

# Newport Short-Term Rental Code Update



**CITY COUNCIL  
WORK SESSION**

**JANUARY 22, 2019**

**12:00 PM**

**NEWPORT CITY HALL**

**169 SW COAST HWY, NEWPORT 97365**

# The Existing Rules



- Vacation rentals and B&Bs are allowed in dwellings citywide subject to a license with clear and objective criteria regarding:
  - Occupancy
  - Parking
  - Waste Management
  - Landscaping
  - Safety of renters
  - Issue resolution
  - Provides an over-the-counter approval process
- Conditional use is an option if clear and objective standards cannot be met

# Rationale for Regulating



- Ensure the safety of renters, owners, and neighbors
- Protect the character of residential neighborhoods
- Address potential negative impacts (e.g. excessive noise, overcrowding, illegal parking, and refuse)
- Preserve long term housing supply by limiting transient use
- Acknowledge the need to weigh VRD limitations against the economic benefit of short term rentals

# Why Consider Changes?



- Belief that existing rules are not adequately enforced
- Perception that vacation rentals are incompatible in a residential setting (e.g. increased traffic, noise, and trash in established neighborhoods)
- Discomfort with not knowing neighbors
- Desire for greater transparency and access to information
- Concern that vacation rentals may be driving up housing costs and tying up units that would otherwise be available to full time workers

# How Did We Get Here?

Sept. 2017

- City Council asks Planning Commission (PC) to assess if rules for VRDs and B&Bs need to be updated



Nov. 2017

- PC recommends updates
- Council initiates legislative process and refers to PC for further work



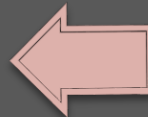
Dec. 2017

- PC recruits ad-hoc work group to develop package of amendments for its consideration



Jan 2019

- City Council hearing process starts
- Target adoption to be by early April with implementation July 1st



Oct – Jan 2019

- Planning Commission conducts 4 work sessions and 2 hearings
- Policy options narrowed to set of “preferred alternatives”



Jan – Oct 2018

- Ad-hoc work group evaluates BMPs and develops policy options
- Public outreach
- Policy options refined
- PC and Council receive progress updates

# Ad-hoc Work Group Responsibilities



- Review existing vacation rental regulations
- Evaluate Best Management Practices (BMPs) used by other jurisdictions
- Discuss policy options for revising the City's codes
- Select policy alternatives for presentation to the public
- Attend public open houses (if possible)
- Reconvene to review public comments and determine if changes are needed to policy alternatives
- Propose package of amendments to Planning Commission for its consideration and recommendation to the City Council (i.e. start of public hearing process)

# Ad-hoc Work Group Members



- Don Andre
- Charlotte Boxer
- Cheryl Connell
- Margaret Dailey
- Braulio Escobar
- Norm Ferber
- Jim Hanselman
- Lauri Hines
- Pam McElroy
- Jamie Michel
- Carla Perry
- Bill Posner
- Bonnie Saxton
- Martha Winsor

# Ad-hoc Work Group Meeting Schedule

## Meeting #1 January 31, 2018

- Committee Organization and Responsibilities
- Future Meeting Schedule and Topics
- History of VRD Regulations in Newport

## Meeting #2 February 14, 2018

- Review and Discuss VRD Best Management Practices

## Meeting #3 February 28, 2018

- Rationale for Regulating
- Safety Requirements (Building Official / Fire Dept. Attended)
- Definitions

## Meeting #4 March 14, 2018

- Off-Street Parking Requirements

## Meeting #5 April 4, 2018

- Continued Discussion Off-Street Parking
- Landscaping / Waste Management / Noise / Signage

## Meeting #6 April 18, 2018

- Maximum Overnight/ Daily Occupancy / Residency Requirements
- Locational Concerns – Mapping Exercise

## Meeting #7 May 2, 2018

- Locational Concerns Map (With Dwelling Unit Count and Zoning)
- Allowed Locations / Density Limits / Tenancy Limitations

## Meeting #8 May 16, 2018

- Enforcement Overview (Police Department Staff to Attend)
- Discuss Enforcement Policies / License Renewal and Expiration

## Meeting #9 June 13, 2018

- Continued Discussion License Renewal and Expiration
- Approval Process /Posting Req./Effect on Existing Rentals/Taxes & Fees

## Meeting #10 June 27, 2018

- Revisit Occupancy & Tenancy Limitations/Cap Levels/Proximity Limits
- Locations for B&Bs & Home shares/Nye Beach C-2 Zone Options

## Meeting #11 July 11, 2018

- Wrap up Topic Area Assessments
- Discuss Structure of Public Open Houses

## Meeting #12 July 25, 2018

- Review Materials for Open Houses

## Outreach *Public Open Houses (8/15 and 8/22)*

## Meeting #13 September 5, 2018

- Reconvene to Review Feedback & Adjust Recommended Alternatives

## Meetings #14/#15 September 26, 2018 & October 3, 2018

- Review Draft Code Amendments for Consistency with Policy Alternatives
- Recommendation to Commission (Start Formal Legislative Adoption Process)



# Ad-hoc Work Group Proposal



- Maintain Clear and Objective Criteria with Annual Renewal
- Update and Clarify Safety and Development Standards
- Distinguish Between Types of Short-Term Rentals (Bed & Breakfast Facilities, Home Shares, Vacation Rentals)
- Tighten Up Overnight Occupancy Allowance
- Limit Locations Where Vacation Rentals are Allowed
- Impose Caps on Vacation Rental Licenses Coupled with Spacing Requirements
- Retain Services of Third-Party Vendor to Develop Centralized Complaint System and Assist with Enforcement



**Mobile Enabled Permitting and Registration:** Mobile/web forms and back-end systems for streamlining Newport's permitting and registration processes and capturing payments, signatures and required documents



**Address Identification:** Online dashboard with complete address information and screenshots of all identifiable STRs in Newport's jurisdiction



**Compliance Monitoring:** Ongoing monitoring of STRs for zoning and permit compliance coupled with systematic outreach to illegal short-term rental operators (using Newport's form letters)



**Rental Activity Monitoring and Tax Collection Support:** Ongoing monitoring of Newport's STR listings for signs of rental activity. Enables data-informed tax compliance monitoring and other enforcement practices that require knowledge of STR activity level



**Dedicated Hotline:** 24/7 staffed telephone hotline for neighbors to report non-emergency STR problems



HOST COMPLIANCE

# Where the Ad-Hoc Work Group Lacked Consensus



- Transferability of Business License Endorsements
- Guest Registry Requirements
- Allowed Locations (Four Options Provided)
- Density Limits (i.e. setting a cap on the number of licenses issued in the City)
- Spacing Standards
- Occupancy
- Parking Standards
- Rules for Pre-existing or Non-Conforming Rentals

# Planning Commission Process



- Conducted Four Work Sessions and Two Public Hearings
- Narrowed Policy Options (i.e. Areas Where Work Group Couldn't Reach Consensus) to Set of Preferred Alternatives
- Recommendation Contained in Four Documents (Ord. 2144)
- Chapter 4.25 Provides Administrative Framework for Licensing Short-Term Rentals
- Chapter 14.25 Contains Land Use Requirements for Short-Term Rentals
- Each Chapter has a Mark-up and Clean Version
- Mark-up Copies Highlight the Commission's "Preferred Alternatives" and Supporting Rationale

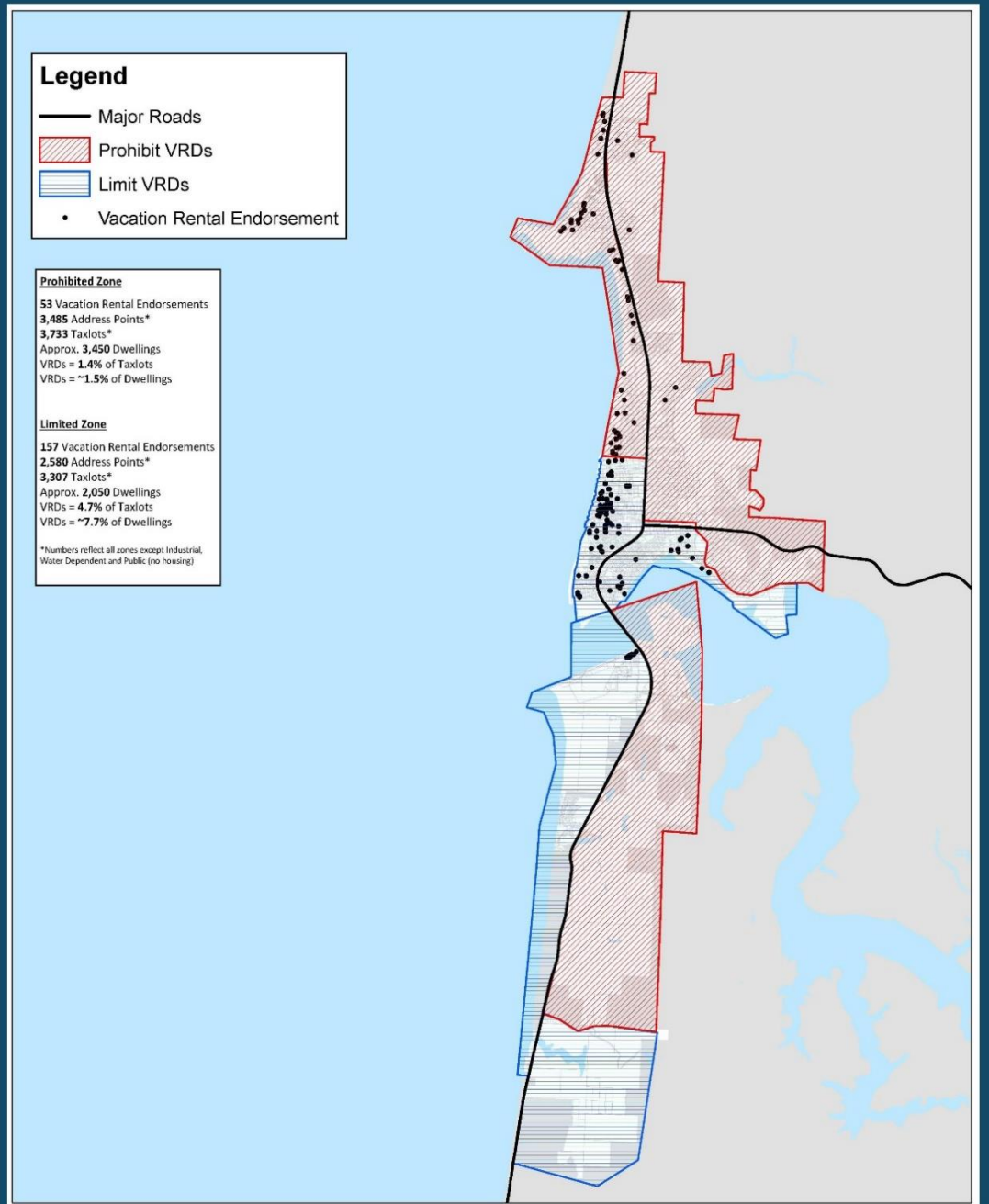
# Key Aspects of Commission Recommendation

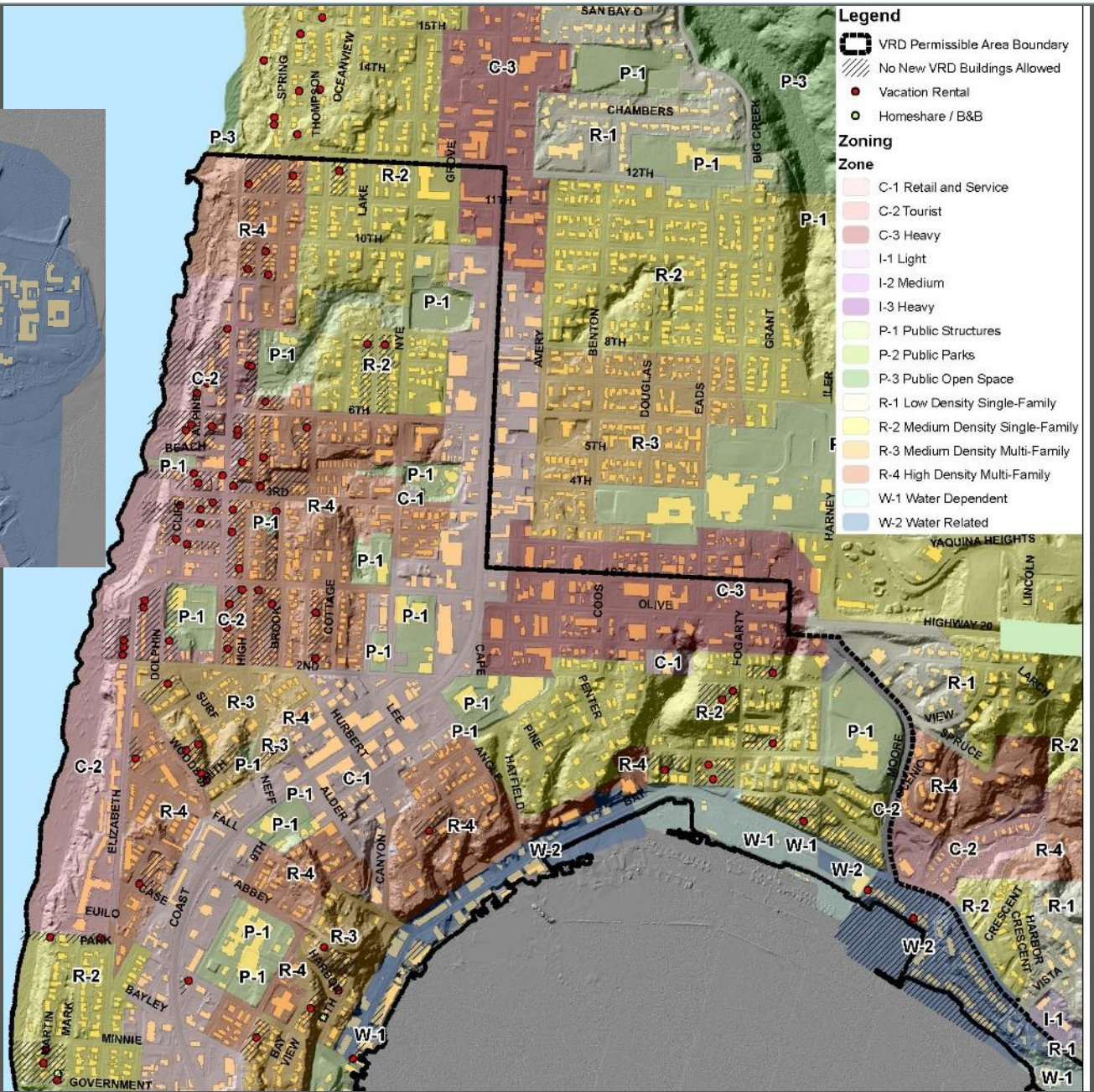


- Concludes that Vacation Rentals are Incompatible in Residential Settings
- Limits Such Rentals to Portions of the City that are in Close Proximity to Tourist Commercial Areas
- Applies Spacing Standards within Permitted Area
- 5 Year Phase Out for Vacation Rentals Outside Permitted Area
- Existing Vacation Rentals in Permitted Area are Grandfathered (i.e. they become Non-Conforming)

# MAP ALTERNATIVE III

- LIMITS VRDs TO AREAS CLOSE TO TOURIST COMMERCIAL USES
- CAP AND SPACING REQUIREMENTS TO BE APPLIED WHERE VRDs ARE ALLOWED
- SIGNIFICANT NUMBER OF EXISTING VRDs IN PROHIBITED AREAS WHERE THEY WOULD BE PHASED OUT OVER TIME





# Enforcement



- Planning Commission Recognizes that Changes will Need to be Made to Enforcement
- Generally Agrees with Ad-Hoc Work Group
- Will Share Specific Thoughts in a Memo for Council Consideration at a February Hearing
- May Not Provide a Recommendation Regarding Fees



# Staff Recommendation



- Alternative if the City Council Disagrees with the Planning Commission Recommendation
- Would Continue to Allow Vacation Rentals City-wide Subject to a Cap on Annual Licenses
- Cap May be Periodically Adjusted by Council
- Spacing Standards Applied to Low Density Residential Areas (R-1/R-2 Zones)
- Staff Alternative Formatted in the Same Manner with Mark-up and Clean Copies

# Outreach



- Citizen Committee Work
- Public Meetings and Open Houses
- Notices to Stakeholders, including City-wide Mailing
- Local Radio Shows
- Press Releases (Articles by NPR, Oregonian, News-Times)

Ad-Hoc Work Group and Commission Actions Informed by 183 Letters (in Addition to Verbal feedback)

# City Council Schedule



Planning  
Commission  
Recommends  
Ordinance No.  
2144 for Adoption  
1-14-19

City Council  
Hearing on  
Commission  
Recommendation  
Testimony only  
No Action  
Continue Hearing  
to 3-18-19  
2-19-19

City Council  
Hearing  
Take Testimony on  
Ordinance in  
Final Form  
Consider Fee  
Resolution  
Potential Adoption  
3-18-19

City Council  
Work Session

Overview of  
Short-Term Rental  
Code Update

Discuss Adoption  
Schedule

1-22-19

City Council  
Work Session

Discuss Desired  
Revisions, if any

Review Options for  
Fees and  
Enforcement  
Changes

Staff Places Ord.  
2144 in Final Form

3-4-19

Reserve Date  
for Additional  
Council  
Hearing

Available if  
Council Desires  
Additional  
Changes

4-1-19

# Additional Information?



Copies of the Planning Commission Recommendation and Other Referenced Materials Are Available via a Link on the City Webpage Under “Latest News”

Or:

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