

CITY OF NEWPORT
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NOTICE OF CONTINUED PUBLIC HEARING ON AN ORDINANCE AMENDING THE CITY OF NEWPORT'S SHORT-TERM RENTAL REGULATIONS

On Monday, May 6, 2019, at 7:00 pm or soon thereafter, the Newport City Council will reopen the continued public hearing on Ordinance No. 2144, amending the City of Newport's regulations for short-term rentals.

This is the third City Council hearing on this ordinance. The Council held an initial hearing on February 19, 2019, after which it met in work session to discuss changes it would like to see made to the proposal. A second public hearing was held March 18, 2019 so that the public could comment on the revised ordinance. A joint work session with the Planning Commission was then held on April 1, 2019, and the current version of the ordinance reflects the changes requested by the City Council following that meeting.

Key provisions of this latest version of the ordinance include:

- Definition of sale and transfer has been redrafted for clarity, and examples provided of circumstances that will or will not constitute a sale or transfer (NMC 4.25.010(H) & 14.01.010).
- Where the owner of a short-term rental is a legal entity, a copy of the articles of organization or equivalent must be provided identifying ownership interest holders in a short-term rental property (NMC 4.25.020(A)(1)).
- For vacation rental license renewals, owners must show that the unit has been rented at least 30 days within the 12 month fiscal year (NMC 4.25.030(C)(7)). Following the initial public hearing, the Council reduced that number to 12 days but later increased it back to 30 days after the joint work session with the Planning Commission.
- City code compliance personnel, in addition to finance department staff, will have access to guest registry information when needed for enforcement or audit purposes (NMC 4.25.030(D)(2)).
- The vacation rental overlay zone recommended by the Planning Commission has been incorporated back into the code (NMC 14.25.020). It had been removed by the Council following the February 19, 2019 hearing in favor of a city-wide license cap.
- Allowed locations language has been revised to note that vacation rental use of a dwelling unit is permitted in the vacation rental overlay zone; whereas, home shares and bed and breakfast facilities are permitted in all residential and commercial zones (NMC. 14.25.025).

- The total number of vacation rentals within the zoning overlay will be capped at not more than 200 units, with a specific number to be set by Council resolution (NMC 14.25.030). The Commission had not recommended a cap within the overlay. The Council has asked that 180 units be the limit set by resolution (Resolution No. 3850).
- Non-conforming vacation rentals located inside the zoning overlay, within or adjacent to a commercial or water-related zone, shall count toward the cap number but are not subject to the density limit (i.e. cap) and may be sold or transferred notwithstanding the wait list provisions (NMC 14.25.035(A)(1)).
- All other non-conforming vacation rentals located inside the zoning overlay are subject to the density limit and spacing standards when sold or transferred (NMC 14.25.035(A)(2)).
- Non-conforming vacation rentals outside of the zoning overlay will be phased out when sold or transferred (NMC 14.25.035(A)(3)). The Planning Commission had recommended a 5-year phase out; however, the City Council felt that this approach is more appropriate considering the public testimony it received.

Ordinance No. 2144 is now in finished form, meaning the City Council could adopt it as drafted, or with modifications, at the close of the May 6, 2019 hearing. The ordinance includes an emergency clause that would put the new rules into effect immediately, with July 1, 2019 being the earliest date license applications would be accepted.

In addition to the ordinance, Resolution No. 3849 will establish licensing fees for short-term rental business license endorsements. The City's general business license fee is retained at the same level as other businesses. Given the complexity of the short-term rental business license endorsement application, and cost to the City to pay for a third-party vendor to assist with aspects of enforcement unique to short-term rentals, a one-time fee of \$300 will be established for each endorsement. A \$230 endorsement renewal fee is also recommended. This will make the total fee, including the general business license, \$440.00 (one-time) and \$335.00 annually. Short-term rentals in special parking areas will be subject to an additional fee commensurate to what other commercial uses in those areas pay.

Copies of Ordinance No. 2144, Resolution No. 3849, Resolution No. 3850 and associated maps are available on the city website, and can be accessed using the following link:

<http://newportoregon.gov/dept/cdd/VacationRentalDwelling.asp>

This hearing is an opportunity for you to share with the City Council your thoughts about the proposed changes. Testimony may be submitted in written or oral form. The hearing may include a report by staff, and testimony from proponents and opponents to draft Ordinance No. 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. A hardcopy of the draft ordinance, and related materials, is 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. For additional information concerning the ordinance, you may contact Derrick Tokos, City of Newport Community Development Director, at 541-574-0626 or d.tokos@newportoregon.gov.