

# CITY COUNCIL AGENDA ITEM COVER SHEET

**Meeting Date:** November 7, 2016

**To:** Members of the City Council

**From:** Will Norris, Finance Director / Assistant City Manager

**Subject:** Draft Code Amendment and Additions to Title 5 – Short-Term Rental Operating License

## **Background:**

The attached amendments to Title 5 of the Hood River Municipal Code (HRMC) implement Short-term Rental licensing requirements. Adoption of Operating License requirements are necessary to administer land use regulations adopted through Ordinance 2026 to Title 17 of HRMC which took effect on October 13, 2016. The proposed Title 5 amendments are consistent with the Strategy Two recommendations of the September 2015 Hood River Housing Needs Analysis.

Draft Title 5 rules were considered by the City Council at the September 26<sup>th</sup>, 2016 Regular Meeting. Written testimony on the proposed HRMC amendments was received through October 3<sup>rd</sup>, 2016 and attached to this coversheet. Changes from the Title 5 amendments last presented to the City Council in September are double underlined and deletions are noted in strike-through. Below is a summary of the most substantial changes:

### **Accommodation of spouses as additional license holders**

Prior language limited the ability of spouses to continue Short-term Rental operations after the passing of their partner by limiting license holders a single natural person and prohibiting licensure transfer. The proposed code amendment now allows multiple owners listed per Short-term Rental license. This is consistent with the current practice of listing both partners on Transient Room Tax licenses.

### **Mandatory in-person inspections**

The City Council expressed consensus that physical inspections should be required at first licensure. This requirement is included in the attached Title 5 amendments (5.10.090). The City's building codes contractor will perform the physical inspections and charge a separate inspection fee of \$225 for initial inspection and \$100 for re-inspections.

### **Graduated Fines**

Testimony from members of "Lovable Hood River" and "Livable Hood River" advocated interim and gradually increasing fines to promote code compliance

ahead of full license revocation. A system of fines for violations associated with Short-term Rental operation has been added to the attached code amendments (5.10.110) and is summarized in the table below. Where existing HRMC fines for nuisances already exists, the fines defer to existing fine amounts. Reoccurring violations no longer need to be “similar” in order to count towards license revocation.

		<b>Occurrence* of Violation within 12-mo. Period</b>			
		1st	2nd	3rd	4th & Each Add'l
Revocation				<b>Revocation Initiated</b>	<i>No License, previously Revoked</i>
Fine Amount	<b>Written warning</b> or Amt. Specified by existing HRMC, <i>whichever is more</i>	<b>\$250</b> or Amt. Specified by existing HRMC, <i>whichever is more</i>	<b>\$500</b> or Amt. Specified by existing HRMC, <i>whichever is more</i>	<b>\$500</b> or Amt. Specified by existing HRMC, <i>whichever is more</i>	<b>\$500</b> or Amt. Specified by existing HRMC, <i>whichever is more</i>

\* An "Occurrence" is defined as one or more violations of Title 5, Title 17, or any other Hood River Municipal Code, within a 24-hour period associated with the operation of an STR

**Maximum distance changed to maximum travel time for property contacts**  
 Short-term Rental applications are required to identify a local representative that can be contact concerning the use of the property or complaints related to the short-term rental. Initial language defined local as residing within a 10 mile radius of Hood River. There was general agreement during discussion at the September 26<sup>th</sup> meeting that response time was more important than distance. The distance based requirement has been replaced with a time based, 30 minute travel time from the subject property (5.10.050).

**Timing Considerations:**

The moratorium on new Short-term Rentals in the City of Hood River expires November 23, 2016. HRMC Title 17 requires existing non-conforming Short-term rentals to apply for an Operating license by December 12, 2016. An emergency clause is added to the attached Ordinance to facilitate the timely notification of licensure requirements and processing of applications.

**Staff Recommendation:** Approve the attached Ordinance 2028 as an Emergency Ordinance to take effect before the expiration of the current moratorium on new Short-term Rentals, November 23, 2016.

**Suggested Motion:**

I move to approve Ordinance 2028, as an Emergency Ordinance for the immediate preservation of the health, safety, and welfare of the City as detailed in the Ordinance, amending Hood River Municipal Code Title 5 (Business Taxes, Licenses and Regulation) Chapter 5.10 Short-term Rental Operating License.

*(Note: City Charter, Chapter VIII, Section 33. Emergency Ordinances. Ordinances necessary for the immediate preservation of the health, safety and welfare of the City may become effective immediately if the ordinance states the reason and if the ordinance is approved by the affirmative vote of five members of the Council.)*

### **Alternatives**

Continue to discuss and request changes to Title 5 to be brought back on November 14, 2016.

### **Fiscal Impact**

Initial calculations estimated an ongoing fiscal impact of approximately \$28,000 for implementation of the attached draft code amendments. Initial expenses in the first year will be greater dependent on the number of Short-term rentals applying for non-conforming status and level of accumulated demand for new licenses post-moratorium.

The fiscal impact of new short-term rental regulations will be offset by licensing revenue. Licensing fees will be set by separate Fee Resolution. Physical inspections will be performed by a third-party contractor that will charge a separate inspection fee, with no fiscal impact to the City.

### **Attachment(s):**

- Draft Chapter 5.10 Amendment to Title 5 of Hood River Municipal Code

IN THE CITY COUNCIL  
FOR THE CITY OF HOOD RIVER, OREGON

**ORDINANCE NO. 2028**

**An Ordinance amending Hood River Municipal Code Title 5 (Business Taxes, Licenses and Regulation) by Adding a New Chapter 5.10 (Short-term Rental Operating License) Governing the Review, Issuance, Enforcement and Administration of Operating Licenses for Short-term Rental Units in the City, and Declaring an Emergency**

The Hood River City Council finds as follows:

**WHEREAS**, the Hood River Housing Strategy Document was drafted and approved by the City Council on September 14, 2015 to provide a path for the City to implement the adopted housing policies taking into consideration the work done and policies adopted by the Council relative to the City's Vision and the City's Economic Opportunities Analysis. On that date, the City Council directed staff to begin the code process to limit and regulate short term rentals (Strategy 2 of the Housing Document); and

**WHEREAS**, the City Council discussed a variety of approaches and took testimony from citizens and other interested parties before reaching general consensus on a framework for Short-term Rental regulations. After taking public input on September 29, 2015, November 9, 2015 and November 16, 2015, the Council provided direction to City staff that it was equally concerned about both of the following:

1. That the growing number of short-term rentals in the City reduce the number of year-round dwelling units available for long-term rental by workers, which conflicts with Goal 9's directive to "create a desired balance between the quality of life of this community and economic health of the city" and
2. The increase of short-term rental units in the City's residential zones damaged the livability of those neighborhoods due to the clustering of vacation rentals and thereby conflicts with Goal 9's directive to "Preserve and promote the city's "quality of life" including small town atmosphere, family-oriented community;" and

**WHEREAS**, the council held a duly noticed public hearing on August 22, 2016 to consider land use regulations, amending Hood River Municipal Code (HRMC) Title 17, to regulate short-term rental units in various city zones; and

**WHEREAS**, at the conclusion of the August 22, 2016 hearing, the council adopted Ordinance 2016-2026, which amended HRMC Title 17 and took effect on October 13, 2016; and

**WHEREAS**, on May 23, 2016 the City adopted Ordinance 2016-2022, which imposed a six-month Moratorium on the acceptance, processing or approval of applications for Certificates of Authority to Collect Transient Room Taxes and on the registration of new hotels in residential zones within the City. Ordinance 2016-2022

provided for the automatic sunset of the moratorium on November 23, 2016 and was intended to allow for a deliberative process to establish new regulations of short-term rentals; and

**WHEREAS**, on September 26, 2016 the City Council held a duly noticed public hearing to consider amendments to the City’s business regulations in HRMC Title 5 to provide a license program and regulatory framework for short-term rental operations at the hearing, the Council accepted written and oral testimony on the proposal and revised the proposal in light of that testimony; and

**WHEREAS**, on November 7, 2016 the City Council held a duly noticed public hearing to consider the revised proposed amendments to HRMC Title 5 to provide a license program and regulatory framework for short-term rental operations in the City as a new Chapter 5.10 (Short-term Rental Operating License) set forth in Exhibit A, attached hereto and incorporated herein by this reference; and

**WHEREAS**, under the regulatory program envisioned by these amendments, short-term rentals must comply with the land use regulations in HRMC Title 17, obtain an operating license under HRMC Chapter 5.10 and pay the transient room tax under HRMC Chapter 5.09 (Hotel Tax) and comply with all of the substantive requirements of these regulations plus any additional conditions attached to the license; and

**WHEREAS**, to acquire nonconforming status as a short-term rental under HRMC Title 17, the dwelling had to have been lawfully established and in existence, including registered under HRMC Chapter 5.09 as of December 12, 2016, and the moratorium on issuance of new Certificates of Authority to Collect Transient Room Taxes expires automatically on November 23, 2016.

**NOW, THEREFORE**, based on the foregoing findings, which are incorporated herein by this reference, the Hood River City Council Ordains as follows:

**Section 1 – Amendment**. Title 5 (Business Taxes, Licenses and Regulation) of the Hood River Municipal Code is hereby amended to add a new Chapter 5.10 (Short-term Rental Operating License), set forth in Exhibit A, attached hereto and incorporated herein by this reference.

**Section 2 – Emergency Clause**. Due to the need to protect the public health safety and welfare through the consistent implementation and enforcement of Transient Lodging regulations without lapses or uncertainty, especially in the City’s residential zones, an emergency is hereby declared to exist that warrants this Ordinance taking effect concurrently with the expiration of the moratorium that was adopted by Ordinance 2016-2022 (November 23, 2016).

**Adopted and Approved** this 7<sup>th</sup> day of November 2016, to take on November 23, 2016.

AYES: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

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Paul Blackburn, Mayor

ATTEST:

Approved as to form:

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Jennifer Gray, City Recorder

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Daniel Kearns, City Attorney

# EXHIBIT A

## City of Hood River, Oregon

### Title 5 Code Amendments: Short-Term Rental (STR) Operating License (This draft has been revised to correspond to the newly adopted amendments to Title 17)

~~September 22,~~ October 31, 2016

The following is a DRAFT of code amendments to Title 5 (Business Taxes, Licenses and Regulation) of the Hood River Municipal Code (HRMC). Chapter 5.10 will be an entirely new chapter in Title 5. Changes to the September 22nd draft are shown in double-underline (new text) and strikeout (deleted text). The commentary is intended to provide some background regarding the amendments as well as to highlight discussion questions.

Draft Code Amendment	Commentary
<p><b>TITLE 5 - BUSINESS TAXES, LICENSES AND REGULATION</b></p> <p><b>Chapter 5.10 SHORT-TERM RENTAL OPERATING LICENSE</b></p> <p>Sections:</p> <p>5.10.010 Title.</p> <p>5.10.020 Purpose and Scope.</p> <p>5.10.<del>020</del><u>030</u> Definitions.</p> <p>5.10.<del>030</del><u>040</u> Annual Short-term Rental Operating License Required.</p> <p>5.10.<del>040</del><u>050</u> Application and Fee.</p> <p>5.10.<del>050</del><u>060</u> Term of Annual License and Transferability.</p> <p>5.10.<del>060</del><u>070</u> Operating License and License Renewal.</p> <p>5.10.<del>070</del><u>080</u> Criteria for Approval of an Operating License and Operating License Renewal.</p> <p>5.10.<del>080</del><u>090</u> Additional Operational Requirements.</p> <p>5.10.<del>090</del><u>100</u> <del>Revocation Procedure</del> <u>Violations</u>.</p> <p>5.10.<del>100</del><u>110</u> <del>Violations</del> - Penalties.</p> <p>5.10.<del>110</del><u>120</u> Appeals of Short-term Rental Operating License Determinations.</p> <p>5.10.<del>120</del><u>130</u> Discontinuance of Short-term Rental Occupancy.</p> <p>5.10.<del>130</del><u>140</u> Remedies Not Exclusive.</p>	<p>Chapter 5.10 will be an entirely new chapter in Title 5. All of the draft code amendments represent new language.</p>
<p><b>5.10.010 Title.</b></p> <p>The provisions of this chapter are intended to authorize and regulate the short-term rental of residential dwelling units on all property within the City of Hood River. To that purpose, there is added to the Hood River Municipal Code Chapter 5.10 entitled "Short-Term Rental Operating License," and those sections and subsections set forth below.</p>	

Draft Code Amendment	Commentary
<p><b>5.10. 020 Purpose and Scope.</b></p> <p>A. This ordinance provides reasonable and necessary regulations for the licensing of short-term rental of residential dwelling units in order to:</p> <ol style="list-style-type: none"> <li>1. Ensure the safety, welfare and convenience of renters, owners and neighboring property owners throughout Hood River.</li> <li>2. Balance the legitimate livability concerns with the rights of property owners to use their property as they choose.</li> <li>3. Recognize the need to limit short-term rental options within the neighborhoods to ensure compatibility, while recognizing the benefits of short-term rentals in providing recreation and employment opportunities.</li> <li>4. Help maintain the City’s needed housing supply for residential use.</li> <li>5. Protect the character of the City's neighborhoods by limiting the number and concentration of full-time short-term rentals in residential zones. In the adoption of these regulations, the City finds that the transient rental of dwelling units has the potential to be incompatible with surrounding residential uses. Therefore, special regulation of dwellings listed for transient occupancy is necessary to ensure that these uses will be compatible with surrounding residential uses and will not materially alter the neighborhoods in which they are located.</li> </ol> <p>B. A short-term rental license is a permission to operate a short-term rental in accordance with this chapter. An operating license may be <del>suspended</del>, terminated or revoked if the standards of this chapter are not met or the dwelling is sold or otherwise transferred as defined in this chapter. This chapter provides an administrative framework for licensing the annual operation of a short-term rental.</p> <p>C. The regulations of this code are not intended to permit any violation of the provisions of any other law or regulation.</p> <p>D. Exemption of a use from the provisions of this chapter shall not exempt the use from other applicable provisions of this Code.</p>	<p>A. The purpose identifies the basis for requiring the license for both Hosted Homeshares (HHS) and Vacation Home Rentals (VHR) in residential and commercial zones.</p>

Draft Code Amendment	Commentary
<p><b>5.10.020.030 Definitions.</b></p> <p>A. Applicant<u>(s)</u> means an owner<u>(s)</u> of a dwelling unit who applies to the City for a short-term rental operating license. <del>If the owner is a business entity such as a partnership, corporation, limited liability company, limited partnership, limited liability partnership or similar entity, only one natural person who owns an interest in that business entity shall be the applicant.</del></p> <p>B. Authorized agent is a property management company or other entity or person who has been designated by the applicant or licensee, in writing, to act on their behalf. The authorized agent may or may not be the designated representative for purposes of contact for complaints.</p> <p>C. City Manager means the City Manager or his or her designee.</p> <p>D. Hosted homeshare means the transient rental of a portion of a dwelling while the homeowner is present. For the purposes of this Title, “present” means the homeowner is staying in the dwelling overnight.</p> <p>E. Licensee means the owner<u>(s)</u> of a dwelling unit who holds a short-term rental operating license.</p> <p>F. Non-transient rental means to rent a dwelling unit or room(s) for compensation on a month-to-month basis, or for a longer period.</p> <p>G. Owner<u>(s)</u> means the natural person<u>(s)</u> or legal entity that owns and holds legal or equitable title to the property. If the owner is a business entity such as a partnership, corporation, limited liability company, limited partnership, limited liability partnership or similar entity, <del>any</del> <u>all</u> persons<u> who owns</u> an interest in that business entity <del>shall</del> <u>may</u> be considered an owner.</p> <p><del>H. Sale or transfer means any change of ownership of the real property of the license holder, whether or not there is consideration.</del></p> <p><u>H. †</u> Short-term rental means a Hosted Homeshare or Vacation Home Rental.</p> <p><u>I. †</u> Short-term rental operating license means the regulatory license required by</p>	<p>A. Multiple owners are now allowed on a license to accommodate spouses and other partner relationships. This is consistent with current practice of allowing multiple names on Transient Rental Tax certificates.</p> <p>H. (deleted) The definition of “sale or transfer” has been deleted. The definition of “sale” will rely on the dictionary. “Transfer” has been defined below.</p>

Draft Code Amendment	Commentary
<p>HRMC 5.10.030 and described in this chapter. It will be referenced as an “operating license.”</p> <p><u>J. Transfer means the addition or substitution of owners not included on the original license application, whether or not there is consideration. If multiple owners exist on a license, individual owners may be removed from the license without constituting a transfer.</u></p> <p>K. Transient rental means to rent a dwelling unit or room(s) for compensation on less than a month-to-month basis.</p> <p>L. Vacation home rental means the transient rental of an entire dwelling unit.</p>	<p>I. Only HHS and VHR are included in the definition of short-term rental and will be subject to the license requirement, not B&amp;Bs or hotels.</p> <p>The proposed definition of “transfer” allows individual owners to be removed from a license without constituting a transfer, but no owners can be added.</p>
<p><del>5.10.030.040</del> <b>Annual Short-term Rental Operating License Required.</b></p> <p>No owner of property within the Hood River City limits may advertise, offer, operate, rent, or otherwise make available or allow any other person to make available for occupancy or use a short-term rental without a short-term rental operating license. Advertise or offer includes through any media, whether written, electronic, web-based, digital, mobile or otherwise.</p>	
<p><del>5.10.040.050</del> <b>Application and Fee.</b></p> <p>A. Application Required. Applications for an operating license shall be on forms provided by the City, demonstrating the application meets the standards required by this chapter. The applicant or authorized agent shall certify the following information to be true and correct:</p> <p>1. Owner/Applicant Information. Applicant’s name, permanent residence address, telephone number, and the short-term rental address and telephone number. <del>if the owner is a business entity such as a partnership, corporation, limited liability company, limited partnership, limited liability partnership or similar entity, only one natural person may be the applicant, and if the license is issued, the applicant shall be the licensee.</del></p> <p>2. Proof of Residential Use (for conforming short-term rentals within the R-1, R-2 or R-</p>	<p>A2. This section has been updated to specify submittal requirements conforming STRs within the R-1, R-2 and R-3 zones.</p> <p>In order to eliminate unnecessary discretion, the allowance for “similar</p>

Draft Code Amendment	Commentary
<p>3 zones only). The residential use of a dwelling unit shall be established through its continued use as the primary residence of the property owner. The applicant shall provide at least two of the following items as evidence that the dwelling is the primary residence of the owner:</p> <ul style="list-style-type: none"> <li>• A copy of the voter registration.</li> <li>• A copy of an Oregon Driver’s License or Identification Card.</li> <li>• A copy of federal income tax return from last tax year (page 1 only financial data should be redacted).</li> <li>• <del>Similar proof that the dwelling unit is property owner’s primary residence.</del></li> </ul> <p>3. Representative Information. The applicant shall provide the name, telephone number, <u>address</u> and email of a local representative (which can be a person or company) who can be contacted concerning use of the property or complaints related to the short-term rental, as set forth in HRMC 5.10.070.080. For the purposes of this requirement, local means <u>the representative’s address is within a 30 minute travel time of the subject property</u> <del>a 10 mile radius of the City of Hood River.</del></p> <p>4. Parking. Statement that required parking spaces are available, with a dated photo(s) submitted of interior and exterior parking spaces. A site plan including a parking diagram of these parking spaces shall also be submitted.</p> <p>5. Occupancy. Occupancy limits and number of bedrooms.</p> <p>6. Good Neighbor Guidelines. Acknowledgment of receipt and review of a copy of the good neighbor guidelines. In addition, evidence that the good neighbor guidelines has been effectively relayed to short-term rental tenants, by incorporating it into the rental contract, including it in the rental booklet, posting it online, providing it in a conspicuous place in the dwelling unit, or a similar method.</p> <p>7. Listing Number. If they advertise, the listing numbers or website addresses of where the short-term rental advertises (such as the VRBO/Airbnb/rental website number, account number, URL, etc.).</p> <p>8. A completed checklist for fire safety as required by HRMC 5.10.070.080.C.2.</p> <p>9. Proof of garbage service as required by HRMC 5.10.070.080.C.3.</p>	<p>proof<sup>2</sup> is proposed to be deleted.</p> <p>A3. The meaning of a local representative has been changed from within 10 miles to within 30 minutes travel time.</p> <p>A8. Fire safety will be verified through in-person inspection at initial licensure per section 5.10.90.B</p>

Draft Code Amendment	Commentary
<p>10. Such other information as the City Manager or designee deems reasonably necessary to administer this chapter.</p> <p>B. Incomplete Application. If a license application does not include all required materials, the application will be considered incomplete and the City will notify the applicant, in writing, explaining the information required. If the applicant provides the missing required information within 30 calendar days of the date of the notice, the application will be reviewed. If the applicant does not provide the required information, the application will be deemed withdrawn and the City may refund all or a portion of the application fee.</p> <p>C. License Fee. The fee for application for a short-term rental operating license or license renewal shall be as established by resolution of the City Council.</p>	
<p><b>5.10.059.060 Term of Annual License and Transferability.</b></p> <p>A. Term. A short-term rental operating license shall be renewable annually on or before January 15<sup>th</sup>, the license may be renewed annually for up to four years by the licensee or authorized agent provided all applicable standards of this chapter are met. If an authorized agent changes during the operating license period, the licensee shall timely notify the City in writing of the change.</p> <p>B. Transferability. The operating license shall be issued in the name of the licensee(s) and is not transferable. <del>The operating license shall terminate and be deemed void when the licensee sells or transfers the property.</del></p>	<p>A. Licenses are for one year but may be renewed. The annual renewal process is intended to be relatively streamlined. The renewal timeframe mirrors existing taxi cab license language from Chapter 5 of HRMC and greatly reduces administrative burden. This means that a new, full application is necessary every 5 years.</p> <p>B. Licenses are not transferable. See definition of “transfer”</p>
<p><b>5.10.060.070 Operating License and License Renewal.</b></p> <p>A. License Must Be Obtained.</p> <p>1. An operating license shall be obtained and renewed as required in this section. The ability to operate a short-term rental in the City of Hood River shall be discontinued for failure to obtain or renew a license to operate as provided in this chapter.</p>	

Draft Code Amendment	Commentary						
<p>2. The maximum number of <del>days</del> <u>nights</u> per year which a short-term rental may be operated shall be in accordance with HRMC 17.04.115 and as specified below. <u>The license shall specify whether the short-term rental will be operated as a hosted homeshare or a vacation home rental; however, the number of nights allowed is the maximum number for all short-term rental use of the subject property.</u> The maximum number of <del>days</del> <u>nights</u> shall be indicated on the license and shall not be exceeded.</p> <table border="1" data-bbox="123 630 1130 848"> <tr> <td data-bbox="123 630 846 716">Short-term rentals in C-1 and C-2 zones:</td> <td data-bbox="846 630 1130 716">365 <del>days</del> <u>nights</u> /year</td> </tr> <tr> <td data-bbox="123 716 846 758">Conforming short-term rentals in R-1, R-2 and R-3 zones:</td> <td data-bbox="846 716 1130 758">90 <del>days</del> <u>nights</u> /year</td> </tr> <tr> <td data-bbox="123 758 846 848">Existing non-conforming short-term rentals in R-1, R-2 and R-3 zones:</td> <td data-bbox="846 758 1130 848">see HRMC 5.10.060.070.A.3</td> </tr> </table> <p>3. Existing Nonconforming Short-term Rentals within the R-1, R-2 and R-3 zones. For the purposes of this section, an existing non-conforming short-term rental is one which meets all of the standards and criteria in HRMC 17.04.115.D. The extent of the non-conformity shall be limited to the maximum number of nights of transient rental which previously occurred in any one calendar year, 2013 through October 13<sup>th</sup>, 2016. The applicant has the burden of proving by a preponderance of credible evidence all of the elements of a nonconforming hosted homeshare or vacation home rental.</p> <p>B. Application and Renewal Application Process.</p> <p>1. Existing Short-term Rentals. <del>A complete operating license application and fee is due for all existing short term rentals by January 13, 2017.</del> Existing short-term rentals may continue to operate until such time as the City has approved or denied the application. If approved, the license may be renewed annually thereafter in accordance with subsection C, below. If denied, operation of the short-term rental must cease within 30 days. Failure to submit an application as required by this section shall result in the loss of all non-conforming use status.</p> <p>2. New Short-term Rentals. A license shall be obtained before beginning operations. A completed operating license application and fee may be submitted and issued at any time. The license may be renewed annually thereafter in accordance with subsection C, below.</p>	Short-term rentals in C-1 and C-2 zones:	365 <del>days</del> <u>nights</u> /year	Conforming short-term rentals in R-1, R-2 and R-3 zones:	90 <del>days</del> <u>nights</u> /year	Existing non-conforming short-term rentals in R-1, R-2 and R-3 zones:	see HRMC 5.10.060.070.A.3	<p>A2. This section reflects the requirements in Title 17 regarding the number of nights a STR can be rented. It has been updated to clarify that the number of nights is the total (i.e., HHs and VHRs are not calculated separately).</p> <p>A3. This section reflects the requirements in Title 17 regarding the number of days a non-conforming STR can be rented.</p> <p>B1. Title 17 requires existing non-conforming hosted homeshares or vacation home rentals to apply for a Short-term Rental Operating license within 60 days of the effective date (Oct. 13<sup>th</sup> 2016) of Ordinance 2026, which is Dec 12<sup>th</sup>, 2016. Section B1 had allowed until January 13<sup>th</sup>, 2017 for incomplete applications to gather the necessary evidence to establish their extent of non-conformity. The current draft leaves the deadline for final application submittal silent due to uncertainty around the length of time</p>
Short-term rentals in C-1 and C-2 zones:	365 <del>days</del> <u>nights</u> /year						
Conforming short-term rentals in R-1, R-2 and R-3 zones:	90 <del>days</del> <u>nights</u> /year						
Existing non-conforming short-term rentals in R-1, R-2 and R-3 zones:	see HRMC 5.10.060.070.A.3						

Draft Code Amendment	Commentary
<p>C. Renewal Standards.</p> <ol style="list-style-type: none"> <li>1. Operating licenses may be renewed by the licensee annually for up to four years after the year of issuance.</li> <li>2. The City will review an application for operating license renewal and issue a renewal provided all the standards in this chapter continue to be met. If not met, the City will not renew the operating license and the property shall not be used as a short-term rental.</li> </ol> <p><del>D.3.</del> A decision on an operating license application or renewal may be appealed as provided in HRMC 5.10-<del>110</del><u>120</u>.</p>	<p>needed to perform in-person inspections.</p> <p>Allowing continued operation for 30 days after denial is intended to avoid making any current guests illegal and allow some time to cancel future reservations.</p> <p>C. The application for a renewal will be a streamlined version of the original operating licenses application form.</p>
<p><b>5.10-<del>070</del><u>080</u> Criteria for Approval of an Operating License and Operating License Renewal.</b></p> <p>A. The applicant has the burden of proof to demonstrate compliance with each applicable criterion for approval or renewal of the operating license. The approval criteria also operate as continuing code compliance obligations of the owner. Staff may verify evidence submitted and the applicant shall cooperate fully in any investigation.</p> <p>B. To receive approval, an applicant must demonstrate that all approval criteria listed below has been satisfied:</p> <ol style="list-style-type: none"> <li>1. Zoning. The property is in compliance with requirements of HRMC Title 17 (Zoning).</li> <li>2. Contact Information. The applicant or authorized agent has provided information sufficient to verify a qualified person will be available to be contacted about use of the short-term rental during and after business hours. The licensee or representative shall be available to be contacted by telephone to ensure a response to the short-term rental address at all hours (24 hours a day, seven days a week) while the dwelling unit is occupied for rent. <u>Response must be within 30 minutes.</u> The designated representative may be changed from time to time throughout the term of the license. To do so, the license information shall be revised with the City at least 14 days prior to</li> </ol>	<p>B2. This section has been amended to clarify that the response time must be within 30 minutes. Response could be by phone, email or other communication method.</p>

Draft Code Amendment	Commentary
<p>the date the change takes effect, except when the failure to do so is beyond the licensee’s control. In an emergency or absence, contact forwarding information to a qualified person may be provided for the licensee or representative. In the case of Hosted Homeshares, the contact person shall be the permanent resident who will be hosting the transient accommodations.</p> <p>3. Notice to Neighbors. For Vacation Home Rentals, the licensee or authorized agent shall either: (a) provide an annual mailing or otherwise distribute by hand, a flier to neighbors within a 250-foot radius of the short-term rental property address containing the operating license number and owner or representative contact information, or (b) post a small placard or sign as specified by the City on the property in proximity to the adjacent street advising neighbors and tenants of the same information where it can be seen from the public right-of-way.</p> <p>The purpose of this notice is so that adjacent property owners and residents can contact a responsible person to report and request resolution of problems associated with the operation of the short-term rental. If the permanent contact information changes during the license period, the new information must be mailed or distributed again, or changed on the placard or sign.</p> <p>C. Health and Safety.</p> <p>1. Responsibility. It is the licensee’s responsibility to assure that the short-term rental is and remains in substantial compliance with all applicable codes regarding fire, building and safety, health and safety, and other relevant laws.</p> <p>2. Fire and Emergency Safety. A completed checklist for fire safety (fire extinguishers, smoke alarms, carbon monoxide detectors, etc.) shall be required with each annual operating license application and renewal. The licensee shall be responsible for completing the fire safety checklist and ensuring continued compliance. <del>Verification by the City Fire Department shall be at the City Manager’s discretion. Verification by the City shall be required prior to issuance of a license and may be required for each renewal at the City Manager’s discretion.</del></p> <p>3. Solid Waste Collection – minimum service requirements. During all months that the dwelling is available for transient accommodation, Hosted Homeshares shall have at a minimum bi-weekly (every other week) solid waste collection service and Vacation Home Rentals shall have weekly solid waste collection service with assisted pick-up provided by the solid waste provider, if available. For the purposes of this section,</p>	<p>B3. As written, the notice to neighbors would not apply to HHS.</p> <p>**B4. (previously deleted) A section had required property contact information to be available in a publicly searchable database. Staff will work to make property contact information available, but the specificity in the previous ordinance language caused issues as there are currently no systems in place to facilitate such a online searchable database.**</p> <p>C2. This section has been amended to require verification by the City at time of application for a new license. A new application is required every five years. For renewals verification would be at the City Manager’s discretion.</p> <p>C3. Solid waste collection service is required for</p>

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<p>assisted pick-up means the collection driver retrieves the cart from the driveway, rolls it out for service, and then places it back in its original location.</p> <p>4. The maximum occupancy for the dwelling shall be two persons per bedroom (as defined by the International Building Code) and two additional persons (e.g., a two-bedroom dwelling is permitted a maximum occupancy of six persons).</p> <p>D. Mandatory Postings. The short-term rental license issued by the City (or a copy thereof) shall be displayed in a prominent location within the interior of the dwelling adjacent to the front door. The license will contain the following information:</p> <ol style="list-style-type: none"> <li>1. A number or other identifying mark unique to the short-term rental operating license which indicates the license is issued by the City of Hood River, with the date of expiration;</li> <li>2. The name of the licensee or representative and a telephone number where the licensee or representative may be contacted;</li> <li>3. The number of approved parking spaces;</li> <li>4. The maximum occupancy permitted for the short-term rental;</li> <li>5. Any required information and conditions specific to the operating license;</li> <li>6. Day of week of trash pickup;</li> <li>7. The property address; and</li> <li>8. The City of Hood River official logo.</li> </ol> <p><del>E. No Pending Actions or Violations. At the time of application, the applicant for a short term rental shall not have received a civil citation regarding compliance of the subject short term rental property with any provision of the City of Hood River Code. A voluntary assurance of compliance, negotiated compliance agreement, or deferred sentence agreement will satisfy the requirement that there be no pending actions or violations.</del></p> <p><del>E.</del>F. The licensee shall be in compliance with the Hotel Tax Code pursuant to HRMC Chapter 5.09, and subject to the Tax Administrator’s authority under that chapter.</p> <p><del>E.</del>G. Parking.</p> <ol style="list-style-type: none"> <li>1. One (1) hard surfaced off-street parking space shall be provided for every two bedrooms. In calculating the number of spaces required, the total shall be rounded up. Parking areas shall not be located in the front yard. If the garage is to be utilized to meet the parking requirement, a photo of the interior of the garage shall be</li> </ol>	<p>both HHSs and VHRs, although HHSs are required to provide only bi-weekly service. VHRs are required to provide weekly enhanced service.</p> <p>C4. The maximum occupancy is consistent with that proposed in the Title 17 amendments.</p> <p>E. (deleted) This section is in conflict with the updated violations and penalties section and therefore should be deleted.</p> <p>F. The parking standard is generally consistent with that included in the draft Title 17 language.</p>

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<p>submitted to show the garage is available for parking. Required parking may be permitted on another lot within 250 feet of the subject property with a shared parking agreement or proof of legal parking access.</p> <p>2. A parking diagram of the approved parking spaces shall be provided to tenants and be available in a prominent location within the short-term rental dwelling.</p>	
<p><b>5.10.080.090 Additional Operational Requirements.</b></p> <p>A. Advertising and License Number. The licensee or authorized agent shall put the annual operating license number on all advertisements for the specific property, if legally possible.</p> <p>B. Complaints.</p> <p>1. Response to Complaints. The licensee or representative shall respond to neighborhood questions, concerns, or complaints in a reasonably timely manner depending on the circumstances.</p> <p>2. Record of Response. The licensee or representative shall maintain a record of complaints and the actions taken in response to the complaint, if relevant, in an electronic or written manner deemed reasonable to document the interaction. If kept, this record can then be made available for City inspection upon request to investigate a complaint.</p> <p><del>3. City Authority. Complaints related to nuisance and noise and other violations of the HRMC are subject to the enforcement procedures outlined in HRMC Title 1 and may be made to directly to the City of Hood River. If a complaint is made first to the licensee or representative and there is a failure to respond or a clearly inadequate response, a complaint may be submitted to the City on a form provided by the City and the City will respond or investigate as needed.</del></p> <p>C. Inspection. Upon application for an operating license all short-term rentals shall be subject to inspection by the City for compliance with this section.</p> <p>1. The City Manager may conduct a site visit upon an application for a short-term rental to confirm the number of bedrooms (as defined by the International Building Code) stated on the application and the number, location and availability of on-site parking spaces. The site visit will be coordinated with the applicant and be conducted</p>	<p>B3. (deleted). This section is unnecessary with the updated violations and penalties section and therefore should be deleted.</p> <p>C1. Note that by definition in this chapter the City Manager includes the City Manager or designee.</p>

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<p>during the City’s normal business hours, and with reasonable notice.</p> <p>2. The City Manager may visit and inspect the site of a short-term rental to ensure compliance with all applicable regulations, during the City’s normal business hours, and with reasonable notice and other procedural safeguards as necessary. Code violations shall be processed in accordance with HRMC Title 1.</p> <p><del>C. D.</del> Administrative Rules. The City Manager shall have the authority to establish administrative rules and regulations consistent with the provisions of this chapter for the purpose of interpreting, clarifying, carrying out, furthering, and enforcing the provisions of this chapter. A copy of such administrative rules and regulations shall be on file in the Office of the City Recorder and be posted on the City website.</p>	
<p><b>5.10.090.100 Violations – Penalties.</b></p> <p>In addition to complaints related to nuisance and noise and other violations of the HRMC, <del>the revocation procedure of HRMC 5.10.090, any person or owner who uses, or allows the use of, property in violation of this chapter is subject to the enforcement authority of HRMC Title 1.</del> the following conduct also constitutes a violation of this chapter and is a civil infraction:</p> <p>A. The discovery of material misstatements or providing of false information in the application or renewal process <del>is grounds for immediate revocation of the operating license.</del></p> <p>B. Representing a dwelling as available for occupancy or rent as a short-term rental where the owner does not hold a valid operating license issued under this chapter, or making a short-term rental available for use, occupancy or rent without first obtaining a valid operating license;</p> <p>C. Advertising or renting a short-term rental in a manner that does not comply with the standards of this chapter; and</p> <p>D. Failure to comply with the substantive standards of HRMC 5.10.070.080 and HRMC 5.10.080.090.</p>	<p>This section has been amended to focus solely on violations. Penalties (both fines and revocation) are addressed in 5.10.110, below.</p>
<p><b>5.10.090.110 Revocation Procedure Penalties.</b></p>	<p>This section has been updated to address fines</p>

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<p><u>A. In addition to the fines and revocation procedures described below, any person or owner who uses, or allows the use of, property in violation of this chapter is subject to the enforcement authority of HRMC Title 1.</u></p> <p><u>B. Fine amounts for violations will be as specified in HRMC. Violations of this chapter or HRMC Chapter 17.04.115 will incur the penalties below. Each twenty-four hour period in which a dwelling is used in violation of this chapter or any other chapter of the HRMC shall be considered an occurrence for calculation of the following fines:</u></p> <p><u>1. The first occurrence of one or more violation(s) within a 12-month period will incur a warning or other fine amount otherwise specified in HRMC, whichever is greater.</u></p> <p><u>2. A second occurrence of one or more violation(s) within a 12-month period is subject to a \$250 fine or other fine amount otherwise specified in HRMC, whichever is greater.</u></p> <p><u>3. A third occurrence and all subsequent occurrences of violation(s) within a 12-month period is subject to a \$500 fine or other fine amount otherwise specified in HRMC, whichever is greater.</u></p> <p><u>C. Revocation. The following actions are grounds for immediate revocation of an operating license:</u></p> <p><u>1. Failure to renew an operating license as set forth in HRMC 5.10.060.070 while continuing to operate a short-term rental is grounds for immediate revocation of the operating license.</u></p> <p><u>2. Failure to meet the criteria required by HRMC 5.10.070 is grounds for immediate revocation of the operating license. The occurrence of three or more violations within a 12-month period resulting in fines pursuant to 5.10.110.B3.</u></p> <p>3. The discovery of material misstatements or providing of false information in the application or renewal process is grounds for immediate revocation of the operating license.</p> <p><u>4. 5. Such other violations of this chapter of sufficient severity in the reasonable judgment of the City Manager, so as to provide reasonable grounds for immediate</u></p>	<p>and revocations.</p> <p>B. The fines proposed reflect the Council's direction. In order to avoid the impact of multiple violations resulting from a single call, multiple violations in a 24 hour period are considered a single occurrence.</p> <p>B3. Three (3) occurrences is also a trigger for revocation proceedings.</p> <p>C. This section outlines the grounds for revocation of a license.</p> <p>C2 this section has been rewritten to clarify that 3 or more violations triggering 5.10.110.B3 is grounds for revocation.</p>

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<p>revocation of the operating license.</p> <p><del>6. Other violations of this chapter, including but not limited to City initiated investigation/sustaining of complaints, shall be processed as follows:</del></p> <p><del>a. For the first violation within a 12 month period, the sanction shall be a warning notice.</del></p> <p><del>b. If the same offense continues to occur or a second similar offense occurs at any time during a 12 month period, the City may suspend the operating license for 90 days, depending on the severity of the offense.</del></p> <p><del>c. If a third similar offense occurs at any time during a 12 month period, the penalty shall be revocation.</del></p> <p><del>D. B.</del> Notice of Decision/Appeal/Stay. If the operating license is <del>suspended or</del> revoked as provided in this section, the City Manager shall send written notice of <del>suspension and</del> revocation to the licensee stating the basis for the decision. The notice shall include information about the right to appeal the decision and the procedure for filing an appeal. The licensee may appeal the City Manager’s decision to revoke the operating license under the procedures set forth in HRMC 5.10.<del>110,120</del>. Upon receipt of an appeal, the City Manager shall stay the <del>suspension or</del> revocation decision until the appeal has been finally determined by the Hearing Officer.</p>	<p>C6. (deleted) this section is now redundant to section B above.</p> <p>D. This section has been updated to indicate that the Hearings Officer is the appeal body for the City Manager’s decision to revoke a license.</p>
<p><b>5.10.<del>110,120</del> Appeals of Short-term Rental Operating License Determinations.</b></p> <p>A. Filing Requirements – Notice. The licensee or authorized agent may appeal a short-term rental operating license decision to <u>deny or</u> revoke an operating license under HRMC 5.10.<del>090,100</del>.</p> <p>B. Authority to Decide Appeal. The Hearings Officer shall be responsible for determining an appeal of a decision approving or denying an application or renewal application for an operating license, or revoking or suspending an operating license, in any zone.</p> <p>C. Time for Filing. An appellant is required to file a written notice of appeal including the basis for the appeal within 14 calendar days of the license determination being appealed. This requirement is jurisdictional and late filings shall not be allowed.</p> <p>D. Fee for Appeal. The City Council may establish by resolution a fee for filing an appeal, which shall be jurisdictional.</p>	<p>This section establishes that the Hearings Officer is the appeal body for the City Manager’s decision to deny or revoke a license. Fines are subject to the procedures in Title 1.</p>

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<p>E. Procedures. The City Manager may establish administrative procedures to implement the appeal procedures provided in this section, including any required forms. The Council may adopt procedures for hearings not in conflict with this section, including but not limited to time limits on oral testimony and limitations on written argument.</p> <p>F. Hearing. Within 35 days of receiving the notice of appeal, the City Manager shall schedule a hearing on the appeal before the Hearings Officer. At the hearing, the appellant shall have the opportunity to present evidence and arguments as may be relevant. The Hearings Officer may direct the City Attorney to draft findings of fact and interpretations of code or law to be considered at a later meeting.</p> <p>G. Standard of Review and Decision. The Hearings Officer shall determine whether the City’s decision was based on a preponderance of the evidence. A decision of the Hearings Officer shall be based on the evidence received, in writing and signed by the chair, no later than 30 days after the close of the hearing. The Hearings Officer may determine not to suspend or revoke the license, or to revoke or suspend the license. If the Hearings Officer upholds the decision to revoke the operating license, the Hearings Officer shall order the licensee to discontinue use as a short-term rental. If the Hearings Officer reverses the decision to revoke the operating license, the operating license shall be continued.</p> <p>H. Finality. The Hearings Officer’s decision shall be final on the date of mailing the decision to the appellant. The Hearings Officer’s decision is the final decision of the City and is appealable only by writ of review to Circuit Court.</p>	<p>As written in section 5.10.110.D, the City Manager shall stay the revocation decision until the appeal has been finally determined by the Hearings Officer.</p>
<p><b>5.10.120.130 Discontinuance of Short-term Rental Occupancy.</b></p> <p>A. After Revocation. After a short-term rental operating license has been revoked, the dwelling unit may not be used or occupied as a short-term rental unless a subsequent license is granted, and the licensee whose license has been revoked shall not be eligible to reapply for a short-term rental license for short-term rental occupancy of the same property <u>for a period of two years</u>.</p> <p>B. After Expiration. If a short-term rental operating license expires, the dwelling unit may not be used or occupied as a short-term rental until such time as a subsequent license has been granted for that property.</p>	<p>A. This section has been updated to clarify that a licensee whose license has been revoked cannot reapply for a period of two years. The indefinite denial was inconsistent with the revised penalties section. The draft in the Council’s May 2016 packet had a 12 month</p>

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	ineligibility period.
<p><b>5.10.130, 140 Remedies Not Exclusive.</b>                      The remedies provided in this chapter are in addition to, and not in lieu of, all other legal remedies, criminal and civil, which may be pursued by the City to address any violation of this code, the Development Code, or other public nuisance.</p>	