of vacation rentals are very attentive and concerned about their affect on the neighbors. I for one check with the neighbors to make sure we are not having people disturb them.
3. Our guests are infusing the local restaurants and attractions with more business.
4. As far as using up housing and making it difficult for locals to buy, I don't feel like the workers in Newport "in general" would be able to afford most of the homes that are being used as vacation rentals. Newport needs to look at creating affordable housing for the residents.
5. We try to pay over the average for our help to care for our yardwork and housekeeping. This keeps more employment in the Newport community.
6. I would hope that existing homes that are vacation rentals would not be eliminated with any "new" density limitations. I can understand having some kind of restriction, but only going forward. We bought our home with the full intention of using it this way and plan to retire to Newport eventually. This was our plan to make this house affordable to us. Not all vacation rentals are owned by big companies.
7. I like the idea of a central complaint line. If I had guests that were being disrespectful and annoying the neighbors I would want to know.
8. I don't know how many current vacation rentals Newport has so it is hard to voice an opinion on how many should be allowed.

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Thank You,

Nancy Thurston

Real Estate Agent  
John L.Scott Real Estate  
208-861-2666

[nancy.e.thurston@gmail.com](mailto:nancy.e.thurston@gmail.com)

Practice random acts of kindness!

**Derrick Tokos**

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**From:** Pivot Point <pivotpointpro@gmail.com>  
**Sent:** Tuesday, November 13, 2018 2:34 PM  
**To:** Sherri Marineau; Derrick Tokos  
**Subject:** Input regarding proposed Vacation rentals

Dear Shari,

Unfortunately, I'm not able to attend tonight's meeting as I am out of town, however, there were a few changes that I was concerned about regarding the short term rental property rules.

The city of Newport is known for being friendly— especially friendly to businesses and visitors. The guests who stay in our short term rental have shared their love for Newport and the ease of finding a rental, compared to other cities. I don't want to lose this reputation by over-legislating the process.

1. The current rules in regards to noise control etc. are appropriate if they are enforced by the city. The proposal that owners or agents reply to complaints within one hour is unrealistic. A "reasonable amount of time" could be defined as 24-48 hours. Everyone who rents from me has already agreed to comply with following city ordinances (and my quiet hours are more strict), but if they choose to disobey the law, then the law should be enforced on those tenants— not on the property owner.
2. Why the need and extra expense for an electronic database? Surrounding houses are already notified by mail.
3. Liability insurance requirement: Most businesses already carry liability insurance and it only hurts them if they don't. Why should the city be involved in creating an extra job—i.e. more money spent by the city to enforce this policy?
4. The word "overnight" was struck out in several places. I propose that you leave the word overnight in those places and here is why: Our house was rented for various business meetings and for families who traveled from out of town for memorial services. These families used our large dining room to host lunch/dinner for guests. Only the minimum spent the night, but having space to feed extra family was a huge blessing during an extremely hard time.
5. I suggest that any changes made which limit the number of short term rental houses on any given street do not affect rentals which are currently in operation. Businesses like ours who chose to invest in Newport do not deserve to have their livelihoods taken away because of new laws which were not in place when they bought the properties.

Thank you for taking the time to hear my testimony. Praying for the leadership of our city and for wisdom on your behalf.

Sincerely,  
Rene Tyson  
Pivot Point Productions, LLC

Sent from my iPhone

**Sean T. Malone**  
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November 13, 2018

Via Email

Derrick Tokos  
 Community Development Director  
 City of Newport,  
 169 SW Coast Highway  
 Newport OR 97365  
[d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov)

Re: Testimony re File No. 5-Z-17, a draft ordinance (No. 2144) amending  
 the City of Newport's regulations for Vacation Rental Dwellings (VRDs)

On behalf of Oregon Coast Alliance (ORCA), please accept this testimony on File No. 5-Z-17. Of the utmost importance is for the vacation rental dwelling regulations to protect the character of the residential neighborhoods and to preserve the City's long-term housing supply. It is important to preserve the character of the residential neighborhoods because residents live and work in those neighborhoods, while others from out-of-town or out-of-state are engaged in a commercial enterprise in residentially zoned areas. Aside from that basic problem, additional issues include adequate parking, small lot sizes that host vacation renters, supervision of short-term rental dwellings, constant stream of vacation renters, parties held at short-term rentals with large numbers of people, and so forth.

The record is replete with testimony of how short-term rentals have adversely affected residents, and the City should keep this in mind when promulgating new regulations. Amendments should increase protections for residents that live within the residentially zoned areas, instead of owners of short-term dwelling owners that are merely engaging in a commercial enterprise in a residential zone. Short-term dwellings should not be allowed in the R-1 or R-2 zones at all, because this will clearly create conflicts with actual residents within the City. ORCA agrees that short-term dwellings or vacation rental dwellings are intrusive commercial enterprises within the residential zones.

However, ORCA is especially concerned about the neighborhood of Nye Beach, which is zoned C-2 Commercial, but also has a special overlay zone designed to protect the unique character of the neighborhood. The overlay zone's purpose was to protect the area as an

oceanfront, mixed-use neighborhood with residents and small-scale commercial enterprises. The few vacation rentals at the time (1997) were family-owned. Online booking platforms that have transformed vacation rentals into large-scale businesses barely existed, if at all.

Potential options being considered in this overhaul, such as Alternatives 3 and 4, would cluster vacation rentals in commercial districts. Areas of C-2 zoning are especially likely to be the focus of VRD policy, because of the zone’s definition, “to provide for tourist needs, as well as for the entertainment needs of permanent residents.” Without special provisions, this proposal would have a devastating effect on the Nye Beach neighborhood; but the C-2 base zone definition is strongly modified by the overlay zone’s purpose and requirements in Nye Beach. Given these, ORCA strongly supports using the R-3/R-4 residential zone proposal to restrict VRD density and proximity limits in Nye Beach.

Newport Municipal Code 14.30.010 states that the purpose of the Nye Beach Overlay is to implement the goals and objectives of the adopted neighborhood plans. Turning to the adopted 1989 Nye Beach Study, we find the following goals and objectives:

- “protecting neighborhood livability”
- “creating an environment conducive to cottage industries and preservation of housing”
- “furthering the neighborhood vision as a thriving residential environment for all incomes with cottage industries and arts and crafts”
- “creation of a mixed-use zone to preserve neighborhood compatibility”

Furthermore, the 1992 Newport Peninsula Urban Design Plan (part of the City of Newport Comprehensive Plan) requires that its policies – which include improving the cohesion of each neighborhood by enhancing its function, character and relationship – be implemented via creation of urban design districts: “The purpose of each design district shall be to preserve and enhance the function and character of each district area. Design districts shall be considered as refinement plans and adopted as zoning and development code overlays.” The Nye Beach District is specifically described as a vibrant mix of residential and small-scale commercial making a cohesive neighborhood.

Thus, requiring VRD’s in Nye Beach to adhere to the same restrictions as proposed for the R-3 and R-4 residential zones is not only good policy to protect a neighborhood, but is clearly necessary to meet the requirements of Newport’s Comprehensive Plan.

ORCA is also supportive of a “residency” requirement, which would require that the individual renting out the property be a resident of the state of Oregon. Other jurisdictions have implemented this type of requirement. This would ensure that out-of-state speculation does not affect the residential housing supply and ensure more use by in-state residents.

ORCA believes over-size vehicles must be regulated by amendments. The City should consider using parking passes for short-term dwelling renters, which would assist in regulating the size of gatherings and impact to neighboring residents.

ORCA is supportive of the 2-person per bedroom requirement proposed by the City, as well as the placement of a hard cap on VRD licenses citywide. This cap should be as restrictive

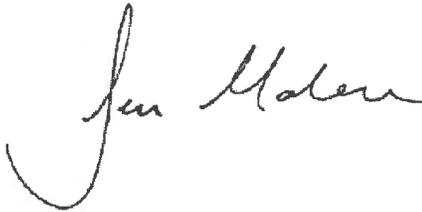
as possible, to limit expansion of rental dwellings in the city, preferably no more than 2-3% of the existing housing stock.

ORCA believes it is important for the City to place meaningful restrictions, such as an overall cap on the number of allowed VRDs, and demonstrate the ability to impartially enforce those restrictions. Without enforcement, the regulations would be meaningless. The City should consider how it will enforce various components of its proposed amendments; progressive enforcement (“three strikes and you’re out”) is one effective means, along with a centralized complaint system and regular monitoring for permit and tax compliance.

ORCA is opposed to the transfer of endorsement and transfer with the sale of property. If these provisions are allowed, the City of Newport’s residential neighborhoods will be nothing more than an investment opportunity for out-of-town individuals or entities. If a new owner would like to utilize the short-term rental provisions, then the new owner should have to go through the application process.

ORCA respectfully requests that the City leave the record open for, at least, 14 days to allow for additional comment and testimony on this important issue. Alternatively, ORCA requests the hearing be continued until November 26<sup>th</sup> to allow more opportunity for both written and oral testimony.

Sincerely,

A handwritten signature in cursive script that reads "Sean T. Malone". The signature is written in black ink and is positioned below the word "Sincerely,".

Sean T. Malone  
Attorney for Oregon Coast Alliance

Cc:  
Client

Luke Whitman  
2010 NW Robin Hood Street  
Corvallis, OR 97330  
(541) 231-6826  
[Luke.Whitman@oregonstate.edu](mailto:Luke.Whitman@oregonstate.edu)

November 13<sup>th</sup>, 2018

Planning Commission  
City of Newport  
169 SW Coast Highway  
Newport, OR 97365

Dear Planning Commission,

I am writing to provide testimony for the public hearing tonight in regards to draft Ordinance Number 2144. My wife Alison and I own property at 2821 SW Brant Street in South Beach.

I agree that policy should focus on units that are not occupied by permanent residents. I understand the need to limit areas where vacation rentals are allowed. I will support Alternatives No. 1 and No. 2 in establishing the areas where vacation rentals are allowed. I support phasing out vacation rentals in other areas over a 5-year period.

I strongly oppose the other proposed restrictions on vacation rentals described in Ordinance 2144. I do not think it is appropriate for the City Council to limit the total number of licenses for vacation rentals. The local economy benefits greatly from tourists that often stay in vacation rentals. If the total number of vacation rentals is restricted further, these vacationers will take their business elsewhere on the Oregon Coast. This would be an overall loss for our city. Many of the proposed measures add undo expenses and administrative costs to those property owners operating vacation rentals. My specific comments for each proposal are below:

- I strongly oppose any limits on the number of licenses or on the density of vacation rentals
- I oppose the proposed enforcement efforts, especially the proposed complaint system and hotline. I think such a system would quickly be abused and prove a burden all property owners. It is unnecessary. Also, such a system would be expensive to maintain.
- I oppose refining approval standards. I don't believe that vacation rentals need additional requirements. A sign may provide a target theft and vandalism. Prohibiting events can take away from the experience for some vacationers.
- I oppose requiring an annual license. This is another expense and burden on owners of vacation rentals. Increased costs may eventually discourage vacationers to rent in Newport.

Feel free to contact me if you need any clarity or additional input. Thank you for all the work your commission has put in to addressing the issues with vacation rentals in Newport. Please continue to provide avenues for public input.

Sincerely,



Luke Whitman

## Derrick Tokos

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**From:** Rob Hildebrand <[rhildebrand@multnomah.edu](mailto:rhildebrand@multnomah.edu)>  
**Sent:** Tuesday, November 13, 2018 12:45 PM  
**To:** Derrick Tokos  
**Subject:** Feedback for tonight's meeting.

Mr. Tokos,

I regret that I cannot attend tonight's meeting in person. But I did want to enter my thoughts into the record since your committee has extended that ability to those of us who own a home in Newport. Thanks again for soliciting our thoughts.

Fundamentally, I see this proposal, as it currently exists, as a move that helps some folks and hurts others. Some folks will no longer have VRD in their neighbourhood which will raise their quality of life a little. Others will lose their livelihood, or, in my case, potentially our retirement strategy. The latter group are significantly more impacted by this decision than the former group.

But rather than just approaching this from the perspective of "which group is more important?" I'm hoping that you also consider the issue of fairness. Many of us have made our plans with the existing set of rules in place. If those rules are to change I would hope that there are grandfather clauses in place so that the "losers" of the decision are protected. It is fair and right for a city to want to protect all its residents.

Personally, I think that residents should have the right to utilize their homes as they wish. It seems unfair, in my eyes, that one group should be able to impose its will on another, particularly when the impact will be so severe on some.

Thanks for hearing my family. In short, we would vote against the proposals, if it were a vote.

Rob

**Dr. Robert J. Hildebrand**  
 Chair, Youth Ministry Department  
 Assistant Dean, School of Biblical/Theological Studies  
 Chair, Practical Theology Division  
 503.251.6425 | [rhildebrand@multnomah.edu](mailto:rhildebrand@multnomah.edu)



**Derrick Tokos**

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**From:** Jeffrey Drew <jjdrew007@yahoo.com>  
**Sent:** Tuesday, November 13, 2018 1:53 PM  
**To:** Derrick Tokos  
**Subject:** Ordinance # 2144

Dear Mr. Tokos,

I've read through the alternatives being considered. Unfortunately, I will not be able to attend tonight's meeting. I strongly feel that the sensible thing to do would be to strengthen the existing good neighbor rules and put in place tougher compliance procedures rather than implementing something that restricts our rights as property owners. There just isn't a need to restrict people's property rights when stronger enforcement of the existing rules along with potential fines for violations will likely take care of any issues. Fines always seem to get people's attention and would undoubtedly correct compliance issues very quickly.

Fines should be meaningful and implemented on a graduated scale with the fine increasing significantly for subsequent violations. It's not fair to punish a whole group of tax paying property owners for the actions of a few irresponsible individuals. Fines may also be able to be levied against property management companies for violations of good neighbor rules in properties under their management. Putting teeth behind the existing rules and enforcement of those rules is all it will take to correct the actions of a few bad actors. Don't take away the rights of responsible tax paying property owners.

Thank you,

Jeffrey J. Drew  
ph: 712-229-3670

**Derrick Tokos**

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**From:** Steve Palmer <stevesway78@gmail.com>  
**Sent:** Tuesday, November 13, 2018 1:53 PM  
**To:** Derrick Tokos  
**Subject:** Proposed Policy Alternatives

Mr. Tokos,

I'm in favor of the following proposals:

Focus Efforts on Units that are not Occupied by Permanent Residents: All of it is good.

Limit Areas Where VRDs are Allowed: Especially Alternatives 1,2 & 4. Alternative 3 is too restrictive and should not be used.

Improve Enforcement : Good except, not in favor of a third party hotline though. With the new restrictive policies, rentals will be capped, limited, or strike out, leaving no need for a third party vendor.

Refine Approval Standards: Good except, not in favor of the sign, as that sounds like it would be ugly to the neighborhood.

All the rest is good and I appreciate the hard work you guys have done.

Sincerely,  
Steve Palmer

**Derrick Tokos**

**From:** Roberta Vandehey <robertav2@yahoo.com>  
**Sent:** Tuesday, November 13, 2018 1:47 PM  
**To:** Derrick Tokos  
**Cc:** roberta Vandehey; robertavandehey@gmail.com  
**Subject:** ORDINANCE # 2144, submitted for reading into public record at Nov. 13 2018 Public Hearing (if possible)  
**Attachments:** header.htm  
**Importance:** High

**KEEP OUR RESIDENTIAL NEIGHBORHOOD AROUND US UNCOMMERCIALIZED! DO NOT CHANGE THE ZONING OF THIS AREA!**  
**PLEASE KEEP VACATION RENTALS OUT FROM AROUND US!**  
**Whales Spout Condominiums, 1445 N.W. Spring Street.**

1. There will be overflow parking from house rentals that have little or no parking as it is. According to a sign on Spring Street, parking is prohibited, but it happens all the time and is not enforced.
2. Renters in the area will not recognize and respect the private property rights of the taxpaying homeowners around them. As a result, we will be left "picking up the tab" for them, with higher taxes, more police calls, beach debris, fires, noise complaints and above all our private beach trail will be used worse than it is already. We should not be having to maintain a trail for the public, fight the intrusions, trespasses, insults, threats and all other damages that result because some of our neighbors want to get rich renting their houses! Also, the city might favor this because it means money for them also????
3. The value of our here-to-fore Quiet relatively "Exclusive" residential area will plummet as our taxes continue to skyrocket. We for one would not have invested our money in a commercialized "Beachfront Getaway"!
4. For these same reasons, that big commercial development just to our south should never be allowed. Worse yet, geologically that is a disaster waiting to happen, and the wait might not be too long! That is the same geologic formation as Jump-Off-Joe and some of us remember clearly when that happened and why.
5. There will likely be increased incidence of trespass, crime, vandalism, human-caused fire, erosional bank degradation by short-cut attempts to reach the beach through our private property. This loss of privacy will result in the loss of the quiet residential neighborhood-ambiance that we paid for when we originally purchased our places. The main reason that we came to 1445 N.W. Spring Street in 1997 was because of the protection from commercialization we had knowing that it was zoned RRR. Please keep it that way.
5. Please keep reading to see the impact that just long-term rentals have had on our 6 Whales Spout Homeowner Association units. Short-term vacation rentals would be inestimably worse! That is living proof of the damage and unintended consequences rentals have already had on those of us who foot the bill, but do not reap income from those rentals. We just subsidize them. Many of these damages would be replicated and multiplied by a zone change that would allow vacation rentals all around us by people who make money off of them and renters who do not share the pride-of-ownership with the neighboring homeowners who will be "picking-up-their-tab". The worst-case scenario would be if you change the zoning for our condominiums to be short-term vacation rentals. WE SINCERELY AND RESPECTFULLY REQUEST THAT YOU PLEASE DO NOT ALLOW! W VACATION RENTALS AROUND US!

*Whales Spout Condominiums as rentals*  
*The Unintended Ramifications*

**Concerns:** In the 1990's *Whales Spout Condominium Association* was designed and sold as individually owned, privately used units. These units were generally used intermittently by their private owners or guests. Not only were our units zoned RRR (Residential Restricted Rental), so their commercial use was limited, but were also limited by physical limitations of our facility (see our development plat). Such limitations that make our facility unsuited for full time commercial occupancy include limited parking, restricted traffic flow, difficult-to-now-impossible turnaround space that frequently requires backing out, if empty parking spaces even allow that, difficult access by the garbage truck, and limited garbage space. Use is additionally limited by an expensive and antiquated sewer system that needs to pump the sewer up the hill (or break and pump sewage under my unit, as it did soon after the first full-time renters moved in), un-metered water equally shared by all unit owners, regardless of usage, and there is uncontrolled, illegal use of our beach trail. We have no security system, our security gate is rendered useless and is broken by heavy use. With only the 6 units, there is a clear pattern of our use patterns; watch when our cars are regularly not in our allotted slot, strangers can basically break in with no concern for getting caught.

And all of these security concerns proved valid when my unit was broken into (since this letter was first written in March 2016) They stole all electronic devices, (computers, radios, televisions, etc.), surf boards, all door keys to the unit and as well as the beach gate and to all storage units underneath the units, many kitchen appliances, liquor, etc. The security gate is a combination, so it was an inside job. Basically the place was cleaned out with repeated trips through the window they broke.

Even with just 2 of the 6 units rented now, long-term, there is no record of all of the strangers who come and go and what they do while they are there. All visitors to the two units that are already rented then had free access, were familiar with how infrequently I was there. Anyone who watches awhile learns that my car was rarely there, so they could enter whenever they wanted to steal whatever they wanted. It is terrifying to think of what it would be like if they were vacation rentals. We have no security cameras and the H.O Assoc. refuses install them.

1. **Limited utility capacity, maintenance and increased costs:** Homeowners are “subsidizing” the increased cost of full time occupation of rentals and suffering the times when garbage cans are too full for us to use.
  - a. **Water:** HOA needs to meter each unit individually and have water paid by each unit according to usage like power currently is.
  - b. **Garbage:** There is not enough garbage capacity for full time occupancy because we already have more cans than fit where they belong according to our plat and still are too full to use. All garbage must fit within the wooden holding structure. There should be no loose containers to crowd parking spaces or blow around and damage cars as they already did my car. With this situation we will have to end the garbage-share arrangements with Wizards to free up space for our renters and still be short. Fees paid to HOA by renters to support their heavier use of our garbage facility still wouldn't fix it.
  - c. **Sewer:** our very old and expensive pump system will need increased expensive maintenance/replacement costs resulting from the increased use from full-time commercial occupancy of renters. Non-renter unit owners will again subsidize that unless user fees are paid to HOA by commercial-use units to support maintenance/repair necessitated by the heavier use of our sewer system by the full-time occupancy.
2. **Limited Parking:** With just two “guest” parking spaces and one of these is in a position to block the main entry, renters and guests of renters use those plus more. **WS HOA was clearly not designed for full-time commercial occupancy** for 8 units. Our driveway includes the 6 original units plus the easement addition of the two Wizards units to our north. Part-time occupancy by just the 6 original unit owners became tight if we were all there at once.
3. **Higher Common Property Maintenance Costs:** Heavier fulltime commercial use or the Common Property elements, such as driveway, path to the beach (both cost-shared by the two Wizards units) will result in higher

“wear-and-tear” maintenance costs for the Homeowners who are not benefiting by commercial use of their units. Additionally, renters or visitors of renters will not have so much regard for the community property as the owners have. There is no “pride of ownership” for those who are just “using the place.”

4. **Security:** the security gate that we have invested fair amounts of money installing and replacing after a time of heavy use no longer is of any use. Once commercial use of any of our units commenced, there has been no knowledge or control of people entering or using our facilities. ***This flies in the face of the intent, if not the word, of our By-Laws.*** We now have public access and I firmly believe that it led to my unit’s break-in two years ago. I suffered a broken window, loss of more than \$10,000 of personal property including computers and other electronic equipment, a television, a \$5,000 spotting scope, two surf boards, and much more. The surfboards were a clue as to who might have done it. I understand that a surfboard was also stolen earlier from the 1<sup>st</sup> rental unit. That indicated a relationship between both thefts.

We would appreciate it if you could please read this submission for us into the November 13, 2018 public hearing regarding the adoption of Ordinance Number 2144. We live in Central Oregon and are unable to attend the hearing. We thank you for giving us an opportunity to enter into this discussion.

Thank you for your kind consideration of these concerns.

Regards,

Roberta Vandehey  
 20481 Winlock Lane  
 Fossil, Oregon 97830  
 ph./fax #: 541-468-2455  
 Email: [robertavandehey@gmail.com](mailto:robertavandehey@gmail.com)  
[robertav2@yahoo.com](mailto:robertav2@yahoo.com)



This email has been checked for viruses by Avast antivirus software.  
[www.avast.com](http://www.avast.com)

November 12, 2018

RE: Ordinance 2144 Markup and Rationale for Vacation Rental Code Amendments-  
Version 3.0

Dear Members of the Newport Planning Commission,

My name is Michele Longo Eder. In 1988, my husband Bob Eder and I bought a home together at NW Cherokee Lane here in Newport, where we've lived for the last 30 years.

We want to thank the members of the Ad Hoc Working Group for their willingness to serve our community. It's been a huge time commitment, both in and outside of meetings, and we appreciate your public service.

We hope we bring a broad perspective to the discussion of regulating short term rentals in Newport and would like to share some of our experiences with you.

First, we've been fortunate to be able to travel widely and have enjoyed staying at homes managed through Airbnb or VRBO throughout the U.S., as well as abroad. It's a more integrated travel experience than a hotel stay, and one we've enjoyed.

We own two licensed vacation rentals here in Newport. One is located at the corner of W. Olive and SW High, in Nye Beach and is managed by Vacasa; the other is perched above the Bayfront and will likely also be managed by them. We have had a very good experience with Vacasa. Both our houses are within the zones proposed to be allowed for vacation rentals, even within the most restrictive proposals that have been suggested. We also rent out a studio we own, located on the Nye Beach property, on a month to month basis, to a locally employed resident.

Unfortunately, we've also had occasion to formally complain to the City, the owner and the management company about a vacation rental in our neighborhood, and the conduct of its guests. Several years ago, there was a home rented with incorrect directions to the public beach access, which resulted in frequent foot traffic by strangers, trespassing through our front yard, within 10 feet in front of our living room window. I sent a letter of complaint to the vacation rental company, which did not adequately or timely address my concerns, sent a letter to the owner, who never responded, and filed a formal complaint with the city. After a few months, the information given to guests by the owner was supposedly corrected, and now the errant traffic in front of our home has been minimized.

And finally, our neighborhood has also experienced the reality of a “home share” and its impact on our street: increased traffic, parking disputes and numerous strangers on the street. So—while we have enjoyed staying in vacation rentals, and own them, we have also been negatively impacted by both a short-term rental and a home share.

Regarding the options that have been presented by the Ad Hoc committee, we would generally suggest that the Commission adopt the least restrictive alternative presented, or in the alternative, craft some of your own that appropriately regulate vacation rentals and home shares but are less onerous in their implementation.

Generally, we don’t support provisions in any alternative that require a phasing out of already existing vacation rentals, whether they exist in newly proposed prohibited areas or exceed newly proposed density limits. As long as vacation rentals have been allowed and also permitted by the city, people have made significant financial decisions and commitments--buying homes, paying taxes, hiring local contractors to renovate homes, and relying on income generated by the vacation rental. To us, it isn’t good public policy to pull the rug out from under people who have followed the existing rules. Whether it was good policy or not to allow vacation rentals in the first place--we understand people are upset by them-- it isn’t appropriate to financially punish those who invested in good faith.

Our suggestion would be to set a date after which no new short-term rentals will be allowed. If a density limit is to be set, we would suggest that it be not less than 5% of the housing supply. The suggestion by the Planning Commission that short term rentals be reduced to not more than 3% of the housing supply, which would equate to about 165 units, is significantly below the number of short-term rentals currently allowed—by our understanding an elimination of approximately 50 permitted homes—and would constitute a radical policy change. A restriction of that size would not only be inconsistent with having short term rentals available not only for tourists, but also would significantly deplete temporary short-term housing for workers.

We’d also like to address “home shares” in the context of regulation of vacation rentals. While “home shares” have a gentle, inoffensive sounding name, and differ from vacation rentals in that they require an owner to be in residence, we’d like to call attention to the fact that they, too have significant impact on a neighborhood. We should know--we’ve lived down the street from one for years. While owner on site may prevent drunken parties, home shares still have significant impact in a residential neighborhood. We experience increased vehicle traffic, increased foot traffic, lack of adequate parking, and encounter strangers in our home neighborhood on a weekly basis. Make no mistake: “home shares” are commercial enterprises. If the character of a neighborhood is of concern to you, it is inconsistent with the proposed policies justifying regulations of vacation rentals to not also require “home shares” to comply

with whatever requirements are imposed on vacation rentals. People who have home shares, that are allowed to rent up to two rooms in their home to strangers, have no less of an obligation to the neighborhood or their guests than do vacation rental owners: liability insurance should be required, safety inspections regarding compliance with building and fire codes, parking requirements, signage, public availability of owner contact information, and all other regulations pertaining to vacation rentals should be met.

Please also consider that for a home share, requiring proof of a driver's license, voter ID and/or a tax return, while showing residency, does not prove that a home owner is actually "in residence" at the "home share." The city is without enforcement tools to ensure an owner is actually in residence for purposes of complying with the definition of a "home share."

We'd also like to address the issue of transferability of license upon sale or transfer of ownership. We strongly support an option that for currently permitted short term rentals, current owners be allowed to transfer the permit to any legal person or entity upon a change in ownership of the dwelling, without any restriction as to area. Newport as a community is going to continue to grow. More housing will be built. To restrict transferability of current, legal vacation rentals will further reduce the percentage and/or number of available vacation rentals relative to total housing in the future. We would suggest that a reduction in the availability of vacation rentals makes Newport less competitive in the tourist and temporary workforce market.

Regarding limitations on the number of occupants, we would suggest keeping the current policy as set forth in C.1 of "2 persons per bedroom, plus 2," but also adding language that excludes children under 3 from the count.

Regarding the proposed restriction that the number of persons at an event at the short-term rental be limited to the number allowed by occupancy: please change that. Again, we draw on our own experience as an illustration. This past year we had occasion to visit family in L.A. where we rented a vacation home that accommodated not only our overnight stay with 3 bedrooms, but also permitted us to have our guests at a family holiday gathering. The home in L.A. had a very large living and dining area, where we hosted 20 family members--from four generations—for 3 hours on a Sunday afternoon. There was plenty of parking, and it was incredible to have all of us together.

The proposed rule, to limit the number of guests at an event to the overnight occupancy, would have this negative effect: we could not use our own vacation rental here in Newport, which has over 2500 sq ft and four bedrooms, to host the same family event here—but we could have it at our home in Newport, which is smaller and has far fewer parking spaces. That just doesn't make sense to us. We understand the concern with

large parties, but we suggest, as an alternative solution, that any event hosted at the vacation rental have a curfew of 10:00 pm on attendance by non-resident guests.

We would also propose that the Commission revisit the issue of the proposed response time to complaints, (7 days a week, 24 hrs a day,) and the requirement of being able to reach the short-term rental premises within 30 minutes. What that means is that if we were to choose to manage our vacation rentals without an agency, we can't be out of physical range of Taft or Waldport for the 75% of the year our Nye Beach Cottage is rented. That just isn't reasonable. We would recommend removing that requirement, at the very least, for owners who manage their own property, and also suggest that the 24 hrs a day, 7 days a week isn't workable for either owner-managed properties or agency management. If there is an emergency, or a violation of Newport's municipal code, such as a noise ordinance violation, just like at any other residence in Newport, it would be appropriate to call the police. For non-emergency violations, 24/7 availability is unduly burdensome, as is the 30-minute restriction.

There is an additional area of concern: the proposed regulations pertaining to a complaint and violation process presume a fact not in evidence--that the complaint, or complainer, is rational, in need of immediate attention, and is not harassment. Frankly, we have encountered people in Newport so opposed to vacation rentals that it can be anticipated that unwarranted complaints may be made. The proposed rules fail to protect owners and agents of short-term rentals from this circumstance, while threatening to revoke a permit for purported non-compliance.

As we've mentioned, we have experienced the downside of vacation rentals and home shares. We understand the need for some additional planning for the future of Newport. But associated with some of these proposed regulations there seems to be an overreaction to a few bad apples, who have ignored or not responded to legitimate complaints from neighbors. It strikes us that these negative experiences have resulted in unduly restrictive proposed rules, which will neither serve the community at large, and also fail to consider the serious and severe potential economic impact on short term rental property owners.

We live here, are your friends and neighbors, and are active contributors to this community. We are in good faith compliance with all relevant policies and rules. The newly proposed restrictions feel punitive to existing businesses and do not represent a broad perspective of our community. We sincerely hope our input will be seriously considered, and as suggested above, further adjustments be made to the proposed alternatives.

Again, thank you for your hard work.

Sincerely,

*s/mle*

Michele Longo Eder

*s/rle*

Bob Eder

P.O. Box 721

4064 NW Cherokee Lane

Newport OR 97365

**Derrick Tokos**

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**From:** turnerk1@comcast.net  
**Sent:** Tuesday, November 13, 2018 3:30 PM  
**To:** Derrick Tokos  
**Subject:** Contact Us - Web Form

City of Newport, OR :: Contact Us - Web Form

The following information was submitted on 11/13/2018 at 3:29:37 PM

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**To:** Derrick Tokos  
**Name:** Keith Turner  
**Email:** turnerk1@comcast.net  
**Phone:** 3605743706  
**Subject:** Rental Ordinance Testimony  
-----

Message: This is a serious property rights issue. I object to the 5 year limit on grandfathered properties. Real estate investments are a longer term commitment. Don't clutter the ordinance with details like parking space size. Many properties were legally constructed years ago and will vary. All properties pay the same property tax and should have the same rights.

Keith Turner  
507 NW Alpine St #308

## Derrick Tokos

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**From:** Tom Huff <trhuff2@hotmail.com>  
**Sent:** Tuesday, November 13, 2018 3:47 PM  
**To:** Derrick Tokos  
**Subject:** Feedback on proposed Ordinance 2144

Hi, I'm a homeowner in Newport, who rents VRD-wise part of the year, and uses the home actively otherwise. Several thoughts come to mind on parts of the proposals in ordinance 2144:

1. Via this exploration of setting a cap on VRD licenses (to ~4-5% of total dwellings), to include a rough financial evaluation for possible impacts, which would be valuable to see & discuss. Including revenue for the city for the several different levels of VRD licenses, for how much impact this might involve for the city's services (for lost vacation rental revenue, staffing resources for tracking/enforcing, etc). And for property values, in light of reduced/eliminated ability to do vacation rentals (relative to nearby communities, north/south, ie Lincoln City, etc).
2. Discuss further whether the primary concern being raised, is a financial one (ie, with the impacts in specific ways to Newport, homeowners), or is more centered on behaviors and qualities of vacation rental guests, etc. For the latter, to discuss fully why concerns cannot be addressed directly through additional concrete behaviors and rules (ie, noise, complaint procedures, 3 strikes, etc), rather than reducing VRD licenses, and those related financial impacts to the city's revenue, and homeowners financials.
3. More discussion on the guiding philosophies for the paths represented in each of the 4 map options. In particular, in alternative IV it's difficult to discern the guidance for why some regions ("islands") are determined to be prohibited vs limited. Specifically for my address/location, there are only 2 homes on the related street (42<sup>nd</sup> St), both have VRD licenses, are separated from adjacent homes, yet fall just outside of the proposed limited zone, and are just within the prohibited 'island' to the north. To understand the reasoning that excludes this island of houses, but preserves other ones, such as the 'island' right next door to the south. There have not been noise or guest concerns for these 2 houses, and a better policy would be as in 2), to ensure a consistent policy across the city, rather than 'islands' that appear uneven in rational/fairness (and property values, etc). If alternative IV were to still be enacted, in lieu of the above alternatives, the owners of the two houses on 42<sup>nd</sup> street would then strongly recommend the limited zone be drawn to include these houses, as there appears to be no clear distinction/rationale. But again overall, the drawing of these islands appears arbitrary, and a better path would be to find shared and consistent rules that apply across the city.
4. Regarding a cap, to also discuss & define: by what process this would be revisited and adjusted, at an appropriate frequency, to ensure updates based on learnings, changes in the city, etc, for revenue, citizens preferences, etc.

Thank you, and I appreciate the discussion and feedback process.

Tom Huff

503.803.0802 (cell)  
 #10 NW 42<sup>nd</sup> St  
 Newport, OR

## Derrick Tokos

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**From:** Matthew Price <mprice@pricerandle.com>  
**Sent:** Tuesday, November 13, 2018 4:43 PM  
**To:** Derrick Tokos  
**Cc:** jamie@sweethomesrentals.com  
**Subject:** Vacation Rental Potential Land Use Change

Dear Derrick,

This submission is in regard to your request for public comment on the Newport proposed land use changes regarding vacation rentals. My wife and I own an oceanfront home in Newport that may be impacted by the proposed changes. I have a background in real estate law and served on a planning & zoning board in a different state during a time in which major proposed changes to land use were implemented. However, I do not submit this comment as an attorney but simply as a concerned citizen. After a review of the ad hoc committee's proposed changes, there are several items that immediately stand out as particularly alarming, as follows:

- 1) It appears that any property currently permitted for vacation rental land use would lose that status if the property is sold or otherwise transfers ownership even if the land use remains exactly the same under the new ownership. This provision will likely spark litigation. If the nature of the land use remains the same, a simple transfer of ownership is questionable for serving as the instigating event in changing a land use designation.
- 2) The proposal references "natural" lines or boundaries such as Highway 20 and Highway 101 to define areas of allowed v. not allowed vacation rental land use. These lines are absolutely arbitrary, and do not constitute the least restrictive means to accomplish proper land use designation. Such arbitrary line drawing is ripe for litigation, and will lead to multitude for variances and subsequent legal actions when those variances are denied.
- 3) The "least restrictive to most restrictive" spectrum set-forth by the committee does not provide a fair spectrum of solutions from least restrictive to most restrictive. Instead it mislabels a very restrictive proposal as the least restrictive and becomes progressively more restrictive from there. As a result, the proposal does not present a fair depiction of the regulatory options available and completely bypasses far less restrictive means of vacation rental management that would avoid encumbering titles and reducing property values.
- 4) I did not see any type of professional financial impact study or cost benefit analysis for the proposal. In the short term, the City of Newport will sacrifice vacation rental tax income and suffer a reduction in value of many of the prime Newport residential properties. In long term, outside investors who rent and buy residential property in Newport will be far less likely to view Newport as an option for residential investment, since none of the cost of investment will be offset by vacation rentals. This may be viewed by some residents as a positive thing, but the long term effect will be a

stagnating Newport real estate market, a reduction in property values across the board, and ultimately a reduction in real property tax revenue.

These are a few of my initial concerns with the proposal. No action should be taken on this matter until a professional economist is hired by the city to run an independent global financial impact study (including projected litigation costs) and a third party real estate law firm to analyze the legality of the proposed changes. I suspect the projected financial impact will be much larger than imagined and some of the proposed ordinance changes will not pass a qualified legal review.

Overall, the proposal is bad for the Newport economy and residents. My family lived in Newport full time for a number of years, and we love the people. We want to continue to see Newport flourish. A better way to approach the vacation rental issue may be to look at shifting current specific administrative regulations to address specific concerns rather than a blanket banning of vacation rentals. While the committee's proposal may have some veneer of tailoring, the practical effect is a complete ban. A true limited tailored approach is the least restrictive means possible and it is necessary to ensure that every property owner is protected. A blanket ban discriminates against some owners intensely, devalues all properties in the long run, and is the most restrictive manner in dealing with the issue.

I strongly urge the City Council to use caution in regard to this proposal and hire outside experts to analyze the financial and legal implications. Alternatively, I urge the City Council to reject the proposed changes and opt for less restrictive options that will continue to allow rentals but also tailor rules to deal with any specific problems that the City feels need be addressed. I note that the committee viewed some tailoring of rules in their proposals to work in tandem with the proposed progressive elimination/ban of vacation rentals. The tailored rules do not need an accompanying ban to be effective. Instead, working with the substantial input of the various vacation rental businesses operating in Newport, a systematic review and revision of the existing licensing and regulatory rules could be accomplished without a blanket land use ban. This will avoid a litigation fallout, protect residents, favor a strong local economy, and send a message of good stewardship to the community. Thank you for your consideration of my comments.

Sincerely,  
Matthew Price  
(573)348-0700

## Submitted by Catherine Briggs:

### HB 4120(2018) Requiring Booking Intermediaries to Remit Takes Effect

#### Background

Oregon House Bill 4120 (2018) was enacted in the most recent legislative session and takes effect July 1, 2018. The bill makes explicit that all booking intermediaries (including AirBnB & HomeAway.com) must remit local transient lodging tax.

#### What is Changing?

- Beginning July 1st, 2018, all booking intermediaries are jointly and severally liable for remitting tax on the reservations made through their online platforms. HomeAway.com has recently reached out to the City to register, but AirBnB has not (yet).
- Important: The law does not exempt local property owners from their tax liability if the intermediary does not comply.

#### What is Not Changing?

- All transient lodging tax certificate holders (or their authorized property managers acting on their behalf) must continue to file monthly tax returns. If a booking intermediary has remitted on behalf of the property, the taxable revenue from the intermediary is reported in box 2c of the tax return and detailed on the second page of the return titled, "Report of Gross Receipts from Transient Lodging Intermediaries". This is how local hotels that use booking intermediaries like Expedia, Hotels.com, and Priceline have always reported

- Newport's Hispanic/Latino population grew by 385% (650 people) between 1990 and the 2005-2009 period.

#### **Newport's housing affordability decreased**

- In 2010, a household must earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
- More than one-third of Newport households could not afford a two-bedroom apartment at HUD's fair market rent level of \$759 in the 2005-2009 period.
- Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
- About 39% of Newport's households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.
- Average annual household expenditures for necessities (e.g., food, transportation, clothing, utilities, health care, other necessities) in Newport are similar to larger cities in the Willamette Valley (e.g., Eugene or Salem) and are higher than smaller cities in the Willamette Valley (e.g., Cottage Grove or Lebanon). The types of expenses that are most frequently higher in Newport than in the smaller cities in the Willamette Valley are transportation (including gasoline), food, utilities, and health care. The higher cost of living in Newport (relative to small Willamette Valley cities) magnifies the problem of decreased housing affordability.

#### **Newport's housing costs increased substantially**

- Newport's median housing value doubled between 2000 and the 2005-2009 period. Lincoln County's housing prices increased by 71% over the same period.
- The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
- Condominium sale prices increased 71% between 2000 and 2010.
- Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,000 for the 2005-2009 period.
- Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period.

#### **Housing costs are increasing much faster than rents and incomes.**

- Since 2000, median owner value increased 77%, compared to a 31% increase in median household income, and a 14% increase in median rents.
- The ratio of housing value to household income increased from 2.8 in 1989 to 6.3 during the 2005-2009 period. Across the state, the ratio increased from 2.5 to 5.0.

#### **Trends affecting housing mix**

The previous section described the three household characteristics that are most closely correlated with household choice. This section describes the demographic and socioeconomic trends in Newport and Lincoln County related to these characteristics by describing the characteristics of households currently in Newport. The majority of Newport's

2011

	ROLE (LEAD, PARTNER, SUPPORT)	COMMITTEE/COUNCIL JOINT PRIORITIZATION						COMMUNITY SURVEY		TIER 1	TIER 2	TIER 3	
		HIGH	MEDIUM	LOW	% HIGH	% MED	% LOW	% POS	% NEG				
<b>FOCUS AREA 1: ENHANCING A LIVABLE REGION</b>													
1	Ensure an adequate supply of buildable land by encouraging redevelopment of underutilized properties and extending infrastructure to vacant land.	P	8	8	4	40%	40%	20%	71%	9%		X	
2	Promote mixed-use neighborhoods in appropriate areas of the city, incorporating a blend of commercial uses, employment, and residential development that create a distinct sense of place.	L	8	4	8	40%	20%	40%	70%	7%		X	
3	Design these neighborhoods to be oriented around streets that are well integrated with local transit, are ADA Accessible, and accommodate "active transportation" such as cycling, walking, and rolling.	P	2	11	7	10%	55%	35%	86%	6%		X	
4	Increase supplies of affordable and workforce housing, including rentals and for sale units at prices that are accessible to a broad range of the general public.	P	13	4	3	65%	20%	15%	82%	5%	X		
5	Implement incentives to lower development costs and encourage construction and renovation of an array of housing types to augment the supply of affordable, quality, energy-efficient units.	L	9	8	3	45%	40%	15%	83%	7%		X	
6	Assess the growth and distribution of second homes and vacation rentals across the city and take actions that may be required to mitigate adverse impacts on neighborhoods and the community.	L	9	8	3	45%	40%	15%	71%	12%		X	

- *homestead*

	ROLE (LEAD, PARTNER, SUPPORT)	COMMITTEE/COUNCIL JOINT PRIORITIZATION						COMMUNITY SURVEY		TIER 1	TIER 2	TIER 3	
		HIGH	MEDIUM	LOW	% HIGH	% MED	% LOW	% POS	% NEG				
<b>7</b>	Gain a better understanding of the impacts that seasonal housing, including second homes and vacation rentals, has on the availability and affordability of housing and the provision of public services within the community. Undertake actions to mitigate identified impacts.	L	7	11	2	35%	55%	10%	77%	8%		X	
<b>8</b>	Promote citywide beautification, generating a fresh yet familiar look for Newport through streetscaping, improvements to building façades, and ocean friendly landscaping.	L	9	7	4	45%	35%	20%	83%	5%		X	
<b>9</b>	Revitalize Highway 101 and Highway 20 in and around Newport to serve as attractive gateways to the community.	P	14	4	2	70%	20%	10%	81%	4%	X		
<b>10</b>	Engage the State of Oregon and community partners to identify bridge alternatives and future street and highway improvements that meet local needs while mitigating congestion and accommodating future growth and increased traffic.	L	8	9	3	40%	45%	15%	91%	2%		X	
<b>11</b>	Develop a City Center improvement strategy that expands options for living, shopping, working, and dining in the area by promoting walkability, mixed-use development, and refurbishment of historic buildings.	L	8	7	5	40%	35%	25%	81%	5%		X	
<b>12</b>	Develop targeted improvements to the local transit system, including better scheduling and signage and plans for future system expansion.	P	2	12	6	10%	60%	30%	81%	6%		X	
<b>13</b>	Work with Lincoln County to upgrade bus service in Newport and surrounding areas, with improved routes and more frequent service.	P	2	11	7	10%	55%	35%	82%	4%		X	

# Workers can't afford rent

## \$11.59

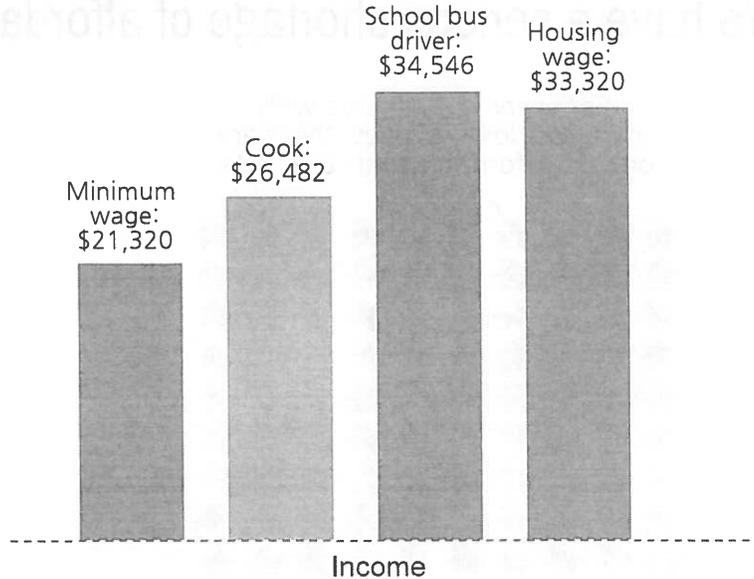


Mean renter wage



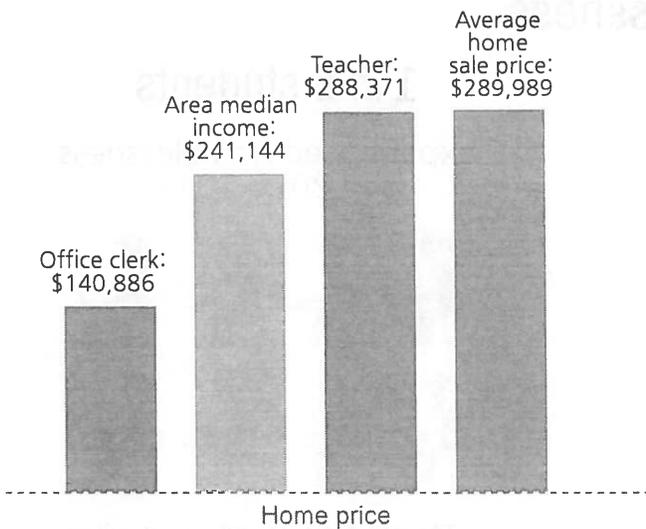
Number of hours per week at minimum wage needed to afford a 2 bedroom apartment

A household must earn at least \$33,320 to afford a 2 bedroom apartment at fair market rent.



# Homeownership is out of reach for many

Average home price an individual can afford



## \$289,989

average home sale price in 2017



...up 8.5% from 2016



# A Place to Call Home: Lincoln County

Homes give people an opportunity to build better lives and communities. But how do Lincoln County residents fare?

## We have a serious shortage of affordable housing

For every 100 families with extremely low incomes, there are only 35 affordable units available.



725

units are needed to meet the need

1 out of 4



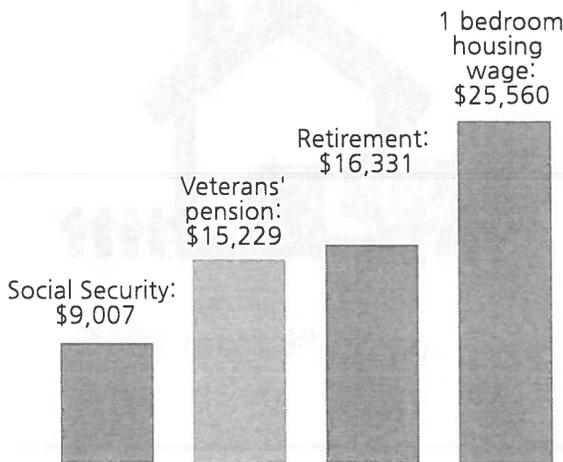
of all renters are paying more than 50% of their income in rent

2 out of 3



renters with extremely low incomes are paying more than 50% of their income in rent

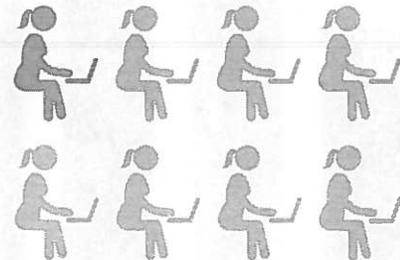
## Our neighbors are facing homelessness



Oregonians on fixed incomes struggle to pay rent even for a one bedroom apartment.

1 in 8 students

experienced homelessness in 2016-2017



That's 644 children during the 2016-17 school year in Lincoln County.

November 13, 2018

I think that we all have heard plenty of descriptions of the negative impact that vacation rental dwellings have on neighborhoods and I have experienced first-hand the frustration they have caused in ours. So what I have to say is simple. VRDs should be phased out of residential R1 and R2 zoned neighborhoods. Residential zones are meant to house families who live there long term and establishments very similar to vacation rentals, such as motels, hotels, rooming/boarding houses and hostels are specifically excluded. VRDs should be added to this list.

VRD owners will certainly object to this change, but they really need to ask themselves if they would like to live permanently surrounded by these establishments. When the current VRD policy was adopted, it was not anticipated that the VRD industry would become so lucrative, proliferate so quickly or take over neighborhoods. The object was to expose, license and regulate the few residents who rented out their homes when they were not living there. Instead, homes were purchased and turned into VRDs with the owner having no intent of ever living there.

Phasing out VRDs in R1 and R2 residential zones should be the first step. Then, a citywide cap and stricter regulations to protect the integrity of other zones in Newport seems to me the best approach to solving this problem.

Darlene Croteau  
5524 NW Pinery St

To: Newport Planning Commission

Re: Ad-hoc Committee Policy Alternatives to VRDs

I commend the Ad-hoc Work group for their due diligence of ten months and hard work on the package of recommended changes..

I have attached an earlier letter dated April, 2017 seeking a moratorium on this subject. Tonight, ten months later, November 13, 2018, I support the following “policy alternatives” proposed by the Ad- hoc Work Group

- Exempt home shares and B&Bs from location and density limits, because the presence of a permanent resident mitigates potential nuisance issues and does not impact the supply of long term housing.
- Alternative No. 4 (Where VRD’s are allowed) Limit VRDs to areas outside of R-1 and R-2 residential zones (most restrictive)
- Limit the total number of vacation rental licenses to preserve the City’s long term housing supply.
- Apply a hard cap on licenses issued between 200 and 300 (roughly 4% - 5% of the total housing stock).
- Limit transferability of licenses, upon sale, to commercial zones (or areas adjacent to commercial zones)
- Improve Enforcement
  - Develop a centralized complaint system that facilitates transparency and citizen access to information.
  - Engage with a third party vendor to provide a 24/7 complaint hotline and to provide ongoing monitoring of vacation rentals for permit and tax collection compliance.
  - Structure progressive enforcement to achieve “three strikes and you are out.”
  - Establish a two year cooling off period for before an individual that had a license can reapply
  - Require VRD operators to have a local contact capable of responding to the premises in 30 minutes.
- Refine Approval Standards
  - Reduce overnight occupancy from (2) per bedroom plus two to simply 2 per bedroom. Exempt children ages 3 and under from overnight occupancy limit.
  - Update safety standards to reflect current building and fire code requirements
  - Require VRD 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.
  - Prohibit special events at VRDs in excess of occupancy
- Require Annual Licensing
  - Operator’s to provide proof of insurance and update designated contacts with annual license.

- Licenses to automatically expire if inactive to prevent “license hoarding” under a hard cap

Patti Littlehales

622 NE 20<sup>th</sup> Place/ Newport, OR 97365

541-265-7943

April 4, 2017

To the Newport City Council:

I urge the Newport City Council to place a moratorium on "short term" rentals. The Municipal Code (2-4-11 enacted by Ordinance No. 2032, adopted on April 2, 2012, effective July 1, 2012 regarding Bed and Breakfast and Short-Term Rentals does not protect family-friendly neighborhoods. There is no recourse for surrounding homeowners. All determination of "short term" rentals is exclusive to that homeowner and not the neighborhood homeowners.

**14.25.010 Purpose**

This section establishes the terms, criteria and procedures by which bed and breakfast and vacation rental uses may be permitted 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.

I have lived in the Sea Lake Terrace subdivision and been a homeowner since 1972. In 1987 we purchased my current home, 622 NE 20<sup>th</sup> Place and continue to live here. In all 45 years, the neighborhood has been private homeowners with some long term rentals. The tenure of homeowners, in my current location have been long term, 30 years in some cases. We are a neighborhood of multi-age, family-friendly homeowners. The benefit of this location is that it is in a cul-de-sac, where children run, ride bikes and enjoy the safety of neighbor watch.

On March 17, 2017 our family-friendly neighborhood would be changed with the notification that 688 NE 20<sup>th</sup> Place would become a vacation rental dwelling subject to the standards of NMC Chapter 14.25 with maximum overnight occupancy 6. Because my home is not within 200 feet of the property I did not receive notice, but later obtained (see attached) the notice.

The VACASA website describes this neighborhood and property thus: **House, 2 Bedrooms, 1 Baths, Sleeps 6**

Next time you're in Newport, treat yourself to comfortable living with the lower level of this modern house in the Agate Beach neighborhood. Offering a dog-friendly attitude, peeks of ocean views, and the beach close by, up to six guests will make memories here. Sitting in a quiet location on the northeast side of the city with peaceful surroundings, you'll have easy access to both town and the beach. Simply make the short drive, or follow the Ocean to Bay Trail to get to the sand!

Prime residential neighborhoods are designed for single family homes, to promote family life. Allowing tourism traffic will cause a demographic shift as homeowners convert long term rentals to short term. This peer-to-peer marketplace is a new animal that defies traditional regulations. While earlier CCR's use the term "long term" the new concept of "short term" rentals is not specified because it is so new to the marketplace. Thus we find Newport's Municipal Code of bed and breakfast and short term rentals to be open- season. All zones are open to short term rentals; R1, R2, and R3. Though earlier CCR's that prohibit commercial or business transactions within family-friendly neighborhoods (see attached), the current status belongs to the homeowner doing business as a residential use. There is no provision to protect the integrity of family friendly neighborhoods. This code turns home ownership and the security of that transaction upside down. All rights to the owner, no recourse for the neighbors. Sea Lake Terrace subdivision could become Nye Beach, where short term rentals have become the mode.

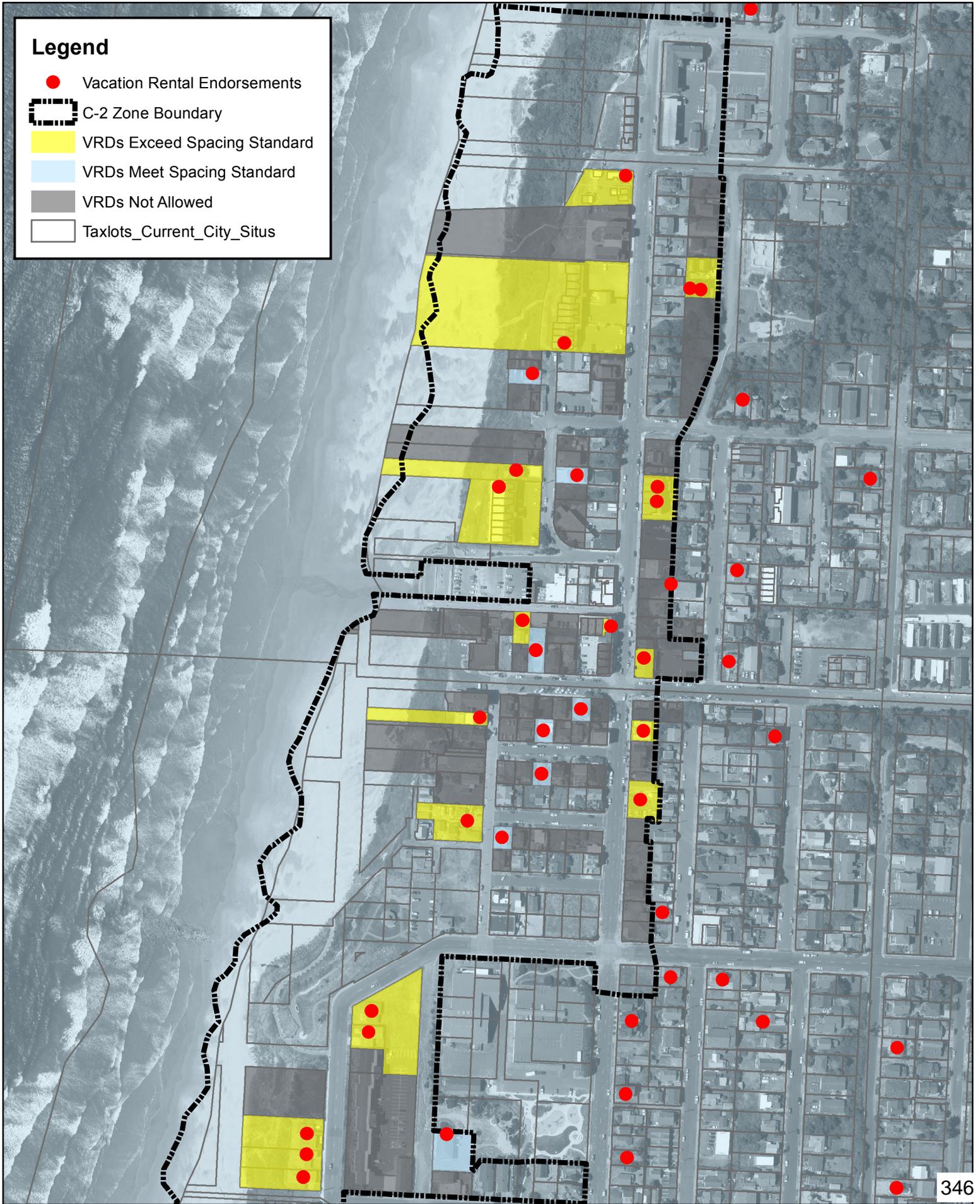
While short term rentals have become the new trend in real estate investment, Newport is a city of many assets: HMSC complex, the arts, medical, county seat, school district headquarters and tourism. All of these assets require housing. There is a shortage of available housing in Newport for families seeking to buy single family homes.

For these reasons I ask the Newport City Council to place a moratorium on short term rentals. A review of the Newport Municipal Code (NMC) Section 14.25.070 needs serious review to protect single resident homeowners and long term family friendly neighborhoods in accordance with assumptions of home ownership and the integrity of longstanding neighborhoods.

Patti Littlehales

# Legend

- Vacation Rental Endorsements
- C-2 Zone Boundary
- VRDs Exceed Spacing Standard
- VRDs Meet Spacing Standard
- VRDs Not Allowed
- Taxlots\_Current\_City\_Situs



346

## Vacation Rental Spacing Concept Applied to Nye Beach C-2 Zoned Areas



This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.

**Derrick Tokos**

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**From:** Derrick Tokos  
**Sent:** Wednesday, November 14, 2018 1:03 PM  
**To:** 'PaulMaguireBiz'  
**Cc:** Sherri Marineau  
**Subject:** RE: Ordinance 2144

Mr. Maguire,

I am sorry that you did not receive notice of this draft ordinance, as we have attempted to reach out to all persons that own property within the city limits. If you could give me your mailing address, I'll see that you receive notice of future hearings on this topic.

A copy of your email will also be provided to the Planning Commission.

Thanks for reaching out to us.

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

-----Original Message-----

**From:** PaulMaguireBiz [mailto:paulmaguirebiz@gmail.com]  
**Sent:** Wednesday, November 14, 2018 12:31 PM  
**To:** Derrick Tokos <D.Tokos@NewportOregon.gov>  
**Subject:** Ordinance 2144

Dear Mr Tokos  
And City council.

I never received a notice of this potential change.

I strongly object to any limitations on rentals or property use including any restriction on transient rentals.

Such an ordinance would be a disaster for Newport, a vacation destination. It would destroy the income of many mom and pop rentals and damage the tourist industry of newport.

Sincerely

Paul  
Maguire

Property owner

Sent from my iPhone

Norm Ferber  
5726 NE Big Creek Road  
Newport, Oregon 97365

No Transferability for commercial and commercially adjacent zoned property is a Non Starter  
12-1-18

This is yet another attempt to avoid costly litigation as regards the proposed Vacation Rentals ordinance. I wish that I had not been placed in this situation. I have tried to avoid it and yet the outcome effects my future so dramatically that I am being forced both by my obsessive personality and the facts going forward.

I was a reluctant participant in the ad hoc committee and was asked several times before acquiescing. I finally agreed in part to represent the point of view of property owners who had opted for this means of income. I also agreed ( although I did not consider my future at risk ) to protect my property values and my considerable investment.

I honestly thought that although the entire process was very contentious that ultimately reason would prevail and I personally would not be at risk. That assumption proved to be incorrect.

At this time I am no longer speaking for Vacation Rental owners in Newport. I am speaking as a business owner , who has developed property in Newport, has received all the legal documentation to operate that business, has successfully operated that business for 23 years , has a letter from the city that cites that I indeed operate and will be able to continue to operate and be able in the case of physical catastrophe replace the physical realities of that business so that I may continue to operate that business. In that letter a city representative uses the term Hotel and Vacation Rental interchangeably several times in reference to my specific three homes located at 29 SW Coast St. Reference letter dated July 26, 2002 Re: Land use file #9-cup-97. Signed by Victor Mettle code administrator / Planner .

But now as of the latest decisions by the planning commission I will no longer be able to sell that business as a business. My investment will be reduced to the value of the underlying real property. I will no longer be able to factor in the 23 years of loyal customers that I have built up over that period. That same right is granted to any other business in this community and I would venture to say any where in this country.

To my future buyer ( if there is one ) I will only be able to guarantee that they will be able to operate my three homes as monthly rentals.

In real terms that represents a loss in today's property and business values of a million dollars of resale . I arrive at this figure this way. I have three four bedroom homes in a prime and coveted location. Each will produce when maximized a gross income of 60 thousand dollars in today's dollars . That is 180 thousand dollars a year. ( Currently I gross approximately 140,000 per year because I am in a unique position to close my rentals for 3-4 months a year. )

As a monthly rental I could reasonably expect a gross income of 2400 dollars a month per house .  $2400 \text{ a month} \times 3 = 7200 \text{ per month} \times 12 = 86,400 \text{ a year}$  . That is with 100% occupancy. ( I ran monthly rentals for 12 years and that 100 % occupancy is pie in the sky reasoning ) .

So just there the difference in income per year produced is 93,600 dollars. ( oh and by the way the loss to the city in transient room tax just for my property alone is \$17,100 dollars per year. ( just my properties )

So using a real estate multiplier to ascribe value I applied 10% or \$936,000 in value . Let's figure 8% as a multiplier that would still be \$ 748,800 dollar difference in value or what I stand to lose. I don't think that is unreasonable as a multiplier for added value for an established business.

What would be the difference to my buyer in ownership for a monthly rental as opposed to a vacation rental. The increased occupancy would mean a lot more wear and tear on the interior spaces. It would be un monitored constant use . ( My homes as vacation rentals get professionally cleaned twice a week on average. I have my carpets cleaned once or twice a year. Remember I as a business owner I have a very high motivation to maintain and keep my homes as inviting as possible both inside and out . ) On average I can inspect my homes about every three days and take care of problems immediately .

As a monthly rental owner I would have to rely on the word of my tenant to either be respectful of my properties or hopefully keep me informed. Even with the best tenant in the world the increased constant usage would also ultimately mean increased depreciation and cost for maintenance .

What would it additionally mean to me if I no longer had transferability ? I would be forced to run my homes as vacation rentals as long as I found it physically possible. When I planned my retirement ( and I began that process 35 years ago ) I built this business as a bank account. I maintained its value and time and good business practices added value over time. Just as interest in a bank account would over time. I have cash reserves that I am too

conservative to invest in the stock market but I always thought of my homes as accounts I would eventually liquidate and my wife and I would be able to live on. Yes ultimately the market would eventually decide the value of that account but I always considered that what I was doing was running a business. One I would be able to ultimately sell to another person. Now because of the very large discrepancy in final amounts of that account I will have to rely on the income annually produced. Don't forget the IRS is an active partner in the proceeds of my business sale so that the final net payment to me would be reduced by approximately 50%. So a gross resale in the neighborhood of 8 or 9 hundred thousand dollars as monthly rentals would be reduced by half so that it would prove to be insufficient to retire on.

The decisions that will be passed on to you by the planning commission have unfortunately become mired in emotion and personal vendetta . If adopted they will ultimately lead to litigation ( I feel ) through measure 49 litigation. I have hired an attorney , I really don't want to experience the expense or the emotional cost of that, but the city has left me no alternative.

Rod Croteau (minute 45:30) during the last work session on 11-26-18 referred to measure 49 as a scare tactic . But given my losses what choice is the city giving me?

Measure 49 FAQ

Can I file a Measure 49 claim?

You may file a measure 49 claim for a new land use regulation if it has reduced the fair market value of your property. You have five years from the date the regulation was enacted to file a claim. A claim must be filed with government agency that enacted the regulation.

Jim Hanselman ( minute 41:22) Makes the justification for adopting B1 ( no transferability ) as a "Cut and dry rule , so you know when you buy this is the rule" . I started this business 23 years ago and every single owner who has legally created a vacation rental has done so prior to the enactment of this regulation. That alone without my letter from the city is justification which guarantees my non-conforming use for a Non-conforming use defense.

Jim Hanselman ( minute 42:01 ) Makes the argument that someone could buy all three and sell off two and live in the last one free. Is that following the reduction in value when the price is reduced by the post non transferability or is some one willing to pay the inflated price based on the reduction of

income potential? Also it doesn't consider the considerable cost involved with separating the properties. They are currently built on a single lot and share common water and sewer line. The new owner might also have to construct fire resistant walls between the homes. Or they could establish a condo organization. Either way it is not cut and dry. It involves additional expense and a reduced sale price. Not to mention is it really Jim Hanselman's place to be telling me how to conduct my business? Is this the basis for a measure 49 law suit?

Jim Hanselman ( minute 1:02 ) refers to absentee property owner as "They're not citizens, they're not residents, they don't spend their money here except a little at a time". He goes on to say "I played by the rules I did what was accepted here, which was long term rentals. I didn't tell Newport how to run their town when I wasn't a citizen"

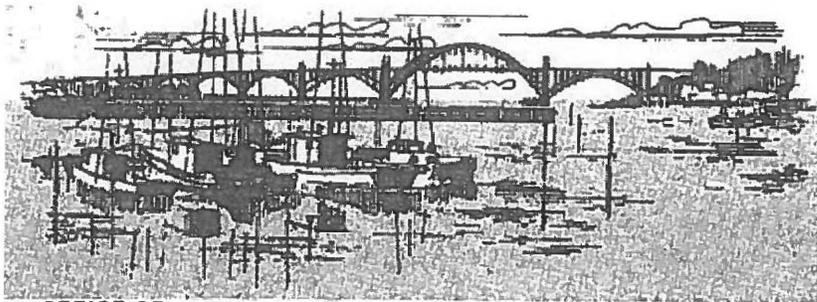
Yet by his own admission he purchased his home 15 years prior to actually living in it and while he lived in California. He came up in the summers. So he was a absentee land lord, who lived an entire state away from his property and spent very little time, money and oversight on his property. And now wants to deny that to any one else.

And by the way I'm no longer a citizen of Newport. I live about 100 feet outside of the property lines of Newport. So yes I get to spend a lot of money on maintenance and contribute a lot of money to city coffers in both transient and property taxes, employ housecleaners and sub contractors as well as local utility services spend all my time monitoring them and but don't actually have any voting rights regarding who is making decisions on my future.

I realize that the city has placed itself in a untenable situation. The ad hoc committee and Derek Tokos worked for a very long time. I am completely sympathetic to people who following 2012 discovered their R1 and R2 zoning was now open to business. The process was and continues to be contentious. But there is no place for blind emotional responses. During the 10 month process at the start of every meeting I was forced to announce my potential conflict of interest. I strongly feel that some of the Planning Commission members need to take a close look at their motivation and experiences and determine if they are capable of being fair and pragmatic. Compromise is when no one gets every thing they want.

B1, no transferability is a non starter for me. B3 is what the city recommends and it is the right thing to do.

Thank You Norm Ferber



# CITY OF NEWPORT

810 S.W. ALDER STREET

NEWPORT, OREGON, 97365

(541) 265-5331

TDD/VOICE 1-800-735-2900

OFFICE OF  
COMMUNITY PLANNING & DEVELOPMENT

July 26, 2002

Norm Ferber  
1109 SW Fall Street  
Newport, OR 97365

Re: Land Use File #9-CUP-97

Dear Mr. Ferber:

This letter is provided in response to your request for a zoning verification letter for the property located at 29 SW Coast Street here in Newport (Tax Lot 22200 of the Lincoln County Assessor's Tax Map 11-11-8BB) [the "Site"].

The Site is zoned R-4/"High Density Multi-Family Residential" and has been improved with the construction of three of five proposed residences (the "Project"). Residences are outright permitted uses, and vacation rentals (hotels) are conditionally permitted uses, in the R-4 zone.

A conditional use permit (No. 9-CUP-97) allowing operation of the Project as vacation rentals was approved on June 5, 1997. Therefore, you have the option of using the Project for long-term occupancy or residential use, or short-term occupancy or hotel use, which is defined as any occupancy for a continuous period of less than 30 days. Nonetheless, pursuant to Section 2-5-3.025/"Time Limit On a Conditional Use Permit" of the Newport Zoning Ordinance, a conditional use permit will expire if the use for which such approval was granted has ceased to exist or has been suspended for one year or more.

Consequently, in response to your specific question whether the three existing residences could be rebuilt in the event of a fire or some other disaster, the answer is: yes. Existing residences in the R-4/"High Density Multi-Family Residential" zone can be rebuilt from scratch as an outright permitted use in that zone, as long as building codes and other standard requirements of the City are met.

In addition, the City would allow the continuation of the use of the rebuilt residences as hotel

Norm Ferber  
Newport, OR 97365  
July 26, 2002  
Page 2

as long as the use is re-established within one year. Nevertheless, if the use is not re-established within one year, a new conditional use permit may be required for the use of the residences as hotel.

There are no time limits for the use of the project as residences in the R4 zone.

If we can be of any further assistance, please feel free to contact this office at (541) 574-0628.

Sincerely,

A handwritten signature in black ink, appearing to read "Victor Mettle", with a stylized flourish at the end.

Victor Mettle  
Code Administrator/Planner

Cc Dawn Pavitt - Litchfield & Carstens

## Derrick Tokos

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**From:** Derrick Tokos  
**Sent:** Tuesday, December 04, 2018 9:03 AM  
**To:** 'ldobitz@wavecable.com'  
**Subject:** RE: Ordinance No. 2144 amending the City of Newport's Short-Term Rental regulations

Hi Leo,

To your question, the proposed changes will not supersede Southshore's CC&Rs that prohibit vacation rentals. Removing the potential for commercial uses at Southshore, as proposed by the developer, won't change the underlying zoning. It would remain an R-4 planned development. The property couldn't be rezoned to R-1/R-2, as condominiums are not permitted in those zones.

I'll provide a copy of your email, and this response, to the Planning Commission for its consideration.

*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](mailto:d.tokos@newportoregon.gov)

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**From:** ldobitz@wavecable.com [mailto:ldobitz@wavecable.com]  
**Sent:** Monday, December 03, 2018 9:49 PM  
**To:** Derrick Tokos <D.Tokos@NewportOregon.gov>  
**Subject:** Ordinance No. 2144 amending the City of Newport's Short-Term Rental regulations

Hello Derrick,

I have a concern regarding 14.25.020 Establishment of a Vacation Rental Overlay Zone. All four of the overlay alternatives presented include Southshore as a limited VRD area. We currently have a PUD, Declaration with CC&Rs, Environmental Agreement as well as Southshore Rules that do not allow short term rentals within the development. Can the City select one of the overlay options and supersede/invalidate all the current documents in place forbidding VRDs? The character of the community is one of the major factors owners invested in when buying property in Southshore.

Southshore is a limited access gated community. Currently, all of Southshore is zoned R4. After South Shores Development, LLC completes its efforts in making Southshore a mature community, it will no longer have any commercial potential. Will Southshore be rezoned to R1 and R2 as part of the development effort since it will be totally single family residences and condominiums?

Whether or not Southshore gets rezoned after the completion of the development should not preclude Southshore from being designated as "Prohibiting VRDs". Southshore residents went through a short term rental ordeal in 2010-2012 which, I am sure you are well aware of. Based on the decisions made in 2012

supporting the PUD, Declaration, CC&Rs, Environmental Agreement and Southshore Rules, I think removing Southshore from any potential Limited VRD location is appropriate.

Respectfully request that the your staff recommend to the Commission that any reference to Southshore as a Limited VRD be changed to "Prohibited VRD" on all four overlay alternatives presented.

Thank you for your time,

Leo Dobitz  
916-801-2523  
Southshore Homeowner

## Derrick Tokos

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**From:** KEITH TURNER <turnerk1@comcast.net>  
**Sent:** Wednesday, December 05, 2018 8:47 AM  
**To:** Derrick Tokos  
**Subject:** Supplemental Rental Code Testimony

The first round of Newport's Vacation Rental Code was promoted as standardizing the safety of rental occupants. Things like tempered glass, egress windows, fire code occupancy, and GFI circuit breakers. And collecting rental tax. It looks like that hasn't addressed the nuisance issue of vacation rental occupants.

Any neighbor can be a nuisance but, as a rental operator, I agree that vacation rental tenants have a tendency to be less than considerate. I try to screen people the best I can, talking to them about limits of the property, and telling them that full time residents live there too. I still get them showing up with more people and cars than they said there'd be.

Even if I blacklist offenders, there are plenty more out there. This seems like an enforcement issue best directed at offending rental occupants. If a person is a nuisance, they should get the consequences. Newport has behavioral nuisance codes that address compatibility standards. These could be reviewed to ensure they address the kinds of nuisances occurring like parking and noise.

A concise list of these standards could be provided to vacation rental operators who are then obligated to make them part of their rental agreement. If occupants violate them and substantiated complaints are filed, they get a municipal ticket. If a rental operator has not provided the standards, then take enforcement against the operator. Enforcement is best directed at the offending party.

Yes, enforcement costs money. But, all rental occupants, even good ones, pay Newport tax. I pay full property tax but don't have children in Newport schools. Offending occupants would pay fines. This should go towards covering the societal costs of vacation rentals including enhanced nuisance enforcement.

Good luck.

Keith Turner

507 NW Alpine St. #308

357

## Derrick Tokos

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**From:** Tom Huff <trhuff2@hotmail.com>  
**Sent:** Sunday, December 09, 2018 6:55 PM  
**To:** Derrick Tokos  
**Cc:** Sherri Marineau  
**Subject:** Re: Feedback on proposed Ordinance 2144

Hi, thanks again for all of the information, including the minutes from recent meetings, the recommendations within the various areas of the proposals, etc. I'm in town and will attend tomorrow evening.

There are several questions, having looked through the minutes (these are below). I'm sure things will be busy tomorrow, and if it was easier to quickly talk, vs email, would there be a possibility of chatting phone-wise sometime in the afternoon (early/mid etc)?

Thanks!

Tom

### Questions, feedback:

- To recheck the primary motivation(s) at this point, and whether this remains more about neighborhood concerns for vacation renters, or concerns about (affordable) housing. The discussion notes (11/26 session etc) appear to be (much) more on former, and if this is still the larger focus of the VRD proposal:
  - There doesn't seem to be significant discussion on addressing/improving directly, via enforcement and fines on 'bad renters'. Including also ideas that may have been proposed previously in Lincoln City, such as for VRD owners to hire regular security (like TCB security), etc.
  - What was a rough breakdown of the recent 47 letters/emails and 22 folks testifying - ie, in terms of for/against the changes, caps and overlays, enforcement for vacation renter complaints.
  - Overall, has there been a survey broadly across all of Newport residents to identify which concerns are the pervasive ones, vs lesser?
- On the housing area:
  - As was mentioned briefly in the recent meetings, houses more than a certain degree above the median probably won't generate affordable housing. It would seem that a reasonable number of the ~200 current VRD's might fall into this category, and thus will the proposed changes have very much impact on increasing affordable housing? The VRD proposal seems a secondary way to try to help with affordable housing, with VRD's being ~only 4% of total housing, and including if only a subset of those that might actually be adopted by owners for affordable housing. This in the end might be only ~few dozens of homes contributing to the housing issues.
  - Overall, the VRD proposal seems to be a small impact on the larger problem of affordable housing. And thus to continue effort directly there at the ways of improving affordable housing, including those being pursued, of tax incentives for development of affordable housing, etc. Which maybe could also include an add'l tax on VRD's, so that this sub-segment of Newport is also helping contribute, if that might have a meaningful

impact. I just read the recent coverage on OregonLive, where these considerations & alternatives were discussed (incl. your comments in these areas).

- What is the rough trend line over time for VRD's in Newport, including relative to Lincoln City and Seaside? The latter are much closer to Portland, while Newport instead is a longer ~2.5 hrs away, and this remains more constraining, vs the higher levels of tourists in Seaside and Lincoln City. The current ~4% VRD level in Newport would seem low, and might wonder that the other tourist-centered coastal towns have both a meaningfully higher VRD %, and a higher trend line of VRD increase over the last 10-20 years. This is another way of asking the question, is there a first-order issue of VRD's in Newport? Vs staying focused directly on improving affordable housing, and enforcement/fines for instances of 'bad vacation renters'
- How are the staff recommendations considered (these were good!)? The minutes from 11/26 seems to show the commission members disagree in various places. Overall, do both the commission and staff recommendations go to the town council? How does the town council weigh/consider the commission and staff recommendations - are they likely to accept (one end of spectrum), or might ignore (other end), or something that's in between and uncertain at this point.
  - Have there been discussions for affirming the public's views via a ballot measure?
- Am trying to understand the rationale in alternative 4 (overlay), whereby just north of 42nd st (ie, ~43rd st) the overlays become again allowable for VRD's. And same question for just south of the golf course (on west/ocean side) - where this also is back too allowable. In other words, a question of why the red/disallowed island exists between these two (incl. with only ~3 VRD's in this), even though each of these areas are lower density housing.
  - Also too that this island is right across from a commercial area (ie, the golf course), relative to VRD's being more generally considered when closer to commercial zones. Would being across from the golf course have such a consideration?
- Is the current direction trending to spacing standards, or still a total prohibition in R1 areas? The staff recommendation indicates the former, the commission seems to indicate the latter.
  - Does spacing here mean that only one, or both, houses on 42nd St would be allowed for VRD's (each one is on opposite sides of 42nd st)?

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**From:** Tom Huff <trhuff2@hotmail.com>  
**Sent:** Monday, December 3, 2018 8:38 AM  
**To:** Derrick Tokos  
**Cc:** Sherri Marineau  
**Subject:** Re: Feedback on proposed Ordinance 2144

Great, I'll see if I can make this. Thanks!

Tom

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**From:** Derrick Tokos <D.Tokos@NewportOregon.gov>  
**Sent:** Monday, December 3, 2018 8:32 AM  
**To:** 'Tom Huff'  
**Cc:** Sherri Marineau  
**Subject:** RE: Feedback on proposed Ordinance 2144

Hi Tom,

The next meeting will be a public hearing at 7:00 pm on Monday, December 10, 2018. It will be held in the Newport City Hall Council Chambers (169 SW Coast Hwy). You will receive a follow-up notice later today once the meeting materials are posted to the City website.

*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](mailto:d.tokos@newportoregon.gov)

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**From:** Tom Huff [mailto:trhuff2@hotmail.com]

**Sent:** Sunday, December 02, 2018 3:27 PM

**To:** Derrick Tokos <D.Tokos@NewportOregon.gov>

**Subject:** Re: Feedback on proposed Ordinance 2144

Hi, to check quickly, when would the next meeting be scheduled ahead?

Thanks,

Tom

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**From:** Tom Huff

**Sent:** Tuesday, November 13, 2018 3:46 PM

**To:** [d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov)

**Subject:** Feedback on proposed Ordinance 2144

Hi, I'm a homeowner in Newport, who rents VRD-wise part of the year, and uses the home actively otherwise. Several thoughts come to mind on parts of the proposals in ordinance 2144:

1. Via this exploration of setting a cap on VRD licenses (to ~4-5% of total dwellings), to include a rough financial evaluation for possible impacts, which would be valuable to see & discuss. Including revenue for the city for the several different levels of VRD licenses, for how much impact this might involve for the city's services (for lost vacation rental revenue, staffing resources for tracking/enforcing, etc). And for property values, in light of reduced/eliminated ability to do vacation rentals (relative to nearby communities, north/south, ie Lincoln City, etc).
2. Discuss further whether the primary concern being raised, is a financial one (ie, with the impacts in specific ways to Newport, homeowners), or is more centered on behaviors and qualities of vacation rental guests, etc. For the latter, to discuss fully why concerns cannot be addressed directly through additional concrete behaviors and rules (ie, noise, complaint procedures, 3 strikes, etc), rather than reducing VRD licenses, and those related financial impacts to the city's revenue, and homeowners financials.
3. More discussion on the guiding philosophies for the paths represented in each of the 4 map options. In particular, in alternative IV it's difficult to discern the guidance for why some regions ("islands") are determined to be prohibited vs limited. Specifically for my address/location, there are only 2 homes on the related street (42<sup>nd</sup> St), both have VRD licenses, are separated from adjacent homes, yet fall just outside of the proposed limited zone, and are just within the prohibited 'island' to the north. To understand the reasoning that excludes this island of houses, but preserves other ones, such as the 'island' right next door to the south. There have not been noise or guest concerns for these 2 houses, and a better policy would be as in 2), to ensure a consistent

policy across the city, rather than 'islands' that appear uneven in rational/fairness (and property values, etc). If alternative IV were to still be enacted, in lieu of the above alternatives, the owners of the two houses on 42<sup>nd</sup> street would then strongly recommend the limited zone be drawn to include these houses, as there appears to be no clear distinction/rationale. But again overall, the drawing of these islands appears arbitrary, and a better path would be to find shared and consistent rules that apply across the city.

4. Regarding a cap, to also discuss & define: by what process this would be revisited and adjusted, at an appropriate frequency, to ensure updates based on learnings, changes in the city, etc, for revenue, citizens preferences, etc.

Thank you, and I appreciate the discussion and feedback process.

Tom Huff

503.803.0802 (cell)  
#10 NW 42<sup>nd</sup> St  
Newport, OR

Attn: Newport Planning Commission

As I stated in a phone conversation with Derrick Tokos (Community Development Director), I strongly feel that it is completely unfair to take away rights I had when I bought my property (11 NW 42<sup>nd</sup> St., Newport), or to try to phase out those rights over 5 years or any other arbitrary timeline. I pay nearly \$8,000/year in property taxes and at least that much each year just maintaining my property. I love spending as much time as I can at the property enjoying the area, but there's no way I could continue to do that if I can't offset a portion of the expense of owning the home with income from vacation rentals. The ability to rent the home as a vacation rental is something I took into account when I purchased the home 5 years ago and it undoubtedly influenced the purchase price. Taking away the right to rent my property as a vacation rental (or phasing out that right) will have a significant impact on the property value. Restricting vacation rentals as outlined in map alternatives 3 and 4 would not only greatly reduce the resale value of my property, but all the properties affected by the newly imposed vacation rental restrictions. Unfortunately, most people (me included) don't have the luxury of quitting our jobs and living full time on the Oregon Coast. Because of this, there is a much smaller pool of people that will be able to buy homes in areas where vacation rentals are prohibited. This will reduce the property values of all the properties in those areas, as it's just not as desirable to buy a property with restrictions on how it can be used.

Many of the homes that are currently vacation rentals would probably become long-term rentals under map alternative 3 or 4. I have experience with both long-term rentals and vacation rentals and I know I would much rather live next door to a vacation rental than I would a long-term rental. Vacation rentals are monitored much more closely. Long-term rentals are usually rented on a 6-month or 1-year lease and it's not that easy getting rid of a problem tenant. In addition, serious maintenance issues are often not discovered until the tenant moves. Vacation rental guests are only there for a few days at a time, so the property is checked much more often making it easier to catch small issues before they become big problems. Also, from a property value standpoint, having a vacation rental next door will not negatively impact the property value like having a long-term rental next door. There has also been an argument by some that vacation rentals have changed the character of their neighborhood. I would seriously question if converting a lot of the existing vacation rentals to long-term rentals will improve the character of the neighborhood ... I tend to think it will have the opposite effect.

If map alternative 3 or 4 are implemented, the only way I will be able to hold onto my home will be to rent it on a long-term basis. This would obviously eliminate my ability to use the property for personal use and defeat the purpose of buying the property in the first place. Again, I feel it is totally unfair to "change the rules in the middle of the game" by putting use restrictions on my property that weren't in place when I purchased the property. Aside from eliminating my ability to use the property for personal use, it will probably force me to sell the property at a price that is significantly less than what the property would have been worth if the "rules" were not changed and it was free of use restrictions. Who is going to make-up that difference in value?

In addition to the impact to property owners, any restriction on vacation rentals is going to negatively impact tax and licensing revenue to the city and county. There will also be a negative

impact on the number of jobs available, as the property management companies will need fewer employees if there are fewer rentals to manage.

Based on a phone conversation with Mr. Tokos, it doesn't sound like there have been an extraordinary number of compliance issues associated with vacation rentals. However, as I stated in my email prior to the November 13<sup>th</sup> meeting, I strongly feel that any compliance issues can be addressed by strengthening the existing good neighbor rules and putting in place tougher compliance procedures rather than implementing something that restricts our rights as property owners. There just isn't a need to restrict people's property rights when stronger enforcement of the existing rules along with potential fines for violations will likely take care of any issues.

In summary, it seems like the planning commission is trying to use a sledgehammer to fix issues that can be addressed with a more measured approach. Please don't take away our rights as taxpaying property owners before less restrictive measures are tried. Strengthen enforcement of existing good neighbor rules and impose meaningful fines for violations. Fines should be imposed on both the owner of the property and the management company. Fines tend to get people's attention and generally change behavior pretty quickly. This would be a much more reasonable first step in addressing issues related to vacation rentals. Taking away people's rights as property owners should be the last thing considered after all other remedies have been tried.

Jeffrey J. Drew  
ph: 712-229-3670

December 10, 2018

RE: ORDINANCE NO. 2144: DRAFT  
AMENDMENTS TO THE NEWPORT  
MUNICIPAL CODE RELATED TO SHORT  
TERM RENTAL LAND USE REGULATIONS  
(with staff recommendations)  
dated 11/21/18

Dear Members of the Newport Planning Commission:

We've written previously regarding our views on the proposed changes to the ordinance as it pertains to short term vacation rentals. We're 30 year residents and homeowners in Newport, own two permitted vacation rentals, and also own housing that is rented month to month to a locally employed resident.

After reviewing the staff comments to the draft dated 11/21/18, we would strongly support several of the staff recommendations.

**Regarding 4.25.025 ,Term of Annual Business License Endorsement and Transferability, we agree with the staff recommendation of B.3,** and by this reference, incorporate the following staff recommendations as our own public comment.

**B.3. Transferability. 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.**

Staff: Transferability is relevant if the city limits the total number of annual licenses it issues and it is our recommendation that such a limit be put in place. The justification for limiting transferability is to avoid circumstances where use of a dwelling for commercial purposes in a residential neighborhood becomes permanent, potentially impacting the supply of needed housing and the character of residential areas. Eliminating license transferability in residential areas would serve as a disincentive to anyone looking to purchase units for exclusive use as a vacation rental while, at the same time, it would not impose a barrier to those looking to operate a vacation rental for a period of time before they transition to Newport on a more permanent basis(assuming there is license availability under a cap).It is difficult to apply this rationale to areas that are transitioning

to or are entirely within commercial zones, as there is an expectation in these areas that dwelling units would be built for the sole purpose of being used for transient rental purposes and may lack the functional amenities (e.g. storage, office space, etc.) that persons would need if they were living in the units on a long term basis. Alternative B.3. balances these interests.

**Regarding proposed changes to 14.25.020, we agree with the staff recommendation that the city not impose an overlay zone where vacation rentals would be permitted.** We agree with the staff's reasoning as set forth below and incorporate the staff recommendation as our own public comment on this issue.

**Staff: We recommend that the Commission not adopt a zoning overlay** at this time as a tight license cap, coupled with spacing standards for low density areas, is likely to be more effective at protecting the character of neighborhoods and the City's supply of needed housing, which are the policy objectives that could support an overlay. All four map alternatives would prohibit vacation rentals from areas where they have been historically allowed, with alternatives #3 and #4 impacting 25% to 30% of the existing licensed vacation rentals. Uses should be prohibited only if it can be shown that less restrictive measures cannot achieve policy objectives, because the end result is the elimination of a property right that many have relied upon when purchasing and investing in their properties. Map alternatives #1 and #2 are of limited value because they apply to areas that are far enough away from the beach and tourist-oriented commercial districts that they are not attractive for vacation rental use. Map alternatives #3 and #4 prohibit vacation rental uses in some residential neighborhoods and not others without a clear explanation as to why the character of some neighborhoods need to be protected through such a prohibition and others do not. This is problematic if the policy objective is to protect the character of all residential neighborhoods. Concerns expressed by several Nye Beach area residents relate to this issue, as they are rightfully concerned that the adoption of one of these alternatives will lead to further concentration of vacation rentals in their neighborhoods.

With respect to needed housing, map alternatives #3 and #4 appear to favor the prohibition of vacation rental use of higher priced dwellings while allowing them to continue on residential properties that are more affordable. A fair amount of testimony has been submitted expressing concern that vacation rentals are taking away units that would otherwise be available as month to month rentals or as homes that would be available to the local work force. Vacation rentals in R-1 and R-2 zoned areas, which these map alternatives are largely directed at, have a median market value of \$418,821 (per Zillow estimate). This is a very narrow slice of the City's needed housing, as this price point is outside of the range of what most of the City's workforce can afford and may be most attractive to dual income working professionals and persons retiring to Newport from more affluent markets.

If map alternative #3 or #4 is adopted, then roughly 60 vacation rental operators could be required to wind down their operations, most of which have been renting their properties without documented complaints. It is likely that the City would need to invest in additional code enforcement staff, in addition to a third-party contract, both to ensure that the rentals are taken off the market and to police the areas on an ongoing basis. An additional code enforcement staff person, with benefits, could cost the city around \$100,000 a year. Elimination of up to 60 vacation rentals, without some other off-set, is likely to result in a reduction in room tax collections in the amount of \$125,000 to \$150,000. Fiscal impacts of this nature, where costs are added at the same time revenues are constricted is a significant consideration for city policymakers.

#### **14.25.025 Allowed Locations**

We agree with the staff recommendation that **alternative A.2., to allow vacation rentals in all residential and commercial zones is appropriate**, for reasons set forth above.

#### **14.25.030 Approval Standards**

**We support Policy Alternative A.1** : We agree with the staff's comments and reasoning on this alternative and incorporate their comments as our own public comment on the issue.

**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.**

Staff: We recommend the Planning Commission pursue Alternative A.1. but suggest it recommend the Council, by resolution, set the cap number at a figure equivalent to the number of vacation rentals currently licensed, or in the process of being licensed. That initial cap number would be less than the 5% maximum that could be established by resolution, and if adopted at the same time the Council acts on Ordinance No.2144, would effectively put in place a moratorium until a new resolution is adopted. This would give the City time to roll out the new rules. Once the new rules are in place, the Council could, over time, incrementally increase the cap number to account for new residential development. This type of active management will prevent rapid increases in the number of vacation rentals being licensed and allows the Council to link increases in the number of vacation rental licenses to the health of the housing market, consistent with the policy objective of protecting the city's supply of needed housing. Additionally, a

tight cap furthers the policy objective of protecting the character of residential neighborhoods because it limits the growth of vacation rentals without favoring certain neighborhoods over others.

Alternative A.1. prohibits the Council from establishing a cap level in excess of five (5) percent of the dwelling units within the city. This provides policy makers with a reasonable amount of flexibility. The five (5) percent threshold is also in line with what other cities, with a diverse economic base, have imposed.

Thank you for the opportunity to comment on these issues.

Michele Longo Eder

Bob Eder

P.O. Box 721

Newport, OR 97365

## Derrick Tokos

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**From:** Frank De Filippis <fdefilippis@hotmail.com>  
**Sent:** Monday, December 10, 2018 2:11 PM  
**To:** Rod & Darlene Croteau; Sherri Marineau; Derrick Tokos  
**Subject:** Re: Notice of Continued Public Hearing on an Ordinance Amending the City of Newport's Short-Term Rental Regulations

Hi City of Newport Planning Commission and City Planner

I will most likely not be attending the meeting this evening 12/10 as I have come down with a cold and do not wish to get others sick.

- **4.25.025 Term of Annual Business License Endorsement Transferability**
  - Recommend Option B1 - to not transferable. This would prevent legacy "always" vacation rental and allow next in line for permit to be made available. I support Option B1, as any other option would in effect change the zoning and make the home a forever commercial enterprise in a residential neighborhood. License transfers should not be allowed.
- **4.25.030 Business License Endorsement Renewal.**
  - Reject: Section B1- C, Sale or Transfer of property and renewal of permit. This section should be rejected as it is the same effect as 4.25.025 Option B1. No legacy vacation rentals should be allowed.
  - Reject: Section C 3.1 Signage. This would diminish surrounding property values that are not vacation rentals. Additionally would act as an invitation to burglar or transient occupation or other illegal activity in the neighborhood. The Newport Police have already indicated that they do not have resources to respond to vacation rental complaints. This would put undue burden on the neighbors to "police" and report issues and the confusion on who do we report issues to.
  - Modify: Section D1 Operational Requirements, Add "on-site" response within 1 hour
- 4.25.045 Violations.
  - Update Section E, 30 minute response and 1 hour in-site response would be failure to comply and subject to fines and counts a strike in the 3 strike revocation of use permit.
- 4.25.050 Penalties
  - Update to indicate multiple complaints in a single day would count as multiple strikes. This would ensure the sanctity of the neighborhood during as some have suggested that one rental one complaint.
- 14.25.025 Allowed Locations
  - Zone maps alternatives seem to section of the city however uses the whole city unit count to derive a percentage or cap thereby totally saturating certain neighborhoods while other are out of boundaries. The percentages should relate to the number of units within the zone.
- 14.25.030 Approval Standards
  - Policy alternative A.3 not to exceed 3% as a cap. The percentages should relate to the number of units within the zone.
  - Cap at 163 units for VRD as discussed in the advisory committee.

Thank you,  
 Frank De Filippis  
 Resident Newport Oregon

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**From:** Rod & Darlene Croteau <croteau@charter.net>  
**Sent:** Tuesday, December 4, 2018 4:32 PM  
**To:** Ona McFarlane; Paul Dunphy; Steve & Deborah Lane-Kerpa; Roy Filby; Matt Fisher; Wayne Benson; Patti Littlehales; Janet Webster; Frances Vanwert; Christine Davidson; Sandy Benning; Bill & Ruth Hutmacher; Bill Holden; Frank DeFilippis; Cathey Briggs; Frances OHalloran; Bill Posner; Cheryl Connell  
**Subject:** Fwd: Notice of Continued Public Hearing on an Ordinance Amending the City of Newport's Short-Term Rental Regulations

----- Forwarded Message -----

**Subject:** Notice of Continued Public Hearing on an Ordinance Amending the City of Newport's Short-Term Rental Regulations  
**Date:** Tue, 4 Dec 2018 00:30:08 +0000  
**From:** Sherri Marineau <[S.Marineau@NewportOregon.gov](mailto:S.Marineau@NewportOregon.gov)>

Please see the attached notice of a continued public hearing with the Newport Planning Commission on draft Ordinance No. 2144 amending the City of Newport's Short-Term Rental regulations. This public hearing will be held on Monday, December 10, 2018, at 7:00 pm or soon thereafter in the City of Newport Council Chambers located at 169 SW Coast Hwy, Newport, OR 97365.

Public comments on draft Ordinance No. 2144, the staff recommendation, and the Planning Commission's set of preferred alternatives, are posted on the City website and can be accessed using the following link:  
<http://newportoregon.gov/dept/cdd/VacationRentalDwelling.asp>.

If you have additional questions, please contact Derrick Tokos, Community Development Director, at (541) 574-0626 or email him at [d.tokos@newportoregon.gov](mailto:d.tokos@newportoregon.gov).

Regards

Sherri Marineau  
 City of Newport  
 Community Development Department  
 169 SW Coast Highway  
 Newport, OR 97365  
 ph: 541.574.0629 fax: 541.574.0644  
[s.marineau@newportoregon.gov](mailto:s.marineau@newportoregon.gov)

To: Derrick Tokos  
 From: Linda Neigebauer  
 For: Planning Commission Meeting, December 10, 2018  
 Re: Short-Term Rental Proposed Ordinance No. 21444

Date: December 10, 2018

CITY OF NEWPORT

DEC 10 2018

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**•PROPOSED LANGUAGE:**

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.

***CONCERN:*** *This section is confusing. How does a license holder transfer ownership to the license holder?*

**•PROPOSED LANGUAGE:**

B.1. Transferability. The business license endorsement shall be issued in the name of the owner(s) and is not transferable.

*or*

B.2. Transferability. 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.

*or*

B.3. Transferability. 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.

***CONCERN:*** *If the City currently allows for transfer of any other type of business license when a business changes hands, then B.3 should be adopted.*

**•PROPOSED LANGUAGE:**

7. Proof of Use. For renewals, room tax remittance records must show that the unit has been rented at least 30 days within the 12-month fiscal year.

***CONCERN:*** *There is currently no baseline data for the number of nights rented in a fiscal year for any Newport B&B, Home Share, or Vacation Rental. Without data, a requirement for a rental night minimum should not be considered at this time.*

**•PROPOSED LANGUAGE:**

5. Noise. Noise levels shall conform to the requirements of Chapter 8.15 of the Newport Municipal Code.

***CONCERN:*** *Newport's noise ordinance should be posted in the unit as it notes sound measurement, definitions, noise limits, prohibited noises, maximum length of certain activities, and evidence, which is especially important, as it requires the evidence (8.15.040) of at least two persons from different households to establish a violation. A police or code*

*enforcement officer or other city employee who witnessed the violation can be counted as a witness. The city may ask an alleged violator to enter into a voluntary compliance agreement based on a single complaint or single witness.*

**•PROPOSED LANGUAGE:**

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.

***CONCERN:** Is the definition of Public Nuisance in Chapter 8.10 of the Municipal Code? This information should also be in the renter's information.*

**•PROPOSED LANGUAGE:**

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 in a conspicuous place in the dwelling unit, or a similar method.

***CONCERN:** What is the Good Neighbor Guideline?*

**•PROPOSED LANGUAGE:**

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

***CONCERN:** Is there a process for validation of a complaint, or can a complaint be made and considered without an opportunity for the license holder to refute it?*

**•PROPOSED LANGUAGE:**

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.

***CONCERN:** What is the limitation on the number of bedrooms that can be rented in a B&B? A Home Share and B&B should have the same limitation, and placing a cap of two bedrooms on either B&B or Home Share seems restrictive, unless it causes a problem for parking. If a Home Share or B&B has the required parking and does not exceed occupancy of two persons per bedroom, then should the limit be two bedrooms?*

Linda Neigebauer  
3914 NW Cherokee Lane  
Newport, Oregon





**ADAM C. SPRINGER, LLC**  
ATTORNEY AND COUNSELOR AT LAW

380 SW 2<sup>nd</sup> St.  
PO Box 1987  
Newport, OR 97365  
Phone: (541) 272-5500  
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E-Mail: [springer@yaquinalaw.com](mailto:springer@yaquinalaw.com)

December 7, 2018

CITY OF NEWPORT

Newport Planning Commission  
Newport City Hall  
169 SW Coast Hwy.  
Newport, OR 97365

DEC 10 2018

RECEIVED

Re: Proposed New Vacation Rental Ordinances

Dear members of the Planning Commission,

Greetings. This firm represents Norm Ferber in regard to the above captioned issue. I write to provide a detailed background the history of Mr. Ferber's property and to share my concerns with the Planning Commission's proposed transferability regulations as well as the potential consequences of enacting them.

Mr. Ferber owns three vacation rentals on a single lot at 29 SW Coast St. The property is bordered by the Newport Performing Arts Center to the west, and by commercial lots to the north (additionally, there are commercial lots to the south). When he bought the property, it was a motel. The property is zoned R4. In 1997 Mr. Ferber sought and obtained a conditional use permit allowing the property to be used for short term transient rentals, either as a hotel or vacation rentals, and further sought and received a Historic Nye Beach Overlay permit (#1-NB-97) to construct up to five residences to be used as vacation rentals. After receiving those permits, Mr. Ferber developed the structures that are on the property now. Specifically, he developed three four-bedroom dwellings that are in very close proximity to one another, share a single sewer and water connection, lack storage, and were never intended for long-term occupancy. The dwellings have always been operated as vacation rentals.

Mr. Ferber relied on the permits granted to him when developing his property, and it was entirely appropriate for him to do so. Both permits run with the land and were not just granted to Mr. Ferber personally. My client's reasonable expectation was to one day be able to sell this property to be used for its developed purpose, vacation rentals.

The Planning Commission's current proposed ordinance, dated 11/30/18, threatens my client's ability to sell his property for its fair market value. Specifically, the Planning Commission has recommended placing a cap on the number of vacation rental licenses granted at any one time, and, more importantly, that licenses be strictly non-transferable to new owners, no exceptions. If the City were to adopt the Planning Commission's recommended ordinance, once the number of vacation rental licenses reaches the capped amount, my client would not be able to sell his property for use as vacation rentals, as the new owner would not be able to get a permit until one became available.

As I am sure the Commission members are aware, the fair market value of income property is determined primarily by the amount of income it produces. My client's dwellings produce much more income as vacation rentals than they would as monthly rentals. Having to convert to monthly rentals would cost my client as much as \$100,000 per year in income and would reduce the fair market value of this property by an amount that could easily surpass \$1,000,000.

If these regulations are enacted as recommended, my client, and potentially many others, will quickly be forced to file claims under Measure 49 (codified as ORS 195.300 - 195.336), at which time the City will need to decide between compensating affected owners for the reduction in his fair market value or determining that the proposed regulations do not apply to them.

When enacting Measure 49, the legislature specifically found that, in some situations, land use regulations unfairly burden particular property owners, and to address those situations, it is necessary to amend Oregon's land use statutes to provide just compensation for unfair burdens caused by land use regulations. (ORS 195.301). If a public entity enacts one or more land use regulations that restrict the residential use of private real property or a farming or forest practice and that reduce the fair market value of the property, then the owner of the property shall be entitled to just compensation from the public entity that enacted the land use regulation or regulations as provided in ORS 195.310 (Claim for compensation) to 195.314 (Notice of claim). ORS 195.305.

It is well established under state law that residential use includes use as a vacation rental. *Yogman v. Parot*, 325 Ore. 358 (1997), *Johnson v. Campbell*, 259 Ore. 444 (1971), and *Wilkinson v. Chiwawa Cmty. Ass'n*, 180 Wn.2d 241 (2014). Thus, the Planning Commission and City should keep in mind that by enacting regulations that restrict the continued use of existing vacation rentals, it is exposing itself to claims under Measure 49.

These regulations will unfairly burden Mr. Ferber. He developed his property for its specific use only after being granted all necessary permits from the City to allow the property to be used for the exact purpose it continues to be used. He has followed the City's rules related to developing his property and managing the vacation rentals, his property is located in an area that is ideally suited for this use, and the property is well managed and has not contributed to the issues which bring these new proposed regulations before you today. Enacting these new ordinances would pull the rug out from Mr. Ferber's feet and destroy the certainty that he will one day be able to sell his property to a buyer that will be entitled to put the property to its highest and best (as well as originally intended) use.

Throughout the publicly provided materials provided there are several mentions that Commission Members regard vacation rentals as a commercial use. While this conclusion is not supported by law, proposing a cap on the number of licenses and making the licenses non-transferable is even more inconsistent with commercial enterprises. For instance, would the City decide at some point to restrict the number of business licenses issued to car washes, and then further decide that the currently held licenses are non-transferable, thus removing the car wash owner's ability to sell his real property as a car wash? What if the same were proposed for restaurants? The point, of course, is that property owners invest significant amounts of money into developing their property for specific uses; and to later deprive them of their ability to sell their property for the use it was developed for, through no wrong-doing of their own, is not only unfair and unjust, but contrary to basic principles we all hold as Americans and that are found in our Constitution.

My suggestion is, at a minimum, to allow the vacation rental licenses to be transferred in situations where the vacation rental is located in, adjacent to, or across the street from, a commercial zone. Other acceptable proposals include allowing transferability of licenses located on Coast Street (which is primarily a

tourism area), or allowing transferability when the subject property is approved for hotel or motel use, either by outright zoning or through a conditional use permit. Any of these proposals will protect my client's investment in his property.

The reasoning provided on Page 6 of the most recent proposed version of Ordinance 2144 (4.25) (They are concerned that allowing business licenses endorsements to be transferred would be unfair to others interested in operating vacation rentals once a cap is reached, and that it might encourage properties with endorsements to be bought up by investors) suggests that not only does the Commission understand it will likely be decreasing the market value of properties currently operated as vacation rentals, it intends that result. This could prove problematic for the reasons discussed above. Lastly, the proposed transferability regulations are not recommended in the Staff Report.

I understand and sincerely believe that the members of the Planning Commission intend to be as fair as possible to all Newport residents. However, I want to make it clear that in attempting to be fair to those who would like to operate vacation rentals in the future, the Planning Commission is disenfranchising my client, who has made a substantial investment in his property and has provided the City with a great deal of revenue through the years. That incredibly unjust result is not warranted to prevent the harms detailed as the reasons for restricting license transferability

I urge you to reconsider your recommendations regarding transferability before sending the proposed ordinances to the City Council. While I cannot be personally present at the December 10, 2018 meeting, my client will be there with Traci McDowall, an attorney from this firm, should you have any questions or wish to discuss this matter.

I thank you in advance for your time and attention dedicated to this matter.

Very Truly Yours,

Adam C. Springer  
Attorney for Norm Ferber

**Derrick Tokos**

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**From:** wetherill1@juno.com  
**Sent:** Monday, December 10, 2018 2:24 PM  
**To:** Derrick Tokos  
**Subject:** Comments - December 10 hearing regarding Vacation Rentals Alternatives #3 & #4

Derrick I. Tokos, AICP  
 Community Development Director  
 City of Newport, Oregon

RE: Comments for December 10 hearing regarding Vacation Rental Alternatives #3 & 4

Thanks for discussing this matter over the phone last week. We were surprised and disappointed to hear some are leaning toward the most restrictive Alternative #4, which would even pull the rug out from under those who satisfied all the original requirements effective July 1, 2012 to legally establish Newport Vacation Rental Endorsements.

We who initially complied have by now invested more than 6 years of labor, expense, improvements and marketing based on the Vacation Rental rules adopted by the City. We developed years of tourist clients who have chosen our homes and Newport as their preferred coastal destination. Such rental income is of course only a portion of the tourist dollars that benefit all Newport businesses and overall economy.

Alternative #3 is restrictive enough to seriously limit and minimize neighborhood impacts while retaining substantial Room Tax revenue for the City. Oceanfront/View homes in or near established tourist areas are the prime vacation homes and generate by far the highest proportion of Room Tax per VRD. Any decision affecting the gain or loss of Room Tax must take this fact into consideration to reach an accurate conclusion.

Alternative #4 fails to even distinguish and grandfather VRD Endorsements applied for during the initial 120 day submission period in 2012. Those are the most consequential of vacation rentals in terms of time, effort and investments at stake. Homes like ours with superb ocean views and walking distance to the Historic District provide significant room tax revenue and will never be part of the affordable home inventory in any case.

On behalf of vacation home owners and business owners in Newport, we urge you to exercise balance and reason regarding this decision. If #3 and #4 are the only remaining alternatives, in the spirit of fairness and compromise please choose Alternative #3.

Sincerely,  
 James & Lana Wetherill  
 1245 NW Spring St  
 Newport, Oregon

## Derrick Tokos

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**From:** Cathey Briggs <catbriggs2@yahoo.com>  
**Sent:** Monday, December 10, 2018 3:39 PM  
**To:** Derrick Tokos; Sherri Marineau  
**Subject:** Written testimony to Planning Commission RE VRD Ordinance

I am unable to attend the Planning Commission hearing today because of illness. I am aware that there will be additional opportunities, but wanted to provide some input for today's hearing.

The Ad Hoc Committee, the Planning Commission, and the Planning staff, have done a very good job of hashing and rehashing issues, and have come up with a reasonable recommendation, with options to consider. I think it's helpful to also have a common platform of data to consider regarding housing need since that is essential to any code amendments that affect housing availability.

I am therefore submitting a link to a Housing Needs Analysis, completed by ECONorthwest for the City of Newport in 2014, on the subject of student housing. This document clearly cites a need for additional "workforce" housing in Newport. The report does not indicate a need for additional vacation rentals. Please include the following document as part of the official record as documentation of "needed housing."

[http://www.newportoregon.gov/dept/cdd/documents/CompPlan/CompPlan\\_appendixD.pdf](http://www.newportoregon.gov/dept/cdd/documents/CompPlan/CompPlan_appendixD.pdf)

If anything, since the publication of this report, the situation in Newport has gotten worse because of the proliferation of VRDs. Recently, Street Roots, a newspaper that focuses on issues of poverty and homelessness in Oregon, did research and interviews in Lincoln County. They found that 1000 students in the Lincoln County School District are considered "unhoused." And every housing agency in the County has long waiting lists, as many as 25 households waiting for each unit available. 50% of those waiting for housing are employed. I believe you have heard ample testimony about housing need - about the people living in storage units, in the dunes, in the gully, in cars. What makes Oregon unique, is our Land Use Law, that requires jurisdictions to take "needed housing" into account when they develop zoning ordinances and comprehensive plans that affect housing availability.

The proposal under consideration by the Planning Commission has a number of options to consider that could either ameliorate the housing situation for the local workforce, or worsen it.

My rule of thumb is to support the option that is more likely to increase or stabilize the supply of available rental housing for the local workforce, rather than diminish it. This would mean a cap on VRD licenses in residential zones, and a restriction on transferability of VRD permits in residential zones including those across the street from commercial zones. I am also a proponent of the Homeshare option in Residential and Commercial zones because it provides a legal route for residents to rent rooms on a short term basis. In some cases, it may provide the additional income a homeowner needs to stay in his or her home.

I would also support a cap on VRDs in Nye Beach, even though it is zoned for mixed-use. From what I've gathered from hearings I've attended, the Nye Beach neighborhood is considered by some, to be just another commercial tourist area that should be fair game for VRDs. I disagree. Nye Beach is a mixed-use neighborhood. It always has been, for decades. It needs to have long-term, permanent residents who eat, drink, and shop there, even during a squall. Or a recession. Small, local retail is often sustained in the off-season by local residents. Ask the merchants in Nye Beach. Ask the residents of Archway Place. After one

unit became a VRD, the owners amended their by-laws to prohibit additional VRDs in the building. If they wanted to live in a motel, they would live in a motel.

I recognize that zoning "fixes" will not, by themselves, solve the affordable housing crisis in Newport. I second the idea that was raised by Jamie, the VRD committee rep, from Sweet Homes, that a portion of the tourist tax revenue should be dedicated to affordable housing. I think that's a great idea that we should all get behind. Newport has done a good job of incorporating zoning incentives for affordable housing into the code, but what's really needed is a local revenue source to strengthen applications for State and Federal funds - local match is one of the factors evaluated by the State when they make awards.

In that vein, the State of Oregon's Department of Housing and Community Services is hosting a hearing in Newport this Thursday at 1 p.m., at City Hall, to solicit testimony on housing needs. I urge you to attend to hear additional testimony from your neighbors and the local social service and housing agencies.

Thanks for your consideration of my comments.

Cathey Briggs  
118 SW High Street

**Derrick Tokos**

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**From:** Rinita K <rinanurse@hotmail.com>  
**Sent:** Monday, December 10, 2018 3:57 PM  
**To:** Derrick Tokos  
**Subject:** Sort-term rental hearing

Dear Mr. Tokos,

I am an owner of a short-term rental in Newport. My rental property is being managed by Sweet Homes Vacation Rentals. I don't think it is fair to take away our rights to rent our property. Any complaints that we ever had with a neighbor Sweet Homes resolve the issues right away. We also ask our guest to respect our neighbors and especially during the quiet hours. By having a short-term rental it allows family who cannot afford hotels and to eat out every day be able to afford a family vacation by staying at a vacation rental home. It also increases tourist and revenue for the city of Newport.

Instead of taking away our rights away to rent our property perhaps the City of Newport together with vacation property owners can work together to come up with a solution to fix the problem versus eliminate all short-term vacation rentals. We should work together to strengthen the good compliance procedure so it could benefit all parties involved.

Sincerely,

Rina Myklak

12/10/18

Dear City of Newport Planning Commission Members,

I am not able to attend tonight's meeting. I am a member of the City of Newport Vacation Rental Dwelling Ad Hoc Committee and a 41 year resident of Newport.

I would like to offer my perspective on the proposed VRD ordinance as discussed at your 11/26 work session. Please include this in the written record of tonight's proceedings.

I ask that you change your decision to not allow transferability of a VRD license. Instead I ask that you adopt Policy Alternative B3 and applicable definitions/procedures as stated in the previous draft of this proposed ordinance. I believe that allowing transferability as stated in B3 sufficiently protects the quality of our residential neighborhoods. For those areas of Newport in which transferability would be allowed under B3, continuing to allow VRD use under a new owner would not have an adverse impact as these are mostly already either a commercial or mixed residential/commercial use. Furthermore, I believe that the new ordinance should reflect a neutral stance as to what type of entity (investor, second home owner, primary home owner, etc) is allowed to maintain or attain a VRD endorsement/license, subject to meeting all proposed compliance standards/requirements.

Also, I again ask that you remove parking requirement from the conditional use process, as previously requested in my public testimony at the 11/26 Planning Commission Regular Session meeting minutes.

Thank you for consideration.

Sincerely,

Cheryl S. Connell

**Derrick Tokos**

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**From:** Brent Clark <brentryanclark@gmail.com>  
**Sent:** Monday, December 10, 2018 4:41 PM  
**To:** Derrick Tokos; f.marineau@newportoregon.gov  
**Subject:** Vacation Rentals 12/10

Hello my name is Brent Clark and I strongly oppose any changes to the current model for vacation rentals in Newport

I am a homeowner in Newport and believe that the changes that you as city council are proposing are a waste of time. You have rules on the books but do not enforce them. If you enforced the rules you already have by threatening and actually taking away vacation rental licenses after multiple infractions, there would be no issue within the community.

I do not believe that you have the right to take away anyone's right to profit from their property as they deem fit. I do not own a vacation rental but I have many around my home and have nothing but good things to say about my short-term neighbors.

I believe this is a fruitless effort because if new rules are passed, the council should realize there will be litigation that will drag on for years, at the expense of the taxpayers of Newport. **Instead of wasting this money in litigation, you should put it to good use by funding the code enforcement as you have stated, to create a fund to help provide low income housing or better yet and most importantly to fix the sewage contamination problem that renders the Nye Beach and Elizabeth Street Areas unusable, unless you want to catch an infection.**

I can't believe the waste of time that has been put into this vacation rental effort, when the problems of low income housing and Nye Beach sewage have been ongoing for decades and you still haven't fixed them.

After being at the first meeting, there are far more community members that oppose the rule changes than are for a rule change.

I am also going to voice my concern that multiple members of the City Council seem to have a conflict with bias against vacation rentals, while one that does own some vacation rentals. How is this fare for the community as a whole, when conflict either for or against is not taken into account and the people do not recuse themselves from the conversation?

Let's stop wasting everyone's time and treating their financial wellbeing and look for actual solutions to actual problems, like the ones stated above. Thanks for your time. Regards,

--

Brent Clark

[Brentyanclark@gmail.com](mailto:Brentyanclark@gmail.com)

(682) 352-5831

## **Sherri Marineau**

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**From:** Jamie Michel <jamie@sweethomesrentals.com>  
**Sent:** Monday, December 10, 2018 11:31 AM  
**To:** Sherri Marineau  
**Cc:** Derrick Tokos  
**Subject:** Correction of minutes

Hi Sherri,

I have a correction to my statement in the minutes of the planning commission work session dated:11/26/18

Stated:

Jamie Michelle addressed the PC and said she pushed for the words "at all time" and if they restricted to the licensed occupancy, they would impact the quality of living. She said rather than restricting VRDs city wide, if there were regulations with teeth it would weed out the bad players over time. Michelle thought the PC should consider putting rules in place with strong teeth and then reevaluate in a couple of years. She reminded the PC that there were public members who said they had VRDs next to them who were delightful. She said if the affordable housing was a big deal, take a portion of license fees and taxes and put them toward a fund to deal with the housing issue

### **Requested to be corrected to:**

Jamie Michel addressed the PC and said she strongly recommended incorporating the words "at all times" referring to occupancy limits thereby restricting negative impacts on neighbors from the nuisance of over occupancy. She said rather than restricting VRDs city wide, if the existing regulations had teeth the bad players would be weeded out naturally over time. Michel thought the PC should consider putting rules in place with tight compliance with strict penalties and then reevaluate in a couple of years. She reminded the PC that there were members of the public who spoke up at the last public hearing saying they had VRDs near them that were delightful. She suggested having a portion of the VR licensing fees and taxes applied towards a fund to help work towards more affordable housing.

Thank you!

Jamie

*Sweet Homes Vacation Getaways*

**Jamie Michel | V.P. Business Development / Operations**

[jamie@sweethomesrentals.com](mailto:jamie@sweethomesrentals.com)

800-519-0437



12/10/18

## Questions for James Hanselman

You stated early on in our ad hoc advisory meeting that “ those of us who live and work in Newport need to stick together”.....and it seems you proceeded to approach this particular VRD subject from an adversarial view point: US vs THEM

That is, those on the Ad Hoc committee who were VRD owners or represented VRD owners were essentially outsiders and you seemed to talk over the top of people who you disagreed with. It was almost as though there was attempt to classify our comments as unwelcome or less valid.

1 Do you still believe that those who “live and work” in Newport are really of a different class subject to special rights? And could you explain what you meant?

2 When you were assigned to the Ad Hoc VRD committee were you asked to be open minded and willing to consider other points of views?

3 Do you feel you were able to hear and truly consider the concerns of VRD owners and consider how these rules could create unintended hardships or challenges for people like me?

Respectfully

Don Andri

12/10/18

12/10/18

## Comments About Short Term Rentals

I believe we are trying to focus on solutions that will make Newport a better more functional place to live while still being a welcoming community. I support the short term rental approach recommended by staff. It is especially important to protect the right of an individual to work hard and build a going concern and transfer that asset to another person! Good ethical VRD operators bring high quality visitors to our shops and community and we all benefit.

I am opposed to the approach recommended by the planning commission. It will not solve any of the long term rental concerns in Newport and could ultimately result in litigation. It is not a solution nor is it accurate to incorrectly target and attempt to tie "livability concerns" to one group of people: VRD owners are actually living, breathing people and are part of this community and represent a valid opportunity. Yes indeed VRDs should be regulated but not vilified.

As a member of the Ad-Hoc VRD committee it bothered me that the same personal long winded complaint stories were repeated over and over again as proof of fact in general. A few members of the committee consistently presented with an us vs. them posture that had a tone of anger and resentment. Ad hoc committee members were initially asked if they could bring an open mind to the process. But these few very vocal people made little effort to really hear or acknowledge different perspectives and appeared to be opposed to VRD's existing at all and would attribute unfortunate personal experience to VRD owners in general. I am and was hoping a more reasoned approach would be adopted.

The notion of "livability" was used frequently by Ad Hoc members as though it meant the same thing to everyone in the room. Livability and what it means to live and work in Newport is a subjective matter, and is different for a retiree who once was a visitor (and now lives here) than someone who is a tourist on holiday. I was raised in Agate Beach and when Agate Beach was annexed by Newport a lot of people were unhappy. And so too did Fred Meyer change the face of a residential community. Walmart over-took and re-zoned a residential community while clearing the last wooded North entrance to Newport. It is a time honored tradition in Newport to deal with a love/hate relationship to potentially annoying tourists but as a native Agate Beach kid my definition of what it means to live and work in this great community has had to include managing growth and change. So hopefully we manage it together and respect each other in the process.

I think it is timely and important to address what is essentially a problem created by being a successful community where it is a desirable place to visit, recreate, work, live, eat, retire and live.

Certainly bad players exist and we need a process to address this but the right to create income while providing a good service to guests who visit Newport is a good thing.

Respectfully

Don André



**Derrick Tokos**

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**From:** wetherill1@juno.com  
**Sent:** Monday, December 10, 2018 5:44 PM  
**To:** Derrick Tokos  
**Subject:** RE: Comments - December 10 hearing regarding Vacation Rentals Alternatives #3 & #4

Derrick,

Since our prior email testimony today is no longer applicable, please disregard any support for Alternative #3 or #4. To the contrary, we support the staff's recommendation to manage vacation rental growth with a cap and spacing standards, especially in prime vacation rental areas such as ours. There has to be a common ground available in this regard.

There is no longer time for us to make our long drive from Washington to attend tonight's hearing, so hopefully there is not an immediate decision in favor of the Planning Commission's leanings. Is there a way to access this hearing in real time?

We trust they will not throw out the baby with the bath water on such an important decision after so many years of compliance in this regard. We alone have paid nearly \$50,000 in room taxes ourselves since 2012, so perhaps balance and reason will prevail after all.

James & Lana Wetherill  
1245 NW Spring St  
Newport, Oregon

When my husband and I put our life savings into our R-1 property in Newport in 1990, we believed we had entered into a covenant with the city. We trusted the city and its zoning laws. When we moved here in 2006, we had no idea what was going to happen in 2012. We don't recall ever being notified of impending changes in VRD operations in R-1 and R-2. We believed we would be living in an intact residential neighborhood free of motels and other commercial enterprises. Had we known that wouldn't be the case, we would not have bought the house. For sixteen summers we camped across the country to Newport to do maintenance and re-rent if necessary. We rented long term and kept the rent very affordable, and most of our tenants stayed several years. We had a local property manager and a stable of local tradesmen who could handle repairs in our absence. We gave up everything to have our place on the coast.

Many VRD owners are fond of saying the city is trying to abrogate their rights to do with their property as they wish in R-1 and R-2 neighborhoods by restricting VRD's to commercial areas, where motels are welcome and appropriate.

What's lost in all of this is that people in neighborhoods zoned single family residential have rights, too. However, in 2012, the planning commission and city council had no trouble abrogating our rights by allowing motels to operate 365/24/7 effectively turning residential neighborhoods into commercial zones. With the popularity of VRD's exploding in Newport, and the expanded permitted commercial use of R-1 and R-2 neighborhoods, single family residential areas became prime targets for VRD investment, particularly west of 101 where houses have ocean views. Our rights and quality of life and the integrity of zoning ordinances were immediately compromised. People don't buy a house in a residential neighborhood to live near a motel. They don't want strangers coming and going every few days. Residents want safety for their families and pets.

I love living here and consider my high property taxes to be worth the neighborhood and quality of life I enjoy. Will the city lower them because VRD's compromise both? All property owners pay taxes. All property owners enjoy the same roads, sewer and water infrastructure, police and fire protection. However, VRD owners are also able to generate wealth in residential neighborhoods at the expense of permanent residents. Non-

resident VRD owners generate wealth and leave little if any in the community.

According to an article in the News-Times, retirees account for just over half of the economic activity in Lincoln County. We and most of our neighbors are retired. Many, many retirees volunteer to make our community better. I submit the City of Newport could not function without its retiree volunteers. One trip to the City of Newport volunteer appreciation dinner in the spring attests to that. A good many of us volunteers live in residential neighborhoods. We freely labor in non-profits and civic organizations all over town. We donate to improve our community. I urge you to go to the various fundraisers and see who is attending, spending and working. Gray hair abounds! We spend our money locally and support various organizations like the Advocacy Center, the PAC, Food Share, and others.

More than seventy percent of Newport VRD's are owned by people who don't live in Newport. The money the owners make here is not spent here. Owners who live out of town or out of state have no stake in our community. I submit they do little if any donating or volunteering.

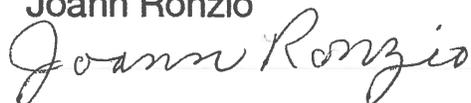
This is a decision to be made locally by our residents in our community. Not by investment people from other places who are here to make money.

I am not against VRD's. I am not against making money. What I am is pro neighborhood and against anything that compromises that. Neighbors look out for and help each other. We keep watch on each other's property during an absence. We share meals and include new neighbors in our dinners. In this most acrimonious of times, in our little neighborhood we actually love each other. We don't say that, we just show it in a thousand little ways.

Bottom line: VRD's do not belong in R-1 and R-2 zoned neighborhoods.

Thank you

Joann Ronzio



## North Spring Street Vacation Rentals

1. 1452 NW Spring
2. 544 NW 15<sup>th</sup> (corner of Spring & 15<sup>th</sup> )
3. 1522 NW Spring
4. 533 NW 16th
5. 526 NW 16<sup>th</sup> (time share)
6. 1610 NW Spring
7. 1542 NW Spring – pending

Anne Sigleo

1541 NW Spring

1522 NW Spring

December 10, 2018

A. SIGLEO  
154) N.W. SPRING  
NEWPORT, OR  
TOP TWO PHOTOS  
FROM LIVING ROOM  
WINDOES NOV 18, 2018



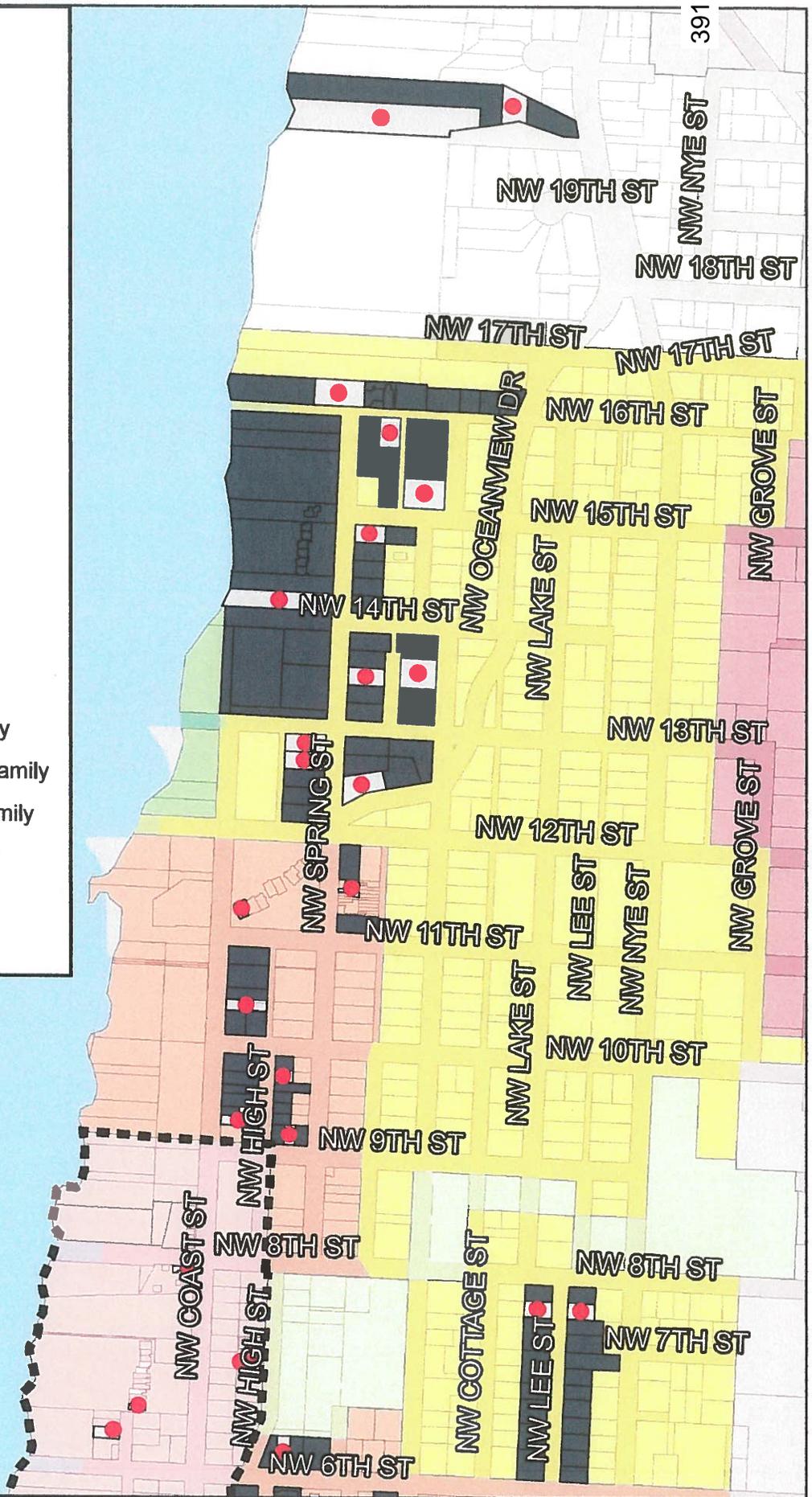
STREET VIEW

# Legend

- Vacation Rental Endorsement
- Home Share or BnB
- Major Roads
- VRD NOT Allowed
- C-2 Zone

## Zone

- C-1 Retail and Service
- C-2 Tourist
- C-3 Heavy
- I-1 Light
- I-2 Medium
- I-3 Heavy
- P-1 Public Structures
- P-2 Public Parks
- P-3 Public Open Space
- R-1 Low Density Single-Family
- R-2 Medium Density Single-Family
- R-3 Medium Density Multi-Family
- R-4 High Density Multi-Family
- W-1 Water Dependent
- W-2 Water Related



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