## STR CAPS AND OPERATING STANDARDS

Initial Proposal to Board of Commissioners August 3, 2022

### **Board Direction**

- Develop process and timeline to establish limits on the number of short-term rental units permitted in unincorporated Clatsop County
- Continue to review operating standards to identify areas where code compliance could be enhanced to address quality of life issues

### One Coin Two Sides

#### **Quality of Life**

STRS can:

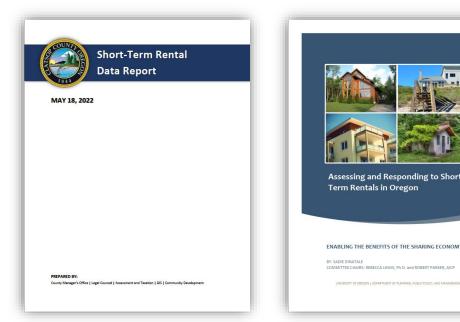
- Increase traffic on local roads
- Increase demands on water and septic systems
- Generate more noise or solid waste than a standard home

#### **Tourism Economy**

- STRs can provide:
  - Access to places typically inaccessible to tourists
  - Alternative lodging choices
  - Owner income
  - Tax revenue

Basis of Initial Recommendations

- Assessing and Responding to Short-Term Rentals in Oregon (University of Oregon Department of Planning, Public Policy and Management, 2017)
- Initial Survey of Peer Jurisdictions
- GIS Mapping of STR Locations/Zones
- Code Compliance Complaint Data
- Survey of Peer Jurisdictions
- May 18, 2022 STR Data Report on Housing Availability and Affordability





### University of Oregon Report

#### Recommendations

- Utilize caps or incentivize moderate use of STRs when totals reach more than 4% of total housing stock
- Revoke permits when more than 5 complaints are received in a calendar year
- Increase operating standards before imposing buffers
- Establish buffers between STRs to deconcentrate complaints/impacts
- Reevaluate buffers every 2-5 years

#### Limitations

- Drafted pre-pandemic
- Focused on cities, not unincorporated rural areas
- Emphasized the need to adopt licensing standards for jurisdictions that had no regulations or taxing requirements

### Peer Jurisdictions

#### **Selection Criteria**

 Prevalence of tourism within the local economy

- Proximity to coast
- Recommendations from legal counsel and planning directors

#### **Jurisdictions Reviewed**

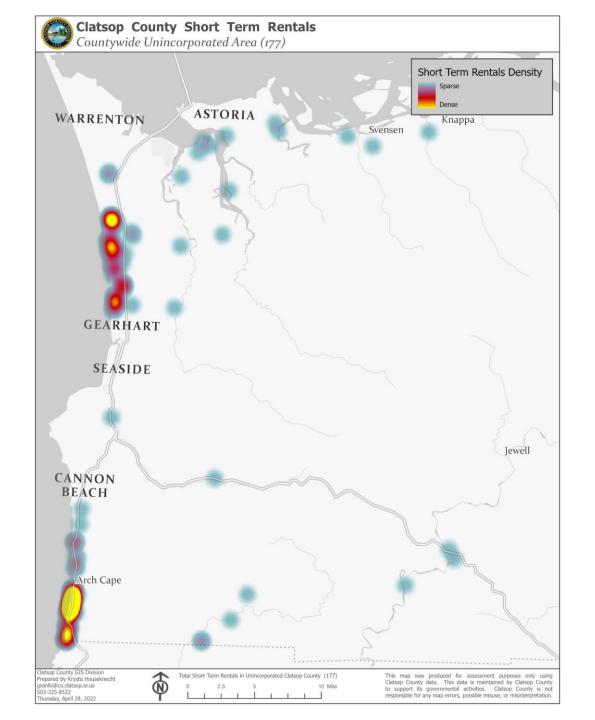
- Counties
  - Coos County
  - Curry County
  - Douglas County
  - Hood River County
  - Lane County
  - Lincoln County
  - Tillamook County
- Cities
  - Astoria
  - Cannon Beach
  - Durango, CO
  - Gearhart
  - Manzanita
  - North Bend, OR
  - Port Townsend, WA
  - Seaside
  - South Lake Tahoe, CA
  - Warrenton

### Peer Jurisdictions

#### Conclusions

- Most jurisdictions do not utilize a percentage or static number cap. Exceptions:
  - City of North Bend: 2% of housing stock, 64 total STRs
  - City of Manzanita: 17.5% of dwellings within specific zones
  - City of Durango, CO: 3% of total parcels in specific zones
  - City of Seaside: Spatial distribution and density limits (30-50% of residential units)
- Many jurisdictions prohibit new STRs in residential zones or require owner-occupancy

# Where are the STRs?



| TABLE 1: SHORT-TERM RENTAL LOCATIONS BY ZONE             |                   |   |  |  |  |
|--|-------------------|---|--|--|--|
| Ζονε   | NUMBER<br>OF STRS | Percentage<br>of Total<br>STRs <sup>1</sup> | NUMBER OF STRS<br>WEST OF HIGHWAY<br>101 |  |  |
| Agriculture Forestry (AF)                                | 1                 | 0.55%                                       | 0  |  |  |
| Arch Cape Rural Community Residential (AC-RCR)           | 68                | 37.57%                                      | 57                                       |  |  |
| Coastal Beach Residential (CBR)                          | 25                | 13.81%                                      | 25                                       |  |  |
| Coastal Residential (CR) <sup>2</sup>                    | 23                | 12.71%                                      | 20                                       |  |  |
| Exclusive Farm Use (EFU)                                 | 4                 | 2.21%                                       | 0  |  |  |
| Knappa-Svensen Rural Community Residential (KS-RCR)      | 1                 | 0.55%                                       | 0  |  |  |
| Residential-Agriculture 1 (RA-1)                         | 19                | 10.50%                                      | 15                                       |  |  |
| Residential-Agriculture 2 (RA-2)                         | 7                 | 3.87%                                       | 0  |  |  |
| Residential-Agriculture 5 (RA-5)                         | 9                 | 4.97%                                       | 2  |  |  |
| Rural Community Residential (RCR)                        | 2                 | 1.10%                                       | 0  |  |  |
| Rural Service Area – Single-Family Residential (RSA-SFR) | 2                 | 1.10%                                       | 0  |  |  |
| Single-Family Residential 1 (SFR-1)                      | 8                 | 4.42%                                       | 7  |  |  |
| Tourist Commercial                                       | 1                 | 0.55%                                       | 1  |  |  |
| Urban Growth Boundary (UGB)                              | 11                | 6.08%                                       | 11                                       |  |  |
| TOTAL  | 181               | 99.99%                                      | 138                                      |  |  |
| PERCENTAGE OF STRs LOCATED WEST OF HIGHWAY 101: 76.24%   |                   |   |  |  |  |

<sup>1</sup> Percentages may not equal 100% due to rounding 🗖

| TABLE 2: SHORT-TERM RENTAL PERCENTAGE BY RESIDENTIAL ZONE   |  |  |                                   |  |  |  |
|---|--|--|-----------------------------------|--|--|--|
| Zone  | NUMBER<br>OF STRS<br>WEST OF<br>HIGHWAY<br>101 | Total # of<br>Dwelling<br>Units West<br>Of<br>Highway<br>101 | Percentage<br>of STRs per<br>Zone |  |  |  |
| Arch Cape Rural Community Residential (AC-RCR) <sup>1</sup> | 68   | 246  | 23.17%                            |  |  |  |
| Coastal Beach Residential (CBR)                             | 25   | 295  | 8.47%                             |  |  |  |
| Coastal Residential (CR) <sup>2</sup>                       | 20   | 95   | 20.83%                            |  |  |  |
| Residential-Agriculture 1 (RA-1)                            | 15   | 262  | 5.73%                             |  |  |  |
| Residential-Agriculture 2 (RA-2)                            | 0  | 23   | N/A                               |  |  |  |
| Residential-Agriculture 5 (RA-5)                            | 2  | 170  | 1.18%                             |  |  |  |
| Single-Family Residential 1 (SFR-1)                         | 7  | 276  | 2.54%                             |  |  |  |
| Tourist Commercial (TC)                                     | 1  | N/A  | 0%                                |  |  |  |
| Urban Growth Boundary (UGB)                                 | 11   | 140  | 7.86%                             |  |  |  |
| TOTAL   | 149  | 1,507  | 9.89%                             |  |  |  |
| 1 Includes STDs east and wast of Highway and                |  |  |                                   |  |  |  |

<sup>1</sup> Includes STRs east and west of Highway 101

# Where are the STRs?

NEHALEM ARCH CAPE WESTPORT 1% 1% 11% ASTORIA 9% COVE BEACH 35% WARRENTON 32% CANNON BEACH 2% SEASIDE 6% GEARHART 3% 85.4% of complaints were for STRs west of Highway 101

### Where are the STR Complaints?

#### LOCATION OF COMPLAINTS RECEIVED

- Lift the moratorium for properties east of Highway 101, except those zoned AC-RCR
- Retain moratorium on all residentially-zoned properties west of Highway 101 and all properties zoned AC-RCR

### Moratorium

### **Geographic Location for Possible Caps**

- All residentially-zoned properties west of Highway 101
- Includes Arch Cape, Cove Beach, Surf Pines, and The Highlands

### **Possible Methods to Establish Caps**

- Cap total number of STRs west of Highway 101 at current number (149 STRs)
- Establish an overall percentage cap on the number of STRs per housing stock within each zone
- Establish a 100' separation requirement between existing STRs and new STRs

### **Permit Changes**

- Decrease permit length from 2 years to 1 year
- Increase permit fee for non-owner-occupied STRs from \$550 to \$1,000
- Fee increase could potentially fund an additional part-time Code Compliance Specialist dedicated solely to STRs beginning in FY 23/24
  - \$450 increase x 150 STRs = \$67,500
  - Estimated annual cost (salary and benefits) for 0.50 FTE Code Compliance Specialist = \$58,000

|          | JURISDICTION   | PERMIT COST  | LENGTH OF PERMIT                                      |
|----------|----------------|--|---|
| EXISTING | CLATSOP COUNTY | \$550  | 2 Years   |
| PROPOSED | CLATSOP COUNTY | \$550 – Owner/Manager-occupied<br>\$1,000 – Non-owner/manager-occupied   | 2 Years   |
|          | CANNON BEACH   | \$606, plus \$75 business license fee  | 14-DAY PERMIT: 14 days.<br>Permit is valid for 1 year |
|          | GEARHART       | \$725, plus \$125 inspection fee   | 1 Year  |
|          | LINCOLN COUNTY | \$350 new application fee<br>\$125 renewal fee   | 1 Year  |
|          | MANZANITA      | \$75 application fee<br>\$250 annual license fee   | 1 Year  |
|          | SEASIDE        | \$20 filing fee<br>\$475-\$550 business license fee<br>\$430 planning review fee<br>\$240 Planning Commission review fee | 1 Year  |

### **Operating Standards**

Restrict hot tub and swimming pool use during quiet hours (10PM-7AM)

- Require annual inspections when licenses are renewed
- Require Code Compliance sign-off on renewals to verify whether there are outstanding code violations
- Prohibit events such as weddings, corporate retreats, rehearsal dinners
- Prohibit non-paying day guests
- Require all STRs to be in the main dwelling and prohibit ADUs from being rented as STRs
- Prohibit unattended or unleased / barking pets
- Allow Community Development Director to immediately revoke license after three verified violations
- Prohibit boat/trailer/RV parking within public rights-of-way
- Apply these operating standards to all unincorporated areas, including Arch Cape

### Initial Recommendations

Initial Timeframe and Public Input Plan

#### Timeframe

- August 3: Board direction to staff
- August 4-September 5: Public input period
- August 24: Rescind moratorium for specified areas
- September 21: Board work session to discuss public input
- October 12 and 26: Public hearings to adoption ordinance
- October 26: Rescind moratorium for areas west of Highway 101

#### **Public Input**

- August 6, 10AM: Virtual public meeting
- August 17, 6PM: Virtual public meeting
- August 4-September 5:
  Online public comment period
- Social media postings
- Press releases
- Guest column from the Board Chair

Direction Requested from Board

- Does the Board want to continue moving forward with establishing caps?
- If so, should it be a static number, a percentage of housing stock, or both?
- Should existing STRs be grandfathered in?
- Should there be a distance requirement between STRs?
- Does the Board agree with the proposed public input plan and schedule?

# STR CAPS AND OPERATING STANDARDS

**QUESTIONS AND DISCUSSION**