

# Supplemental Meeting Packet

# **MEMORANDUM**

TO: Newberg Planning Commission

FROM: Clay Downing, Planning Manager

SUBJECT: Supplemental Packet Material: Draft Vacation Rental Home and Short-Term Rental White Paper

Available

DATE: August 4, 2023

Following publication of the agenda for the Newberg Planning Commission meeting scheduled for August 10, 2023, staff completed the draft version of the Vacation Rental Home and Short-Term Rental White Paper. This document is provided to you as a supplement to agenda item VII.2 related to a vacation rental research update. Please find the attached document and add to your Planning Commission packet.

#### **Attachments:**

Attachment 1. Draft Vacation Rental Home and Short-Term Rental White Paper



# Vacation Rental Home and Short-Term Rental White Paper

Last revised Friday, August 4, 2023

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#### I. INTRODUCTION

This research summary is created to provide an update to the Newberg City Council on the status and trends related to *Vacation Rental Homes*, also referred to as short-term rentals, in the City of Newberg. The following research primarily relies on available data and statistics from City resources as well as several case studies from throughout Oregon and states in the region. The case studies shared through this report provide a variety of policy approaches that the City Council may consider if changes in the regulation of vacation rental homes are deemed necessary.

Based on local data sources, there are currently 74 vacation rental homes in operation within Newberg. Overall, both the number of vacation rental homes and rate of applications to operate them have increased within the last year. For example, the City processed 13 requests for vacation rental homes in 2022, but has received 12 requests additional requests in the first seven months of 2023.

#### II. BACKGROUND AND EXISTING CONDITIONS

On September 16, 2013, Newberg's City Council adopted Ordinance 2013-2763 containing multiple amendments to the Newberg Municipal Code's (NMC) zoning use table and definitions, uses by zoning district, approval criteria, and development standards for operation of vacation rental homes. The ordinance defined "vacation rental home" and other terms to clarify vacation rental activities from other visitation and lodging activities such as hotels, motels, and bed and breakfast establishments. According to NMC 15.05.030,

"vacation rental home" means a single-family dwelling unit that is used, rented or occupied for periods of less than 30 days, or is available, advertised, or listed by an agent as available for use, rent for occupancy for periods of less than 30 days. "Vacation rental home" excludes bed and breakfast establishments.

The ordinance also established that vacation rental activities would specifically be allowed but would be subject to regulation and standards relating to registration, parking, trash collection, and maintenance. In 2016, the City adopted ordinance 2016-2806 which added specific exemption to Transient Lodging Tax (TLT) allowed pursuant to state law, refined definitions relating to bed and breakfast entities, rooming houses, and lodging houses.

On March 21, 2022, City staff last provided an update to the Newberg City Council on the status of vacation rental homes within the City. During that update, City staff noted that the rate of applications for vacation rental home applications had slowed during the COVID-19 epidemic, but the rate of application submittals had increased again. From a strategic perspective, the staff report to City Council stated that business and tourism opportunities of vacations rental homes needed to be balanced against the potential for changes in the character of neighborhoods and a small reduction in potentially available housing stock. Newberg City Council made no policy changes at that time but requested that Community Development Department staff return in approximately one year for another update on vacation rental homes.

# A. Newberg Short-Term Rentals by the Numbers

Permitting activity, TLT registration, and current business license data provide a picture of how prevalent existing short-term rentals are across Newberg. However, these data sources currently have limited ability to consistently and accurately inventory vacation rentals, an issue compounded by the number of vacation rental homes that were operating before the City adopted vacation rental regulations in 2013. This report seeks to accurately identify and distinguish between the various vacation rental homes, bed and breakfast establishments, and hotel/motel uses found in Newberg. However, consistency in the categorization of operations varies over time, particularly for operations that precede the 2013 regulations or have changed from a bed and breakfast establishment to a vacation rental home over the years.

Between 2016 and 2022, the City approved 30 permits for vacation rentals. The City has received application materials requesting vacation rental homes at 12 additional locations as of July 2023. The number of approved and in-process application received by the Planning Division since 2017 has more than doubled over the last two years (see Figure 1).

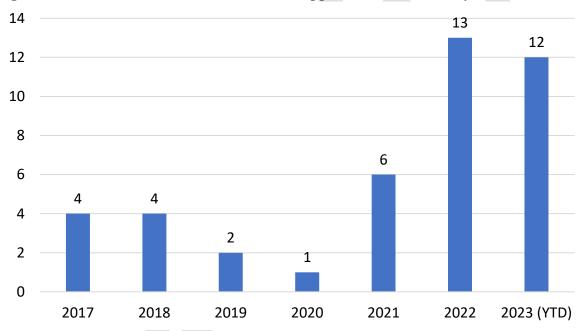


Figure 1. Number of Vacation Rental Home Applications Received by Year

As shown in Table 1, just under 40 percent (12) of the approved applications were registered for payment of TLT and held an approved business license at some point in that period. 14 rentals both received planning approval and registered for TLT, one had planning approval and a business license, and five only received a conditional use permit approval. 29 vacation rental homes were listed on the TLT registration report (five of which also held valid business licenses) but had not gone through land use approval.

# **Table 1. Newberg Vacation Rental Home Summary**

All Vacation Rentals on record with the City of Newberg	
Includes permit applications, TLT registrations, and business license registrations	74
All Vacation Rentals that received or applied for City permits	42
# of Vacation Rental permit applications in review	6
# of approved Vacation Rental permit applications	36
# of permitted VR that are paying TLT and hold a business license	12
# of permitted VR that are paying TLT and no business license	14
# of permitted VR that have a business license but are not paying TLT	1
# of permitted VR with no other registration	5
All Vacation Rentals that are Registered for Transient Lodging tax payments with the City	57
All Vacation Rentals that are paying Transient Lodging Tax with an approved application.	28
All Vacation Rentals that are paying Transient Lodging Tax without an approved application.	29
Vacation Rentals that have Business Licenses	18
Vacation Rentals that don't have Business licenses	56

Vacation rental homes are distributed throughout the City with higher density clusters of vacation rentals found near and south of the downtown area as shown in Figures 2 and 3. Additionally these figures and other maps are provided in Appendix B. Maps in a larger format.

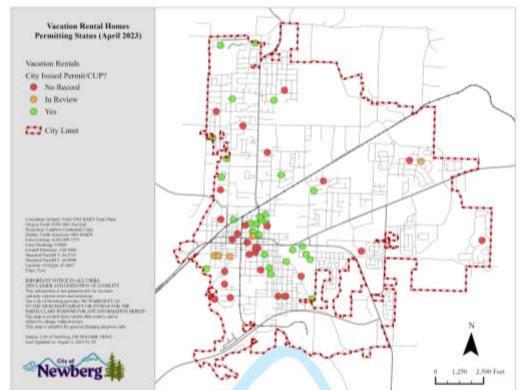
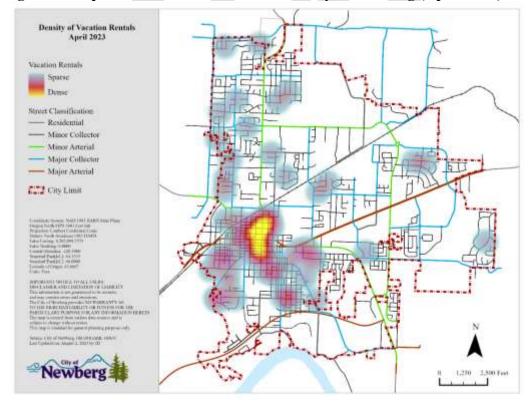


Figure 2. Map of Vacation Rental Homes in Newberg (April 2023)





# B. City of Newberg Existing Regulations for Vacation Rental Homes

According to the City's regulations, standards and procedures for vacation rental homes apply to a single-family dwelling unit that is used, rented or occupied for periods of less than 30 days, or is available, advertised, or listed by an agent as available for use, rent for occupancy for periods of less than 30 days. Vacation rental homes must be a structure approved for occupancy as a single-family dwelling unit.

#### Where are vacation rental homes allowed?

In the City of Newberg, vacation rental homes are considered a commercial use that is allowed in residential and commercial zones subject to conditional use and special use requirements. Areas where vacation rental homes are conditionally allowed or allowed a special use represent 65 percent of the City's land area as depicted in Figure 4.

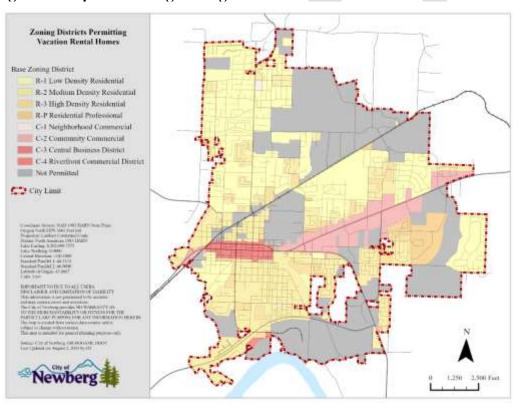


Figure 4. Map of Newberg Zoning Districts

Vacation rental homes are conditionally allowed in Low Density Residential (R-1) and Medium Density Residential (R-2) zoning districts meaning that a conditional use permit is required and the request is also subject to special use standards found in NMC Chapter 15.445 relating to vacation rental homes. Vacation rental homes are considered a special use in High Density Residential (R-3), Manufactured Dwelling (R-4), Residential Professional (RP), Neighborhood Commercial (C-1), Community Commercial (C-2), Central Business (C-3), and Riverfront Commercial (C-4) zoning districts. These designations are shown in the City's Zoning Use Table (NMC Chapter 15.305) and shown in Table 2.

Table 2. Excerpt of Zoning Use Table for Vacation Rental Homes by Zoning District

Zoning District	Use - Vacation Rental Home
R-1 (Low Density Residential)	Conditional Use
R-2 (Medium Density Residential)	Conditional Use
R-3 (High Density Residential)	Special Use
R-4 (Manufactured Dwelling)	Special Use
RP (Residential-Professional)	Special Use
C-1 ( Neighborhood Commercial)	Special Use*
C-2 ( Community Commercial )	Special Use*
C-3 (Central Business )	Special Use*
C-4 (Riverfront Commercial)	Special Use*
M-E (Mixed Employment)	Prohibited
M-1 (Limited Industrial)	
M-2 (Light Industrial)	
M-3 (Heavy Industrial)	
M-4 (Large Lot Industrial)	
CF (Community Facilities)	
I (Institutional District)	
AR (Airport Residential)	
AI (Airport Industrial)	

#### Notes:

**Permitted Use.** The use is a permitted use within the zone. Note that the use still may require design review, building permits, or other approval in order to operate.

Conditional Use. A conditional use permit is required for the use. See Chapter 15.225 NMC.

**Special Use.** The use is subject to specific standards as identified within this code. For Vacation Rental Home uses, see NMC Chapter 15.445, Article VII.

**Prohibited Use**. The use is specifically prohibited.

Source: Newberg Municipal Code, Section 15.305.020, Row 460 and related.

#### How does the City decide which vacation rental homes to allow?

As uses that are conditionally allowed in the R-1 and R-2 zones, individuals must obtain a conditional use permit and special use permit to operate a proposed vacation rental home. Applications for conditional use permits are subject to Type III procedure, which includes public noticing, a quasi-judicial public hearing, and a final decision by the Newberg Planning Commission. Just over 75% of the area permitting vacation rental homes require conditional use approval (see Figure 5). Where vacation rental homes are allowed as a special use, applicants are

<sup>\*</sup> Permitted in existing dwelling units only. New dwelling units may not be created for this use unless the dwelling unit would otherwise be allowed.

required to go through the City's Type II procedure which includes public noticing, a public comment period, and an administrative final decision by the Community Development Director. When vacation rental homes occur in the C-1, C-2, C-3, and C-4 zoning districts, they are only allowed in existing single-family dwelling units. New dwelling units may not be created for use as a vacation rental home unless the dwelling unit would otherwise be allowed in the C-1, C-2, C-3, and C-4 zoning districts.

When making a decision regarding whether or not to approve an application for a vacation rental home, the decision-making authority must use the City's adopted and applicable criteria. For all applications this includes criteria for special uses related to vacation rental homes found in NMC 15.445.300. For applications occurring in the R-1 and R-2 zoning districts, this also includes criteria related to conditional use permits which are found in NMC 15.225.060. In both 2022 and 2023, the majority of vacation rental home applications received have occurred within the R-1 and R-2 zoning districts, requiring a conditional use permit and a final decision by the Newberg Planning Commission.

Typically, if the application indicates that the vacation rental home will comply with the required criteria, it is approved for operation on the condition that those conditions are met. The adopted criteria and standards used in evaluating applications for vacation rental homes include:

and for Vacation Rental Homes MC 15.445.330 all home shall provide a minimum so on the site that are available for apants.
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Il masside for reculor refus-
al home may not be occupied by occupants per bedroom, up to a ble.  the vacation rental home may not decreational vehicle, trailer, tent during the rental occupancy.
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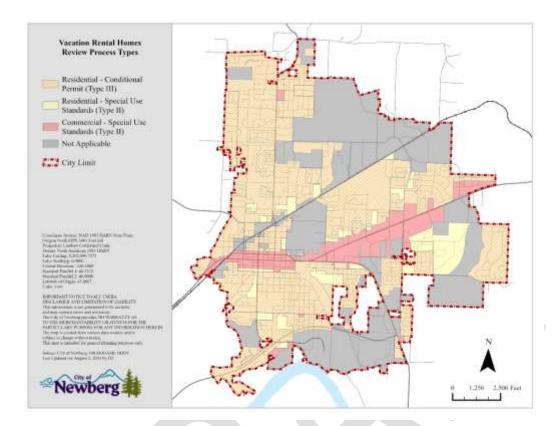


Figure 5. Map of Allowable Vacation Rental Uses by Procedure

# What's the difference between a Vacation Rental and Motel?

The NMC clarifies the difference between various commercial lodging activities by defining them. NMC Section 15.05.030 includes the following definitions related to vacation rental homes, short-term rentals, and similar visitor activities:

- "Bed and breakfast establishment" means a structure designed as a single-family dwelling and occupied by an on-site manager in which sleeping units are provided for periods of less than 30 days for use by travelers or transients for a charge or fee paid or to be paid for the rental or use of the facility.
- "Boarding and/or rooming house" means a building where lodging, with or without meals, is
  provided for compensation, but shall not include homes for the aged, nursing homes or group care
  homes.
- "Dwelling" means a building or portion of a building which is occupied in whole or in part as a home, residence, or sleeping place, either permanently or temporarily by one or more families, but excluding hotels, motels and tourist courts.
  - o "Dwelling, single-family" means one dwelling unit on one lot or parcel.
  - "Dwelling, single-family detached" means one dwelling unit on one lot or parcel with no common walls attached to another dwelling unit.

- "Dwelling unit" means a single unit of one or more habitable rooms providing complete independent facilities for occupants, including permanent provisions for living, sleeping, eating, cooking and sanitation.
- "Hotel" or "motel" means a structure with sleeping units or dwelling units rented or occupied for periods of less than 30 days, excluding vacation rental homes and bed and breakfast establishments.
- "Vacation rental home" means a single-family dwelling unit that is used, rented or occupied for
  periods of less than 30 days, or is available, advertised, or listed by an agent as available for use,
  rent for occupancy for periods of less than 30 days. "Vacation rental home" excludes bed and
  breakfast establishments.

# C. Existing Vacation Rental Operations in Newberg

While the number of vacation rentals reported on TLT reports fluctuated between July 2018 and July 2021, the City has seen a steady increase in the most recent fiscal year reported through July 2022. While TLT remitted has seen a corresponding increase, almost tripling the amount received in 2021-2022 as in 2018-2019, collecting just under \$100,000. While the traditional hotel and motel industry saw a similar decline in TLT remitted at the start of the pandemic, vacation rental usage rebounded much quicker, as traditional accommodation still remains below 2018-2019 levels (see Table 4).

**Table 4. TLT Remittances by Lodging Type** 

	<b>Hotels &amp; Motels</b>		Vacation Rentals			
FY 2018-2019	\$	1,064,731.20		\$	33,615.58	
FY 2019-2020	\$	764,029.43	-28%	\$	30,404.84	-10%
FY 2020-2021	\$	537,691.42	-30%	\$	67,244.84	121%
FY 2021-2022	\$	937,101.17	74%	\$	96,739.06	44%
4-Year Change	\$	(127,630.03)	-12%	\$	63,123.48	188%

Vacation rental homes show a strong seasonal variation in TLT revenue collected, typically with a peak in the summer. However, the increase in number of units has translated to increases in TLT across all quarters. Highlighting this observation, the revenue collected from January to March 2021, FY 2021-2022's lowest reporting quarter, was just under the amount reported in FY 2018-2019's top quarter (see Figure 6). This data includes TLT directly reported from hotels, motels, and vacation rentals. While the TLT report includes data from third-party vendors (i.e. Expedia), the reporting methodology has changed in the last four years and total third-party TLT makes up a relatively small share of overall revenues, and was excluded from these figures.

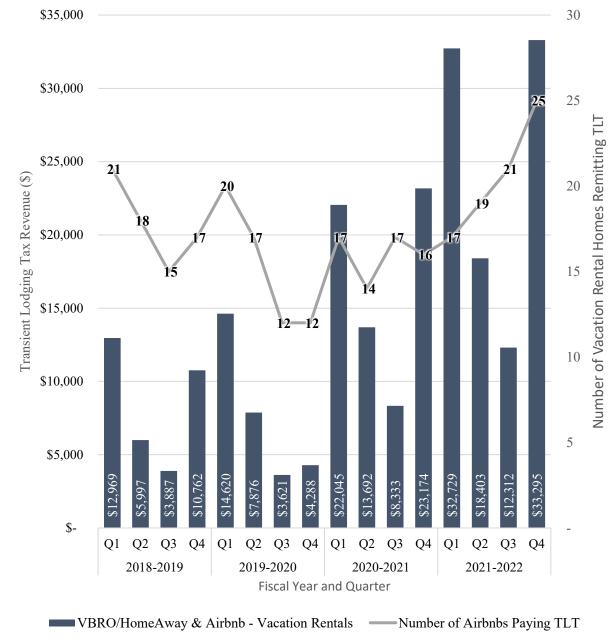
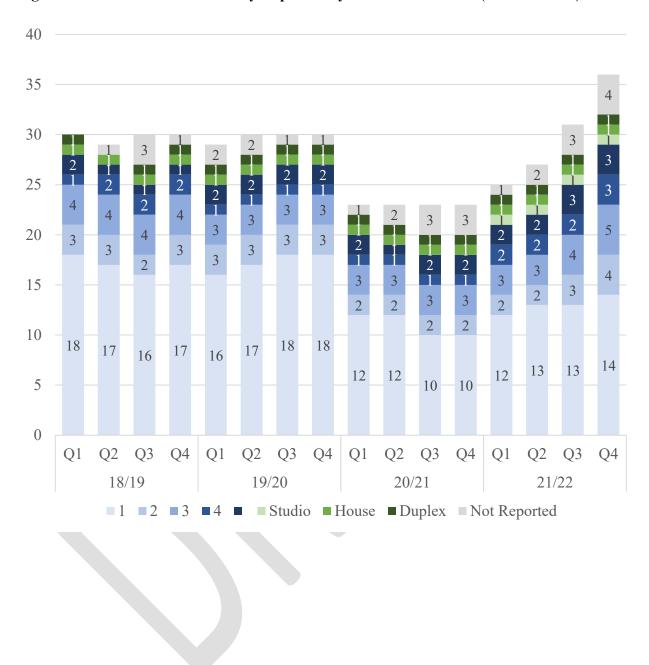


Figure 6. Number of Vacation Rentals and Remitted TLT Revenue (FY 2018-2021)

The City's portfolio of vacation rental units has also changed over the last four years. According to figures associated with TLT remittances, while single-room rentals made up the majority of all rentals from 2018-2020, multi-room and larger units are representing an increasing share of the vacation rental market (see Figures 7 and 8).

Figure 7. Vacation Rentals Activity Reported by Number of Rooms (FY2018-2021)



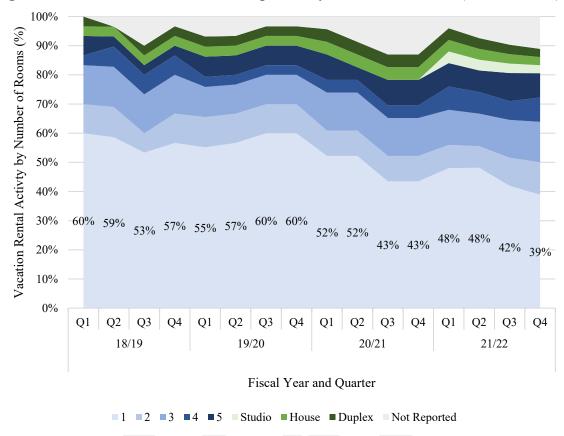
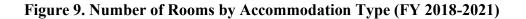
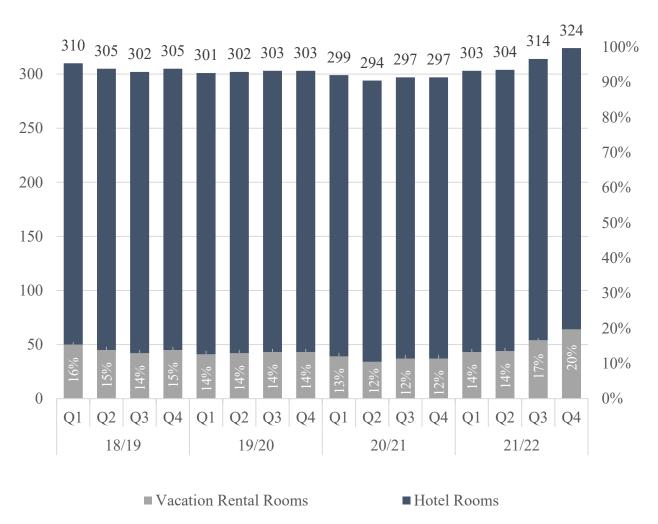


Figure 8. Share of Vacation Rentals Reported by Number of Rooms (FY2018-2021)

These shifts in visitor-serving accommodations show an increasing inventory but still represent a minor share of Newberg's overall commercial lodging reporting TLT. Vacation rentals make up approximately 20 percent of nightly accommodations rental rooms, up from a low of 12 percent through the pandemic (see Figure 9).





<sup>\*</sup> Not including 1 House and 1 Duplex paying TLT in FY 2018-2021 and 1 Studio paying TLT in FY 2021.

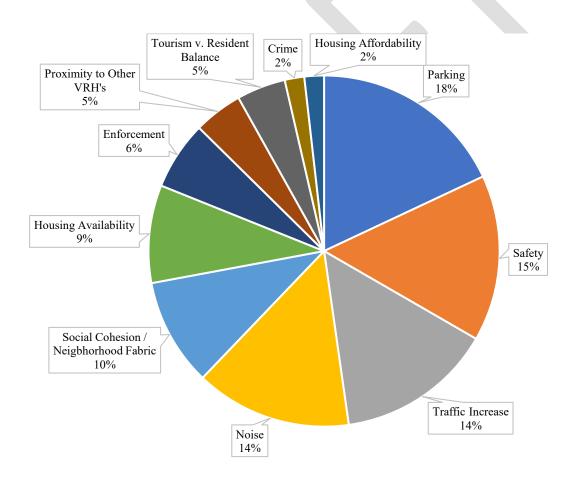


#### III. ISSUES AND CONCERNS RELATED TO VACATION RENTAL HOMES

### A. Public Comments Received for Vacation Rental Home Applications

As applications have been processed in recent years, public comments on vacation rental home applications have ranged widely from parking and safety concerns to housing availability and the need for balancing of tourism with long-term housing needs in Newberg. Staff evaluated all public comments received during the permitting process for vacation rental applications processed between 2016 and April 2023. During that time, the public commented on 19 of the 31, or 61 percent of applications processed during that time period. In total, 77 public comments were received, evaluated, and can generally be categorized by area of interest as shown in Figures 10 and 11. As a note, comments were not categorized as "opposed" or "in support" due to a large number that stated they had concerns but did not explicitly indicate support for approval of a project, that conditions be applied, or denial of a project.

Figure 10. Public Comments Received on Vacation Rental Home Applications (2016-2023)



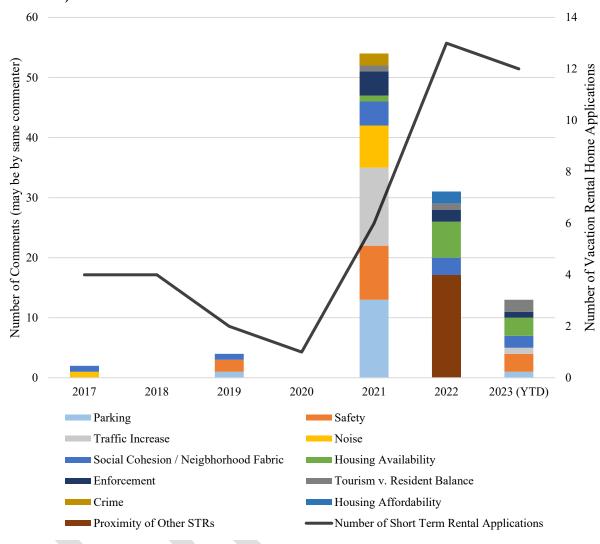


Figure 11. Public Comments Received on Vacation Rental Home Applications by Year (2017-2023)

The largest numbers of comments revolved around the operation of the rental on-the-ground. Comments related to parking, safety, impacts on traffic, and noise represented over 60 percent of input compared with more policy-oriented comments. Although there have been a number of comments on applications over the past several years, the Community Development Department has only received or been notified of one complaint related to vacation rental homes between February 2016 and July 2023. Additionally, the City's Code Compliance Division indicated that they do not have readily available data distinguishes between complaints for vacation rental homes and other types of issues.

In addition to the operational or policy concerns, approximately 10 percent of comments called out concerns related to negative impacts on the "neighborhood fabric", social cohesion, or "livability" of the community. While terms such as neighborhood fabric and livability are generally undefined, the term social cohesion refers to the strength of relationships and sense of

solidarity in a community, reflecting connections between neighbors, coworkers created by local bonds and identity. Although this can be difficult to translate into actionable policy, considering how the City's policy options may affect how visitors interact with the community is a reasonable consideration for the future. Further, some policy options, such as siting of vacation rentals near commercial corridors or using tools such as density-based limits, could provide opportunities to achieve a balance between the needs of long-term residents and supporting the City's tourism sector.

# B. Newberg Housing Production Strategy

In addition to the discussion of policies focused on regulating the operations and suitability of vacation rental homes across the city, their increasing presence connects to broader housing priorities.

On May 1, 2023, the Newberg City Council approved Resolution No. 2023-3889, accepting the Newberg Housing Production Strategy (HPS). The City's HPS includes a variety of strategies to expand and preserve housing. HPS Strategy I recommends that the City consider restrictions and conduct inspections on short-term rentals. According to the HPS, there is growing concern from residents and staff members about the increase in the number of short-term rentals in Newberg. Vacation rental homes typically occupy units in residential areas that would otherwise be used for long-term housing, decreasing the supply of housing available for residents.

Excerpt from the City of Newberg 2021 Housing Production Strategy (Strategy I)

# I. Consider Restrictions and Conduct Inspections on Short-term Rentals

#### Rationale

There is growing concern from residents and staff members about the increase in the number of short-term rentals (STR) in Newberg, as staff reports seeing an increase in vacation rental applications. Short-term rentals typically occupy units in residential areas that would otherwise be used for long-term housing, decreasing the supply of housing available for local residents.

However, there are several other approaches a city can take to monitor or restrict STR's:

- <u>Inspections</u>: To ensure safety and code compliance, the City can inspect facilities for fire safety and compliance with applicable regulations. These inspections could be part of a one-time permitting process, the annual permit renewal, or may be required at an interval such as every two to five years.
- <u>Restrictions</u>: The City can limit the number or concentration of STRs in specific neighborhoods or areas of the city by implementing some of the following strategies.
  - Set a maximum percent of units or tax lots that can be STRs
  - o Limit number of citywide or per neighborhood

- Set a maximum percent of units or tax lots in specific neighborhoods or zones that can be STRs
- Set a minimum distance between STRs
- o Limit number per street segment
- Set limits on STRs by census tract
- o Limit owners to one STR permit
- o Limit rental periods

# City Role

Once STR issues specific to Newberg are identified, the City can adopt policies or regulations that limit the expansion of STRs. The City can also adopt safety and code regulations that will require inspections.

#### Partners and their Role

Partner 1. Neighborhood groups and residents; Operators of short-term rentals — its important to include the perspective of residents, as a heavy concentration of STRs in one area can be perceived as negative for a number of reasons (i.e. safety, noise, or affordability). However, the City will also want to discuss changes in STR allowances with operations because it could have an impact on existing STRs, whose owners depend on their income

Anticipated Impacts

Population Served	Income	Housing Tenure	Magnitude of New Units Produced
Households located next	Any income level	Renter or Owner	This strategy is not
to or nearby short-term			anticipated to produce
rental housing			units, but it could regulate
			the supply of existing
			units rented out on a
			short-term basis.

#### Potential Risks

If the City is only requiring registration of short-term rentals, the potential risks are minimal. If the City limited or prohibited short-term rentals, this could impact tourism by removing a type of overnight accommodation or make it more difficult for a household dependent on short-term rentals for income to afford their housing.

#### Implementation Steps

- Have public discussions to determine the extent to which short-term rentals are perceived as an issue. Review code violations associated with short-term rentals (if any) to identify and measure negative impacts.
- If short-term rentals are problematic, evaluate regulations to restrict use or expansion of STRs
- Work with Newberg's Planning Commission and City Council to adopt regulations and enforcement procedures by Ordinance.

# Funding or Revenue Implications

No specific funding or revenue source is identified at this time. Staff time and available Planning Division tools and resources will be relied on to accomplish this strategy. However, monitoring these properties and enforcing regulations can be expensive.

#### IV. POLICY APPROACHES FOR FUTURE CONSIDERATION

# A. Assumptions and Objectives

Framing the City's next steps in discussion and/or consideration of available policy options, the following assumptions provide a foundation to evaluate the approaches available to regulate vacation rental homes:

- <u>Vacation Rental Homes Will Continue to Operate</u>: An assumption is made that vacation rental homes will continue to exist in some form and consider the nuances of individual needs and objectives to tailor regulations to those nuances.
- <u>Improve Safety and Accountability</u>: Changes to policies or implementation should strengthen nuisance laws and/or strengthen operator requirements to achieve higher levels of safety and accountability for both residents and visitors.
- <u>Improve Regulatory and Enforcement Efficacy</u>: Changes to policies or implementation should improve the way that regulation and enforcement deal with what is on the ground and online. This may include limiting opportunities for individuals to circumvent City requirements and regulations. New policies or implementation measure should be both administratively and technologically feasible.

To develop policies that recognize these assumptions and achieves their objectives, staff identified policy approaches utilized by other jurisdictions across Oregon and surrounding states. These case studies illustrate how jurisdictions are tracking short-term rentals and associated licensing, managing the presence of existing and growth of new rentals, and setting guidelines for operation. These policies fall into the following categories:

Non-Conformance Policies	Policies that determine how the jurisdiction is licensing short-term rentals, bringing non-conforming existing units into good standing, and regulating the lifetime of a permitted short-term rental use.
<b>Production Policies</b>	Policies regulating which short-term rental types are allowed or prohibited.
Concentration Policies	Policies related to how the jurisdiction limits the intensity of vacation rental homes as a permitted use.
<b>Operation Policies</b>	Policies that impact the everyday operation of a vacation rental home.

Compliance Policies	Policies monitoring activity and ongoing compliance with vacation rental home regulations and requirements.
<b>Enforcement Policies</b>	Policies related to how the jurisdiction manages complaints and violations.

In addition to policy-driven approaches, jurisdictions use a variety of programmatic approaches to enhance compliance and to conduct enforcement. In some cases, code compliance activities are financed by license fees or by TLT funds. In other programmatic approaches, jurisdictions use enhanced compliance and enforcement through technological solutions that ensure active vacation rental homes only operate under the permitted regulations. Technical services such as <a href="Granicus">Granicus</a>, which the City of Newberg currently uses for hosting public meeting agendas and materials, offer modules that pro-actively monitor vacation rental housing platforms such as Airbinb, VRBO, FlipKey and others to ensure that hosts are complying with local regulations. The State of Oregon Department of Revenue also contracts with cities and counties to administer the local TLT on their behalf, resulting in vacation rental home operators making their local tax payments and filing quarterly returns with the state. As of August 2023, there were 24 jurisdictions listed as having initiated state collection between Q3 2021 and the present, while one has returned to collecting TLT locally.

#### **B.** Case Studies

Tables 4 and 5 provide details related to the procedures and policies used by jurisdictions in Oregon and nearby states to regulate vacation rental homes. Prior to analysis of policy cases themselves, understanding the processing procedures that vacation rental homes are subject to is important. The City of Newberg currently uses Type II and Type III procedures to process vacation rental homes depending on a subject property's underlying zoning district. However, jurisdictions use a variety of processes as shown in Table 4. The examples provided in Table 5 include brief descriptions of policy approaches used to regulate vacation rental homes and list which jurisdictions are using some form of that approach. These cases are intended to highlight options the City may consider for future policy decisions. Additional details for each of the case studies are provided in Appendix A of this report.

Table 4. Comparison of Vacation Rental Home by Procedure Type

Procedure Type	City of Newberg by Zoning District	Example Jurisdictions Using Procedure
Type I Procedure		Dundee <sup>1</sup> ; Oregon City <sup>2</sup> ;
		Newport; Walla Walla, WA;
Ministerial Decision without		Paso Robles, CA
Public Noticing or Hearing		
		2 7 12 2
Type II Procedure	Allowed in R-3, R-4, and RP zoning	Dundee <sup>3</sup> , Hood River, Seaside <sup>4</sup>
	districts with final decision granted	
	administratively.	

Administrative Decision with Public Noticing and Public Comment	Allowed with limitations in C-1, C-2, C-3, and C-4 zoning districts with final decision granted administratively.	
Type III Procedure	Conditionally allowed in R-1 and R-2 zoning districts. Final decision by	Oregon City <sup>5</sup> , Seaside <sup>6</sup> , Ashland, Newport <sup>7</sup>
Quasi-Judicial Hearing with Public Noticing	Planning Commission.	

#### Notes:

**Table 5. Policy Examples by Policy Type** 

Policy Type	<b>Policy</b> *Indicates Policy in Use in Newberg	Overview & Key Points from Case Studies	Case Studies (see appendix)
Non-	*Grandfathering	Operations preceding the adoption of regulations were allowed to continue in perpetuity and were typically considered a non-conforming use. Grandfathered case provisions included exemptions from the number of nights a property can be rented, density or cap limits, or requirements that the rental paid all taxes when in prior status. Some cases grandfathered status conveys upon purchase if a new permit is approved upon closing.	Lincoln City, OR Newport, OR Walla Walla, WA
Conformance Policies	Amortization	Operations occurring prior to adoption of regulations were allowed to continue operation for a limited period of time, after which operations are required to comply with adopted standards. Case examples include phased amortization (i.e. parking standards after five years, all standards after seven), amortization upon sale or transfer, amortization for properties within an overlay upon sale, or blanket amortization after a certain period.	Hood River, OR Seaside, OR
Production Policies	Prohibition	Uses were not allowed in any zoning district, permit, or procedure. Cases	Hood River, OR Walla Walla, WA

<sup>&</sup>lt;sup>1</sup>Infrequent Short-Term Rentals (4 rental periods, available less than 30 days total per year)

<sup>&</sup>lt;sup>2</sup>Most commercial, institutional, and mixed-use zones

<sup>&</sup>lt;sup>3</sup>Standard Short-Term Rentals (less than 28 consecutive days)

<sup>&</sup>lt;sup>4</sup>If surrounding density of existing Vacation Rental Dwellings is less than or equal to 20% within 100' of application.

<sup>&</sup>lt;sup>5</sup>Conditional Use – residential zones

<sup>&</sup>lt;sup>6</sup>If surrounding density of existing Vacation Rental Dwellings is greater than 20% within 100' of application.

<sup>&</sup>lt;sup>7</sup>Owner may seek relief as Type III if a Type I standard cannot be met.

Policy Type	<b>Policy</b> *Indicates Policy in Use in Newberg	Overview & Key Points from Case Studies	Case Studies (see appendix)
		prohibited by structure type or by owner- occupancy status.	
	Non-regulation	No permits required by the city to conduct use/operation of the vacation rental home (short-term rental). Case classifies as other permitted use, no permits were required beyond the land use approval.	Oregon City, OR
	Homeshare Only	Requires vacation rental homes (short-term rentals) to be occupied only when the property-owner is on site. Cases required owner-occupancy or created a dual-track of standards and approval criteria for homeshare versus non-homeshare rentals.	Hood River, OR Oregon City, OR Walla Walla, WA Paso Robles, CA
	Citywide Cap	A defined number of operations are allowed to occur within the jurisdiction. Typically ties to an explicit number of permits or tied to a percentage of lots within the jurisdiction. Cases applied different caps based on rental type or allow City Council to project a cap for the future.	Dundee, OR Seaside, OR
Concentration	Sub-Area Cap	Creates subareas or districts which are each assigned caps such as "up to 10 operations in Subarea A." Examples assigned different caps to by zoning districts, tied caps to the presence and reduction over time of non-conforming rentals, or established an overlay with a cap using a "first-come, first-served" process plus waiting list.	Lincoln City, OR Newport, OR
Policies	Density-based	Limits the number of allowable operations by density such as "no operations allowed adjacent to or less than 500 feet from one another." Cases limited adjacent permits, established buffers from approved rentals, limited the number of rentals on a street frontage, required rentals be within a buffer of major street corridors, or limited the density of rentals within a buffer around an applicant.	Ashland, OR Dundee, OR McMinnville, OR Newport, OR Seaside, OR Paso Robles, CA
	Days of Use	Limits the portion of the calendar year during which operations may be occupied. Cases differentiated between infrequent (limiting number of rental periods and days) and standard rentals, tied the number of	Dundee, OR Hood River, OR

Policy Type	<b>Policy</b> *Indicates Policy in Use in Newberg	Overview & Key Points from Case Studies	Case Studies (see appendix)
	3	allowed rental nights to the zoning district, or applied only the cap on consecutive nights.	
	Ownership Limits	Limits the number of vacation rental homes (short-term rentals) permits that may be held by one owner or applicant. Cases limited permits or rentals to one per owner/permit holder, one license per dwelling unit, or limited multiple rentals per owner in residential zones.	Dundee, OR Hood River, OR Lincoln City, OR Seaside, OR
Miscellaneous Limitations	Waiting Period	Cases imposed a waiting period of 90 days after a sale before a rental permit can be applied for, a two-year waiting period on new construction, required rental license applications/renewals to include a rental history report of previous bookings, or required that the primary residence of the site be 20-years old.	Seaside, OR Walla Walla, WA Paso Robles, CA
Operation Policies and	*Maximum Occupancy	Limits the number of tenants in the short-term rental. Cases limited occupancy of a vacation rental home (short-term rental) by persons per bedroom, limited the total number of occupants regardless of bedrooms present, or established different occupancy limits for daytime and overnight guests.	Dundee, OR Hood River, OR Lincoln City, OR McMinnville, OR Newport, OR Oregon City, OR Seaside, OR Walla Walla, WA Paso Robles, CA
Standards	Owner/Agent Proximity	Requires the owner or designated agent to live within a certain proximity to the vacation rental home (short-term rental). Cases required the owner or agent to live within a certain number of vehicular miles, city's urban growth boundary, zip code, or a specified drive-time when occupied.	Dundee, OR McMinnville, OR Seaside, OR
Compliance Policies	*Registration	Cases can require business licenses, TLT registration, short-term rental operating licenses, land use compatibility statements, or a transient accommodation license from the health department.	

Policy Type	<b>Policy</b> *Indicates Policy in Use in Newberg	Overview & Key Points from Case Studies	Case Studies (see appendix)
	Conveyance	Regulates the lifetime of approved short- term rentals. Cases invalidated approved permits upon sale and are not transferrable.	Dundee, OR Lincoln City, OR McMinnville, OR
	Enhanced Technology (Programmatic)	Use of enhanced compliance and enforcement through technological platforms which monitor vacation rental homes (short-term rentals). to ensure that hosts are complying with local regulations.	Various
Selected Enforcement Mechanisms	*Enforcement	Cases differentiated between nuisance complaints and approved development standards complaints, required licensees to maintain a record of complaints and actions taken, revoked or suspended the permit, levied fines, or developed a city hotline for unresolved comments.	Dundee, OR Hood River, OR Lincoln City, OR McMinnville, OR Walla Walla, WA Paso Robles, CA Solvang, CA
wiechanisms	Enhanced Technology (Programmatic)	Use of enhanced compliance and enforcement through technological platforms which monitor vacation rental homes (short-term rentals). to ensure that hosts are complying with local regulations.	Various

# V. SOURCES

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# APPENDIX A: CASE STUDIES DETAIL

	Non-Conformance Policies
	ies: Operations preceding adoption of regulations allowed to continue in onsidered a non-conforming use.
Lincoln City, OR	Specific to R1- RE zone, existing rentals and those with complete applications by the date of the ordinance can continue operation without limits on the number of nights they can be rented.
Newport, OR	For non-conforming uses within the city's Vacation Rental Overlay, rentals within or adjacent a commercial or water-related zone count towards the cap number but not toward the density limitation and may be sold or transferred regardless of the waiting list.
	All other rentals within the <b>overlay are subject to the cap, and upon sale or transfer are subject to the density and spacing standards</b> .
	Owners must have applied for a short-term rental license before the ordinance date and demonstrated the property was used as a short-term rental and continued to be used (was not intermittent or occasional).
Walla Walla, WA	Requires that the owner fully and timely paid all taxes for prior rental use.
	If a non-conforming use in good standing is purchased, a short-term rental permit must be obtained on closing and renewed annually.
	: Operations occurring prior to adoption of regulations are allowed to continue eriod, after which operations must comply with adopted standards.
Hood River, OR	Qualifies as lawfully pre-existing if (owner's burden of proof) if the home was used as a vacation rental between 2013-date of ordinance, the owner obtained a TLT certificate of authority, and the owner paid Hotel tax to the city.
	After five years, the rental must come into compliance with parking standards.
	After seven years, the rental must come into full compliance.
Lincoln City, OR	A vacation rental that is not a conditional use and was approved prior current standards can continue operation provided that the owner obtains an annual vacation rental dwelling license until the license holder sells, transfers, or conveys the property.
Newport, OR	Vacation rental uses located outside the Vacation Rental Overlay Zone shall cease upon the sale or transfer of the units.
Seaside, OR	All non-hosted short-term rentals in existence prior to current standards are approved for the period of one year from the effective date of the ordinance.

Production Limit Policies			
<b>Prohibition Policies:</b>	<b>Prohibition Policies:</b> Use is not allowed in as determined by zoning district, permit, or procedure.		
Hood River, OR	Use is not permitted in Accessory Dwelling Units, rooms within a recreational vehicle, travel trailer, or tent or other temporary shelter.		
Walla Walla, WA	Operation by requires simultaneous occupation by homeowner for short-term rentals in operation after the date of the ordinance. Owner-occupied homeshare operations are permitted.		
Non-regulation Policies: No permits required by the city.			
Oregon City, OR	Use is defined as a bed and breakfast/boarding house, and no special permits beyond the base zone and conditional use process are required.		

	Concentration Limits
Typically defined as an	s: A defined number of operations are allowed to occur within the jurisdiction. explicit number of allowable permits or tied to a percentage of lots by zoning 10% of lots in R-1, 8% in R-2, and 6% in R-3).
Dundee, OR	The number of short-term rentals in the city shall not exceed five percent of the total number of detached single-family homes in the city (calculated at the time the permit is issued).  Infrequent short-term rentals (four or less rental periods and fewer than 30 total days per calendar year) do not count towards the cap. Any short-term
	rental renewal is not required to demonstrate they are within the five percent limit. If the cap is reached, no permits will be issued until a sufficient number of short-term rental units do not renew or the number of total units in the city grows.
Seaside, OR	The City Council may establish the maximum allowable number of non-hosted short-term rental licenses, projecting forward the cap for up to three years.
	There is no limit on hosted-short-term rentals.
	s subareas or districts which each receive an assigned number of operating operations in Subarea A, up to 10 operations in Subarea B, and 15 operations
Lincoln City, OR	The number of vacation rental dwelling units operating without limits on the number of nights rented in the R1-5 zone shall not exceed 10% of the total number of lots in the zone.
	When the number of non-conforming unlimited vacation rental dwellings in the R1-RE zone is reduced to 10 percent of the total number of lots in the

	zone, a cap is triggered and all existing nonconforming vacation rental dwellings under the cap are rendered permitted uses.
Newport, OR	The total number of vacation rentals within the Vacation Rental Overlay shall be 176 dwelling units. If the number is reached, a first-come, first serve waiting list shall be established.
	s: Limit the number of allowable operations by density such as "no operations e another" or "no operations may occur less than 500 feet from one another."
Ashland, OR	The property is located within 200' of a boulevard, avenue, or neighborhood collector.  Shall not exceed nine units per approved rental with a frontage on boulevard streets. For lots without boulevard frontage but within the 200' foot buffer, a maximum of seven units.
	The total number of units, including the owner's is equal to the total sq. ft. / 1,800 sq. ft. (contiguous lots under the same ownership may be combined to increase the maximum units, but not in excess of other limits.
Dundee, OR	No frequent (Type II) short-term rental shall be located adjacent to any permitted Type II short-term rental.  The Planning Commission may approve contiguous permits as a conditional
	use permit.
McMinnville, OR	Short-term rentals shall not be located within 500' of another short-term rental, or on the same property as another short-term rental.
Newport, OR	Vacation rentals are limited to a single building on a lot or group of lots that abut a street segment (for corner lots, this applies to both street segments).  A conditional use permit may authorize more than one vacation rental on street segments in R-1 and R-2 zones where more than 10 or more lots front the street. (In these cases, no more than one vacation rental may be permitted for every 5 lots fronting the street.)
Seaside, OR	Limits the amount of approved vacation rental dwellings within 100' of an applicant's property depending on their zone:  R-R: no density requirement R-2 or R-3: 30 % or 50% (depending on location within the zone)
Paso Robles, CA	R-1 zone: 100' minimum separation distance (does not apply to a second permit on the same lot).  All other zones: 0' minimum.

	Limit the portion of the calendar during which operations may be occupied such ied as a short-term rental between May 1 and September 30 of a calendar	
Dundee, OR	For infrequent short-term rentals, sets a maximum allowance of four rental periods and a maximum 30 days in a calendar year.	
	For standard short-term rentals, sets a standard of less than 28 days at any one time.	
	In the C-1 and C-2 zones, allows 365 nights per year.	
Hand Divers OD	For conforming rentals in R-1, R-2, and R-3 zones, allows up to 90 nights per year.	
Hood River, OR	For non-conforming rentals in R-1, R-2, and R-3 zones, limited to the maximum number of nights of transient rental when previously occurred in one calendar year between 2013 and 2016 (date of ordinance). The applicant has burden of proof.	
Ownership Limitation one owner or applicant.	Policies: Limit the number of short-term rentals or permits that may be held by	
Dundee, OR	No person or principal shall possess more than one short-term rental permit.	
Hood River, OR	Limit of one short-term rental license per owner and one license per dwelling unit.	
Lincoln City, OR	In residential zones, the owner must not have an ownership interest in any other property in a residential zone used as a short-term rental.	
Seaside, OR	One vacation rental dwelling conditional use permit per owner or ownership.	
Homeshare Policies: Lon-site.	imits short-term rentals to be occupied only when the property owner is also	
Hood River, OR	Only permitted accessory to continued residential use a primary dwelling of owner, and limited to 90 days per year.	
Oregon City, OR	The owner/operator shall reside in or in an adjacent residence.	
Walla Walla, WA	Property must be owner-occupied.	
Paso Robles, CA	Distinguishes standards and criteria for homeshare versus non-homeshare as separate regulatory tracks.	
Miscellaneous Limitations		
Seaside, OR	Requires a waiting period of 90 days after a property is sold prior to an application being accepted for a conditional use permit unless the property	

	was previously licensed as a vacation rental dwelling and the license was valid at the time of sale. Does not apply where the density threshold is 100%.
	A two-year waiting period is required after a property is issued a Certificate of Occupancy for all new construction.
Walla Walla, WA	Rental license includes a rental history report of previous bookings.
Paso Robles, CA	The primary residence on the site must be at least 20-years old.

Operation Standards			
Maximum Occupancy Regulations: Limits the number of tenants in the short-term rental.			
Dundee, OR	Allows up to two persons per bedroom plus two additional persons. Maximum of 10 people regardless of bedroom count.		
Hood River, OR	Allows up two persons per	r bedroom.	
Lincoln City, OR	Allows an occupancy that is three times the number of bedrooms plus one additional occupant, not to exceed 16 occupants (except in rental constructed to code and in commercial districts.)		
McMinnville, OR	Owner-occupied. No more than two guest rooms provided on a daily/weekly basis for no more than five total travelers.		
Newport, OR	Allows two people per bedroom plus two additional persons per property. A maximum of five bedrooms allowed in a vacation rental, and two bedrooms in homeshares.		
Oregon City, OR	The number of rooms to be used as overnight public accommodations shall not exceed four rooms in an underlying residential zone, or seven rooms in a non-residential zone.		
Seaside, OR	Three persons over the age of three to a maximum of 12 persons. (Occupancy over 10 requires a fire-suppression sprinkler system.		
Walla Walla, WA	Not more than five lodging	g units.	
	# of Bedrooms	Total # of Overnight Occupants (7p-9a)	Total # of Daytime Occupants (9a-7p)
Paso Robles, CA	0-1	2	6
1 450 100105, 011	2	4	8
	3 4	<u>6</u> 8	10
	5	10	14
			- '

	ity Regulations: Requires the owner or designated agent to live within a certain term vacation rental unit.
Dundee, OR	The property owner must designate a local representative (may be the owner) that is physically located within the Dundee UGB or within 10 vehicular miles of the UGB.
McMinnville, OR	The property owner or appointed agent shall live within the 97128 Zip Code.
Seaside, OR	Local contact person shall be able to be physically present at the site within 60 minutes at any time the property is occupied for transient use.

	Compliance Regulations	
Compliance regulations		
Registration Requirem	nents: Licenses and permits required to operate (as specified in code)	
Ashland, OR	Business License, TLT registration	
Dundee, OR	Business License, TLT registration	
Hood River, OR	Short-Term Rental Operating License (may be reissued up to four years after year of issuance)	
Lincoln City, OR	Vacation Rental Dwelling License	
Newport, OR	Land Use Compatibility Statement	
Oregon City, OR	Business License, TLT Registration	
Seaside, OR	Short Term Rental License	
Walla Walla, WA	Development Authorization (land use decision), Transient accommodation license from the department of health.	
Paso Robles, CA	Short Term Rental Permit (separate for each address or individual rental unit, valid for three years), Business License Tax Certificate	
Solvang, CA	Vacation Rental Certificate, Business License Tax	
Conveyance Policies: Policies regulate the lifetime r duration of approved short-term rental operation.		
Dundee, OR	All short-term rental permit approvals will only be valid for the current property owner (not including transfers to trusts, LLCs, divorces, or similar changes in names, but not ownership). Any sale of the property will automatically invalidate the short-term rental permit.	

Lincoln City, OR	The approved use of the vacation rental dwelling in any zone in the name of the property owner and the approval, including any license, is not transferable. When the owner sells or transfers the property occupied or rented as a vacation rental dwelling, the approved use shall cease.
McMinnville, OR	Permits shall be issued to the current property owner at the time of the application. Permits do not transfer with the sale or conveyance of the property.

Selected Enforcement Mechanisms	
Dundee, OR	Immediate complaints: Complaints made to the short-term rental representative/fire or police department are addressed as a nuisance complaint. Complaints not intended to be reported to administrative staff or other departments.  Standards complaints: City notifies operator in writing within 30 days of complaint to correct issue. If three or more complaints are received within a year, a hearing before the Planning Commission is scheduled to consider additional conditions or revocation of the permit.
Hood River, OR	The licensee shall maintain a record of complaints and the actions taken in response to the complaint.
Lincoln City, OR	In response to a complaint, city staff (including but not limited to police) make at least three attempts to contact the owner or agent, if not reached a report forwarded to city manager or designee.
McMinnville, OR	In addition to any other remedies for enforcement, up to and including full cost recovery for enforcement action, any Short-Term Rental operating without a valid and current permit may be subject to a daily citation/penalty. Repeat violations may result in revocation of the permit and preclude the ability to apply for a new permit for 12 months from the date of written revocation of the permit.
Walla Walla, WA	<ul> <li>Escalation of response with number of complaints received:</li> <li>First call and violation received is no charge;</li> <li>Second call and violation is \$750.00; and</li> <li>Third call and violation is \$1,000.00; and</li> <li>Fourth call and violation results in revocation of permit and license.</li> </ul>
Paso Robles, CA	The city shall maintain a non-emergency hotline telephone number for receiving complaints regarding the operation of any Short-term rental

property to forward to the owner or police if not resolved. May revoke permit.

Escalation of response with number of complaints received:

• First violation within 12 months: fine not to exceed \$1,000 and/or suspension of the permit not to exceed three months
• Second violation within 12 months: fine not to exceed \$3,000 and/or suspension of permit not to exceed six months
• Third violation within 12 months: fine not to exceed \$5,000 and/or suspension of permit not to exceed one year.



# APPENDIX B. MAPS

