

**Item 1211**  
**Motions 11-19-2014**

#1 [Fritz memo Amendment #1; 33.207.040.A.4]

**Motion to put on table to increase cap on maximum number of ASTRs in multi-dwelling structures from 10% to 25%:** Moved by Fritz and seconded by Novick. (Y-4; N-1 Fish)

#2 [Fish memo Amendment #1; commentary p. 8]

**Motion to put on table to require that the property owner or property manager, rather than the renter, self-certify that the bedrooms to be rented have the required smoke detectors and carbon monoxide alarms:** Moved by Fish and seconded by Fritz. (Y-5)

#3 [Fritz memo Amendment #2; 33.207.040.B.4.b]

**Motion to put on table to clarify smoke detector language as to location of interconnected system with an adjacent hallway that is within the dwelling unit:** Moved by Fritz and seconded by Novick. (Y-5)

#4 [Fritz memo Amendment #3; 33.207.040.C.2.a.3]

**Motion to put on table to allow the property owner or the property manager to sign the permit application:** Moved by Fritz and seconded by Novick. (Y-5)

#5 [Fritz memo Amendment #4; 33.207.040.C.2.a]

**Motion to put on the table to delete requirement for Homeowners Association to sign permit application:** Moved by Fritz and seconded by Hales. (Y-5)

#6

**Motion to amend previous motion #4 and #5 to “delete property manager” and replace with “authorized agent”:** Moved by Fritz and seconded by Novick. (Y-4; Saltzman absent)

#7

**Motion to amend previous motion #2 to replace “property manager” with “authorized agent”:** Moved by Fish and seconded by Fritz. (Y-4; Saltzman absent)

#8

**Motion to enroll all previous motions in the “Mayor’s Recommended Draft” and that it come back for a second reading on December 3rd:** Moved by Fish and seconded by Novick. (Y-4; Saltzman absent)

## Commissioner Fritz

### Amendment #1 – Increase cap on maximum number of ASTRs in multi-dwelling structures from 10% to 25%.

#### Explanation

- Need more data to determine future rules and standards for this type of use.
- Due to other requirements established in the proposed code this change will allow for more units to analyze impacts of use.
- The Cap does not appear to be limited by the State.
- This keeps the actual 10% cap for accessory uses based on amount of space used and time period of use.

#### Replacement Code Language -- (Page 5)

**33.207.040.A.4.** Cap. The number of dwelling units in a multi-dwelling structure or a triplex that can have an accessory short term rental is limited to 1 unit or 25 percent of the total number of units in the structure, whichever is greater.

#### And -- (Page 15)

**33.207.050.A.4.** Cap. The number of dwelling units in a multi-dwelling structure or a triplex that can have an accessory short term rental is limited to 1 unit or 25 percent of the total number of units in the structure, whichever is greater.

#### Replacement Commentary -- (Page 4)

4. **Cap.** This regulation limits the number of ASTRs in a multi-dwelling building to 1 unit or up to 25% of units in the building. The cap on ASTRs, along with the requirement that the resident must occupy the unit for at least 270 days during each calendar year, ensures that ASTRs in a multi-dwelling building will not change the overall residential nature of the building.

The figures below show the number of ASTRs that would be allowed in a variety of multi-dwelling buildings. The zoning code rounds fractions for maximum limits DOWN to the nearest whole number (33.930.020.B.1)

3 -7 units	1 ASTR
8- 11 units	2 ASTRs
12-15 units	3 ASTRs
16-19 units	4 ASTRs
20-23 units	5 ASTRs
24-27 units	6 ASTRs
28-31 units	7 ASTRs
32-35 units	8 ASTRs
36-39 units	9 ASTRs
40-43 units	10 ASTRs
100 units	25 ASTRs
200 units	50 ASTRs

Commissioner Fish- with amendment from Nov. 19<sup>th</sup>

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**Amendment #1: Property owner or their authorized agent self-certification of smoke detectors and carbon monoxide alarms**

Amend Exhibit A: *Accessory Short-Term Rentals in Multi-Dwelling Units—Mayor's Recommended Draft*, commentary on page 8 to clarify that the property owner or their authorized agent must self-certify that the dwelling unit contains interconnected smoke detectors and carbon monoxide alarms.

**Replacement Commentary Language**

4. **Bedroom Requirements.** The Bureau of Development Services ensures that the bedroom requirements for ASTRs in single dwellings/duplex units are met by conducting an inspection of the bedrooms when the ASTR permit is issued, and then again every 6 years. Residents are required to renew the permit and self-certify that the bedrooms continue to meet the regulations every 2 years.

BDS does not recommend that bedrooms in multi-dwelling structures receive an inspection through this permit. Multi-dwelling structures and triplexes are already inspected under the Portland Fire & Rescue (PF&R) Safety Inspection program, which examines the safety features of common areas (e.g. condition and operation of exit doors, emergency lighting, exit signs, components of fire-resistive construction, fire extinguishers, and records for fire alarm and fire protection systems). However, the PF&R inspectors do not inspect individual units.

Therefore, this amendment does not require that BDS verify that the bedrooms rented to overnight guests in a multi-dwelling structure or triplex meet the building code requirements for sleeping rooms. However, the bedrooms must still have interconnected smoke detectors and a carbon monoxide alarm. BDS will verify the bedrooms meet these requirements through self-certification by the property owner or their authorized agent on the permit application.

**Type A Accessory Short-Term Rental Permit Inspections**

Bureau of Development Services	Portland Fire and Rescue
<p>BDS conducts an initial inspection and then every 6 years with applicant self-certifying in the intervening years.</p> <ul style="list-style-type: none"> <li>• House/attached house</li> <li>• Accessory dwelling unit (ADU)</li> <li>• Duplex/attached duplex</li> <li>• Multi-Dwelling Development (assortment of buildings on one parcel)</li> <li>• Manufactured dwelling (manufactured home, mobile home, and residential trailer) on its own lot or in a manufactured home park</li> <li>• Houseboat (individual and in moorages)</li> </ul>	<p>PF&amp;R conducts inspections on multi-dwelling structures with three or more units every 2 years. The property owner or their authorized agent must self-certify that the bedrooms to be rented have the required smoke detectors and carbon monoxide alarms.</p> <ul style="list-style-type: none"> <li>• Multi-Dwelling Structure (3+ units)</li> </ul>

**Amendment #2 –**

**Clarify smoke detector language as to location of interconnected system with an adjacent hallway that is within the dwelling unit.**

**Explanation**

This clarifies that the required smoke detector in the bedroom to be rented to overnight guests is interconnected with an adjacent hallway within the dwelling unit as intended not in an adjacent hallway outside of the unit which already operates on a separate alarm system that is inspected by the Fire Bureau on a regular basis.

**Replacement Code Language**

**33.207.040.B.4.b.** Has a smoke detector that is interconnected with a smoke detector in an adjacent hallway that is in the dwelling unit; and

**And**

**33.207.050.B.4.b.** Has a smoke detector that is interconnected with a smoke detector in an adjacent hallway that is in the dwelling unit; and

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## Commissioner Fritz – with amendment from Nov. 19<sup>th</sup>

### Amendment #3 – Allow the property owner or their authorized agent to sign the permit application

#### Explanation

The replacement code language adds the property owner's authorized agent to proposed 33.207.C.2.a.(3). The property owner is often an out of state entity or represented by a consortium of owners or an LLC. This makes it difficult for the resident to get actual approval for the permit. Authorized agents are given the authority by the property owner to make decision on the property owner's behalf. We can still require verification of that authority but this will allow for more timely and efficient processing of applications in many instances where multi-family dwellings are concerned.

### Amendment #4 – Do not require the Homeowners Association to sign application

#### Explanation

The replacement code language deletes the Homeowners Association from proposed 33.207.C.2.a. Homeowners Associations are difficult to track and verify. This is being proposed to make the application process more distinct and to keep the private relationship between property owner and Homeowner Association intact without City intervention as has historically been the practice.

#### Replacement Code Language

#### 33.207.040.C.2. (page 11)

2. Required information for permit. In order to apply for a Type A accessory short-term rental permit, the resident or operator must submit to the Bureau of Development Services:
  - a. Two copies of the completed application form bearing the address of the property, and the name, notarized signature, address, and telephone number of the following:
    - (1) the rResident; and
    - (2) eOperator; and if the operator is not also the resident;
    - (3) Property owner or their authorized agent.

Portland, Oregon

## FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Julia Gisler		2. Telephone No. (503) 823-7624	3. Bureau/Office/Dept. Planning and Sustainability
4a. To be filed (hearing date):  Nov 19, 2014	4b. Calendar (Check One)  <div style="display: flex; justify-content: space-around;"> <span>Regular <input checked="" type="checkbox"/></span> <span>Consent <input type="checkbox"/></span> <span>4/5ths <input type="checkbox"/></span> </div>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: November 5, 2014
6a. Financial Impact Section: X Financial impact section completed		6b. Public Involvement Section: X Public involvement section completed	

**1) Legislation Title:** Amend accessory short-term rentals regulations to allow multi-dwelling structures, multi-dwelling development, triplexes, attached duplexes, manufactured dwellings, and houseboats; establish fee for accessory short-term rental permits in multi-dwelling structures (Ordinance; Amend Title 33, Planning and Zoning, and Bureau of Development Services Enforcement Fee and Penalty Schedule)

**2) Purpose of the Proposed Legislation:** The purpose of the legislation is to amend the newly adopted Accessory Short-Term Rental regulations, effective August 29, 2014, to allow short-term rentals in all dwelling units, including multi-dwelling structures. The current regulations allow short-term rentals, when accessory to a household living use, in a house, attached house, duplex, accessory dwelling unit or manufactured home on its own lot.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |  |                                    |                                    |                                |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast             | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                  |                                    |                                    |                                |

### FINANCIAL IMPACT

**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The amendments will allow accessory short-term rentals in multi-dwelling structures where they are currently prohibited. Bureau of Development Services anticipates most accessory short-term rentals in multi-dwelling structures will be renting 2 or less bedrooms and eligible to apply for the Type A accessory short-term rental permit. The Bureau of Development Services establishes its fees based on cost recovery for the service provided, therefore these proposals do not affect the net revenue received to BDS.

**5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense?**

The costs for administering this program will be programmed into the fees charged for the services provided. There is no increase in net expenditures anticipated as a result of the legislation.

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** No. There may be some initial workload pressure when the permit option becomes available to multi-dwelling structures. This increase will be handled by existing BDS staff.
- **Will positions be created or eliminated in *future years* as a result of this legislation?**  
No changes to staffing are anticipated in the future as a result of this legislation.

**7) Change in Appropriations**

None.

**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

- ☒ **YES:** Please proceed to Question #9.  
☐ **NO:** Please, explain why below; and proceed to Question #10.

**9) If “YES,” please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?** The proposal amends the accessory short-term rental regulations for single-dwellings, adopted as part of the Regulatory Improvement Code Amendments Package 6 (RICAP 6), and expands the program to multi-dwelling structures. The impacts on the community are limited to property owners and residents of multi-dwelling units (apartments and condominiums), and to a lesser degree the immediate surrounding area.

Concerns about short-term rentals raised during the RICAP 6 public hearings included increases in neighborhood noise, traffic, and decreases in security, as well as the effects on housing supply. The regulations address these issues: 1) the number of overnight guests plus members of the household is limited to no more that allowed in a household, the activity levels (and associated impacts) of a dwelling unit with an accessory short-term rental are no more than could currently occur in any household, and 2) short-term rentals must be accessory to a household living use, therefore not taking any residential dwelling units off the market or reducing the housing supply which could increase housing prices.

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were**

**involved in this effort, and when and how were they involved?** The short-term rental amendments for single-dwellings, which included discussions about multi-dwelling units, were included in all RICAP 6 public outreach. Opportunities to participate in the development of the regulations included: two Planning and Sustainability hearings, three City Council hearings, an open house, and presentations at all the District Coalition offices. Public notice requirements were met throughout the project.

After the adoption of the RICAP 6 short-term rental regulations, staff of Mayor Hales formed a stakeholder working group including representatives of multi-dwelling property owners, renters, housing advocates, and short-term rental companies. The group met three times to discuss issues related to accessory short-term rentals in multi-dwellings.

Public notice of the City Council Nov. 19, 2014 public hearing was sent on Oct. 21, 2014 to 639 mailings with instructions on how to testify on the *Mayor's Recommended Draft—Accessory Short-Term Rentals in Multi-Dwelling Structures*. This report was published and available to the public on Oct. 20, 2014 (30 days prior to the City Council hearing).

**c) How did public involvement shape the outcome of this Council item?**

Mayor Hales' decision to direct his staff to explore options for expanding accessory short-term rentals to multi-dwellings was in response to testimony given during the RICAP 6 public hearings. The stakeholder group convened by his staff also informed his recommendations.

The *Mayor's Recommended Draft—Accessory Short-Term Rentals in Multi-Dwelling Structures* was published on Oct. 20, 2014. The public will have 30 days to review the recommendations prior to the City Council hearing. The testimony given at the Nov. 19<sup>th</sup> hearing is an additional opportunity for the public to shape the outcome of the regulations.

**d) Who designed and implemented the public involvement related to this Council item?** The Bureau of Planning & Sustainability staff designed and implemented the public involvement process for RICAP 6. Mayor Hales Office led the public involvement for accessory short-term rentals in multi-dwelling structures.

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

Matthew Robinson, Mayor Hales Office – [matthew.robinson@portlandoregon.gov](mailto:matthew.robinson@portlandoregon.gov), (503) 823-4045.

**10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.**

After adoption, public involvement will focus on informing the public of the new regulations and the permitting process. The Bureau of Development Services will need to revise the accessory short-term rental application and informational materials to include multi-dwelling structures. There will be announcements of the new multi-dwelling accessory short-term rental permit on City websites.



BPS DIRECTOR, Susan Anderson





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Bureau of Planning and Sustainability  
Innovation. Collaboration. Practical Solutions.

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## Council Transmittal Memo

DATE: October 29, 2014  
TO: Mayor Charlie Hales and Members of City Council  
FROM: Susan Anderson, Director

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1. **Ordinance / Resolution Title:** Amend accessory short-term rentals regulations to allow multi-dwelling structures, multi-dwelling development, triplexes, attached duplexes, manufactured dwellings, and houseboats; establish fee for accessory short-term rental permits in multi-dwelling structures (Ordinance; Amend Title 33, Planning and Zoning, and Bureau of Development Services Enforcement Fee and Penalty Schedule)
  2. **Contact:** Julia Gisler, City Planner II, 503.823.7624
- 
3. **Council Date:** November 19, 2014
  4. ☐ Consent Agenda Item    ☒ Regular Agenda Item  
☐ Emergency Item (explain below)                      ☒ Non-Emergency Item
  5. **Purpose of Agenda Item:** This Ordinance will amend the Zoning Code to allow accessory short-term rentals in multi-dwelling structures and create a new administrative fee on the Bureau of Development Services Enforcement Fee and Penalty Schedule for accessory short-term rentals in multi-dwelling structures.
  6. **History of Agenda Item/Background:** The City Council recently approved new accessory short-term regulations for single-dwelling houses and duplexes as part of the Regulatory Improvement Code Amendment Package 6 (RICAP 6)—effect August 29, 2014. There was interest during the RICAP 6 public hearings to include multi-dwelling structures, but due to building code issues they were not included. At the final hearing Mayor Hales directed his staff to convene a stakeholder working group and continue exploring options for allowing accessory short-term rentals in multi-dwelling buildings.



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The working group included representatives of multi-dwelling property owners, renters, housing advocates, and short-term rental companies, as well members of the City Councilors' staff and various City bureaus. The group met three times to discuss issues related to accessory short-term rentals in multi-dwelling structures.

The recommendations for accessory short-term rentals in multi-dwelling structures was influenced by the input of the working group and the testimony from the RICAP 6 hearings on accessory short-term rentals.

7. **What individuals or groups are or would be supportive or opposed to this action?** We anticipate the testimony on this proposal will be similar to that heard during RICAP 6 accessory short-term rental public hearings.

Future Accessory Short-Term Rental Hosts. Anyone interested in having a short-term rental in their home in a multi-dwelling structure will support these regulations.

Neighborhood Interests. Most of the concerns from neighbors about accessory short-term rentals in single dwellings and duplexes focused on how they were an inappropriate use in residential neighborhoods, citing security, parking, noise, and other impacts from increased activity. We expect that tenants and property owners in multi-dwelling structures (apartments and condominiums) may have similar concerns in and around their buildings if accessory short-term rentals are allowed. Neighbors also have brought up concerns about how accessory short-term rentals will affect general housing affordability, the City's ability to enforce these regulations, and the lack of teeth to collect businesses and transient lodging taxes.

Landlords of Multi-Dwelling Structures. Even though a notarized signature is required on the applicant, there may be concerns from landlords that their tenants will feel they can apply for an accessory short-term rental without their approval.

Short-Term Rental Companies. Companies that facilitate peer-to-peer short-term rentals in hosts' homes (like Airbnb) will support these regulations that legalize dwelling units that are currently not allowed to have accessory short-term rentals. Companies that offer vacation rentals will continue to advocate for legalizing non-accessory short-term rentals which are currently not allowed in residential zones.

8. **How does this relate to current City policies?** As detailed in the findings in the Ordinance, the proposed changes to the Zoning Code are supportive of the Portland Comprehensive Plan. Allowing multi-structures to have accessory short-term rentals supports economic development goals by allowing residents in multi-dwellings to participate in home-base jobs that supplement their income. The amendments are consistent with housing policies and will not reducing the City's housing supply because the short-term rentals must be accessory to a household living use- thus not taking a residential unit off the market. The proposed changes also support the Economic Prosperity and Affordability goals of the Portland Plan.

