

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

ORDINANCE NO. 2026

An Ordinance amending Hood River Municipal Code Title 17 (Zoning) Chapter 17.01.060 Definitions; Chapters 17.03.010 Urban Low Density Residential Zone (R-1), Urban Standard Density Residential Zone (R-2), 17.03.030 Urban High Density Residential Zone (R-3), 17.03.040 Office/Residential Zone (C-1); 17.03.050 General Commercial Zone (C-2); Chapter 17.23 Accessory Dwelling Units (ADU) and to add a new section 17.04.115 Hosted Home Shares and Vacation Rentals

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 STR regulations. After taking public input on September 29, 2015, November 9, 2015 and November 16, 2015, the Council formalized their direction stating they were equally concerned about the number of short term rentals reducing the number of year-round units available for year round workers (in conflict with Goal 9- "create a desired balance between the quality of life of this community and economic health of the city") as well as the erosion of the livability of neighborhoods due to the clustering of vacation rentals (in conflict with Goal 9 - "Preserve and promote the city's "quality of life" including small town atmosphere, family-oriented community") and directed staff to draft code; and

WHEREAS, this initial draft was presented to the Planning Commission for public hearing; and this draft code was used as the basis for the City Council to initiate potential code amendments in accordance with HRMC 17.08.010 (Legislative Zone Changes and Plan Amendments); and

WHEREAS, the Department of Land Conservation and Development (DLCD) was notified on January 26, 2016 for a February 29, 2016 public hearing before the Planning Commission. The Planning Commission hearing was held on February 29, 2016; and deliberated on March 21, 2016 and April 4, 2016 culminating in a recommendation of the proposed changes to Title 17 to the City Council; and

WHEREAS, the Hood River City Council held a duly noticed public hearing on at the Council's April 11, 2016 and April 25, 2016 meetings at which time the Council accepted written and oral testimony; and

WHEREAS, the Hood River City Council deliberated again at its regular public meetings on May 9, 2016, June 7, 2016, June 13, 2016, June 27, 2016 and July 25, 2016, after which the Council deliberated and tentatively voted to approve a modified set of short-term rental regulations as amendments to HRMC Title 17 as set forth in Exhibit A.

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 17 (Zoning) Chapter 17.01.060 Definitions; Chapters 17.03.010 Urban Low Density Residential Zone (R-1), Urban Standard Density Residential Zone (R-2), 17.03.030 Urban High Density Residential Zone (R-3), Office/Residential Zone (C-1); 17.03.050 General Commercial Zone (C-2); Chapter 17.23 Accessory Dwelling Units (ADU) of the Hood River Municipal Code shall be amended as set forth in Exhibit A, attached hereto and incorporated herein by this reference, and a new section 17.04.115 Hosted Home Shares and Vacation Rentals shall be added.

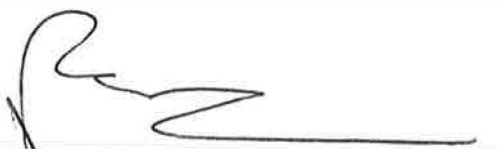
Section 2 – Supplemental Findings Adopted. As supplemental findings, Council adopts the Findings of Fact and Conclusions of Law set forth in Exhibit B, attached hereto and incorporated herein by this reference.

Section 3 – Savings Clause. In the event that a court of competent jurisdiction determines that any provision, clause, section, subsection or part thereof is unconstitutional or unlawful in any respect, that determination shall not affect the validity of all remaining provisions, clauses, sections, subsections or parts thereof, which shall remain in full force and effect.

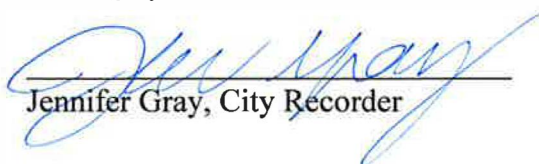
Read for the First Time this 22 day of August 2016.

Read for the Second Time and approved this 12 day of September 2016. This Ordinance shall take effect on the 31st day following the second reading.

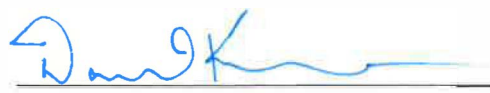
AYES: 5
NAYS: 1
ABSTAIN: 1
ABSENT: 0


Paul Blackburn, Mayor

ATTEST:


Jennifer Gray, City Recorder

Approved as to form:


Daniel Kearns, City Attorney

17.01.060 Definitions. As used in this title, the singular includes the plural and the masculine includes the feminine and neuter. The word "may" is discretionary, but the word "shall" is mandatory. The following words and phrases shall have the meanings given them in this section.

BED AND BREAKFAST FACILITY means a single-family dwelling ~~where travelers and/or guests are lodged for sleeping purposes, which~~ conducts transient rental of rooms with or without a morning meal, ~~and for which compensation is paid.~~

BOARDING HOUSE, LODGING HOUSE, OR ROOMING HOUSE means a building where the non-transient rental of lodging, with or without meals, is provided for compensation for to over five (5) people. four (4) guests.

DWELLING UNIT means a single unit providing complete, independent living facilities for one (1) or more person, including permanent provisions for living, sleeping, eating, cooking, and sanitation. Buildings with more than one set of cooking facilities are considered to contain multiple dwelling units unless the additional cooking facilities are clearly accessory, such as an outdoor grill.

GROUP RESIDENTIAL means residential occupancy of dwelling units by groups of more than five (5) persons who are not related by blood, marriage, legal adoption or legal guardianship, and where communal kitchen and dining facilities are provided. Typical uses include the occupancy of rooming boarding houses, cooperatives, halfway houses, and intermediate care facilities.

HOSTED HOMESHARE means the transient rental of a portion of a dwelling while the homeowner is present.

HOSTEL means any establishment having beds rented or kept for rent on a daily basis to travelers for a charge or fee paid or to be paid for rental or use of facilities and which are operated, managed, or maintained under the sponsorship of a non-profit organization that holds a valid exemption from federal income taxes under the federal law. (See ORS 446.310.)

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.

RESIDENTIAL OR RESIDENTIAL USE means the occupancy of a dwelling unit living accommodations on a non-transient basis. Uses where tenancy is arranged on a transient basis are not considered residential.

RESIDENTIAL DEVELOPMENT means single-family dwellings, manufactured home, duplexes, triplexes, townhouses, residential condominiums, multi-family dwellings, accessory dwelling units, group residential facilities, and similar structures. In some circumstances the use of residential development for non-residential uses may be approved.

Single-Family Dwelling, Detached (Detached Single Family Dwelling). A detached single-family dwelling unit located on its own lot.

TRANSIENT RENTAL means to rent a dwelling unit or room(s) for compensation on less than a month-to-month basis.

VACATION HOME RENTAL means the transient rental of an entire dwelling unit.

17.03.010 Urban Low Density Residential Zone (R-1)

A. Permitted Uses.

1. Detached single-Single family dwellings for residential use and accessory structures
- ~~2. Home Occupations~~
- ~~23.~~ Manufactured homes for residential use
- ~~34.~~ Mobile home parks
- ~~5. Family day care~~
- ~~46.~~ Residential care facilities
- ~~57.~~ Transportation facilities pursuant to 17.20.050(A)
- ~~68.~~ Public parks, playgrounds, and related facilities in an approved subdivision, subject to site plan review
- ~~9. Accessory dwelling units~~
7. Accessory uses permitted when accessory to residential use:
 - a. Accessory dwelling units subject to HRMC 17.23
 - b. Family day care subject to HRMC 17.04.100
 - c. Home Occupations subject to HRMC 17.04.100
 - d. Hosted homeshares and vacation home rentals subject to HRMC 17.04.115

B. Conditional Uses. In the R-1 zone the following uses are allowed subject to the provisions of Chapter 17.06:

1. Planned unit-developments
2. Schools and child care centers
3. Public parks, playgrounds, and related facilities
4. Utility or pumping substations
5. Churches Religious Institutions

C. Site Development Requirements.

1. Minimum Lot Size: The minimum lot or parcel size shall be 7,000 square feet.
2. The minimum requirements for building sites are as follows:
 - a. Per dwelling, unit a minimum of 7,000 square feet.
 - b. A minimum frontage of fifty (50) feet on a dedicated public street.
 - c. A minimum frontage of thirty (30) feet on a public dedicated cul-de-sac.
3. Lot Coverage: Pursuant to 17.04.120

D. Setback Requirements. The minimum setback requirements shall be as follows:

1. No structure shall be placed closer than ten (10) feet from the nearest public right-of-way line of a dedicated public street.
2. Garages that directly face adjacent streets shall be at least twenty (20) feet from the nearest public right-of-way lines of the dedicated public streets. Garages so constructed to not face an adjacent street may be ten (10) feet from the nearest right-of-way line of the dedicated public street. Detached garages so constructed to not face an adjacent public dedicated alley may be five (5) feet from the right-of-way line.
3. Side yard/rear yard.
 - a. No structure shall be placed closer than six (6) feet from the side property line.
 - b. Structures greater than twenty-eight (28) feet in height shall be eight (8) feet from the side property line.
 - c. No structure shall be placed closer than ten (10) feet from the rear property line.
 - d. Projections may not encroach more than three (3) inches for each foot of required yard setback width.

E. Maximum Building Height. Thirty-five (35) feet for all uses except residential ~~uses development~~; twenty-eight (28) feet for all residential ~~uses development~~.

F. Parking Regulations.

1. Individual dwelling units shall be provided with at least two (2) parking spaces on the building site, one (1) of which may be within the required front yard setback area.
2. Parking spaces utilizing access from a public dedicated alley may be located within the setback area.
3. All parking areas and driveways shall be hard surfaced prior to occupancy, under the following circumstances:
 - a. New construction
 - b. Change of use
 - c. New or expanded parking area

G. Signs. All signs shall be in conformance with the sign regulations of this title.

17.03.020 Urban Standard Density Residential Zone (R-2)**A. Permitted Uses.**

1. Detached single family dwellings for residential use and accessory structures
2. Duplexes for residential use
- ~~3. Home occupations~~
- ~~34. Manufactured homes for residential use~~
- ~~5. Bed and breakfast facilities~~
- ~~46. Mobile home parks~~
- ~~7. Family day care~~
- ~~58. Residential care facilities~~
- ~~69. Group residential, if less than fifteen (15) persons~~
- ~~710. Transportation facilities pursuant to 17.20.050(A)~~
- ~~811. Public parks, playgrounds, and related facilities in an approved subdivision, subject to site plan review~~
- ~~12. Accessory dwelling units~~
9. Accessory uses permitted when accessory to residential use:
 - a. Accessory dwelling units subject to HRMC 17.23
 - b. Bed and breakfast facilities subject to HRMC 17.04.110
 - c. Family day care subject to HRMC 17.04.100
 - d. Home Occupations in accordance with HRMC 17.04.100
 - e. Hosted homeshares and vacation home rentals subject to HRMC 17.04.115

B. Conditional Uses.

1. Planned unit developments
2. Schools and child care centers
3. Public parks, playgrounds, and related facilities
4. Utility or pumping substations
5. ~~Churches~~ Religious institutions
6. Townhouse projects for residential use

C. Site Development Standards. The minimum lot or parcel size shall be 5,000 square feet. The minimum requirements for building sites are as follows:

1. Per dwelling unit or duplex, a minimum of 5,000 square feet.
2. Per townhouse building, a minimum of 2,100 square feet.
3. A minimum frontage of fifty (50) feet on a dedicated public street.
4. A minimum frontage of thirty (30) feet on a dedicated public cul-de-sac.
5. Lot Coverage: Pursuant to 17.04.120

D. Setback Requirements. The minimum setback requirements shall be as follows:

1. No structure shall be placed closer than ten (10) feet from the nearest public right-of-way line of a dedicated public street.
2. Garages that directly face adjacent streets shall be at least twenty (20) feet from the nearest public right-of-way lines of the dedicated public streets. Garages so constructed to not face an adjacent street may be ten (10) feet from the nearest right-of-way line of the dedicated public street. Detached garages so constructed to not face an adjacent public dedicated alley may be five (5) feet from the right-of-way line.
3. Side yard/ rear yard.
 - a. No structure shall be placed closer than five (5) feet from the side property line.
 - b. Structures greater than twenty-eight (28) feet in height shall be eight (8) feet from the side property line.
 - c. No structure shall be placed closer than ten (10) feet from the rear property line.
 - d. Projections may not encroach more than three (3) inches for each foot of required yard setback width.

E. Maximum Building Height. Thirty-five (35) feet for all uses except residential ~~uses~~ development; twenty-eight (28) feet for all residential ~~uses~~ development.

F. Parking Regulations.

1. Each dwelling unit shall be provided with at least two (2) parking spaces on the building site, one (1) of which may be in the required front yard setback area.
2. Parking spaces utilizing access from a public dedicated alley may be located within the setback area.
3. All parking areas and driveways shall be hard surfaced prior to occupancy, under the following circumstances:
 - a. New construction
 - b. Change of use
 - c. New or expanded parking area
4. Bicycle parking as required by 17.20.040.

G. Signs. All signs shall be in conformance with the sign regulations of this title.

17.03.030 Urban High Density Residential Zone (R-3)

A. Permitted Uses.

1. ~~Detached single~~ Single-family dwellings for residential use and accessory structures
2. Duplexes and triplexes for residential use
3. Multi-family dwellings for residential use, subject to site plan review
4. ~~Rooming and boarding houses~~
5. Manufactured homes for residential use

~~6. Home occupations~~~~7. Bed and breakfast facilities~~~~58. Mobile home parks~~~~9. Family day care~~~~610. Residential care facilities~~~~711. Group residential, if fifteen (15) or more persons, subject to site plan review~~~~812. Transportation facilities pursuant to 17.20.050(A)~~~~913. Public parks, playgrounds, and related facilities in an approved subdivision, subject to site plan review~~~~14. Accessory dwelling units~~10. Accessory uses permitted when accessory to residential use:a. Accessory dwelling units subject to HRMC 17.23b. Bed and breakfast facilities subject to HRMC 17.04.110c. Family day care subject to HRMC 17.04.100d. Home Occupations in accordance with HRMC 17.04.100e. Hosted homeshares and vacation home rentals subject to HRMC 17.04.115

B. Conditional Uses.

1. Hospitals, sanitariums, rest homes, nursing or convalescent home
2. Schools and child care centers
3. Public parks, playgrounds, and related facilities
4. Utility or pumping substations
5. Churches-Religious institutions
6. Planned unit developments
7. Professional offices
8. Hostels
9. Townhouse projects for residential use

C. Site Development Standards. The minimum lot or parcel size shall be 5,000 square feet. The minimum requirements for building sites are as follows:

1. Per dwelling unit or duplex, a minimum of 5,000 square feet.
2. Per townhouse building, a minimum of 2,100 square feet.
3. A minimum frontage of fifty (50) feet on a dedicated public street.
4. A minimum frontage of thirty (30) feet on a dedicated public cul-de-sac.
5. Lot Coverage: Pursuant to 17.04.120

D. Setback Requirements. The minimum setback requirements shall be as follows:

1. No structure shall be placed closer than ten (10) feet from the nearest public right-of-way line of a dedicated public street.

2. Garages that directly face adjacent streets shall be at least twenty (20) feet from the nearest public right-of-way lines of the dedicated public streets. Garages so constructed to not face an adjacent street may be ten (10) feet from the nearest right-of-way line of the dedicated public street. Detached garages so constructed to not face an adjacent public dedicated alley may be five (5) feet from the right-of-way line.

3. Side yard/ rear yard.

- a. No structure shall be placed closer than five (5) feet from the side property line.
- b. Structures greater than twenty-eight (28) feet in height shall be eight (8) feet from the side property line.
- c. No structure shall be placed closer than ten (10) feet from the rear property line.
- d. Projections may not encroach more than three (3) inches for each foot of required yard setback width.

E. Maximum Building Height. Thirty-five (35) feet for all uses except residential ~~uses~~ development; twenty-eight (28) feet for all residential ~~uses~~ development.

F. Parking Regulations.

1. Each dwelling unit shall be provided with at least two (2) parking spaces on the building site, one (1) of which may be in the required front yard setback area.
2. Parking spaces utilizing access from a public dedicated alley may be located within the setback area.
3. All parking areas and driveways shall be hard surfaced prior to occupancy, under the following circumstances:
 - a. New construction
 - b. Change of use
 - c. New or expanded parking area
4. Bicycle parking as required by 17.20.040.

G. Signs. All signs shall be in conformance with the sign regulations of this title.

17.03.040 Office/Residential Zone (C-1)

A. Permitted Uses.

1. ~~Detached single~~ Single family dwellings ~~for residential use~~ for residential use and accessory structures
2. Duplexes and triplexes for residential use
3. ~~Rooming and boarding houses~~
4. Manufactured homes
5. Home occupation
6. Bed and breakfast facilities
7. Family day care
8. Residential care facility

9. Group residential, if less than fifteen (15) persons
10. Transportation facilities pursuant to 17.20.050(A)
11. Hosted homeshares subject to Section 17.04.115
12. Vacation home rentals subject to Section 17.04.115

B. Permitted Uses Subject to Site Plan Review.

1. Professional offices
2. Change of use
3. Parking lots of four (4) or more spaces, new or expanded, and or the equivalent of paving equal to four (4) or more parking spaces
4. Multi-family dwellings for residential use
5. Group residential, if fifteen (15) or more persons
6. Transportation facilities pursuant to 17.20.050(B)

C. Conditional Uses.

1. Hospitals, sanitariums, rest homes, nursing or convalescent homes
2. Schools and child care centers
3. Public parks, playgrounds and related facilities
4. Utility or pumping substations
5. Churches Religious institutions
6. Planned unit developments
7. Public facilities and uses
8. Hostels
9. Townhouse projects for residential use

D. Site Development Requirements.

1. Minimum Lot Area: Per dwelling unit or duplex, a minimum of 5,000 square feet. Each unit thereafter shall require an additional 1,500 square feet.
2. Minimum Townhouse Lot Area: A minimum of 5,000 square feet for the first two (2) residential units and 1,500 square feet each for any additional residential units.
3. Minimum Frontage:
 - a. Fifty (50) feet on a dedicated public street, or
 - b. Thirty (30) feet on a public dedicated cul-de-sac.

E. Setback Requirements.

1. Professional offices: The standards outlined in the R-3 zone apply.
2. Residential development-uses or a combination of professional offices and residential development ~~uses~~: The standards outlined in the R-3 zone apply.

F. Maximum Building Height. Thirty-five (35) feet.

G. Parking Regulations.

1. Professional Offices:

a. One (1) off-street parking space shall be provided on the building site or adjacent to the site for each employee. In addition, adequate off-street parking shall be provided on or adjacent to the building site to meet the needs of anticipated clientele.

b. In no case shall there be less than two (2) off-street parking spaces.

c. The Central Business District, the Heights Business District and the Waterfront are exempt from this requirement but shall pay a fee in-lieu of parking in accordance with Chapter 17.24.

d. Parking in the Central Business District, Heights Business District and Waterfront may be satisfied by substituting all or some of the parking requirement at adjacent or nearby off-site off-street locations and/or by adjacent or nearby shared parking if the substitute parking reasonably satisfies the parking requirements of this section. If no off-street or off-site parking reasonably satisfies the parking requirements of this section, the fee in-lieu of parking shall be paid in accordance with Chapter 17.24. If less than all required parking is provided, the fee in lieu of parking shall be paid in accordance with Chapter 17.24, except that a credit shall be given for the number of spaces provided.

2. Residential Development ~~Uses~~:

a. All individual dwelling units, duplexes, and triplexes shall be provided with two (2) parking spaces for each unit on the building site, one (1) of which may be within the required front yard setback area.

b. Multi-family dwellings shall be required to furnish one and one-half (1½) off-street parking spaces per dwelling unit on or adjacent to the building site.

c. Required setback areas may be utilized for off-street parking for multi-family dwellings.

d. Parking spaces utilizing access from a public dedicated alley may be located within the setback areas.

3. All parking areas and driveways shall be hard surfaced prior to occupancy, under the following circumstances:

a. New construction

b. Change of use

c. New parking area

4. Bicycle parking as required by 17.20.040.

H. Lighting. Artificial lighting shall be subdued and shall not shine, cause glare, or be unnecessarily bright on surrounding properties. Both interior and exterior lighting shall take into consideration the viewshed and shall be dimmed as much as possible after closing without compromising safety and security. Flood lights on poles higher than fifteen (15) feet shall not be permitted.

I. Signs. All signs shall be in conformance with the sign regulations of this title.

J. Landscaping. All landscaping shall be in conformance with the landscape standards in this title.

17.03.050 General Commercial Zone (C-2)

A. Permitted Uses. Except for C-2 Zoned land within the Waterfront Area, which are specifically addressed in Subsection D, the following uses are generally allowed in the C-2 Zone:

1. Rooming and boarding houses
2. Home occupations
3. Bed and breakfast
4. Family day care
5. Residential care facility
6. Group residential, if less than 15 persons
7. Transportation facilities pursuant to 17.20.050(A)
8. Accessory dwelling units
9. Residential use of existing detached single-family dwellings, manufactured homes, duplexes and triplexes
10. Hosted homeshares subject to Section 17.04.115
11. Vacation home rentals subject to Section 17.04.115

B. Permitted Uses Subject to Site Plan Review. Except for C-2 Zoned land within the Waterfront Area, which are specifically addressed in Subsection D, the following uses are generally allowed in the C-2 Zone subject to Site Plan Review:

1. Commercial uses
2. Industrial uses incidental and essential to an on-site commercial use (Refer to the section below, "K")
3. Change of use
4. Parking lots of four (4) or more spaces, new or expanded, and or the equivalent of paving equal to four (4) or more parking spaces
5. Multi-family dwellings for residential use, with a minimum density of 11 units/net acre.
6. Group residential, if fifteen (15) or more persons
7. Transportation facilities pursuant to 17.20.050(B)
8. Professional Office and Office Uses.
9. Hostels

C. Conditional Uses. Except for C-2 Zoned land within the Waterfront Area, which are specifically addressed in Subsection D, the following uses are generally allowed with a conditional use permit in the C-2 Zone:

1. Residential uses development, excluding multi-family, subject to the following: a) shall be reviewed through the Planned Unit Development (PUD) process; b) PUD common open space criterion is not applicable; and c) shall achieve a minimum of 11 units/net acre.
2. Residential uses development a minimum of 11 units/acre in conjunction with commercial uses on the same lot or parcel.

3. Hospitals, sanitariums, rest homes, nursing or convalescent home
4. Schools and day care facilities
- 5 Public parks, playgrounds, and related facilities
6. Utility or pumping substations
7. Churches
8. Commercial Uses on parcels of more than 1.5 acres.
9. Public facilities and uses

~~10. Hostels~~

D. Special Restrictions on development in the C-2 Zone within the Waterfront Area. The Waterfront Area, as defined in Section 17.01.060, includes certain development restrictions that apply in addition to and supersede the regulations that apply in the C-2 Zone generally. Uses generally allowed outright, subject to site plan review and conditionally in the Waterfront Area are those set forth in Subsections A, B and C, respectively, except that all of the following additional restrictions apply to development within the Waterfront Area, none of which are eligible for a variance under HRMC Chapter 17.18:

1. Residential ~~uses~~ development ~~is~~ are prohibited unless combined with commercial uses in the same structure, i.e, must be mixed use; all such development that includes a residential component requires a conditional use permit.
2. There is no minimum required residential density in the C-2 Zone within the Waterfront Area.
3. No more than 50% of the gross floor area of any building may be devoted to residential ~~development use~~, and the building primary use shall be commercial, not residential.
4. No residential ~~development use~~ is allowed on the ground floor, and no more than 50% of the ground floor may be used for parking.
5. For any residential ~~development uses~~ approved in the C-2 Zone within the Waterfront Area, a deed restriction, in a form acceptable to the city attorney, shall be recorded with title to the residential property that precludes any residential owner, lessee or guest from objecting to normal and customary commercial, recreational or light industrial uses (including operation of the city's wastewater treatment plant) and any impacts there from, such as noise, dust, glare, odors, hours of operation, truck traffic, parking and the like.
6. The City may impose reasonable conditions on the approval of any residential development use in the C-2 Zone within the Waterfront Area to ensure compliance with these special restrictions.

E. Site Development Requirements.

1. Minimum Lot Area: None.
2. Minimum Frontage:
 - a. Fifty (50) feet on a dedicated public street or
 - b. Thirty (30) feet on a public dedicated cul-de-sac.

F. Setback Requirements. The minimum setback requirements shall be as follows:

1. Front - not required.

2. Side and rear - not required except in the case where the structure is adjacent to a residential zone, in which case a three (3) foot setback is required for structures up to two (2) stories, and increased one (1) foot for each additional story above two (2) stories.

G. Maximum Building Height.

1. Thirty-five (35) feet for residential ~~development-use~~.
2. Forty-five (45) feet for commercial use or for mixed commercial and residential ~~development-use~~.
3. No commercial structure shall exceed a height of forty-five (45) feet.

H. Parking Regulations.

1. One (1) off-street parking space shall be provided on the building site, or adjacent to the site for each employee. In addition, adequate off-street parking shall be provided on or adjacent to the building site to meet the needs of anticipated clientele.
2. In no case shall there be less than two (2) off-street parking spaces.
3. The Central Business District, the Heights Business District and the Waterfront are exempt from this requirement but shall pay a fee in-lieu of parking in accordance with Chapter 17.24.
4. Parking in the Central Business District, Heights Business District and Waterfront may be satisfied by substituting all or some of the parking requirement at adjacent or nearby off-site off-street locations and/or by adjacent or nearby shared parking if the substitute parking reasonably satisfies the parking requirements of this section. If no off-street or off-site parking reasonably satisfies the parking requirements of this section, the fee in-lieu of parking shall be paid in accordance with Chapter 17.24. If less than all required parking is provided, the fee in lieu of parking shall be paid in accordance with Chapter 17.24, except that a credit shall be given for the number of spaces provided.
5. All parking areas and driveways shall be hard surfaced prior to occupancy, under the following circumstances:
 - a. New construction
 - b. Change of use
 - c. New parking area
6. All residential ~~uses~~ development shall comply with the off-street parking standards as follows, unless exempt above:
 - a. All individual dwelling units, duplexes, and triplexes shall be provided with two (2) parking spaces for each unit on the building site, one (1) of which may be within the required front yard setback area.
 - b. Multi-family dwellings shall be required to furnish one and one-half (1½) off-street parking spaces per dwelling unit on or adjacent to the building site.
 - c. Required setback areas may be utilized for off-street parking for multi-family dwellings.
 - d. Parking spaces utilizing access from a public dedicated alley may be located within the setback areas.
 - e. Off-street loading facilities shall be encouraged. Public alleys may be utilized for off-street loading

facilities.

7. Bicycle parking as required by 17.20.040.

I. Lighting. Artificial lighting shall be subdued and shall not shine, cause glare, or be unnecessarily bright on surrounding properties. Both interior and exterior lighting shall take into consideration the viewshed and shall be dimmed as much as possible after closing without compromising safety and security. Flood lights on poles higher than fifteen (15) feet shall not be permitted.

J. Signs. All signs shall be in conformance with the sign regulations in this title.

K. Landscaping. All landscaping shall be in conformance with the landscaping standards in this title.

L. Manufacturing.

M. Commercial buildings between 25,000 square feet and 50,000 square feet.

17.04.115 Hosted Homeshares and Vacation Home Rentals

Dwelling units may be used as hosted homeshares or vacation home rentals in the Urban Low Density Residential Zone (R-1), Urban Standard Density Residential (R-2), Urban High Density Residential Zone (R-3), Office/Residential Zone (C-1), and General Commercial Zone (C-2).

A. License Required.

1. Persons operating a hosted homeshare or vacation home rental shall obtain a short-term rental operating license pursuant to Chapter 5.10 of the Hood River Municipal Code.

B. Use Restrictions – All Zones.

1. The room(s) for transient rental shall not include rooms within a recreational vehicle, travel trailer, or tent or other temporary shelter. Rooms within a detached or attached accessory dwelling unit are subject to HRMC 17.23.

2. The maximum occupancy for the dwelling shall be two persons per bedroom plus two additional persons. For example, a two-bedroom dwelling would have a maximum occupancy of six persons.

3. 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 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.

C. Additional Use Restrictions – Residential Zones (R-1, R-2 and R-3)

1. A hosted homeshare or vacation home rental is only permitted when it is an accessory use to the existing and continued residential use of a dwelling as the primary residence of the property owner. Proof of primary residence shall be provided in accordance with Chapter 5.10 of the Hood River Municipal Code.

2. The accessory use of a primary residence as a hosted homeshare or vacation home rental is limited to a total of ninety (90) days per calendar year.

D. Prior Existing (Nonconforming) Use. For purposes of hosted homeshare and vacation home rentals, the nonconforming use provisions in HRMC Chapter 17.05 (Nonconforming Uses and Structures) shall apply except as specifically modified in this section.

1. Except as provided in subsection D6, any hosted homeshare or vacation home rental lawfully established and actually in existence prior to the effective date of this 2016 ordinance may continue as a legal nonconforming use subject to the following “amortization periods”:

a. Until 5 years from the adoption date of this ordinance, at which time use of the property shall come into compliance with the parking requirements in 17.04.115B3.

b. Until 7 years from the adoption date of this ordinance, at which time use of the property shall come into full compliance with the then-applicable provisions of this HRMC Title 17.

2. A hosted homeshare or vacation home rental in the R-1, R-2 and R-3 zones shall be deemed to be lawfully established and actually in existence if, at any time between January 1, 2013 and the effective date of this 2016 ordinance all of the following occurred:

a. The home was actually used as a hosted homeshare or vacation home rental as defined in HRMC 17.01.060;

b. The owner obtained from the City a Certificate of Authority to Collect Transient Room Tax; and

c. The owner actually paid a Hotel Tax to the City pursuant to HRMC Chapter 5.09.

3. The proponent of the nonconforming use status of a hosted homeshare or vacation home rental has the burden of proving by a preponderance of credible evidence all of the elements of a nonconforming hosted homeshare or vacation home rental.

4. In addition to proving the elements of a nonconforming hosted homeshare or vacation home rental as described in subsection D2 of this section, to maintain that status, the owner shall apply for a

Short Term Rental Operating License under HRMC Chapter 5.09 within 60 days of the effective date of this 2016 Ordinance and maintain in good standing that License for the duration of the amortization periods provided in this section. Failure to maintain the Short Term Rental Operating License in good standing for the duration of the amortization periods shall result in the immediate termination of any nonconforming use status the home may otherwise have had by operation of law and without the need for any action by the City. The non-conforming use status provided for herein does not transfer with title to the property.

5. A valid non-conforming hosted homeshare or vacation home rental under this subsection D may be nonconforming with regard to subsection 17.04.115.B3, C1 and C2 requirements provided that the extent of the non-conformity with subsection C2 is limited to the maximum number of nights of transient rental which previously occurred in any one of the following calendar years: 2013, 2014, 2015 or 2016 to the effective date of this ordinance.

6. In the event that the amortization periods provided for herein are insufficient compensation for a property owner to recoup his or her reasonable investment in the property's actual use as a lawful transient rental (i.e., hosted homeshare or vacation home rental) or imposition of these regulations results in a demonstrable reduction in the property's fair market value, such a property owner may apply for and seek additional or other compensation from the City under ORS 195.310 to 195.314. Such a property owner may also provide documentation of the owner's reasonable investments in the nonconforming use of the property exclusively for its use as a transient rental that exceed the value that can be recouped by continued transient rental use of the property for the amortization periods and which cannot be put to any other economically viable use of the property. If the property owner demonstrates with credible evidence a reduction in fair market value or that the owner's reasonable investment in the property as a lawful transient rental is not recouped by the amortization periods provided for herein, the city may provide additional compensation in a form and amount of its choosing. The property owner may appeal any such final determination pursuant to ORS 195.318.

CHAPTER 17.23 ACCESSORY DWELLING UNITS (ADU)

17.23.010 General Requirements

A. An ADU may be created within, or detached from, any single-family dwelling, whether existing or new, as a subordinate use, where permitted by this chapter in the R-1, R-2, R-3, C-1 and C-2 Zones.

B. Only one ADU may be created per parcel or ownership accessory to a single-family dwelling (no townhouse or duplex).

C. An application for an ADU shall be processed as a ministerial decision.

D. Only the property owner, which includes title holders and contract purchasers, may apply for an ADU. The property owner must occupy the primary dwelling or the ADU as their principal residence for at least six months out of the year (case by case basis for exceptions). A primary residence shall be the residence where the owner is registered to vote, used as the primary residence for tax purposes

or other proof that the residence is primary. The owner shall sign an affidavit before a notary affirming that the owner occupies either the main dwelling or the ADU and shall show proof of a 12 month lease for the ADU occupant.

E. The ADU occupant shall provide proof that at least one occupant is locally employed (Gorge – Hood River, Wasco, Skamania, and Klickitat counties), a relative or on a local assistance program for the rent.

F. One off-street parking space shall be provided in addition to the off-street parking that is required for the primary dwelling pursuant to this Title. If the existing dwelling does not currently have the two required spaces, only the one for the ADU will be required. In no case shall the residential parking requirement be diminished to provide the ADU parking.

G. ADU's shall contain 800 square feet or less.

H. All other applicable standards including, but not limited to, setbacks must be met.

I. Upon sale of the property, a new owner shall be required to reregister the ADU, paying a reauthorization fee set by resolution of City Council.

J. If a garage or detached building does not currently meet setbacks, it may not be converted to an ADU.

K. All applicable standards in the City's building, plumbing, electrical, fire and other applicable codes for dwelling units must be met.

L. The owner of the property shall accept full responsibility for sewer and water bills.

M. An ADU may not be used as a hosted homeshare or vacation home rental short-term, vacation rental.

N. The application and permit fee for an ADU shall be 1% of the building permit fee plus an amount to be set by resolution of the City Council.

O. Beginning January 1st of each year the City will undertake an annual review of ADU permits to ensure compliance.

February 22, 2015

To: Planning Commission
City Council
From: Cindy Walbridge, Planning Director
Subject: Staff Report on amendments to Title17- Zoning on Housing

Background:

At the Council's August 10 meeting I presented a staff report sharing my concerns about how the findings of the Housing Needs Analysis (HNA) have shown the necessity for the City Council to take action on several fronts in order to address existing and potential housing shortages that will affect the character and livability of Hood River. Hood River's residential land base is just barely adequate to accommodate growth.

There are several reasons that the City may not have enough land to accommodate expected growth during the planning period: (1) the City may grow faster than expected; (2) more secondary housing or short-term rental housing may be built, or existing housing may be converted to these uses, decreasing the housing supply for full-time Hood River residents; or (3) some vacant land, such as land in farm deferrals, may not be available for development for several years or longer.

In addition, Hood River will have a very difficult time expanding its UGB in the future when the City has a deficit of residential land. While this project did not include consideration of an Urban Growth Boundary (UGB) expansion, the City has considered UGB expansion in the past for other land uses. The city is surrounded by the Columbia River Gorge National Scenic Area and by farmland. Expansion in either of these areas will be extremely complicated and difficult and will take several years.

Expanding into the National Scenic Area will require coordination with the Columbia River Gorge Commission, an agency with representatives from Oregon, Washington, each of the six counties within the National Scenic Area, and the U.S. Forest Service. Expansion into the National Scenic Area may require federal legislation to authorize an expansion of urban uses into the Area.

State law discourages expansion onto farmlands and requires that all other alternatives, such as increasing development capacity within the existing UGB or expansion onto non-farmlands, be exhausted or found infeasible before expansion onto farmlands is permitted.

One predominant issue in the City's residential zones are the impacts of short term rentals to housing supply and livability; short term rentals now, but more importantly the trajectory of short term rentals in this 20 years planning period.

Between 8% and 12% of Hood River's existing housing stock is currently used for secondary housing or short-term rental housing. Roughly half of this housing is secondary housing and the rest of short-term rental housing.

The City's Housing Analysis demonstrates that continued growth of these housing types, especially faster growth, is a concern for the City and other stakeholders, given the constrained supply of vacant residential land (especially serviced land available for development), the City's annexation policy to not service lands until they are in the city limits, and the high costs of housing.

Growth of these types of housing will depend on numerous factors ranging from the health of the national economy, growth in tourism in Hood River and the mid-Columbia Gorge, development of other overnight accommodations (bed and breakfasts, hotels, and motels), and trends in the short-term rental market. It is difficult to predict exactly how many secondary housing and short-term rentals will be built or how much existing housing will be converted to these uses over the 20-year period. However, the addition of more than about 220 to 250 additional short-term rentals any of these factors could use up all the remaining land.

- Over 2015-2035, the City will use up all of the vacant and partially vacant residential land except for 78 acres.
- That surplus will be used:
 - Public and semi-public uses would use 50 acres
 - Leaving 28 acres
 - That remaining 28 acre surplus would be consumed by development of new STRs and second homes. It would take about 220 to 250 newly built STRs and second homes to consume that surplus.
 - Assuming 220 new STR/second homes assumes that 10% of new housing built in Hood River over the 20-year period would be STR/second homes (that is the 1,985 forecast of needed housing plus 220 new STR/second homes).

Short-term rentals are the connection and cross over for economic development and the housing market. The connection of short-term rentals is the consumption of demand. The City has a very tight land market and development of new short-term rentals will consume land for long-term housing.

It is this dynamic that is the underlying reason the City is considering future regulations on short-term rentals now. This growth will eventually "crowd out" permanent long-term housing stock (owned or rented). A related concern is the overall appropriateness of expanding the commercial aspect of STR's in residential zones.

The Housing Needs Analysis was not an "affordable housing recommendation." It was an analysis of the all housing needs in Hood River. Hood River has a problem with cost and availability at every income level.

Even though the HNA shows there is a 20 year land supply, the Planning Commission and City Council realized that we are at an incredibly important moment in Hood River's history in which we have gathered enough information in which to make important decisions for the future of the city on based policies that have been adopted that lead us to this place.

Context: At their September 15, 2015 meeting, the Council adopted along with the Housing Needs Analysis, a strategies document. The Hood River Housing Strategy is organized into three broad strategic areas:

- Increasing residential land use efficiency,
- Regulation of secondary housing and short-term rental housing, and
- Development of affordable housing.

The broad goal of the Hood River Housing Strategy is to help the City manage the land within the UGB to meet current and future housing development capacity while maintaining the character and quality of life in Hood River and protecting public interests such as housing affordability, health, safety and municipal revenues.

The actions reflected in the Housing Strategies are not being evaluated in a vacuum. This Council and past Councils have been building on a **vision** set forth our original Comprehensive Plan in 1983. The Comprehensive Plan is developed on the premise that if certain citizens and governmental agencies work together toward shared goals, the City of Hood River and the surrounding area will continue to be a good place to live and work. The purpose of the Comprehensive Plan is to establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for such decisions. All these documents were evaluated along their adopted policies for each subsequent study including the Housing Analysis.

Vision 1995 – Adopted by Council

Vision 2006 – Adopted by Council

Population 2008 – Adopted by Council

Transportation System Plan 2011 – Adopted by Council

Economic Opportunities Analysis 2011– Adopted by Council

Housing Needs Analysis 2015 – Adopted by Council

Goal 9 - Economic Opportunities Analysis – adopted by Council 2011 (pertinent policies).

1. Preserve and promote the city's "quality of life" including small town atmosphere, family-oriented community, good schools, open space and recreational

opportunities, urban bike and walking system, beautiful natural setting and space for existing business to expand as an incentive for economic development.

2. Support a mix of light and heavy industrial development on the Waterfront that is compatible with recreational activities and that supports recreational commercial development.
3. Allow for new and existing business expansion needs that support retention and growth of strategic employment clusters community which include: health care; advanced manufacturing (e.g., avionics, composite materials, electronics, etc.); athletic/outdoor gear (e.g., wind sports gear, apparel, etc.); clean-tech (e.g. utilities, wind energy research and development, etc.); food and beverage processing (e.g., fruit juice, wine, beer, organic supplements, etc.); creative services (e.g., computer software development, electronic publishing, etc.); and advanced education and create a desired balance between the quality of life of this community and economic health of the city.

The Economic Opportunities Analysis identified a diverse economy with many strong sectors. * “The City of Hood River may target businesses that generally offer above-average wages and provide healthcare and retirement benefits that support families. According to the U.S. Bureau of Labor Statistics, the occupations that had the fastest growth and highest pay over the past 10 years nationally included computer systems analysts, registered nurses, computer support specialists, teachers, social workers, college faculty, computer programmers, engineering sciences, police officers, securities and financial services, physicians, advertising, marketing, management analysts, electrical engineers, paralegals, writers/editors, commercial artists, and medical and health service managers.¹

In light of these findings, it is recommended that the City focus on retaining and attracting a mix of existing and emerging business clusters that pay above average wages. This includes a mix of existing **established and emerging clusters**, including:

- ◆ Health services
- ◆ Advanced manufacturing (avionics, composite materials, electronics, etc.)
- ◆ Athletic/outdoor gear (wind sports gear, apparel, etc.)
- ◆ Clean technologies (renewable energy/utilities, research and development, etc.)
- ◆ Food and beverage processing (fruit juice, beer, wine, spirits, organic supplements, etc.)

¹ These findings are based on publications provided by JIST Works, including the *Occupational Outlook Handbook, 2008-2009*; and *America’s Fastest Growing Jobs* by Michael Farr.

- ♦ Creative services (computer software, electronic publishing, etc.)
- ♦ Advanced education/training (Columbia Gorge Community College related)”

*EOA 2011- pages 10-11.

Additionally, in 2010 the Port adopted the following economic development policies:

The following public development objectives are intended to inform decisions by the Port of Hood River Commission about the marketing and disposition of real property on the Hood River Waterfront and are an integral part of the Waterfront Marketing Strategy.

I. BUSINESS DEVELOPMENT

- Emphasize critical local industries that support Hood River County's base economy, including technology, renewable energy, recreational gear and value-added agriculture.
- Preserve and support current light industrial businesses.
- Provide a mix of employment types and uses.
- Promote private investment.

II. JOB RETENTION AND CREATION

- Facilitate the creation of quality jobs. Businesses should pay at or above County's average wage for their industry and include reasonable benefits.
- Enhance job opportunities for local residents.
- Require a minimum job density guideline of one job per 1,000 square feet of building area. Higher employment density is preferred.

In 2011 the City amended its Light Industrial Zone to allow for greater flexibility and subsequent growth in research and development, food and beverage manufacturing, sporting goods and apparel manufacturing, and light industrial office uses. After these code changes, the Port of Hood River was instrumental in creating an industrial subdivision that allowed for HoodTech, Pfriem, Full Sail (storage), Double Mountain (storage), Turtle Island Foods, DaKine, Interfluve. The Waucoma Building (also a previous Port building) houses approximately 250 Insitu employees. Ryan Juice and Hood River Distillers add another 250 plus employees.

Hood River County has one of the lowest unemployment rates in Oregon, and is in an enviable position to continue this level of development. The City is in an enviable position that most communities of our population (7685) do not have.

The Port and other businesses that provide high level job opportunities are depending on the City to have policies in place to provide housing for employees.

However, during the Buildable Lands public hearings this summer (8/10/15), the following large employers tied the need for housing *at all levels* to the need to fulfill the goals of the EOA:

Ryan Hartman, CEO of Insitu – he is a concerned citizen and business leader. He spoke about the dynamics associated with Insitu and why it is important to them. He spoke about the importance of growth to Insitu; they must grow to survive. In 2004, they had 15 employees; they now have 900 employees, with 100 openings to fill this year alone. Hartman spoke about the difficulties they have finding jobs for the spouses they employee and locating permanent housing.

The hiring of new employees has been difficult because of the housing issues; this needs to be addressed. He cannot run a business when he has to deal with turnover and the challenge of growth. Hartman explained that Insitu alone contributes \$300 million a year to the local economy; he believes half of that contributes to Hood River. They purchase \$180 million a year from local suppliers and \$60 million a year to salaries. Insitu has opened offices in California, Australia and the United Kingdom. They track time to hire; the time to hire in Hood River has risen every month for the past five years. The time to hire at the other locations has reduced every month for the last year and a half since they were opened. This tells him the challenges of bringing them to Hood River is more challenging than it is to bring them somewhere else.

Mark Thomas, Hood River, OR – He is representing Providence Hospital. He spoke about how housing relates to health. Providence employs over 530 people. Their workforce needs an array of housing options for a broad range of those incomes. Based on the findings of the Buildable Lands Inventory, a high percentage of their employees would be cost burdened, even though they have wages higher than minimum wage.

Dan Goldman, Hood River, OR – Hood River, OR – He is the Hood River County School District Superintendent. He spoke to Council about the concerns of housing. It's an issue that affects staff and the children in the community. Recruitment and retention of staff and enrollment of students affect the programs provided to students. Goldman stated affordable housing has affected recruitment and retention of staff; two people hired for IT. Growth of student enrollment is also a problem; enrollment affects their budget.

We hear stories like this every week– people who have a job in Hood River, but no place to live.

Housing – Adopted by Council in 2015 (pertinent policies to the 3 Housing Strategies):

1. The City will encourage and support development of affordable housing, both publically and privately financed, including the provision of government-subsidized housing, for households at or below 120% of the area median income, as defined by the U.S. Department of Housing and Urban Development (HUD).
2. The City will coordinate with Hood River County to maintain consistent development standards for residentially zoned areas within the city limits and areas within the UGA.
3. The City will license and regulate short-term rental housing and monitor growth of short-term housing on an annual basis.

4. Encourage the development of great neighborhoods by:
 - Supporting neighborhood identity.
 - Locating parks, trails, schools, daycare and churches in close proximity to residences.
 - Incorporating natural features and spaces into developments.
 - Connecting and orienting new neighborhoods.
 - Encouraging residential development that conserves energy and water.

Conclusion: The Housing Strategy Document was drafted and approved by the City Council to provide a path for the City to implement the adopted housing policies above. 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, the City Council met on September 14, 2015 and directed staff to begin the code process to limit and regulate short term rentals before taking on Strategy 1 –Increase the efficiency of land use with the Hood River UGB; and Strategy 3 – Affordable housing determining that until the City knows the impact of the short term rentals, Strategy 1 could not be implemented without those changes allowing for more short term rentals.

The Council formalized their direction on November 16th stating they were equally concerned about the number of short term rentals reducing the number of year-round units available for year round workers (in conflict with Goal 9- "create a desired balance between the quality of life of this community and economic health of the city") as well as the erosion of the livability of neighborhoods due to the clustering of vacation rentals (in conflict with Goal 9 - "Preserve and promote the city's "quality of life" including small town atmosphere, family-oriented community") and directed staff to draft code that addressed:

- Allows vacation rentals (non-owner occupied) in residential with a cap
- Allows hosted home shares in the residential zones without a cap
- Allows vacation rentals in all commercial zones without a cap
- Removed clustering and dense area of vacation rentals with a distance requirement

The City's Comprehensive Plan supports the limitation on vacation rentals in residential zones through its adopted policies in their 2005 Vision, 2011 Goal 9 – Economy; and 2015 Goal 10 – Housing.

The City Council has determined that to continue to allow short term rentals in residential zones is directly related to the loss of the city's small town character and the integrity of its residential neighbors and will adversely affect the economic health of the community. It is the charm of the city's commercial, residential, and recreational areas that attracts persons to Hood River not only as a tourist destination but also as a place to be able to thrive as a year-round town where there are good paying jobs with benefits, and vibrant neighborhoods.

As such, the limitation on short term rentals can be supported by adopted policies of the City of Hood River Comprehensive Plan.

Recommendation: Staff has drafted amendments to Title 17 – Zoning addressing the direction of the City Council to limit short term rentals (Attachment “A”). The Planning Commission is scheduled to hold the first of several public hearings on these changes on February 29, 2016. The Planning Commission will take public testimony, read submitted testimony and then deliberate on whether the Title 17 changes are supported by the City’s Comprehensive Plan. The Planning Commission can accept the draft amendments submitted by staff or amend the draft based on testimony and deliberation. The Planning Commission will submit their recommendation with findings to the City Council who is the deciding body.