

CURRY COUNTY COMMUNITY DEVELOPMENT 94235 Moore Street, Suite 113 Gold Beach, Oregon 97444

Becky Crockett Post Planning Director Phone (541) 247-3228 FAX (541) 247-4579

## **MEMO**

**TO: Board of Commissioners** 

DATE: November 16, 2021

FROM: Becky Crockett Post Planning Director **RE: Vacation Rentals** 

Workshop Discussion: Should the County Regulate Vacation Rentals?

# The Opportunity Exists to Protect the Long-term Viability of Vacation Rentals and Reduce the Growing Number of Neighbor Complaints in Curry County.

**Background:** Short Term Rentals (STRs) or Vacation Rentals have become a significant factor in Curry County. They continue to be a positive influence in promoting tourism and bringing added dollars to both the individuals who own the vacation rentals and the businesses that serve the vacationers. Curry County is not a "day-trip" destination. Having a wide variety of short-term housing available is paramount to attracting tourists. However, some have become conduits for nuisance violations and neighbor complaints. They are also believed to erode the availability of long-term rentals and displace needed work force housing.

It is estimated that there are up to 400 short-term rentals (STRs) currently operating in the unincorporated areas of the county. The only regulatory requirement is that they have a county business license and pay the 7% Transient Lodging Tax (TLT). Approximately 100 STR owners have a county business license and during the summer months approximately 300 pay the county TLT tax.

The county continues to experience the effects of the increasing amount and influence of STRs. Daily, we address general questions, structural changes to homes, long-term rentals and Accessory Dwelling Units (ADUs) transitioning into STRs, violations, nuisances, building code violations, zoning violations and enforcement actions. While they are economically valuable to the county, they are also an increasing conduit for neighbor complaints.

It is important for the county to protect the long-term viability and investments made in the numerous, well managed vacation rentals. It is also important to put in place standards to address those units that are marginally managed and have been a conduit for nuisance violations.

**Impact of Vacation Rentals (Short Term Rentals):** The literature as well as the growing experience with STRs in the coastal towns of Oregon including Curry County provide an expansive wealth of information regarding the impacts of this type of activity. It seems that for every positive attribute one can argue that there is a negative attribute. Below is a short list of some of the pros and cons shared with Curry County staff of STRs for consideration in the discussion:

### PROS

- Revenue for homeowners
- Innovative and exciting venues for vacationers (houseboats, forest lodges, etc.)
- Needed supplemental income for homeowners including retirees
- Less liability for homeowners over long-term renters
- Less property damage over long-term renters
- Easier to manage and rent with international and national vacation rental services
- Homeowner Insurance rates lower for STRs than long-term renters
- Oregon Rental laws discourage housing long-term renters
- Attracts more tourists to Curry County
- Increases revenue for area businesses
- Results in better maintenance of structures/landscaping

### **CONS**

- Multiple safety and building code violations in vacation rental structures
- Facilitates crisis for work force housing
- Noise complaints
- Trespass onto adjacent properties
- Parking
- Parties!!!
- Lack of contact person responsible for problems
- Vacationers lost at night knocking on neighbor's door
- Barking dogs
- Unknown people in the neighborhood
- Vacant property squatters
- Road access limitations
- Vandalism and theft of neighboring properties

**Protection for Vacation Rentals:** The Board of Commissioner's decision to proceed with the discussion on STRs was largely influenced by the decision on November 2, 2021 by the voters in Lincoln County to phase out STRs in residential zones over the next five (5) years. Ballot Measure 21-203 in Lincoln County to get rid of STRs passed 58% to 42%. A large reason for the success of 21-203 was the fact that the citizens repeatedly asked the Lincoln County BOC to do better enforcement on STRs and that just never happened. Lincoln County regulated STRs by issuing a license for them. The Curry County BOC, as well as County Code Enforcement and Planning have received numerous letters and phone calls of nuisance complaints about STRs.

Considering the success of Measure 21-203, county staff requested a legal opinion on the following question: "If Curry County regulates vacation rentals under the land use code, can they be subject to a vote to have them shut down in the future"? County Counsel's legal opinion indicates that if we regulate vacation rentals (STRs) by requiring them to have an administrative conditional use permit (land use permit) then they will be "safe" from being shut down by a voter referendum. This should be good news to those people who own/operate vacation rentals in Curry County. However, it does mean that they will need to go through the land use permitting process to gain this protection.

**County-wide Moratorium on Short-term Rentals (STRs):** Determining the feasibility and impact of a moratorium on short term rentals in the county would require an accurate assessment of the number of STRs in the context of the amount of housing with specific information on the availability of housing. It has been suggested that STRs negatively affect the availability of long-term rentals and work force housing. There may be some impact but sorting out the issue of "availability" of long-term rentals needs to factor in other considerations including what is a "qualified" long term renter? Unfortunately, there are several people who desire affordable, long-term rentals in the county but have effectively disqualified themselves through drug use, destruction of prior rentals, animals, spotty employment history, lack of rent payments, etc. Placing a moratorium on STRs may result in some additional housing availability but other factors may be of greater importance in attempting to alleviate the affordable housing shortage in Curry County. A moratorium on STRs without an assessment of the potential benefit of such an action would appear to be premature.

**Regulation of Short-Term Rentals (Vacation Rentals):** There are several important things to consider if it is determined that Curry County should regulate STRs within the land use code. Close coordination between Planning, Building and Code Enforcement will be required to have an effective program. Considerations should include:

- Fire, life Safety Risk review of STR structures
- Land Use Process neighbor opportunity for input
- Land Use Law legal lots, zoning and permitted structure
- Parking
- Compatibility Standards quiet hours, signage, contacts, emergency, etc.
- Utility connections and capacity (i.e., sewage disposal)
- Garbage disposal
- Nuisance abatement
- Access
- Clear address for vacationers and Emergency Response
- Earthquake/Tsunami Evacuation Notice
- Complaint resolution
- Enforcement/Penalties for non-compliance
- Fees
- Other

Based on research and review of multiple STR regulatory ordinances in place across the country, the following ordinance concepts are presented for discussion:

<u>**Curry County Zoning Ordinance (CCZO)</u></u>: The STR Ordinance could be incorporated into the Conditional Use section of the CCZO. This provides a standard administrative process for review, public notification, opportunity for appeals to the Planning Commission and a format to define required compatibility standards. A standard land use application can be used with information that allows staff to verify legal lot, zoning, and structure status. This application process also requires the applicant to disclose utility information including required signatures from fire districts, electric provider, sewerage agencies and to identify the STR water source. The CCZO Conditional Use process also allows staff to add conditions to an application where there are special concerns of compatibility that are unique to an applicant's proposed STR.</u>** 

**Fire, Life Safety Risk:** The County Building Inspector would check the structure proposed for a STR. The primary purpose of the "check" would be for Fire, Life and Safety Risk. There would **NOT** be a review of structures and subsequent building code requirements unrelated to Fire, Life and Safety Risk. However, the "check" by the Building Official may likely include onsite review of other requirements set forth in the Administrative Conditional Use permit such as the number of required parking spaces, signage, etc. This onsite review of other land use related standards by the Building Official would negate the need for more than one staff person having to visit the STR. A sample checklist from Tillamook County is attached.

**Enforcement:** Unpermitted STRs and permitted STRs that are in violation of any requirements are subject to citation and fines through County Code Enforcement. Code Enforcement citations start at \$440., and non-payment usually results in a court appearance. Multiple complaints and/or violations would likely result in revocation of the STR land use permit.

**<u>Fees:</u>** An Administrative Conditional Use permit is currently \$2,000. A required renewal request is suggested every three (3) years with a fee of \$500. The Fire, Life Safety check fee would likely be \$200., and \$108. for each additional Building Inspector check for a non-compliance fix and required re-checks.

Staff Recommendation: As your Planning Director for the past three (3) years I have never requested that the Board adopt more regulations of any type. If there was a way to eliminate many of the land use regulations we are bound to in Oregon, your Post Planning Director would be driving that process. However, we are at a crossroads on the issue of STRs. We have experienced a significant increase in the complaints about STRs over the past year. We also receive a phone call or email almost every single day in the Planning and Building Department requesting the new development of a STR or the transition of an existing structure (house, shed, barn, yurt, boat) for the purpose of an STR. We have engaged in multiple enforcement actions on illegal structures including "impromptu" STRs that very typically have serious Fire, Life Safety issues. For the county to continue to acknowledge the serious upswing in the number of STRs, the number of complaints and the serious issues faced during enforcement and not take some action puts the county in a position of risk and potential liability. This position, coupled with the risk of a citizen driven referendum to eliminant STRs unfortunately leads to a recommendation from staff to regulate STRs in Curry County through the land use process. This recommendation recognizes the desire to protect the investment and long-term viability of the numerous STRs that continue to be well managed from a referendum to eliminate or phase them out. Further, it acknowledges that some STRs that have a history of significant neighborhood impacts, are within illegal structures, or have Fire, Life Safety compliance deficiencies likely will not be able to continue. It is expected that STRs in this latter category will become compliant or fail to attempt to apply for a land use permit. Some of these will likely revert to long term rentals or be sold.

#### **CC: Curry County Planning Commission**

## SHORT TERM RENTAL INSPECTION CHECKLIST

### Provisions found accordingly in Tillamook County Ordinance #84

		SIVR #
Property Address:	Permit Application #:	
Property Owner:		
Local Contact:		
# OF ACTUAL UNITS:		
1. Authorized parking per approved application		[]YES []NO
2. Covered garbage container		[]YES []NO
3. Visible house numbers		[]YES []NO
4. Required contact information signage		[]YES []NO
5. Accessible fire extinguisher in visible location		[]YES []NO
6. Electrical switch and outlet face plates		[]YES []NO
7. Electrical panel circuits permanently labeled		[]YES []NO
8. Ground fault circuit interrupter protected reco	eptacles	[]YES []NO
9. Required smoke detectors/carbon monoxide detectors		[]YES []NO
10. Properly installed wood stoves, fireplaces, and fuel burning heat sources		[]YES []NO
11. Required handrails – Required guardrails		[]YES []NO
12. Sleeping area emergency escape and rescue openings		[]YES []NO
13. Hot tub barrier		[]YES []NO
14. Tsunami evacuation Poster		[]YES []NO

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INSPECTION DENIED [ ] REINSPECTION REQUIRED WITHING:

## 30 DAYS [ ] (MINOR REPAIRS)

#### 60 DAYS [ ] (MAJOR REPAIRS)

(APPLICATION SUBJECT TO CANCELLATION IF NOT COMPLETED WITHIN THE REQUIRED TIMEFRAME)

\*\*REINSPECTION FEE REQUIRED [ ] \*

\*\*REINSPECTION FEE WAIVED [ ]

TE OF INITIAL INSPECTION\_\_\_\_\_\_ PECTOR COMMENTS:

**INSPECTOR SIGNATURE** 

**OWNER / RENTAL MGMT SIGNATURE** 

DATE

NSPECTION MUST BE COMPLETED WITHIN 30 DAYS OF APPLICATION DATE – ALL FAILED INSPECTIONS WILL REQUIRE SPECIAL REINSPECTION FEE PAID PRIOR TO SCHEDULING UNLESS REINSPECTION FEE IS WAIVED BY INSPECTOR\*\*