

MINUTES
City of Newport
Vacation Rental Ad-Hoc Committee Meeting #5
City Hall Council Chambers
Wednesday, April 4, 2018

AC Members Present: Carla Perry, Cheryl Connell, Braulio Escobar, Norman Ferber, Jamie Michel, Margaret Dailey, Bill Posner, Bonnie Saxton, Don Andre, Martha Winsor, and Pam McElroy.

AC Members Present By Phone: Charlotte Boxer, and Lauri Hines.

Planning Commission Liaison Present: Jim Hanselman.

City Staff Present: Community Development Director (CDD), Derrick Tokos; and Executive Assistant, Sherri Marineau.

Public Members Present: Sandy Benning and Chris Ehrmann.

1. **Call to Order.** The meeting was called to order at 1:00 p.m.
2. **Disclosures.** Tokos asked for conflicts of interest. Saxton, Ferber, Hines, and Michel disclosed they had potential conflicts of interest. Dailey, Hanselman, Perry, Connell, Escobar, Posner, Boxer, McElroy, and Winsor stated they had no conflicts.
3. **Approval of Minutes from the March 14, 2018 Meeting.** Tokos asked for input on the minutes. Winsor noted minor corrections to the minutes.

MOTION was made by Dailey, seconded by Winsor to approve the March 14, 2018 Vacation Rental Ad-Hoc meeting minutes with minor corrections. The motion carried unanimously in a voice vote.

4. **Review Agenda, and Revise as Needed.** Tokos asked for any adjustments to the agenda. Perry suggested the meeting number be added to all future agendas. Escobar suggested a new agenda item to inviting the City Council and City Attorney, Steve Rich to speak about the impact on modifying the existing ordinance as it applied to VRDs that already had an endorsement. Escobar asked if endorsements should be in perpetuity and thought it would be good to get guidance from the City's lawyer on this. Tokos said this would fall under Meeting 8 and he would ask Rich to attend to provide feedback. He noted the Planning Commission had received information on Measure 49 which had to do with the impact of proposed changes on property rights. Tokos thought this was something the AC should consider adding. Escobar said his concerns were that VRD endorsements would transfer to all future owners. Tokos said new owners would have to obtain new endorsements. He said once an owner received an endorsement they wouldn't, under the current rules, have to come in annually to update their license. Escobar asked if there was an ordinance change on the parking, would it relate back to the people who already had endorsements. Tokos said changes could be done retroactively but there would be phase out standards because of the impact on the property rights. Escobar wanted the City's attorney to educate the AC on this and give his recommendations. Tokos said discussing this in a later meeting would provide the City Attorney with a better sense of what the AC's policy preference would be. He thought Rich could speak about any issues there might be in how it could be set up for current licenses. Connell noted a property that was currently for sale that said their VRD endorsement was in perpetuity. Tokos said this wasn't true.

Andre joined the meeting and declared a potential conflict of interested.

5. **Committee Requests.** Tokos covered the committee request documents that were shared with the AC. He said there were no additional materials for the meeting but noted that Dailey's submittal was on the City's web page.

Connell noticed there had been a significant jump of VRDs that applied for endorsements. She wanted to get the average daily volume that VRDs generated during that time. Tokos said he would get some figures on where the City was at for the fiscal year. He said it wouldn't be exact but an average.

Braulio said at the last meeting there was mention of the Nye Beach Overlay and asked for someone to come and speak to the AC on it. Tokos said he could cover this and would add it to the next meeting. He said the mapping exercise the AC would be doing at this meeting would show the areas of concern, which would be put on an overlay with zoning.

6. **Review Updated Committee Schedule.** Tokos reviewed the updated schedule and asked for comments from the AC. Escobar asked if they could keep the meetings to the original schedule and have things presented in a more truncated fashion.

Tokos said he was happy to move as quickly as possible but this was up to the AC. Posner said many of the AC members were new to this and wanted time to review. Ferber said he didn't know how things would be collated into a solution and didn't want a truncated review. Escobar thought it might be time to bounce around ideas for recommendations for the PC. Ferber didn't think the AC was intentionally making things longer but wasn't sure about when the voting process would happen. He thought it would take time to formulate a working program. Windsor thought a lot of things would need to be readdressed with other decisions down the line and preferred a large number of meetings in order to find good solutions.

Tokos noted the Policy Options document given to the AC that noted the topic areas that came out of the AC's discussions. He said at Meetings 9 & 10 these details would be presented in a draft ordinance format, then the AC would bring it back with further revisions to take out to the public. Tokos said the public feedback would be brought back to the AC to make further changes in order to make a recommendation to the PC. He said the AC might be presenting more than one policy option. Perry asked if the AC would be able to go through the policies before the first draft because she understood the AC would only be going through the background of issues without making decisions. She wanted to know if there would be time to come up with consensus of the group for decision making or was it being incorporated with what Tokos was currently doing. Tokos said that was in part what the Policy Options sheet was for. He said the AC would provide policy direction on what they would like to see so that staff could prepare revisions. Perry asked if what Tokos was saying was they weren't proposing anything at this time. Tokos said the AC was sharing their thoughts on policies and without this information, he couldn't put a draft together. Perry said she was hearing that once the AC received the first draft they would have chance to get a group consensus of what they wanted to say. Tokos said yes. Andre reminded the AC that there may not be consensus. Tokos told the AC to let him know if they had concerns as they reviewed the policies.

Perry said she wanted lighting added to the topics and didn't want it overlooked. Boxer said she liked the schedule and thought the way it had been put together was what the AC talked about. Tokos said he would add lighting and thought it might lend itself to a discussion about what the City had as far as different tools for enforcement. He said that lighting was generally covered under the nuisance abatement code. Tokos thought it might fit best under Meeting 7.

Connell asked if the off-street parking stall dimensions being discussed were the standard parking size in the code for commercial application. Tokos said the size was 9 x 18 feet and was what he meant to convey. He said depending on the nature of the parking space and how they were there setup, there would be different dimensions. He said angled and parallel parking would be slightly different from a typical parking stall that you would just pull into.

- Options for Amending VRD regulations (Development Standards for Parking, Landscaping, Waste Management, Noise and Signage.** Tokos reviewed the meeting objectives and the topics to cover. He then reviewed parking and showed photos of the different off-street parking configurations that were reviewed at the previous meeting. Ferber asked if there should be a separation for the Nye Beach area and R-1 or R-2 zones if the outlying subject was parking. Tokos didn't know if residential zones were in correlation to the Nye Beach business district where the City had invested in public parking in lieu of the required off-street parking for commercial lots. Ferber asked if there was an acknowledgement being made that one parking space per bedroom in the Nye Beach area was unrealistic. Tokos said it was a fair discussion point and said the way it was handled currently was there was an option for a Conditional Use (CU) for the relief of parking. He said there had been a total of four requests through the CU process since 2012 and all but one had been in Nye Beach. He explained the criteria of gaining relief for parking through a CU and noted the decisions were currently on a case by case basis. Ferber asked for an acknowledgement of the inequity of parking requirements in the Nye Beach area. He said when the Nye Beach Overlay was being created, they had an acknowledged compromise that they preferred a viable commercial district over the slums that exist at the time. He said when he applied for his own CU permit there wasn't an requirement that said he needed parking spaces for each bedroom and said requiring parking spaces would be a loss of value for him. He wanted the AC to understand that he wasn't in favor of VRDs in R-1 & R-2 zones but in Nye Beach they wanted to stop the expansion of hotels in the area and the overlay was what the area residents wanted as a compromise. Hanselman said there had always been a fight to keep a strong residential component in the Nye Beach area. He said the PC had talked widely about VRDs and thought the definition of off-street parking was what the issue was. He suggested considering on-site parking where the owner had parking on their property so VRDs didn't use available on-street parking because it might have been used heavily already. He said some cities did their occupancy by how many cars they could park on the property.

Tokos said what he was hearing was that there were narrow substandard streets that the AC needed to be more critical about requiring off-street parking on. He also heard that there were three defined areas (Nye Beach, Bayfront, City Center) where there was a policy choice that parking was a publicly provided resource for all uses. Tokos said in those districts there needed to be language that acknowledged that they had their own way of managing parking. Boxer agreed with what Tokos said. She thought the AC talked at the last meeting about undeveloped right-of-ways (ROWs) not being available for parking because parking in the ROWs would block the street. She thought ROWs shouldn't be allowed as parking spaces for VRDs. She also said that even on dead end streets there were issues for fire trucks and other vehicles to turnaround and thought they should be limited. Connell said she lived in a residential area and to hear that VRDs could use on-street parking as a commodity wasn't helpful because it was residential. She disagreed very strongly with VRDs being able to use on-

street parking in the three districts and wanted to make sure that the AC understood that people had their primary residences in those areas. She said parking affected quality of life, safety, and the nature of the areas where people want to live fulltime. Saxton agreed and thought CUs should be for special cases and could be done for VRDs. A discussion ensued regarding how parking affected residents in different areas.

Tokos noted the street on his slide where it showed a car straddling the property line and said it was a circumstance that was common. Boxer asked if the City was able to put in sidewalks on that street, would a part of the driveway be taken out. Tokos said yes. Boxer said as part of a livable city, sidewalks were important and asked if they could get a CU approval to continue using it for a VRD but acknowledge it was a public ROW. Tokos said one way it could be set up was to say it was permissible now, Then, when the street was improved and they lost parking, they wouldn't be eligible for the same type of VRD use they had when it was a substandard street. Boxer thought it was a good solution. Saxton asked if someone was building a new house on the platted street, would they be required to have a 20 foot setback. Tokos explained there was a 20 foot garage setback for new homes and there was variance or adjustment process where they could get that changed as a special case. He said he was hearing that in cases like the street they were talking about, the AC's concern was that it was important to have off-street parking because they wouldn't want cars to park parallel on those streets because there wasn't enough space because it wasn't a fully developed street. He said he also heard that for the Nye Beach, City Center, and Bayfront there was some comfort level with the existing CU process. He said people who had prior CU allowances were just carried forward with the 2012 changes. Tokos said the AC could also provide optional language to allow use without a CU process and leave it up to the parking district's mechanism to manage parking instead of a use by use basis. Tokos said he could bring separate maps to the AC to described these areas. Connell thought that would be helpful and said the current VRD process was more streamlined than in the past. She thought it was important to honor the properties who had to go through a different process in the past than the more contemporary VRD endorsements. Winsor said there was a lot of trickle down issues with parking such as employee and commercial truck parking in those areas. She said VRDs would add a lot of pressure for parking. Tokos wanted to make the AC aware that there was a committee working on a parking study and they were considering meters in areas such as Nye Beach and the Bayfront. He said there was a lot of thought put into managing limited resources to make them available for as many people as possible. Posner said they could do parking passes there as well. Tokos said passes were a part of the parking district for Nye Beach already.

Tokos asked the AC if they were confirming they didn't have concerns about the standard to have one parking space per bedroom. The AC said they were in agreement with the one parking space. Escobar suggested eliminating the two extra people for occupancy. Connell said that would be a part of the discussion about occupancy.

Tokos covered landscaping next. He showed examples of commercial and residential landscaping. Tokos said there hadn't been any concerns raised about landscaping for VRDs. Perry asked if landscaping was checked only by complaints. Tokos said landscaping was verified when inspections were done to issue endorsements. Connell said she would prefer less landscaping and more parking for VRDs. Boxer asked if Connell was saying this about commercial or residential. Connell said residential. Boxer disagreed and thought landscaping was part of the residential appeal. She thought that if landscaping was taken away for parking, it would take away from the residential feel. Connell said if it was used to allow for more off-street parking she thought it was less of an issue. McElroy thought it would open up the ability to put more people in the VRDs. Boxer thought getting rid of landscaping was a detriment to residential neighborhoods. Dailey suggested it could be a CU process so neighbors could give input. Andre agreed that a CU would be a way to handle it. Tokos said he would not be doing any revisions to landscaping then because there was already a CU process for it in place.

Connell said it sounded like the AC was making a decision. She said one of the things Tokos brought up was an option that suggested the VRD endorsement not be subject to the CU or variance process, and it would say the rules under the endorsement were what VRDs were limited to and couldn't vary from. Connell said if the AC was continuing to articulate that there would be an option to have a CU process, they were making a decision. Posner said this would be limited to certain areas, not in general. Connell said she didn't take it like that. She wanted it noted that what the AC was doing was making a decision. Dailey said what she thought they were saying was that some things like parking were hard to have a policy on that would fit city wide and would need some tailoring. She said they could set up what they wanted to allow to go to a CU and limit the others to the rules. Tokos said parking and landscaping were the only rules that people had submitted CU applications for and said the AC could limit CUs to just those two issues. Hanselman said the CUs were under the current codes and if codes changed it would be hard to know if CU applications would increase.

Perry asked if the notification area should be expanded on a street with more VRDs on them. Ferber said there had to be some fairness and said they couldn't simply enlarge the voting lot. He said if you have an area with multiple VRD owners and a few full time owners, why shouldn't the VRD owners have a vote. He asked why the notification area needed to be expanded to skew it to residential. Tokos said noticing was a specific item scheduled for another meeting. Connell wanted to add that the AC would be parsing what part of the endorsement would be subject to the CU process versus what was law. Tokos said this would be discussed in Meeting 7.

Tokos reviewed waste management and issues. Escobar asked what Thompsons' valet service was. Tokos said their employees would gather the garbage bins, dump them, and put them back. Ferber said VRDs were on an intermittent schedule and trash was picked up on a schedule day of the week. He said Thompsons didn't allow people to tie down cans and felt the solution was more about good management of VRDs. He thought a common garbage can for multiple rentals should be managed by the VRD owner. Andre asked what his solution was for single unit VRD owners. Ferber thought having a responsible manager locally would be the solution. Tokos asked if the AC wanted to make valet service a tool for chronic enforcement. Andre asked if Thompson could make the valet service a negotiable service. Hines said she used valet with Thompsons at all her VRDs. She said there were times the bins were missed for pick up but thought it was a good tool. Michel said her property management used the services in several municipalities that required VRD owners to provide valet service. She thought the AC should consider requiring VRDs to have cans in an outside enclosure. Michel said as a property manager they made sure to leave at least half a can for trash for the next renter. She thought they could order an extra pickup if it was needed and was something to consider. Andre thought requiring the valet service was a bad idea because there were good VRD managers who took care of waste management properly. Escobar agreed with Andre. Perry said in the case where there was no local person, it would be good. Andre thought it would be a good tool for absent managers but not for local. Michel said as a property manager she didn't ask renters to take out the trash. She thought the AC should consider clear rules and not have different rules for different neighborhoods. Dailey thought there would be a way to manage valet garbage locally and suggested it be a recommended idea for VRDs. She said when there were complaints, it could be made to be a requirement as a tool for enforcement. Ferber thought they could address it as an outline approach. He said if the AC established a requirement for local management that was responsible, there could be a caveat that garbage had to be contained in a receptacle and in an area that wouldn't be blown away. He thought there needed to be a larger category on responsible management. Posner thought they were headed towards local management as a requirement and thought valet service should be used as an enforcement tool. Ferber didn't think it would solve the problem. Connell wanted to point out that enforcement was critical. She felt they needed to know how to enforce, how to get the complaints in, how complaints would be handled, and what was the cost of handling complaints with enforcement was. Posner said he sent Tokos a proposal for a website call center. Tokos said the AC would have an opportunity to hear a lot of options on how to centralize this. Ferber said Bend had a FAQ page on their website for complaints to help people find information on owners of VRDs. He felt a lot of the issues were addressed by this page. Andre noted the AC hadn't added incentives to the topic areas. He thought building in incentives for VRD owners was important. The AC wasn't in agreement with this. Hanselman said VRDs were a business and if they were running a business you had to accept the less savory aspects of running a business.

Tokos said due to the timing the AC would move the mapping exercise to the next meeting. He asked for the AC's thoughts on extending the meetings more than two hours. Escobar said some of the AC had to work and wasn't in agreement with extending them. Perry was in favor of it. Andre said he was more in favor with asking the AC to move things along at meetings to get topics covered in two hours. There was a general concern by the AC about adding another half hour to the AC meetings.

Tokos covered the noise ordinance next. Escobar asked if the City heard a lot of concerns about noise. Tokos said yes. He said the City Council & Planning Commission had heard testimony where people were concerned about loud noises and felt they were correlated somewhat to VRDs. Connell said there wasn't good data on the complaints and she thought the question was who was best able to handle the complaints and what enforcement should be done. Michel thought current code was okay and thought they should focus on things like onsite parking, occupancy, and making sure no more than the number of people allowed for occupancy were on the property at any time. Dailey thought it was an enforcement issue and thought it was important to make sure the people doing enforcement had information on the property so they could start a process to deal with the VRDs. Michel asked if there was a community officer. Tokos said yes, and the concern was when the Community Service Officer wasn't on the clock when nuisances were happening. He said the police would cover those times. Escobar said he didn't have a problem with saying VRDs had to comply with the existing noise ordinance.

Tokos covered signage next. He asked if the AC wanted to see a requirement to have signage posted on VRDs. Ferber noted that Saxton had raised concerns that signage would notify thieves that the property wasn't owner occupied but thought it should be a requirement. Andre agreed with Saxton and thought it drew attention to the fact that the VRD wasn't owner occupied. Ferber said there were different degrees of signs. Tokos said what he was hearing was that there was enough interest in hearing a signage option. Hines said she wanted to point out that signage was appropriate in different areas. She noted that there were some CC&Rs that didn't allow signage. Connell noted that some of these areas didn't allow VRDs as well and felt signage and contact information was important. Tokos said he would make sure to bring an option of that nature and the AC could expect the signage to be modest.

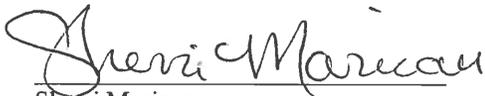
8. **Public Comment/Questions.** Sandy Benning addressed the AC and handed out a document concerning her request for the AC to consider creating a VRD complaint registry. She noted the hiring of Jovita Ballentine as the Newport Community Service Officer. Benning said she had heard that Ballentine's recent VRD interactions had been positive. Tokos said that the

registry was something that had already been considered. He noted the registry wouldn't just be for VRDs, they would have their own category in it.

Perry said there wasn't any mention of an annual review of licenses added to the discussion to capture changes to ownership or management. Tokos said it could be structured that when owners fill out business licenses, there would be an additional form to check on this information. Perry said however it worked, there needed to be an annual check for VRDs. She noted she would be out of town on May 2nd and would miss the meeting. Hines said she would be out of town for the next meeting but would call in. Dailey said she liked the idea of an annual cross check but said the AC might want to do something more thorough than on a periodic basis. Tokos said doing something annually would be harder to manage but doing something on a five year basis could be better. He noted that fire inspections were more frequent. Dailey said the AC should consider what kind of insurance the VRD had as well.

9. **Adjournment.** The meeting adjourned at 2:59 p.m.

Respectfully submitted,



Sherri Marineau
Executive Assistant