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To: Board of County Commissioners

From: Dan Johnson, DTD Director, and Jennifer Hughes, Planning Director

Re: Short-Term Rentals, Next Steps

Date: October 1, 2020

In light of the shutdowns that occurred in response to the coronavirus pandemic and the resulting impacts on the tourism industry, the Board tabled the short-term rental (STR) project that was undertaken in 2019 as part of the Long Range Planning Work Program. However, during a recent policy session, the Board identified the project as a priority for completion before the end of the year. Staff is now seeking direction on how the Board would like to proceed to ensure that deadline can be met.

When the STR project was tabled, the planned next step was a third public hearing to consider amending the County Code to register and regulate STRs. For background on the project and key issues, attached is the Planning Session worksheet from the last discussion the Board and staff had on the topic. In staff's view, the three options that were presented in March remain the same today.

- **Suspend the project.** The result is that the zoning code will remain silent on whether STRs are permitting, and there will be no registration program or regulation of STRs beyond what applies to any other dwelling unit. Payment of transient lodging tax still would be required, as it is currently.

The concern with this approach is that there will continue to be no clear authorization in the zoning code for a use that is occurring in hundreds of dwelling units across the county and for which the county requires the payment of lodging tax.

- **Limit the project to a zoning code amendment only.** This approach would clearly allow any lawful dwelling unit to be used as a STR but would not regulate them any differently than any other dwelling unit. There would be no registration and no fee. Payment of transient lodging tax still would be required, as it is currently.

For this to be complete by the end of the year, staff would need to draft the zoning code amendment and provide legally required 35-day notice of the Planning Commission

hearing by October 12, or October 19 at the latest. There is also a concern that to meet the schedule, the public hearing(s) before the Planning Commission may need to occur the week of Thanksgiving or the Monday immediately following, which may reduce public participation. Due to the timeline, the Board would need to be prepared to make a decision in one early December hearing with adoption of the written ordinance most likely on December 17. Finally, many community members who have participated in the process to date have advocated for STR regulations rather than a blanket allowance, so substantial opposition may occur.

- **Adopt the STR regulations previously drafted (attached) or with amendments identified by the Board, as well as a registration fee.** Following the last Planning Session, the major issue remaining was the suggested \$800 two-year registration fee to achieve full cost recovery for the new program. Since that time, the budget picture has worsened. Start-up costs were to be covered by \$50,000 from the Tourism Department, and that funding is no longer available. Administration of the registration was to be staffed by Finance and, following the start-up period, funded entirely by the registration fee. Finally, code enforcement was to be administered by DTD with an expectation that additional FTE would be funded by the registration fee. (Enforcement of standards for noise and parking in the right-of-way would continue to be under the purview of the Sheriff's Office as it is currently.)

If the Board supports moving forward with the most recent draft of the regulations or proposes limited changes, first and second readings of the Ordinance can be completed before the end of the year. However, the funding piece remains a barrier.

On Tuesday during Issues we will be looking for some clearer direction on how you would like us to proceed.

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Planning Session Worksheet

Presentation Date: 03/11/2020 **Approx. Start Time:** 9:30 a.m. **Approx. Length:** 2 hours

Presentation Title: File ZDO-273: Short-Term Rentals

Department: Planning and Zoning Division, Department of Transportation and Development (DTD)

Presenters: Jennifer Hughes, Planning Director; Martha Fritzie, Senior Planner

Other Invitees: Nate Boderman, County Counsel; Jim Austin, Tourism Coordinator; Samara Phelps, Tourism Director; Nicole Cross, Planner; Ellen Rogalin, Community Relations Specialist; Cameron Ruen, Community Relations Specialist; Michelle Amend, Code Enforcement Supervisor; Stephen Madkour, County Counsel; Matt Rozzell, Building Codes Administrator; Haley Fish, Finance Dept. Deputy Director; Kathryn Stewart, Finance Dept.; Cheryl Bell, DTD Assistant Director; Dan Johnson, DTD Director

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Board direction on whether and/or how to move forward with potential adoption of County Code amendments to establish a Short-Term Rental (STR) registration program in unincorporated Clackamas County. See **Chapter 8.10 Short-Term Rentals (Attachment 1)**.

EXECUTIVE SUMMARY:

The purpose of this planning session is to discuss Board concerns that remain after the two-part public hearing held on January 30, 2020 and February 13, 2020 for the first reading of the ordinance for the proposed short-term rental registration program and regulations. At the February hearing, the Board voted 3-2 to table the proposed amendments pending future discussion about these remaining issues.

Background

For the purposes of this discussion, a short-term rental (STR), or vacation rental, is a dwelling unit, or portion of a dwelling unit, that is rented to any person or entity for a period of up to 30 consecutive nights.

In early 2019, the Board directed staff to look into the most effective ways to potentially allow and regulate STRs for the following three reasons:

1. The County's Zoning & Development Ordinance (ZDO) does not clearly identify STRs as allowed in any homes in the county, and therefore, from a zoning perspective, it is considered a prohibited use of a dwelling. However, there are clearly a number of homes in the County actively being used as short-term rentals and a growing interest among homeowners in pursuing this type of use legally in the county;
2. Several properties in the county operating as short-term rentals have generated enough complaints that it has become apparent that this use can cause unwanted neighborhood impacts; and

3. The Transient Room Tax (TRT) currently applies to STRs, as it does to hotels, motels and other lodging establishments. While there are a number of STRs that are paying the tax as required, there appears to be a large number that are not. Establishing a STR registration program, linking the registration to a requirement to pay the TRT, and funding enforcement of the new regulations could help level the playing field for all lodging establishments, ensuring they are all paying their fair share.

At the January 30 and February 13 public hearings, the Board heard testimony and discussed the proposed program and regulations as presented by staff. The draft was revised between the first and second hearing based on input from the Board. This draft, available on the project webpage (<https://www.clackamas.us/planning/str>) and in **Attachment 1**, is the result of over a year of work that included the following actions:

- Research into STR programs in other jurisdictions;
- Several large public meetings throughout the county in the spring of 2019;
- Extensive public outreach throughout the last year (website, online questionnaires, social media, newsletter articles, news releases and numerous emails to interested parties);
- Seven planning/policy sessions with the Board between March 2019 and February 2020; and
- Feedback on initial drafts from the public, staff from other departments and agencies, and industry professionals.

Key components of the current proposal include the following:

- Regulations would only apply outside of city limits in unincorporated Clackamas County.
- STRs would only be allowed in a legally-established dwelling (either part or all of the dwelling could be rented, including a guest house). This would include allowing for STRs in accessory dwelling units (ADUs), but would not allow STRs in RVs, tents, barns, shops or similar structures.
- All STRs would be subject to the same regulations, except that STR properties *inside the Portland metropolitan urban growth boundary (UGB)* would be required to be the owner's primary residence or located on the same tract as the owner's primary residence. (The owner would not be required to be there when the short-term rental was occupied). This "primary residence" provision was added as requested by the Board at the last policy session held before the January 30 public hearing.
- STRs would have to be registered with the county. In addition to paying a registration fee, which the county would use to cover the costs of administration and enforcement, the short-term rental owner would also be required to provide information at the time of registration, including:
 - Location;
 - Contact information for someone who can respond to complaints;
 - An affidavit of compliance with safety standards;
 - Evidence that all county fees and taxes have been paid, including registration with the county's Transient Room Tax program;
 - Proof of liability insurance, and
 - A site plan and a dwelling unit floor plan.
- Maximum overnight occupancy of two people per sleeping area plus four additional people, not to exceed 15 people.

- One off-street parking spot required for each two sleeping areas.
- Required garbage pick-up at least once a week, with any outdoor garbage containers required to be covered.
- Posted quiet hours from 10 p.m. – 7 a.m. (in accordance with current county noise ordinance).
- Building and fire safety requirements related to smoke and carbon monoxide detectors, emergency escape routes, fire extinguishers, etc. (as established via the affidavit)
- Short-term rental owners who do not comply with the regulations may be subject to enforcement consequences ranging from citations and fines, up to liens and revocation of registration. Enforcement of the regulations will be carried out by either the Sheriff's Office or Code Enforcement, depending on the issue.

While there appeared to be significant agreement on the majority of the proposed regulations and the registration program in general, several issues that came up at the public hearings and through written testimony warrant additional discussion.

Discussion Topics

While staff is prepared to discuss any remaining topics of interest to the Board, staff has identified the following three issues as the most significant based on public testimony and Board feedback during the hearings.

1. ***Limiting (capping) the total number of registrations.*** The Board expressed concern about the potential impact STRs could have on the county's housing stock, particularly on affordable housing, as there has been anecdotal evidence that increased rental income generated from running an STR, in lieu of a traditional long-term rental, may motivate some owners to forego the long-term rental option.

To address this concern, both a cap on the number of registrations and a requirement that a STR be the owner's primary residence were discussed at previous policy sessions. At the request of the Board, the current draft of regulations includes a requirement that if the STR is within the UGB, it must be the owner's primary residence or located on the same tract as the owner's primary residence.

If the Board were to request a cap on the number of licenses permitted county-wide (or in the urban area), the Board should also consider whether to retain the primary residence requirement, which may have the additional effect of reducing negative neighborhood impacts from irresponsible renters (i.e., "party houses").

In addition, when analyzing the degree to which allowing STRs would negatively impact affordable housing, it may be helpful to consider the following facts:

- There are estimated to be approximately 1,000 STRs operating in unincorporated Clackamas County. The majority of these are in the resort areas of Mt. Hood, where a large portion of the housing stock is made up of vacation homes -- not primary residences for owner or long-term renter occupancy;
- Based on the county's 2019 housing needs analysis, there are approximately 62,000 dwelling units in unincorporated areas of the county (both urban and rural), which means that STRs likely comprise approximately 1.5% - 2% of the county's housing stock; and

- These approximately 1,000 STRs are currently operating and have therefore already had an impact (whatever that may be) on the county's housing stock. To the extent that creating a process to allow and register these uses would suddenly create a great influx of new STRs, it could indeed generate impacts to the housing stock. There is, however, no evidence in the research staff has done that would indicate that creating regulations would increase the number of STRs.

Some important considerations when contemplating a registration cap include:

- a. *Whether the registration is transferrable.* Is the registration limited to:
 - a particular dwelling unit (transferable to a new owner),
 - a particular owner (i.e., the owner can move the registration from one dwelling unit to another), or
 - both (i.e., not transferable if the property is conveyed and not able to be moved to a different property by the owner)?

If registration goes with a property, it could create a situation where the value of some homes in a neighborhood is unfairly inflated;

- b. *Whether the proposed fee needs to be increased either because of a reduced number of registrants or because of additional administrative burden.* Fewer registrations would require the base cost of the program to be borne by fewer registrants. However, administration would be more difficult because renewals, property transfers and a wait list would need to be more closely tracked. In addition, if the cap is set at a level lower than the number of existing STRs, enforcement costs for compelling the excess STRs to stop operating would be significant;
- c. *Whether there is a minimum usage required to keep the license active.* Jurisdictions that were consulted with a license cap indicated that people holding onto licenses and not using them has become a problem in some neighborhoods where there are other homeowners who would like to acquire an unused license;
- d. *Whether a registration would be forfeited one day after expiration or if there would be a grace period, and what the system would be for determining who is next in line for the forfeited license.*
- e. *How many registrations should be allowed.* This would include a decision on whether the cap should apply countywide or only in specific area(s), like the urban area and whether it would be set as either a specific number or a percentage of the housing stock. It may be helpful to know that other jurisdictions in the state with a cap on the number of STR licenses have done so to keep the number of STRs *below 20%* of their housing stock. Currently the county's STRs comprise an estimated *1.5%-2.0%* of the housing stock. Staff believes that a percentage would be extremely challenging to administer in a jurisdiction of our size as we do not regularly track the precise number of dwelling units in the unincorporated area.

Options include:

- setting the cap close to the number of STRs estimated to exist currently (although this is just a best guess),
- setting the cap higher than the number estimated to exist to allow for a modest amount of growth, or
- setting the cap lower than the number estimated to exist, thereby creating a potentially contentious situation as existing STRs compete to qualify for the limited number of registrations available.

2. **The fee.** As drafted, implementation of this program is expected to require two additional full-time staff, plus additional time for the Code Enforcement Hearings Officer. Based on cost estimates from DTD and the Finance Department, the annual cost to run the STR program is approximately \$320,000, including overhead. Initial funds would need to come from a source other than registration fees. Ultimately, however, the registration fee is intended to support the program (“full cost recovery”).

As there is no precise way to determine how many STRs currently exist or how many would register in the future, setting an initial fee draws upon many assumptions, resulting in an educated guess, as shown below.

- Number of STRs
 - Up to 1,600 in Clackamas County, including cities
 - Approximately 960-1,100 outside of cities (60-75%)
- Two-year program cost = \$640,000
 - Payment from 75% of 960 STRs = \$888 / STR
 - Payment from 75% of 1,100 STRs = \$775 / STR

Staff has heard two separate concerns from the Board regarding the fee:

1. It is too high for people who only want to rent a room occasionally to supplement their income.
2. It is too high and/or the registration is unnecessary for specific condominium developments in Government Camp.

The fee structure could be set up with two or more tiers to address the above concerns. However, there are some important considerations when contemplating this option:

- a. To maintain full cost recovery, reducing or eliminating fees for some registrations would require increasing the fee for others. The amount of the increase would depend on the number of registrants who qualify for a reduction and the size of the discount.
- b. Because this is a fee, which covers a specific service, adjustments must be tied directly to a difference in cost to administer or enforce for a specific subset of registrants. It is not likely that there will be much, if any, difference in administrative costs for processing different applications. Therefore, the most logical correlation between a reduced fee and actual program costs would be related to the cost of enforcement.
- c. Finally, there are potential consequences of any reduced fees in terms of equity and fairness. For example, we do not want to adopt a fee structure that has the effect of driving business to particular property managers and/or developments at the expense of others.

While tied directly to the regulations and registration program, the registration fee(s) will be adopted separately, by resolution, into the Fee Table in Appendix A of the County Code. This adoption would happen during the second reading of the ordinance for any Code amendments to establish the STR program.

3. **Limiting the total number of people allowed on the premises of a STR.** The Board heard testimony from several people regarding “party houses” and/or STRs being used to host large, often loud, events. To help address this issue, the Board could add a provision

to set a maximum total occupancy, which would include overnight occupants plus a certain number of daytime guests of those occupants.

It is important to keep in mind that when people are on vacation, they do sometimes have people over for a small gathering or dinner, just as one would in their own house, and these small gatherings are generally not causing problems or leading to complaints. A certain number of guests could be authorized in the STR for this type of gathering, but would not be authorized to sleep overnight in the STR. Other jurisdictions have instituted such limits, recognizing that large “events” or parties in STRs can become disruptive to neighbors.

While enforcement of this number could prove to be difficult in many cases, if the number of guests at a party, or the late hour of such a party, is far in excess of the allowance, this type of provision could actually enhance our ability to enforce because it would provide a specific regulation that, with sufficient evidence, could be the sole basis for a code violation.

An added provision into the Code could read as follows (with the x being a number defined by the Board):

Maximum number of persons allowed on the premises - including overnight occupants and their non-overnight guests - shall not exceed x times the maximum overnight occupancy.

If added, definitions of “guests” and “overnight” would be added as well:

GUESTS means persons who are the invitees of an occupant on the premises. Guests are not occupants of the short-term rental themselves.

OVERNIGHT means anytime between the hours of 10 p.m. and 7 a.m. on the following day.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the funding source? N/A

The development of regulations for short-term rentals (ZDO-273) is part of the Planning & Zoning Division’s current budget, funded by the General Fund; however, if the Board chooses to move forward with a program to register and enforce regulation of the use of dwellings as STRs, there will need to be additional staffing and funding made available for the divisions and departments responsible for implementation and enforcement. Staff proposes this be done through a registration fee that is sufficient to cover administration and enforcement costs.

As noted previously, implementation of this program, as drafted, is anticipated to require two additional full-time staff, plus overhead. Based on personnel cost estimates from DTD and the Finance Department and estimates about the number of STRs in the county from industry professionals, our initial estimate is that the baseline fee for the two-year registration would need to be approximately \$775 - \$888 in order to cover the ongoing costs of the program.

- This estimate assumes full cost recovery for both administration and enforcement of the program once it is up and running. To get to that point, there would need to be an initial investment to cover costs until the volume of registrants can fully support the program.

We are talking with the Tourism Department about that department's ability to provide an initial investment.

- At a previous policy session, the BCC requested an incentive be created at the start of the program to encourage STR owners to register (e.g., a discounted fee for an initial period of time or for STR owners who are already paying the TRT, if they register within a specific amount of time). This incentive would be a part of the initial program fee structure.

STRATEGIC PLAN ALIGNMENT:

- **How does this item align with your Department's Strategic Business Plan goals?**
The proposal aligns with the Long-Range Planning program's purpose of providing land use and transportation plan development, analysis, coordination and public engagement services to residents; businesses; local, regional and state partners; and County decision-makers so they can plan and invest based on a coordinated set of goals and policies that guide future development.
- **How does this item align with the County's Performance Clackamas goals?**
The proposal aligns with the Performance Clackamas goal to "Build Public Trust through Good Government" by responding to a work program priority and by creating regulations and a process by which a land use that is not currently specifically allowed in our code may become a permitted and compliant use.

LEGAL/POLICY REQUIREMENTS:

Staff is not aware of any legal requirement to allow STRs. Adoption of STR regulations will follow the established process for ZDO amendments and/or County Code amendments.

PUBLIC/GOVERNMENTAL PARTICIPATION:

County Staff has been engaging in public outreach regarding STRs with Community Planning Organizations and other groups and individuals, and will continue to do so throughout the remainder of this project. In addition, public notice will be provided, as required by law, for any proposed amendments to the County Code or the ZDO that come before the Board for consideration at a public hearing.

OPTIONS:

- 1) ***Discontinue the project and maintain the status quo.***
Analysis: The result of this option is that the Zoning & Development Ordinance (ZDO) will remain silent on whether STRs are permitted in the unincorporated county and there will be no permitting process for STRs. The status quo makes it difficult to communicate a consistent public policy on STRs. On the one hand, staff tells people STRs are not permitted by the ZDO, but on the other hand, there are hundreds of existing STRs, no enforcement efforts to close them down, and a County Code requirement that STRs pay the Transient Room Tax.
- 2) ***Direct staff to proceed with the adoption process to allow STRs in legal dwellings by amending the ZDO, but do not include a registration process or any regulations.***
Analysis: This option would address the ZDO inconsistencies noted in Option 1 above, and would result in less financial impact as there would not be a registration program, or

additional requirements requiring code enforcement. It should also be noted that enforcement of complaints related to noise and parking are under the purview of the Sheriff's Office, so regulation of these activities remains with that office regardless if we have, or do not have, a STR registration program. In considering this option, the Board should be advised that during our public outreach, a significant amount of public input has favored regulating this use to mitigate neighborhood impacts, and while a ZDO amendment to allow a STR in any legal dwelling would remedy the inconsistencies described in Option 1, it will not add enforcement measures supported by public outreach.

- 3) **Direct staff to proceed with adoption of a STR registration program and regulations**, which would include:
- a. Proceeding with the first and second readings of an ordinance to amend the County Code:
 - i. As proposed in *Attachment 1*; or
 - ii. As modified based on Board direction.
 - b. Drafting a resolution to amend the Fee Schedule to include a fee(s) for the administration and enforcement of the program to consist of:
 - i. One fee - set at \$775 (or some other amount) for a two-year registration, with fee to be reviewed after one year;
 - ii. Some other fee structure, as identified by the Board.

RECOMMENDATION:

Staff recommends Options 3)a.i. and 3)b.i.- Direct staff to proceed with adoption of a STR registration program and regulations, which would include:

- Proceeding with the first and second readings of an ordinance to amend the County Code, as proposed in *Attachment 1*; and
- Drafting a resolution to amend the Fee Schedule to include a fee(s) for the administration and enforcement of the program to consist of one fee - set at \$775 (or some other amount) for a two-year registration, with fee to be reviewed after one year

ATTACHMENTS

- 1. Draft amendments to County Code, **Chapter 8.10 Short-Term Rentals** (3/2/2020 draft)
- 2. Public comments received after February 13, 2020 hearing

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Martha Fritzie @ 503-742-4529
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Chapter 8.10

8.10 SHORT-TERM RENTALS

8.10.010 Purpose

The purpose of this chapter is to regulate short-term rentals in order to enhance public safety and livability within the unincorporated areas of Clackamas County. Specifically, this chapter addresses public safety concerns typically associated with short-term rentals, and clarifies the process for both property owners and staff related to permitting short-term rentals and enforcing violations of these standards.

8.10.020 Definitions

Except where the context otherwise requires, the definitions given in this section govern the construction of this chapter.

- A. ADMINISTRATOR means the County Administrator of Clackamas County or his/her designee.
- B. DWELLING UNIT is a single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.. For the purposes of this chapter only, a guest house is considered to be part of the dwelling unit to which it is accessory, even though it is a separate structure. Guest house shall have the meaning given to that term in Section 202 of the Clackamas County Zoning and Development Ordinance.
- C. OCCUPANTS means persons who are authorized to stay overnight within a short-term rental.
- D. OWNER is the owner or owners of a dwelling unit used as a short-term rental.
- G. PREMISES means the short term rental and the lot on which it is located.
- H. PRIMARY RESIDENCE means a dwelling unit where an owner lives most of the time. At a given time, an owner does not have more than one primary residence. For purposes of determining whether a dwelling unit is a primary residence, the County may consider factors that include, but are not limited to: whether the dwelling unit is the legal residence of the owner for purposes of voting, motor vehicle/driver licensing, income tax calculation, and the time the owner has spent at the dwelling unit.
- I. REGISTRANT means the owner, or agent of the owner, designated on the registration to act for the owner, who is responsible for ensuring the short-term rental adheres to all applicable requirements to maintain a short-term rental registration.
- J. REGISTRATION means a short-term rental registration.
- K. SHORT-TERM RENTAL means a dwelling unit, or portion of a dwelling unit, that is rented to any person or entity for lodging or residential purposes, for a period of up to 30 consecutive nights.
- L. SLEEPING AREA means a room or other space within a dwelling unit designed and intended primarily for sleeping.

8.10.030 Applicability

This chapter shall apply within the unincorporated areas of Clackamas County including within urban growth boundaries, but shall not apply within the boundaries of any incorporated city. This chapter does not apply to hotels, motels, bed and breakfast facilities, hostels, campgrounds, recreational vehicle (RV) camping facilities, or organizational camps.

8.10.040 Short-Term Rental Registration Requirements and Fee

- A. All short-term rentals shall be registered, except that any short-term rental that qualifies for an exemption to the Transient Room Tax under Section 8.02.060(C), as “incidental” use of the property, shall be exempt from the registration requirements set forth herein.
- B. Application forms for a registration for a short-term rental will be available at County offices. Applications for initial and renewal registrations for a short-term rental must be submitted to the County and must be signed under penalty of perjury. The application documents must include at least the following:
 - 1. The location of the premises.
 - 2. The true names, telephone numbers, and addresses and any aliases of the persons that have, or have had within the preceding year, a financial interest in the premises.
 - 3. A Land Use Compatibility Statement, signed by a Planning & Zoning Division representative, affirming that the short-term rental complies with Section 8.10.060(A).
 - 4. Signed affidavit of compliance with all building and fire standards in Section 8.10.060(G), and all applicable requirements in Section 8.10.060(D-F).
 - 5. Evidence that all current taxes and fees owed to Clackamas County have been paid for the premises.
 - 6. Evidence that a Transient Room Tax registration form has been submitted to the County.
 - 7. The name, telephone number, and address of a contact person who shall be responsible and authorized to respond to complaints concerning the use of the short-term rental.
 - 8. Proof of liability insurance coverage on the short-term rental.
 - 9. A statement that the registrant of the short-term rental has met and will continue to comply with the standards and requirements of this chapter.
 - 10. A site plan that identifies, at a minimum, all structures on the property, driveway(s), off-street parking spaces, and garbage receptacles.
 - 11. A dwelling unit floor plan that identifies, at a minimum, all sleeping areas and other rooms in the dwelling unit.
 - 12. If the premises includes a guest house to be used as a short-term rental, verification that the guest house is equipped with indoor plumbing equipped with a water closet, lavatory, shower, bathtub or combination bath/shower. All plumbing fixtures must be connected to an approved water supply, and an approved sanitary sewer or private sewage system.
- C. A separate registration application must be submitted for each proposed short-term rental; however only one short-term rental registration shall be approved per dwelling unit.
- D. At the time of submission of a short-term rental registration application, the registrant must pay a short-term rental registration fee. The fee amount shall be set by resolution of the Board of County Commissioners.

- E. A registration is transferable to a new registrant, so long as the new registrant submits notification to the administrator, signed by the original registrant, of the transfer and agrees in writing to comply with the requirements of this chapter. A change of registrant notification form will be available at County offices.
- F. No short-term rental may be publicly advertised for rent unless it has been registered with the County

8.10.050 Registration Termination – Renewal – Fee

- A. A short-term rental registration terminates automatically two years after the date of issuance, unless a new registration application is approved by the county.
- B. Registrants wishing to continue uninterrupted operation of a short-term rental shall submit a new application to the County a minimum of 30 days prior to the expiration of the registration.
- C. At the time of submission of a new short-term rental registration application, the registrant must pay the short-term rental registration application fee. The fee amount shall be set by resolution of the Board of County Commissioners.
- D. A short-term rental registration terminates automatically if state statutes, regulations or guidelines are modified or changed to prohibit operation of the short-term rental under this chapter.

8.10.060 Standards and Conditions

Any short-term rental must comply with the following standards at all times, in addition to any other state and local requirements:

- A. Dwelling Unit. The short-term rental must be operated within a legally-established, permanent dwelling unit.
 - 1. The dwelling unit associated with a short-term rental shall not have been established through a land use approval or other approval process that specifically limited the use of the dwelling unit, the occupancy of the dwelling unit, or the duration of the existence of the dwelling unit. Examples of non-qualifying dwellings include those approved as an accessory farmworker dwelling, a caretaker dwelling, or a temporary dwelling for care.
 - 2. Guest houses may only be used as a short-term rental where a registrant can demonstrate that the structure is equipped with indoor plumbing equipped with a water closet, lavatory, shower, bathtub or combination bath/shower.
 - 3. Temporary sleeping accommodations such as tents and recreational vehicles are not considered to be dwelling units under the county's zoning and development ordinance and may not be used as a short-term rental.
- B. Maximum Overnight Occupancy. The number of overnight occupants in the short-term rental shall not exceed the number of occupants authorized in the registration. The maximum overnight occupancy shall be clearly posted in the short-term rental, disclosed in any advertising of the availability of the short-term rental, and included in any rental agreement with tenants. The maximum overnight occupancy authorized in the registration for the short-term rental shall be calculated as follows:
 - 1. Two occupants per sleeping area, plus four additional occupants.

2. Roll-out beds, fold-out couches, or other similar temporary beds shall not be considered a “sleeping areas” for the purposes of calculating maximum allowed occupancy, but could accommodate the four additional occupants.
 3. In no case shall more than 15 occupants be authorized by a short-term rental registration. If only a portion of a dwelling unit is used as a short-term rental, all occupants, including those occupying the portion of the dwelling unit not used as a short-term rental, shall be counted toward the 15-occupant maximum.
- C. Noise. Notice shall be clearly posted in the short-term rental that identifies and informs occupants of their obligation to abide by the County’s current noise control ordinance standards (Clackamas County Code Chapter 6.05).
- D. Parking. One off-street motor vehicle parking space per two sleeping areas is required. Garage space may be used to meet required parking standards if evidence is provided that there is sufficient cleared garage space to fit a vehicle(s). All required parking spaces must be available for occupants to use.
1. If the short-term rental contains only one sleeping area, one off-street parking space is required.
 2. If the short-term rental cannot provide the required number of parking spaces based on sleeping areas, the registrant may request a reduced maximum overnight occupancy based on available parking. In no case shall the registrant advertise for, or rent to, more persons than are authorized under the reduced maximum occupancy total.
 3. In no event shall vehicles block access for emergency vehicles, block access to the premise, or block a parked motor vehicle. Violation of this section may subject the offending vehicle to immediate tow pursuant to ORS 98.853.
- E. Garbage. All garbage from a short-term rental shall be legally removed from the premises by the owner, occupant or franchised service provider at least once per week during any week, or portion thereof, in which the short-term rental is occupied. All outdoor garbage receptacles shall be covered. Recycling container(s) shall be available for use by renters.
- F. Registration Identification. The registration identification number assigned to the short-term rental by the administrator shall be included on any advertisement or rental platform where the short-term rental is offered to the public for occupancy.
- G. Building and Fire Safety. A short-term rental shall comply with all ordinances that apply to a dwelling, and all structural components shall be kept in sound condition and good repair. In addition:
1. Working smoke detectors and carbon monoxide detectors shall be installed and maintained in locations as required by the Oregon Residential Specialty Code.
 2. Two (2) working fire extinguishers shall be provided in the unit, with one of the extinguishers placed within the kitchen in an easily accessible location
 3. Code-compliant pool and hot tub barriers shall be present, if applicable.
 4. Every sleeping area shall have not less than one operable emergency escape and rescue opening, including basement sleeping areas. Emergency escape and rescue openings shall have a net clear opening of not less than 5.0 square feet. The net clear height shall not be less than 24 inches, and the net clear width shall not be less than 20 inches.
 5. All exterior building exits shall be clear, operable and available to renters.

6. All electrical wiring shall be covered, and wall outlets, switches and junction boxes shall have code-approved covers in place.
 7. Electrical panels shall have a clear working space of at least 30 inches wide in front of the panel, and a clear space 78 inches high in front of the panel. All circuit breakers and/or fuses shall be clearly labeled in the event the power needs to be shut off to a certain area or appliance.
 8. All restrictions and prohibitions for burning as determined by the local Fire District shall be observed. All wood-burning fire pits and fireplaces shall be covered or made otherwise unavailable during burn prohibition periods. Contact information for the local Fire District shall be clearly posted in the short-term rental.
 9. The dwelling shall have no open building or zoning code violations.
- H. For any short-term rental located within the Portland Metropolitan Urban Growth Boundary, the dwelling unit to be used as a short-term rental must be located on the same tract as the owner's primary residence. However, the owner is not required to be present on the tract when the short-term rental is occupied. Tract shall be defined as set forth in Section 202 the County's Zoning and Development Ordinance.

8.10.70 Registration Review

- A. The administrator shall, within thirty (30) days after receipt of a complete application for a short-term rental registration and applicable fee, either issue the owner a registration or provide notice of denial.
- B. Upon approval, the administrator shall furnish notice of the approval to all property owners of record within 300 feet of the premises, and contiguous properties under the same ownership. This approval notice shall provide the name, telephone number, and address of a contact person who shall be responsible and authorized to respond to complaints concerning the use of the short-term rental.
- C. The administrator may deny a registration application for failure to submit the materials or fee set forth in Section 8.10.040, for failure to meet the standards and conditions set forth in Section 8.10.060, for submitting falsified information to the County, or for noncompliance with any other applicable County ordinances.

8.10.080 Examination of Books, Records and Premises

To determine compliance with the requirements of this chapter, the Clackamas County Zoning and Development Ordinance, and any local tax measures, the administrator may examine or cause to be examined by an agent or representative designated by the administrator, at any reasonable time, the premises, and any and all financial, operational and facility information, including books, papers, and state and federal income tax returns. Every owner is directed and required to furnish to the administrator the means, facilities and opportunity for making such examinations and investigations.

8.10.090 Emergency Revocation

- A. In the sole determination of the Clackamas County Building Official, when a violation of the building code or applicable county ordinance exists at a short-term rental that presents an immediate serious fire or life safety risk, the Clackamas County Building Official may immediately revoke the short-term rental registration as a fire or life safety risk. The

Clackamas County Building Official shall provide written documentation of the violation, and notification of the owner's right to appeal, as provided in 8.10.100.

- B. Upon an emergency revocation, the short-term rental shall not be rented or used as a short-term rental unless the revocation is withdrawn or a new short-term rental registration has been obtained.
- C. At any time following the emergency revocation of a short-term rental registration pursuant to this subsection, the Clackamas County Building Official may reinstate the registration upon a re-inspection by the Clackamas County Building Official verifying that the subject building code or county ordinance violation has been corrected.

8.10.100 Administration and Enforcement

The County encourages owners, registrants, occupants, and affected residents and owners of nearby properties, to cooperate directly to resolve conflicts arising from the occupancy of any short-term rental. Along those lines, the first attempt to remedy a violation of any of the standards in this chapter should be to contact the representative associated with the registration, as identified in the approval notice and the required short-term rental posting. In the event that the listed representative does not respond within 24 hours or does not adequately remedy the issue, the Clackamas County Department of Finance should be notified.

- A. For acts of noncompliance, the Code Enforcement Program of the Department of Transportation and Development shall administer, supervise, and perform all acts necessary to enforce this chapter or any other chapters of the Clackamas County Code applicable to short-term rentals, except as otherwise provided for in state law or in the Clackamas County Code, including those regulations for which the Clackamas County Sheriff's Office has been vested with enforcement authority.
- B. Except as otherwise provided in this chapter, Chapter 2.07 of the Clackamas County Code shall govern the process for enforcement of this chapter, including but not limited to the notice and procedures associated with any compliance hearing.
- C. An owner that operates a short-term rental without an approved registration, or fails to pay the fees prescribed herein, shall be subject to immediate citation. Additionally, an owner that fails to pay the fees prescribed herein may have their short-term rental registration immediately revoked.
- D. A person who receives a citation for violation of this chapter shall respond within fourteen (14) days of the issuance of the citation by payment of any penalties established under this chapter, or by requesting a hearing as provided in this section.
- E. In addition to citation, the Code Enforcement Program of the Department of Transportation and Development may require an inspection of the premises.
- F. In addition to citation, the Hearings Officer may:
 - 1. Suspend the short-term rental registration until the short-term rental is in compliance with the standards and conditions set forth in Section 8.10.060; or
 - 2. Revoke the short-term rental registration if there have been three separate violations of this chapter related to the same short-term rental within the applicable two-year registration period.
- G. Alleged acts of noncompliance must be based on either:
 - 1. The personal observation of the Sheriff or designee, code enforcement officer, or Clackamas County Department of Finance staff; or;

2. A determination by the Sheriff or designee, code enforcement officer, or Clackamas County Department of Finance staff that there are reasonable grounds to conclude that the alleged acts of noncompliance did, in fact, occur, after either an investigation or following a sworn statement of a person who personally witnessed the alleged incident.

8.10.110 Penalties

Violation of this chapter shall be punishable by suspension or revocation of a short-term rental registration, or by a penalty or fine in an amount set by resolution of the Board of County Commissioners. Except in the case of an emergency revocation, any owner may not obtain or renew a short-term registration on the premises sooner than one year after the date of revocation.

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