

The public hearing to consider application #16-002PA/ZTA Transient Rental Dwellings was opened on Tuesday, July 5, 2016 at 6.00 p.m. by Mayor Dianne Widdop. Present were Mayor Widdop, Councilor Lorain, Councilor Jesse, Councilor Smith, Councilor Cockrum, City Attorney Peter Watts, City Administrator Chad Sweet and Planner Carole Connell.

Sweet made public safety announcements.

Widdop read the disclosure statement into the record noting the hearing was legislative in nature. She asked for any conflict of interest from councilors. None was declared. Widdop asked if there were any challenges from the audience to the council's ability to make an impartial decision. No challenges were heard.

Sweet read the staff report into the record.

Correspondence was entered into the record. (See attached)

Widdop opened the public testimony to those in favor of the proposed Transient Rental Dwelling regulation.

Matt Brown, P O Box 2654, Gearhart, OR 97138 – Brown noted the proposed regulations were a fair compromise by 'grandfathering' existing rentals. The attrition of STRs will take a long time but will be a good step for improving the long term housing crisis in Clatsop County.

Brian Fennerty, 3902 SW Hewett Blvd, Portland, OR 97221 – he understands the history of vacation homes in Gearhart renting their property to pay taxes. What has changed is unregulated business entities moving in to his neighborhood and dragged a lot of people down.

Lisa Cerveney, P O Box 2368 Gearhart, OR 97138 – reinforce support for STR regulations, read from a letter she previously submitted, notes the current proliferation of STR's as a result of internet access, risks degrading our neighborhoods, transient hotel atmosphere will increase unless regulations are passed and enforced. Critical issue is purchase of multiple residences by individuals for the sole purpose of income generation which must be stopped.

David Russell, P O Box2368, Gearhart, OR 97138 – Online rental companies such as Airbnb, VRBO and VACASA have changed how homes are used, constant turnover, always new people and different cars. They bought property in residential area and are dismayed with hotel-like business in our

midst – it should not be allowed. Fully support planning commission’s recommendations to the council, regulations are needed to protect our neighborhoods and environment.

Paula Madden, P O Box 966, Portland, OR 97207 – problem gone on too long, time to resolve the issue for safety and remembers the children who died in the house with the windows painted shut. Preserve the fabric of Gearhart and responsibility of the council for the comprehensive plan and stop Gearhart from becoming a tourist destination. Notable is those most vocal opposing regulation that spend less than 30 days per year in town leaving others to cope with the issues. It is past time to consider and respect needs of permanent members of the community who bear the brunt of the problems.

Penny Sabol, P O Box 2528, Gearhart, OR 97138 – feels it is time to go forward and solve the dilemma, comprehensive plan envisions a residential community not a hotel zone. She urges everyone to support Gearhart Grocery as the only hope of maintaining a grocery store in town.

Rick Sabol, P O Box 2528, Gearhart, OR 97138 – vital to keep Gearhart Gearhart, all in the comprehensive plan and the proposed amendments it is important to enforce the plan; he is in full support of the proposed amendments.

Wilson Mark, P O Box 2726, Gearhart, OR 97138 – He feels the proposed regulations are a generous compromise, he feels having no STR regulations is impossible. Mark said zoning laws take precedence over property rights. Criteria for obtaining a permit should be being a prior renter.

John Dudley, P O Box 2373, Gearhart, OR 97138 – lives at Little Beach, neighbors with the Lodge, in favor of regulations. The lodge has been responsive and proactive with an onsite manager, onsite manage essential for any STR to respond to disturbances. He supports the continuance of The Lodge as ‘grandfathering’ they have been a good neighbor and an asset to the neighborhood.

Carole Lucas, P O Box 2221, Gearhart, OR 97138 - lives on Ridge Path for 40 years and has seen a tremendous change, she does not like the change she is seeing. Comp Plan and zoning ordinance define residential and commercial zones; she would like to see more stringent regulations than proposed sooner rather than later. Because we have been getting away with STR’s - letting them slide does not make them right, she has had issues with unsupervised kids on vacation.

John Mangin, P O Box 2019, Gearhart, OR 97138 – family has owned home for 58 years, home treated as permanent residence , job of the council is to protect and respect those who permanently live in town. Proposed regulations are appropriate but should be narrowed to those renting property on a full time basis. Friends have lost the use of their house when neighboring house began advertising on the internet resulting in abuse from renters and clogged driveways – this should not be allowed. He says the definition of *Transient Lodging* is too broad and should be narrowed to exempt single family homes that are not rented and not used continually throughout the year.

Testimony was open to those opposed to Short Term Rental Regulations.

David Remer, 2929 1st Ave PH8, Seattle, WA 98121 – would like to be a great neighbor, abide by the rules and regulations as they exist, and continue to do what they do in Seaside – parent access. Looking for problems where there is none he is adamant about going after the issues. He urges to be held accountable and would like to have the opportunity to run the program properly.

Mike Cranston, 8360 SW 154th Ave, Beaverton, OR 97007 – operates a vacation rental, agrees there should be some addressing of bad behaviors and current regulations go a long way to do that. He thinks the strict enforcement of property line demarcation for parking is unfair and unenforceable. The startup phase needs to be more spelled out. He is opposed to total elimination of STRs.

Amy Bullard, 14004 SE Nichols St, Boring, OR 97009 – Historically Gearhart has been a vacation resort community and generational home rentals cyclical. Comp Plan states to *protect from the negative impacts of transient rentals* not band rentals. All septic systems should be inspected, they should be allowed to park in the road right of way in front of their property, 2 people per bedroom – ridiculous. (#300)

Cliff Johnson, 926 NW 13th Portland, OR – co-founder of VACASA. Started business in Gearhart 6 years ago with one property at Gearhart by the Sea, STR renters and property owners want to be part of the community, not opposed to regulations just wants them fair and reasonable that the entire community is held to, people that come to Gearhart want the tranquility, often path to ownership, they are opposed to things that are hard to enforce like caps on permits.

Erin Barker, P O Box 408, Seaside, OR 97138 – she is not against all regulations, has been managing Gearhart rental property for 17 years, the internet has proliferated STRs, some of the homes

that do not fit in the mold have been renting for 20 plus years and should have special consideration, regulations regarding complaints should be verified.

Kathryn Gimre Wolfard, 4701 NE Woodside Terrace, Portland, OR 97210 – her family has been in the area for 4 generations and one size does not fit all – she has a 4500 foot home that sleeps 17, 2 hot water heaters, 2 furnaces, a large septic system and the house fully sprinkled and asks why limit occupancy to 10. Asks to only change the law to fix a problem and applies equally to all homes or not at all. (written comment #301)

Kathy Schroeder, 6411 SE 29th Ave, Portland, OR 97202 – opposed to all regulations because the goal is to entirely eliminate STRs, regulations to do keep Gearhart Gearhart, \$500 fee outrageous, restriction limiting transfer by inheritance rewards those who can hire an attorney. Homes removed from STRs will not be used for long term rentals, homeowners will still want to use their properties and those wanting long term rentals could not afford the rent.

Christine Roth, 34162 Church Rd, Warren, OR 97053 - home owner for 6 years, farm owner. Rents less than 25% of the year, pays all property taxes and does not use any of the services. Proposed ordinances contrary to the spirit of why she came to Gearhart, enforce the laws that exist, everyone wants the problems fixed.

Susan Turner, 1035 SW Westwood Dr, Portland, OR 97239 – owned a home for over 40 years, next door neighbor rents property and there has never been a complaint, some day her children may want to rent the home and they may have the option of renting in order to keep the property, not allowing future rentals is wrong and unfair.

Gay Jacobsen, 1930 SW Sunset Blvd, Portland, OR 97239 – the current proposal is a great compromise, she is concerned about restrictions that don't make sense; 2 people per bedroom lacks common sense, is not enforceable, an overreach with more stringent requirements than the state, connecting occupancy to septic capacity is inconsistent with the county comprehensive plan. (#302)

Dean Alterman, 805 SW Broadway #470, Portland, OR 97205 – attorney on behalf of 5 homeowners who also rent their property. Stated the proposal conflicts with the criteria of statewide Goals 2 and 8 in local residential policies and citizen involvement and cannot be adopted due to lack of factual basis. He further stated adoption of the policy would change the residential density.

Laurie Whittemore, 6945 SW Gable Parkway, Portland, OR 97225 – owns vacation home, family coming to Gearhart for 65 years able to purchase 10 years ago but only if able to rent. Expressed concern that the long term goal of the city is to tax, control and restrict rentals without documentation of problems, the majority of those entering correspondence into the public hearing records opposed regulations and she asks commission listen to the majority of the homeowners. (#305)

Jim Whittemore, 6945 SW Gable Parkway, Portland, OR 97225 - noted their Gearhart house is vacant 260-270 days a year. The issue of rental properties has taxed the resources of the city, he urges the council to reflect on the costs and effects to date to avoid a prolonged civil and legal battle to resolve this issue. (#303)

Don Holman, 5733 SW 45th Ave, Portland, OR 97221 – expressed dismay due to only recently finding out about the meeting, he has written a letter to protect his standing. Recently purchased a piece of property with intent to build, with the proposed timeline he will not be able to be grandfathered although he feels he has a vested right he further noted never receiving a notice.

Gerard Lester, 4724 NE 14th Ave, Portland, OR 97211 –with VACASA. He stated when stringent regulations are passed it drives rental properties underground, he has observed a rise in unregulated vacation rentals, due to the increased number of people moving to Portland they will flock to the coast whether regulated or not people will go to those areas.

Charlie Miskey, P O Box 2111 Gearhart, OR 97138 – been in Gearhart a year. His landlord invests the Airbnb money to improve the quality of the home and it also provides him a job as a property manager.

Peter Hoffman, 445 NW Hilltop Road, Portland, OR 97210 – has been coming to the family home for 70 years, he thinks rules, regulations and restrictions are made up by the bureaucrats, those who rent need to pay the local taxes and it does not make sense to pay additional taxes on rental programs.

Craig Weston, P O Box 2838, Gearhart, OR 97138 – hates to see issues that split the city; he recognized most people rented before making a property purchase in Gearhart. Gearhart is about family, the kids our future renters and owners. He asks the council make a compromise on the issue of enforcement.

Trudy Knowles, P O Box 230275, Tigard, OR - coming to Gearhart for over 50 years. She does not want to see the community divided. She asks why she was not informed of the meeting.

Testimony was open to those presenting neutral comments to Short Term Rental Regulations.

Susan Edy, 707 F Street, Gearhart, OR 97138 – STRs have altered the dynamics of Gearhart, comp plan addresses the issue of operating a business in a residential neighborhood and it is not allowed. Gearhart neighborhoods were not designed for an overload of people, houses may accommodate large numbers but streets and plumbing may not leading to the eventuality of a new sewer system. Success of the proposed regulations lies with the ability to enforce them. Gearhart should consider tax breaks for those who rent homes long term. (#304)

Judd Todd, 1011 Boylston Avenue East, Seattle, WA 98102 – 30 day application period should be 60 days, change to the 15' parking stalls based on the building code, common sense says to allow those with more than one rental to grandfather and attrition down instead of fight. Breakaway Lodge is grandfathered due to its 1994 use, the use has expanded, they have no off street parking, scope of use has changed, Breakaway needs to be reigned back in to when the code was adopted.

Dee Madden, 425 NW Royal Blvd, Portland, OR 97210 – she is now surrounded by renters, 50 years ago she was a renter, she said the town needs respectful renters.

Watts clarified the procedure is legislative in character and adoption will be done by ordinance without an emergency clause. It can be referred in 30 days with 90 days to collect signatures and at that time an election date would be determined.

Mayor Widdop closed the public hearing at 7:25pm and opened council deliberations.

Widdop read a statement into the record in response to Alderman's point regarding Residential Development Policy 3 noting residential density to mean lot size not number of people living in a neighborhood. Low density refers to lot sizes as per an ordinance passed in the fall of 1977 which doubled the size of building lots from 5,000 to 10,000 sq. feet because of sewage problems in Clatsop Plains all the way through Gearhart.

Following a 10 minute break council reviewed the Vacation Rentals Dwellings proposal line by line.

Proposed Amendments to the Gearhart Zoning Ordinance:

#1 Add a new section to the zoning code – OK by consensus

#2 Definition of Vacation Rental Dwelling – Watts clarified the proposed definition follows state law – per Sweet add to clarify that vacation rental business are not allowed in the R1 and R2 zones as the zone code is currently written and no new permits would be issued beyond the grandfathering established in this ordinance – Connell said the statement may be added to each zone – monitoring of VRD to be added to council goals list with a minimum visitation every 2 years and mention in the ordinance of periodic review - OK by consensus

#3a – Exemption of neighborhoods – UGB neighborhoods brought into the city of Gearhart would be required to comply with the regulation, grandfathering rental properties would be determined at the point of annexation – OK by consensus

#3b –R3 zones – OK by consensus

#3c – R2 zone – (add) *one permit per dwelling unit* - OK by consensus (3 to 2)

#3d – Special Permit offering (add) change to read *Upon the effective date established by City Council Ordinance there will be a one-time 60-day period in which a property owner may file an application for a vacation rental permit from the City of Gearhart. ~~No person will be allowed to apply for more than one permit during the 30 day application period. At the time of application the applicant shall provide proof that state lodging taxes were paid on the subject property in 2015. Proof of current short term rental is based on subject property paying City of Gearhart Transient Lodging Tax. When the one-time 60-day application period expires there shall be no new permit opportunities.~~*

(Add) 180 days from the time of application to permit approval allowing the city to process all aspects of the application. – OK by consensus

#3d (by inheritance) – OK by consensus

#3e – Good neighborhood policies – to be developed by staff as an educational policy – OK by consensus.

The public hearing deliberation was continued to July 6, 2016 in Gearhart council chambers at 7pm following the public hearing on part 2 text amendments. The meeting was adjourned at 9:10 pm.

The public hearing deliberation on Transient Rental Dwellings was reconvened at 7:45 pm on Wednesday, July 6, 2016.

1. Maximum Occupancy Calculation

#1 Bedroom – *The maximum occupancy for a vacation rental dwelling shall be two persons over the age of 2 per bedroom. Occupancy includes occupants sleeping on the property. ~~A vacation rental dwelling in Gearhart shall not exceed occupancy of more than ten (10) persons.~~* – OK by consensus. Sweet will check with the building official regarding sprinkling for occupancy over 10.

#2 Off-Street Parking – amend to add *parking outside garage* and add *9' X 15' parking spaces are allowed in front of existing garages.* – OK by consensus.

#3 Septic System Capacity – OK by consensus. DEQ address will be provided in initial application packet.

Notice of Occupancy:

#2 - amend to read *...and posted or displayed on or within 4 feet of the door in a prominent location...*
OK by consensus.

#3 – OK by consensus.

2. 24-Hour Representative

a. OK by consensus

b. OK by consensus with neighbor notice a function of city staff.

3. Residential Appearance – add *may have one 12" x 12" wall sign as per general regulation sign requirements.* OK by consensus

4. Off Street Parking Requirements

a. amend to add *displayed within 4 feet of the door* – OK by consensus.

b. OK by consensus

5. Garbage Service

a. OK by consensus Sweet will confirm with Recology side yard service is still available.

b. OK by consensus

6. Fire/Safety/Health Inspection

a. Initial inspection - OK by consensus

b. Re-inspection – correct the word inspected to *re-inspected*, add *at inspection the septic system will be verified through DEQ.*

c. *remove letter 'c'* and move the text to the end of the previous sentence.

7. Tsunami Preparedness – remove the word *supplies* – OK by consensus. Discussion followed to give a credit on the application fee to those homeowners who providing a 'go bag' and a NOAA weather radio.

8. Permit Limitations

a. OK by consensus

b. remove paragraph – OK by consensus.

c. OK by consensus

9. Vacation Rental Permit Issuance and Annual Renewal

Add an annual fee of \$600 reduced to \$500 when applicant provides a 'go bag'.

Amend to read *taxes must be paid quarterly on an annual basis for the permit.....* OK by consensus

10. Violations – staff will work on verb age and bring back to council for review.

Breakaway Lodge/ The Lodge at Little Beach – consistently operating prior to the zoning ordinance in a non-conforming capacity, Sweet is unsure on how to continue. Per Watts the more consistent the city is in the operation of all properties the better. Sweet noted both properties were directed by staff in 1994 and have been paying room tax since that time. Watts stated the city probably needs more information on how both properties have been used. Calculations would begin with what they are entitled to under the code (parking, septic and occupancy) if they wanted something based on special circumstance, like they have always done things, it would involve another conversation like a variance.

Variance – per Watts variance criteria would need to an embedded into the section to allow TLDs the opportunity to use the variance procedure, a placeholder could be in place in the ordinance so future discussion could occur.

Widdop noted being Gearhart’s representative on Clatsop Economic Development Resources board, she participated in a symposium to discuss and attempt to find solutions to the critical shortage of long term rental properties. She stated the housing need is for houses in all price ranges including Coast Guard professionals some who are currently commuting from Longview and other communities in Washington State. Watts stated this speaks to Oregon State Wide Planning Goal 10 Housing needs for all price ranges.

Lorain reported that observations from the fire committee shows a pattern as vacation rentals raise fire / EMT calls go up proportionally.

On **MOTION** by Jesse, 2nd by Cockrum, the deliberations to consider Transient Lodging Dwellings were closed. Motion unanimously approved.

On **MOTION** by Lorain, 2nd by Jesse, staff was unanimously directed to prepare the final document in ordinance form for the August meeting.

Dianne Widdop

Dianne Widdop, Mayor

Chad Sweet

Chad Sweet, City Administrator