## 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:

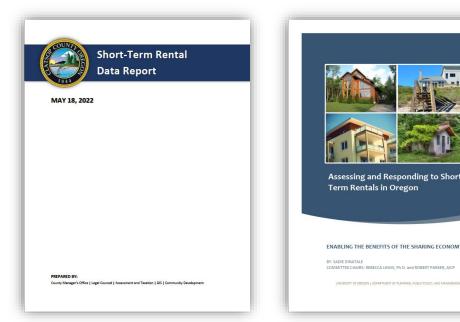
- Increase traffic on local roads
- Increase demands on water and septic systems
- Generate more noise or solid waste than a standard home

#### **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?

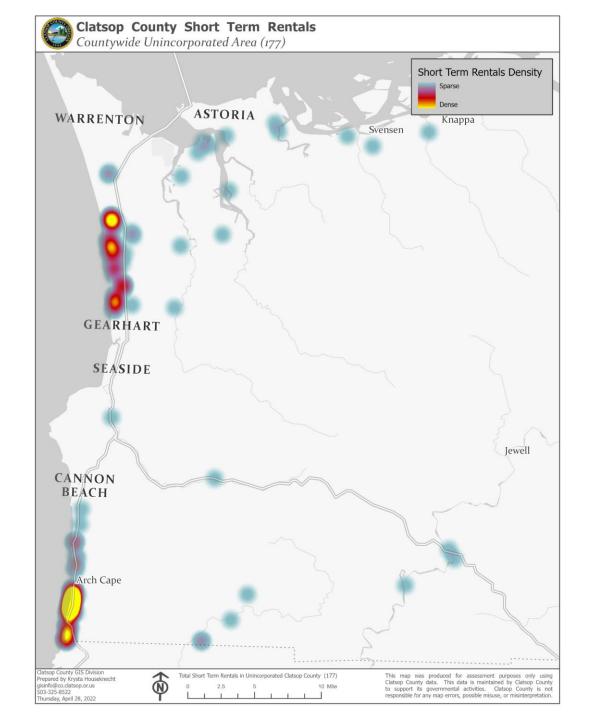


TABLE 1: SHORT-TERM RENTAL LOCATIONS BY ZONE					
Ζονε	NUMBER OF STRS	Percentage of Total STRs <sup>1</sup>	NUMBER OF STRS WEST OF HIGHWAY 101		
Agriculture Forestry (AF)	1	0.55%	0		
Arch Cape Rural Community Residential (AC-RCR)	68	37.57%	57		
Coastal Beach Residential (CBR)	25	13.81%	25		
Coastal Residential (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 OF STRS WEST OF HIGHWAY 101	Total # of Dwelling Units West Of Highway 101	Percentage of STRs per 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 \$1,000 – Non-owner/manager-occupied	2 Years
	CANNON BEACH	\$606, plus \$75 business license fee	14-DAY PERMIT: 14 days. Permit is valid for 1 year
	GEARHART	\$725, plus \$125 inspection fee	1 Year
	LINCOLN COUNTY	\$350 new application fee \$125 renewal fee	1 Year
	MANZANITA	\$75 application fee \$250 annual license fee	1 Year
	SEASIDE	\$20 filing fee \$475-\$550 business license fee \$430 planning review fee \$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**