

## OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING

2051 Kaen Road | Oregon City, OR 97045

Stephen L. Madkour County Counsel

June 23, 2022

Board of County Commissioners Clackamas County

Members of the Board:

Kathleen Rastetter Scott C. Ciecko Amanda Keller Nathan K. Boderman Shawn Lillegren Jeffrey D. Munns Andrew R. Naylor Andrew Narus Sarah Foreman Assistants

# First Reading of an Ordinance Repealing Chapter 8.10 – Short-Term Rentals of the <u>County Code</u>

Purpose/Outcome	An ordinance repealing Chapter 8.10 of the County Code
Dollar Amount	There is no budget for implementation of the short-term rental
and Fiscal Impact	program. No fiscal impact associated with the repeal
Funding Source	None
Duration	Indefinite
Previous Board	This Board and prior Boards have devoted considerable time
Action/Review	discussing short-term rentals. The most recent meetings were in March 30, 2021, May 4, 2022, and May 10, 2022.
Strategic Plan	1. How does this item align with your department's Strategic Business
Alignment	Plan goals?
	2. How does this item align with the County's Performance Clackamas
	goals?
	Building public trust through good government
<b>Counsel Review</b>	Reviewed by Stephen L. Madkour, County Counsel
Procurement	(Please check yes or no for procurement review. If the answer is "no,"
Review	please provide an explanation.)
	1. Was the item processed through Procurement? yes $\Box$ no $\boxtimes$
	2. If no, provide brief explanation: Acceptable explanations are:
	item is an IGA, item is a lease, item is a non-binding MOU,
	item is a grant. Unacceptable responses are leaving the
	section blank, providing N/A or similar statement with no
	explanation.
Contact Person	Stephen L. Madkour, County Counsel
Contract No.	None

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#### BACKGROUND:

Chapter 8.10 of the County Code regulates short-term rentals. Those Code changes were adopted by the Board of County Commissioners in November 2020. Chapter 8.10 established a registration requirement for short-terms rentals and also included a regulation and enforcement component.

Staff proposed a registration fee to offset the cost associated with implementing and maintaining the new program. The short-term rental program has never been allocated funding to implement and support that program. Implementation was delayed until July 2021 and that delay was further extended by the Board until July 1, 2022. The Board has not adopted a registration fee for short-term rentals.

In the absence of a fully-functioning registration and regulatory program, County Counsel proposes that the Board of County Commissioners move forward with a public hearing for the first reading of an ordinance repealing in its entirety Chapter 8.10 of the County Code. A repeal is recommended because the program has not been funded and therefore the regulatory components of Chapter 8.10 are not enforced.

The work completed to date by County staff will remain eligible to be implemented at a future date at the Board's discretion. A repeal of the entire chapter is warranted because the County has not and will not be enforcing any aspect of the provisions of Chapter 8.10. A repeal of the ordinance will require two public hearings.

The provisions in the zoning and development ordinance, which are currently subject to the LUBA challenger, will remain.

#### **RECOMMENDATION:**

Staff respectfully recommends that the Board hold a public hearing and read the proposed Ordinance by title only and announce a second reading of the Ordinance for July \_, 2022.

Respectfully submitted,

Stephen L. Madkour County Counsel

Attachment: Ordinance

ORDINANCE NO. \_\_\_\_\_

# An Ordinance Repealing Chapter 8.10, Short-Term Rentals from the Clackamas County Code.

WHEREAS, the Board of County Commissioners amended the County Code in November 2020, by adding Chapter 8.10, which established a registration and regulation program for short-term rentals; and

WHEREAS, the Board of County Commissioners elected to defer the effective implementation date until July 1, 2021, and then later until July 1, 2022; and

WHEREAS, the registration and regulation program for short-term rentals contemplated the imposition of a registration fee and it was intended that the registration fee would defray the costs associated with County staff implementing and enforcing the terms of the Chapter 8.10 regulations; and

WHEREAS, Board of County Commissioners has not implemented a fee schedule or other cost recovery charges to support the short-term rentals registration and regulation program; and

WHEREAS, absent a registration or other fee for listing and occupancy of shortterm rentals, the County does not have the personnel or financial resources available to implement the program to register and regulate short-term rentals; and

WHEREAS, if the County is not going to register and regulate short-term rentals, and otherwise enforce the terms of Chapter 8.10, then the entire Chapter 8.10 should be repealed until such time as the County devotes sufficient resources to implement the program as set forth in Chapter 8.10 or adopt an alternative registration and regulatory scheme;

Now, therefore, the Board of Commissioners of Clackamas County ordains as follows:

**Section 1:** Chapter 8.10, Short-Term Rentals, in its entirety, is hereby repealed from the Clackamas County Code.

**Section 2:** Effective Date. This Ordinance shall take effect ninety (90) days after adoption.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

Written testimony received as of June 23, 2022

Let it be known that, in my opinion, any attempt to unbridle the growing infiltration of short term rentals in the Mt Hood corridor is a disservice to the Clackamas County residents in the area.

Thank you,

Jeff McAllester

Welches resident of 45 years

#### **Attached Testimony:**

I have been following the course of the short-term housing regulation issue in Clackamas County for years now, and am deeply disappointed to see the approved regulations just thrown away prior to implementation.

As a member of the Mount Hood community, I recognize that the biggest obstacle to finding and keeping good employees for all businesses in the Welches, Rhododendron, Wemme, Zigzag, Government Camp area, is affordable long term housing rentals. Since the start of the VRBO/Airbnb revolution, long-term rentals have essentially disappeared. As a resident, I have experienced the stress that housing insecurity causes.

I find it ironic that immediately after addressing the larger issue of homelessness, nobody is willing to connect the dots between the major impact VRBO/Airbnb's have had on long-term rental housing availability and pricing. I can tell you that many, many homeless in our area, are not homeless because they don't have jobs, or are suffering mental illness, but simply because there is no longer any long term housing available. Many, many people attempting to move to this area to work and live, never end up coming, or end up leaving because they are never able to find housing.

While the approved regulations sadly did not address the long-term housing issue in our specific area, despite community pleading, it was the perfect stepping-stone for addressing it in the Mount Hood area in the future. It also addressed important livability issues associated with living in an area surrounded by short-term rentals used as commercial properties.

I hope the repeal of the regulations that the Clackamas County Board spent so many years and so much money creating, which so many community members have spent so much time following and advocating for, will not be scrapped for the sake of ease or the hardship of implementation.

Thank you for your time,

Jeff McAllester

Welches resident of 45 years

Commissioners,

I've just finished watching the policy session of May 4, 2022.

While I understand some of the reasons for you to kick the can of regulation down the road, I remain very unhappy about the lack of voice we as Hoodland residents seem to have.

The biggest problem we locals have with vacation rentals is lack of accountability on the part of the homeowners. Very few STRs up here are simply a room to rent. They are full houses with amenities designed for vacationers and gatherings. Large decks, hot tubs, etc are common. Common, too, are loud groups who make disruptive noise late into the night/early morning. There are plenty of quiet, respectful vacationers, but it can be hard to think of them at 2 or 3 in the morning when there's whooping and partying going on within earshot, keeping the neighborhood up.

I live within earshot of 4 vacation rentals. There are no numbers I can call to report late and loud partying, or any other 'nuisance', for that matter.

Commissioner Smith said in this meeting that calling Clackamas County Sheriff is the answer. Clearly, she doesn't live up here. It's no guarantee that they'll show with any speed for a nuisance call. This is not a complaint about CCS, just a fact of life here. There's not always a sheriff nearby to respond to such calls in a timely manner. She also said she owns a hotel so she understands these problems. Has she ever stayed in a room there - right next door to a bunch of partiers? Loud, booming music and whoops and hollers? Sure must be nice to have security right there in-house to control that situation. We have nothing like that here, which is why so many of us want some form of regulation and - importantly - accountability.

The house next door to me was - up until last fall - owned by a couple who live in Lake Oswego. We got along wonderfully, but even then what can they do for me at 3 a.m.? Sure, they could call/text the guests to remind them of the 10pm cutoff for excessive noise, but if the guests disregarded this plea, who is still lying awake listening to the revelry? Me, and a lot of my neighbors. Lake Oswego is several zip codes away from here, and it doesn't seem fair that these homeowners are making money and sleeping peacefully while we residents endure these events.

Commissioner Fischer remarked that since we're coming out of the pandemic, people are just now beginning to travel in earnest for the first time in a while. Actually, starting in late spring 2020 our area saw a steady increase in vacation rental visitors. Lots of people wanted to escape the crowded cities/suburbs, and who could blame them? I've lived here for 30 years this year and have never seen occupancy so high year-round. This remains true, even during the bleakest weather of the last two years. This was not the case in previous years. Lots of homeowners, and now, more and more of the national vacation rental companies are making lots of money, therefore it's only right

that they pay fees and are accountable for bad guests. This would, obviously, also cover problems like overparking and garbage and the like. And I would hope any regulation/fee system would fund a locally-based security/enforcement organization that could respond in a reasonable amount of time. I'm not arguing that we should have armed enforcement, but instead capable people who can actually knock on doors and speak directly to visitors. I feel certain that most people don't realize how disruptive they're being to neighbors, yet I don't think it should be up to me to get dressed and knock on doors.

Lastly, as a restaurant worker, I am not against vacation rentals and the visitors they bring up here to our local businesses and economy. We are all enjoying the uptick the last two years has provided. But I live in the woods for many reasons, and the peaceful surroundings are a big one for me and so many of my fellow locals.

I understand some of the problems you've had in getting STR regulations rolling, but I also think you're not trying hard enough. If any of you lived nearby such properties you'd have a very different opinion.

Sincerely,

Laura Peterson

Rhododendron

laura.peterson8@gmail.com

## **Email Body:**

Hi friends

I wish to include my statement regarding the repeal of regulations on short term rentals. Please read and forward the attached PDF document to whomever you see fit.

Thanks for allowing me a place to be heard.

Tracy Thomsen Technical Director Timberline Ski & Ride School Timberline Summer Snow Camps Timberline Bike School AASI NW Examiner p: 503.272.3703 Timberlinelodge.com

### **Attached Testimony:**

I have been a member of this community for 17 years and am totally shocked that these regulations are

not even going to be put into action. For the last 7 years I have been unable to find affordable housing in the Mt. Hood area. This has forced me to live out of my RV everywhere I can while trying in vain to find a place I can afford to live.

Everywhere in our area, Welches, Brightwood, Zigzag, Rhododendron, Government Camp there are agreat many vacant houses with no families living in them. They all can be found on Airbnb, VRBO &VACASA. These properties are being purchased by corporations and individuals who do not even live inthis area. They see them as a profit vs being part of our community and contributing to our area. I have seen first-hand how outside individuals and corporations have purchased homes and turned them into short term rentals for income purposes. All the while driving up home prices to the point where people in this community can't even think of purchasing at all. The people who actually live and work in this community do not have the income to afford the inflated prices this current market has come to. These entities purchase homes and turn them into profit centers for their own bottom lines.

I seriously believe the decision to repeal these regulations will only make the issue of affordable housing, for our community members, an **out of control problem**.

Our community and the people who live in it should not be for a profit on some corporation's bottom line or to make the wealthy people from outside the region even more wealthy. Please, help our community of hard working individuals who want to make this area their home. Year round and day to day.

Don't repeal them...let us actually start to enforce and improve them.

Thanks for allowing me to make this statement Tracy Thomsen

Please find my attached written testimony, for the first public hearing on the proposed repeal of the STR Regulation Program, June 23, 2022, to be read and added to the record. Please let me know if you have any questions/concerns.

Respectfully, Phil Stanley (971) 222-5992

#### **Attached Testimony:**

Public Testimony for Short Term Rentals

I am testifying in support of repealing Chapter 8.10, and requiring short-term rentals to adhere to section 832.01 (E) and/or 822.04 (I) in unincorporated Clackamas County, as outlined in Table 316.1, requiring conditional use permits for short-term rentals similar to the requirements of bed and breakfasts.

I am in support of repealing Chapter 8.10 because it failed to consider the unique challenges of operating short-term rentals within unincorporated Clackamas County. Specifically:

1. While Chapter 8.10 established parking requirements, it failed to establish access requirements. This oversight has allowed my property to be used by the Gendvilas Family, located at 18723 S Grasle Rd, Oregon City OR, 97045 to access three (3) separate units. To access the units, the Gendvilas Family and their short-term rental guests use an access easement that I own and pay property taxes on. The Gendvilas' short-term rentals account for approximately 200-300 additional monthly vehicle trips across my private property. These additional vehicles drive approximately .25 miles across private property, on which I pay property tax to Clackamas County. Because my driveway was not designed for commercial use, but rather was designed for private access, these additional vehicles cause a significant safety concern.

2. Chapter 8.10 failed to incorporate residency requirements. This oversight enables rural property dedicated for farm use to be purchased by companies outside of Oregon (both foreign and domestic) to create multi-unit motels under the label of shortterm rental, similar to what the Gendvilas family has done to convert their home. As such, the regulation should require operators of short-term rentals to reside on the property of theshort-term rental so rural property will not be purchased for commercial use by non-residents. 3. Chapter 8.10 failed to incorporate regulations on the number of short-term rentals per property. Currently the Gendvilas have three (3) units and appear to be expanding their operation to make their residence a "destination spot". Each unit is grossing over \$20,000 per year, yet the current policy only requires a registration fee of \$800-\$900 per two year period, regardless of the number of units being operated.

In closing, I support the repeal of Chapter 8.10, and requiring short-term rental operators to adhere to section 832.01 (E) and/or 822.04 (I) in unincorporated Clackamas County, as outlined in Table 316.1. It is common sense to require conditional use permits for short-term rentals, similar to the requirements of bed and breakfasts. Clackamas County should redesign the short-term rental policy by taking a common-sense approach to regulation that addresses the needs of unincorporated Clackamas County.

Phil Stanley

June 16, 2022

To the Board of County Commissioners,

Re: STR Ordinance for County Code 8.10

We are community members in Timberline Rim in Rhododendron, and own homes there and elsewhere which we use for vacations and short-term-rentals. This letter is to serve as our testimony for the STR Public Hearing on June 23.

We are surprised and disappointed by the vitriol directed at vacation and STR owners and renters.

The notion that renters and rental owners have a particular hold on bad behavior, breaking rules and trashing their own properties is patently false. They are no more or less likely to be bad neighbors and people than "normal" homeowners or lease-holders. It's in the ST rental manager's best interest to keep their properties in excellent shape, and enforce community and house rules to the letter. Our manager of one of the properties we own uses extensive cameras, damage deposits, fines and a minimum \$5M renter liability as part of the deal. The last thing we want to do is bother anyone, which describes the vast majority of owners of all stripes. And we cherish green space. And the county and state definitely appreciates the rental tax revenue.

That's not to deny that there's a percentage of bad actors who ruin it for everyone else. The individual tales of alcoholic pool parties, busloads of teens, noise after hours, and generally bad behavior is terrible. Though the "sleeps 14" properties and handful of lousy people are a small minority, they can really make all STRs look bad. In addition, there's a big difference between boutique managers like ours and properly self-managed properties, as opposed to a behemoth like Vacasa which really doesn't care about community.

A bit of personal responsibility is also required here. And there's much more nuance than the Greek chorus of STR-hate allows. Again, we think that a few bad actors and bad events have skewed the model and colored more than one perception. Incidentally, another thing we love about Timberline is how quiet it is. We have yet to witness any of these alleged awful renters first hand. It's definitely nothing like Spring Break in Florida here.

Finally, dog owners are a great analogy: maybe 20 or 30 percent of dog owners don't think twice about leaving their stuff on someone else's property. That doesn't make all dogs or dog owners bad. And renter dog owners and rental dogs vary as much as any segment of the population.

Thank you,

Dan and Deb Wilensky

To the Board, homeowners, and community's residents,

I would have preferred to attend today's meeting, but I am hopeful my voice will be heard!

I've lived in a full time rental in Rhododendron and have worked as a personal housekeeper for many years up here. I grew up in the area as well! This is also my community which I love and care about!

I have Airbnb's near me also and understand the frustration first hand. I've had issues with particular groups of guests and personally know the conditions some guests leave the homes and the inconsiderate behavior of individual groups.

In my opinion, the majority of short term rentals are well ran and have proper guests rental policies and conditions set in place. The homeowners I work for are strict on the rules and have made the correct adjustments to the booking settings in order to maintain a quiet space and environment for our neighbors!

Unfortunately, none of us have control over "every guest" and how they behave or treat the homes and community, but it's the same is if they stay at a hotel or even come to your " own" home to stay!!! On rare occasions, there will be some guests who choose not to follow every rule!

I'm writing you today to put my voice out there as a housekeeper who relies on the Airbnb's (short term rentals) to pay for rent, food and gas, and to care for my children, and to simply survive! This is my job!! And I love it most of the time!

Please keep in mind that our community needs to maintain employment like this!

There are simple ways for the Homeowners/Hosts of the short term rentals to amend the guests booking settings to be more strict. Some owners may not be aware of or understand how to correlate these. Before opening a home to a short term rental, each owner should understand these settings and how to clearly write out the personal "Guests Rules" messages. This is a possibility for improvement and could be written into the Boards decision!! It will help resolve the ease of just "anyone" being able to book a rental.

**For example:** Some guests are able to automatically book a rental without any prior history or positive reviews from other homeowners/hosts. This creates one of the problems which could easily be managed by altering the booking settings.

Stricter settings can have a better impact on the overall stay of the guests, our neighbors and community!

Please consider all members of our community when discussing this matter! Including people like myself who work hard nearly every day to clean after guests and who help maintain these beautiful homes!

I sincerely thank you for your time and consideration - Katy Arnold

### **Email Body:**

Greetings.

Attached is my testimony regarding Short Term Rental.

Since I currently have COVID, I plan to attend via Zoom and present this testimony publicly but would also like it included in the record.

Thank you very much for attending to this important matter.

William Frank 27410 Elk Park Rd Welches, OR 97067

#### **Attached Testimony:**

My name is William Frank. I live at 27410 Elk Park Rd. I have COVID so I stayed home in Welches where I have lived since the 1970's. I live on a quiet dead-end street along the Salmon River. The house has been here since 1920 and was originally (and perhaps ironically) an Inn that was built to house summertime vacationers from Portland. You could stay for \$1.25 a night or 3 bucks a day including meals.

Some areas in the so-called "Villages" from Brightwood thru Welches to Rhododendron were intentionally developed as vacation neighborhoods. Mountain Air Park in Wildwood, for instance, was platted back in the 1930's with small lots seemingly for cabins. I know cuz one of them was my first home. I was 30 and could barely afford it after working for 4 years at my first real job in the schools. Similar places housed local restaurant workers, gas station mechanics, resort workers, occasional ski bums, and artists.

Other Mount Hood neighborhoods have been developed to support the local recreational-residential economy. Twinberry Loop, for instance, off of Welches Rd was built in the 1990's. I moved there when our family started to grow. These single family residences and duplexes housed local teachers, bank employees, restaurant owners, Forest Service employees, plumbers, electricians, realtors, and a few retirees. Both our little boys went to Day Care at the Dorman Center, played soccer on the ball-field and graduated from Welches Middle School. I gladly commuted to Oregon City every day in order to come home to this beautiful mountain community.

Then there is Timberline Rim- our favorite place to Trick-or-Treat because there were lots of families over there. It was developed during the 70's mostly. If you wanted a neighborhood environment in the mountains with a swimming pool and moderately priced homes this was the choice for a lot of people.

Rippling River came in the 1980's mostly. These were higher-end homes filled with professionals, retirees, 2<sup>nd</sup> family homes, golf fanatics living the life and some families too. The active Home Owner Association and its CCR's made sure the houses were painted acceptable colors and abandoned vehicles were not allowed to mess up the character of the neighborhood. Seems some regulation has been beneficial in maintaining the character of that neighborhood.

But it's precisely the character of these neighborhoods that is being affected by the <u>unmanaged free-for-all that Short-Term Rentals</u> have brought. We don't know who our neighbors are any more.

Last Fall I was asleep by 11 o'clock. It was pitch black outside. From my bed I heard the constant hushing sound of the river, just like always. Then there was a pin point of light shining in my bedroom window. Then a stumbling sound on the porch. I jumped up, flicked on the light and ran out to the porch. A young lady, with limited English, nervously explained that she had seen my car in the driveway and needed help getting into the nearby AirBnB she had rented for the night. As a person who has been in similar situations across the globe, I helped her contact someone who could assist. The point is we are losing our neighbors. In many places on the mountain, especially in the planned neighborhoods like Twinberry, Timberline Rim and Zig Zag Village we have new neighbors every weekend!

Imagine how unnerving is it to look out your kitchen window and see a couple of curious out-of-towners traipsing across your neighbor's backyard so they can catch a view of the river? A predictable outcome would be lots of fences going up. How sad.

And ya know how sometimes when you are driving and you see a car coming toward you that you recognize, and you lift your index finger from the steering wheel and maybe nod your head? It's an acknowledgment of "Hello, I know you" and "We're all OK". Well, those moments are getting less and less common because fewer and fewer people know the people just down the street.

And the deterioration of this community's fabric is largely impacted in my mind by three things: 1) the transitory nature of short term visitors, 2) the resulting dearth of affordable starter homes, and 3) the absence of locally-oriented decision-making or forward thinking leadership and guidance.

A great amount of work over the past 4 years has already been done by this Board and staff with input from the area's residents in developing guidance for this area's Short Term Rentals. <u>Please do not throw the "baby out with the bath water" just because you</u>

haven't figured out a way to pay for a part of this work. You are smart and you are so very close.

If you want a set of charming villages to accompany a majestic mountain, leave room for people to live here, not just visit.

# Email Body:

Please have the above letter submitted to the PUBLIC TESTIMONY FOR SHORT TERM RENTALS and thank you for listening to the mountain citizens!

Commissioners,

I would like to encourage you to limit and regulate the STRS in the Mount Hood communities. The toll it is taking on neighborhoods is appalling.. We have lived in Timberline Rim for 43 years and always enjoyed the families and the community feeling. The 4 short term rentals that are on our block are consistently noisy and the visitors are disrespectful to the Neighbors. When one of our local homes goes on the market, the STR agencies grab them up at a huge price and eliminate housing for the locals.

One of our biggest complaints is that the renters totally ignore fire bans and build huge Fire Pits and campfires. Last year when we had the horrible fire season, they paid no attention and we had to ask people nearly every weekend to extinguish their fires. No common sense or respect for the forest! We need regulations and rules to keep our community safe and happy.

Please put the future of local towns and Villages ahead of profits for strangers' that don't care about the Mountain!!

Sincerely,

Anna and Wally Green 503 312 2998