

ORDINANCE No. 186976 As Amended

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)

The City of Portland Ordains:

Section 1. The Council finds:

General Findings

1. This ordinance is part of the Regulatory Improvement Workplan, an ongoing program to improve City building and land use regulations and procedures. Each package of amendments is referred to as RICAP (Regulatory Improvement Code Amendment Package) followed by a number. This ordinance pertains to the Regulatory Improvement Code Amendment Package 6 (RICAP 6) amendments addressing accessory short-term rentals.
2. During the spring and summer of 2013, staff from the Bureau of Planning and Sustainability (BPS) and the Bureau of Development Services (BDS) worked together to develop a draft work plan for RICAP 6. Potential code amendments were drawn from a database that contains regulatory improvement requests.
3. On August 13, 2013, the Planning and Sustainability Commission held a public hearing and adopted the work plan for (RICAP 6). Notice of the August 13 hearing was sent to all neighborhood associations, neighborhood coalitions, and business associations in the city of Portland, as well as other interested parties on July 25, 2013. The accessory short-term rental items were grouped together in the work plan and identified as items 12-14.
4. During the summer and fall of 2013, BPS staff conducted research, met with neighborhood land use chairs, and worked with BDS staff and staff from other City agencies to develop a proposal for the accessory short-term rental items.
5. The Planning and Sustainability Commission and the City Council held public hearings on the RICAP 6 proposals. At these hearings there was testimony both in favor of and against allowing accessory short-term rentals in multi-dwelling structures.
6. On July 30, 2014 City Council approved the accessory short-term rental regulations of the RICAP 6 which created a Type A accessory short-term rental permit that allows residents in houses, attached houses, manufactured homes on their own lot, duplexes and accessory dwelling units to rent up to two bedrooms to overnight guests on a short-term basis (less than 30 days at a time). Type B accessory short-term rentals that rent 3-5 bedrooms to overnight guests continue to require a conditional use review.
7. The implementing ordinance for the RICAP 6 accessory short-term rental regulations (Ordinance No. 186736) directs the Bureau of Planning and Sustainability to return to City Council with a proposal for accessory short-term rentals in multi-dwelling structures within 90 days.

8. Mayor Hales's staff formed a stakeholder working group, conducted three working group meetings, and worked with staff from Bureau of Development Services and Bureau of Planning and Sustainability to develop regulations for accessory short-term rentals in multi-dwelling structures.
9. On October 15, 2014 notice of proposed action was mailed to Department of Land conservation and Development in compliance with the post-acknowledgement review process required by OAR 660-018-0020 and ORS 197.610. This was a revision to a previously submitted notice (RICAP 6) submitted on 03/18/2014, which addressed many different proposed zoning code amendments in addition to amendments allowing short-term rentals.
10. The *Accessory Short-Term Rentals in Multi-Dwelling Structures—Mayor's Recommended Draft*, was available to the public on October 20, 2014. Notice of the November 19, 2014 City Council hearing on the Mayor's recommendation was mailed to the persons and entities identified in PCC 33.740.020.B.1, all persons who presented testimony orally or in writing to the Planning and Sustainability Commission or City Council and provided a name and address, those who asked for notice, and other interested parties on October 21, 2014.
11. The Bureau of Development Services enforcement program has determined that a fee of \$100 will cover the actual cost of processing an administrative permit for a Type A accessory short-term rental in a multi-dwelling structure.

Findings on Statewide Planning Goals

12. State planning statutes require cities to adopt and amend comprehensive plans and land use regulations in compliance with state land use goals. Only the stated goals addressed below apply.
13. **Goal 1, Citizen Involvement**, requires provision of opportunities for citizens to be involved in all phases of the planning process. The preparation of these amendments has provided several opportunities for public involvement. The amendments are supportive of this goal for the following reasons:
 - a) The *Regulatory Improvement Code Amendment Package 6 (RICAP 6): Proposed Workplan* which included a minor policy bundle of accessory short-term rental items was made available to the public for review on July 24, 2013. The report was posted on the City's regulatory improvement program website and mailed to all who requested a copy.
 - b) The Planning and Sustainability Commission held a public hearing on the RICAP 6 proposed work plan on August 13, 2013. Notice of the hearing was mailed to all neighborhood associations, neighborhood coalitions, business associations, and other interested parties on July 25, 2013.
 - c) The *Regulatory Improvement Code Amendment Package 6 (RICAP 6): Discussion Draft* was made available to the public for review on January 6, 2014. The report was posted on the City's regulatory improvement program website, and mailed to all who requested a copy.
 - d) Notice of the RICAP 6 discussion draft was also mailed on January 8, 2014 to over 750 recipients, including neighborhood associations, neighborhood coalitions, business associations, and other interested parties. The notice included the dates, times and locations of neighborhood association or neighborhood coalition meetings, and a BPS sponsored open house, during which project staff presented the draft for discussions and questions.

- e) Project staff attended six neighborhood coalition meetings, and two neighborhood association meetings between January 6, and February 21, 2014. The RICAP 6 discussion draft report was presented and discussed at each of these meetings. In every meeting attended the majority of the interest and discussion focused on the accessory short-term rental proposals.
- f) Project staff held an open house on February 11, 2014 to discuss the *RICAP 6 Discussion Draft* from 5:00 pm to 7:30 pm. The first hour included a staff presentation followed by discussion about the accessory short-term rental proposals. Because of the interest in these proposals the entire open house was dedicated to the short-term rental proposals.
- g) On March 18, 2014 notice of the proposed action was mailed to the Department of Land Conservation and Development in compliance with the post-acknowledgement review process required by OAR 660-018-0020 and ORS 197.610.
- h) The *Regulatory Improvement Code Amendment Package 6 (RICAP 6): Proposed Draft* was made available to the public for review on March 21, 2014. The report was posted on the City's regulatory improvement program website and mailed to all who requested a copy.
- i) The Planning and Sustainability Commission held a public hearing on the RICAP 6 proposed draft on April 22, 2014. Notice of the hearing was mailed to the regional transit agency, Metro, the Oregon Department of Transportation, all neighborhood associations, neighborhood coalitions, business associations, affected bureaus, and other interested parties on March 20, 2014, as required by ORS 227.186 and PCC 33.740.
- j) The *Regulatory Improvement Code Amendment Package 6 (RICAP 6): Recommended Draft* was made available to the public for review on May 19, 2014. The report was posted on the City's regulatory improvement program website and mailed to all who requested a copy.
- k) City Council held a public hearing on the RICAP 6 recommended draft on June 4, 2014. Notice of the hearing was mailed on May 13, 2014 to all who testified orally or in writing at the Planning and Sustainability Commission hearing, and to other persons who requested such notice.
- l) In addition to the June 4, 2014 public hearing on all RICAP 6 items, City Council review of the accessory short-term rentals regulations included a work session on June 24, and subsequent public hearings on July 2 and July 23, 2014.
- m) At the June 23, 2014 hearing Mayor Hales directed staff to look at options for including short-term rentals in multi-dwelling structures and return to Council before the end of the year with a proposal. This direction was included in the Ordinance adopting the rest of RICAP 6.
- n) On October 15, 2014 a revised notice of the RICAP 6 proposed action was mailed to Department of Land conservation and Development in compliance with the post-acknowledgement review process required by OAR 660-018-0020 and ORS 197.610.
- o) The *Accessory Short-Term Rentals in Multi-Dwelling Structures—Mayor's Recommended Draft*, was available to the public on October 20, 2014. The report was posted on the City's regulatory improvement program website and mailed to all who requested a copy.
- p) Notice of the November 19, 2014 City Council hearing on the Mayor's recommendation was mailed to the persons and entities identified in PCC 33.740.020.B.1, all persons who presented testimony orally or in writing to the Planning and Sustainability Commission or City Council and

provided a name and address, those who asked for notice, and other interested parties on October 21, 2014.

14. **Goal 2, Land Use Planning**, requires the development of a process and policy framework that acts as a basis for all land use decisions and assures that decisions and actions are based on an understanding of the facts relevant to the decision. The process for identifying and adopting the amendments supports this goal for the following reasons:
 - The process followed all procedures required by Title 33.740, Legislative Procedures, OAR 660-018-0020, ORS 227.186 and ORS 197.610;
 - The amendments meets relevant goals and policies of the City's adopted Comprehensive Plan as described in the findings for Portland's Comprehensive Plan Goals and Policies;
 - The amendments are based on relevant facts in the record including an estimate of the number of accessory short-term rentals in multi-dwelling structures being operated in the city; a survey of accessory short-term rental operators in Portland conducted by Airbnb; a review of relevant City and State regulations pertaining to lodgings and lodging taxation; and testimony in the record.

See also findings addressing Portland Comprehensive Plan Goal 1, Metropolitan Coordination.

15. **Goal 9, Economic Development**, requires provision of adequate opportunities for a variety of economic activities vital to public health, welfare, and prosperity. These amendments are consistent with this goal by allowing accessory short-term rentals in additional residential structure types, thereby expanding the opportunity to use additional types of dwelling units for economic activity. The findings for Portland Comprehensive Plan Goal 5, Economic Development also demonstrate that the amendments are consistent with this goal.
16. **Goal 10, Housing**, requires provision for the housing needs of citizens of the state. The findings for Portland Comprehensive Plan Goal 4, Housing, and relevant sub-policies and objectives, demonstrate that the amendments are consistent with Goal 10.
17. **Goal 12, Transportation**, requires provision of a safe, convenient, and economic transportation system. The findings for Portland Comprehensive Plan Goal 6, Transportation, and relevant sub-policies demonstrate that the amendments are consistent with Goal 12.
18. **The Oregon Transportation Planning Rule (TPR)** was adopted in 1991 and amended in 1996, 2005 and 2012 to implement State Goal 12. The TPR requires certain findings if a proposed Comprehensive Plan Map amendment, zone change, or regulation will significantly affect an existing or planned transportation facility.

These amendments will not have a significant effect on existing or planned transportation facilities because, as demonstrated in the findings for Portland Comprehensive Plan Goal 6 and related sub-policies, the amendments ensure that the number of trips generated by a household living use with an accessory short-term rental use will not exceed the number of trips generated by a household living use without an accessory short-term rental.
19. **Goal 14, Urbanization**, requires provision of an orderly and efficient transition of rural lands to urban use, the efficient use of land, and the provision of livable communities. The findings for Portland Comprehensive Plan Goal 2, Urban Development, Goal 3, Neighborhoods, and their relevant sub-policies demonstrates that these amendments provide for livable communities and are therefore consistent with this goal.

Findings on Metro Urban Growth Management Functional Plan

20. The following elements of the Metro Urban Growth Management Functional Plan are relevant and applicable to these accessory short-term rental amendments.
21. **Title 1, Housing Capacity**, requires cities and or counties to maintain or increase its housing capacity. This requirement is to be generally implemented through city-wide analysis based on calculated capacities from land use designations. These amendments will not affect housing capacity. The amendments allow accessory short-term rentals in additional housing types, and by definition, an accessory short-term rental is an accessory use to a primary household living use on a site. Because there must continue to be a household living use on the site with an accessory short-term rental, these amendments do not allow conversion of a housing unit in a residential zone to a motel or other commercial use. The findings for Portland Comprehensive Plan Goal 4, Housing, and relevant sub-policies also demonstrate that these amendments are consistent with this title.
22. **Title 4, Industrial and other Employment Areas**, seeks to provide and protect a supply of sites for employment by limiting the types and scale of non-industrial uses in Regionally Significant Industrial Areas (RSIAs), Industrial and Employment Areas. Title 4 also seeks to provide the benefits of "clustering" to those industries that operate more productively and efficiently in proximity to one another than in dispersed locations. These amendments do not increase the type or scale of non-industrial uses allowed in RSIAs, Industrial or General Employment zones for the reasons stated below:
 - The amendments do not allow establishment of a primary household living use in the Industrial or Employment zones. The amendments expand the type of dwelling unit that can have an accessory short-term rental. However, in the Industrial and Employment zones, an accessory short-term rental will only be allowed in situations where the dwelling also has a legally established, non-conforming primary household living use. The accessory short-term rental regulations also contain provisions that limit the scale of the non-industrial activity including a limit on the total number of guests and residents occupying a dwelling unit with an accessory short-term rental, a limit on the number of bedrooms that can be rented to overnight guests, and in the case of a multi-dwelling structure, a cap on the number of accessory short-term rentals allowed in the building;
 - A short-term rental (temporary lodging) can also be considered a Retail Sales and Service use, and Retail Sales and Service uses are currently allowed outright in an Industrial or General Employment zone. Up to one Retail Sales and Service use, with maximum of 3,000 square feet, is allowed in an IG1 zone, up to four Retail Sales and Service uses, with a maximum of 3,000 square feet each, are allowed in the IG2 and IH zones, and up to 60,000 square feet of Retail Sales and Service use, or up to an FAR of 1:1, is allowed in the EG zones.

For these reasons, the amendments do not conflict with Title 4. The findings addressing Portland Comprehensive Plan Goal 6, Transportation, also demonstrate that the amendments do not conflict with Title 4.

23. **Title 7, Housing Choice**, ensures opportunities for affordable housing at all income levels, and calls for a choice of housing types. The findings for Portland Comprehensive Plan Goal 4, Housing, Policy 4.2, Maintain Housing Potential, Policy 4.8, Regional Housing Opportunities, Policy 4.9, Fair Housing, and 4.11, Affordable Housing demonstrate that the amendments are consistent with this title.
24. **Title 12, Protection of Residential Neighborhoods**, calls for protecting the region's existing residential neighborhoods from air and water pollution, noise and crime, and providing adequate levels of public services. The findings for Portland Comprehensive Plan Goal 8, Environment demonstrate that the amendments will limit potential impacts from noise.

Findings on Portland's Comprehensive Plan Goals

25. The following goals, policies, and objectives of the Portland Comprehensive Plan are relevant and applicable to these accessory short-term rentals amendments.

GOAL 1, METROPOLITAN COORDINATION

26. **Goal 1, Metropolitan Coordination**, calls for the Comprehensive Plan to be coordinated with federal and state law and to support regional goals, objectives and plans. The amendments are consistent with this goal because notification of the proposal, and an opportunity to provide comment at a public hearing before the Portland Planning and Sustainability Commission, was provided to the Oregon Department of Land Conservation and Development per ORS 197.610, and to Metro, Tri-Met, and the Oregon Department of Transportation per 33.740.020. In addition, nothing within these amendments changes or affects the Urban Growth Boundary, Urban Planning Area Boundary, or Urban Services Boundary.

GOAL 2, URBAN DEVELOPMENT

27. **Goal 2, Urban Development** calls for maintaining Portland's role as the major regional employment and population center through public policies that encourage expanded opportunity for housing and jobs, while retaining the character of established residential neighborhoods and business centers. The amendments are consistent with this goal because they expand opportunities for home-based jobs, without detracting from the character of existing residential neighborhoods. An accessory short-term rental is a type of home-based job. Accessory short-term rentals are currently not allowed in multi-dwelling structures, multi-dwelling development, triplexes, attached duplexes, manufactured dwellings, and houseboats. These amendments expand the list of housing types in which an accessory short-term rental can be established to all residential structure types. The change will provide residents in the additional housing types the opportunity to have this type of home-based business. The additional home-based jobs will not detract from the character of existing residential neighborhoods because the adopted accessory short-term rental regulations include provisions that address several common elements of neighborhood character including use, intensity, and accessory home occupations:
 - Use. The accessory short-term rental regulations do not allow a home in a neighborhood to be converted to a full-time, short-term rental. The existing regulations ensure that the accessory short-term rental remains an accessory use to a primary household living use on a site. This is accomplished by requiring that a long-term resident live in the dwelling unit in which the rooms will be rented;

- Intensity. The accessory short-term rental regulations limit a Type A accessory short-term rental to offering no more than two bedrooms to overnight guests, and require a conditional use review, which includes notice and a public hearing, for facilities that rent more than two bedrooms per night;
- Intensity. The accessory short-term rental regulations limit the total number of guests and residents occupying a dwelling with an accessory short-term rental to no more than the number allowed for a household (per 33.910.030; one or more persons related by blood, marriage, legal adoption, guardianship, or domestic partnership plus not more than 5 other persons). This provision ensures that the number of residents and guests coming and going from the home with bedrooms rented on a short-term basis does not exceed the number of residents allowed to come and go from other homes in the neighborhood without an accessory short-term rental;
- Accessory home occupation. The accessory short-term rental regulations prohibit the establishment of a Type B accessory home occupation in a dwelling unit with an accessory short-term rental, and prohibiting non-resident employees and commercial meetings in a Type A accessory short-term rental. A Type B accessory home occupation is one in which the resident uses their home as place of work, and has one employee or up to eight customers per day. This provision is intended to limit potential impacts that additional trips to and from a dwelling with an accessory short-term rental may have on the surrounding neighborhood;
- Finally, the existing accessory short-term rental regulations allow the Type A accessory short-term rental permit to be revoked for failure to comply with the regulations of 33.207.

In addition to the adopted regulations, the amendments also limit the number of accessory short-term rentals in a multi-dwelling structures to ensure the character of the building and the surrounding area remains residential.

28. **Policy 2.9, Residential Neighborhoods**, calls for allowing for a range of housing types to accommodate increased population growth while improving and protecting the city's residential neighborhoods. The amendments are consistent with this policy because they include provisions that protect the integrity of the city's residential neighborhoods as described in the findings for Goal 2, Urban Development.
29. **Policy 2.14, Industrial Sanctuaries**, calls for providing industrial sanctuaries and encouraging the growth of industrial activities by preserving industrial land primarily for manufacturing purposes. The findings for Title 4 also demonstrate that the amendments are consistent with this policy.
30. **Policy 2.15, Living Closer to Work**, calls for locating greater residential densities near major employment centers, locating affordable housing close to employment centers, and encouraging home-based work where the nature of the work is not disruptive to the neighborhood. As described in the findings for Goal 2, Urban Development, the amendments encourage home-based jobs, and the existing accessory short-term rental regulations include provisions that protect neighborhoods.

GOAL 3, NEIGHBORHOODS

31. **Goal 3, Neighborhoods**, calls for preserving and reinforcing the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses and insure the city's residential quality and economic vitality. The amendments are consistent with this goal and preserve the stability of the city's neighborhoods for the reasons stated in the findings for Goal 2, Urban Development, the Goal 2 sub-policies, and the findings below.

32. **Policy 3.2, Social Conditions**, call for providing and coordinating programs to promote neighborhood interest, concern and security and to minimize the social impact of land use decisions. The amendments promote neighborhood interest and concern because they require the resident to notify neighbors before the accessory short-term rental is approved. The notification must include a description of the operation and the number of rooms to be rented to overnight guests. The notification must also include contact information for the operator and describe how the standards of the Title 33.207 will be met. This notification must be updated every two years. The amendments also address neighborhood concern and security because Title 33.040.B.5 allows the Type A accessory short-term rental permit to be revoked for failure to comply with the regulations of Title 33.207. If the permit is revoked, a new permit will not be issued to the operator at that residence for two years.
33. **Policy 3.5, Neighborhood Involvement**, provides for the active involvement of neighborhood residents and businesses in decisions affecting their neighborhood, and calls for providing information to neighborhood and business associations which allows them to monitor the impacts of the Comprehensive Plan. The amendments support this policy because they require that neighborhood associations and business associations be notified when an accessory short-term rental is established within their boundaries. The notification will provide the associations with contact information for the operator, a description of the operation and the number of rooms to be rented to overnight guests, and a description of how the operation meets the other standards of Title 33.207.

GOAL 4, HOUSING

34. **Goal 4, Housing**, calls for enhancing Portland's vitality as a community at the center of the region's housing market by providing housing of different types, density, sizes, costs and locations that accommodates the needs, preferences, and financial capabilities of current and future households. The amendments are consistent with this policy because the existing regulations that will apply to an accessory short-term rentals include provisions aimed at preserving housing, and they accommodate the needs and preferences of current households. The regulations preserve housing by prohibiting the conversion of an entire dwelling unit in a residential zone to a motel or other commercial use. In all cases, an accessory short-term rental must be an accessory use to a primary household living use on a site. The regulations:
- Require that a long-term resident live in the dwelling unit in which the rooms will be rented;
 - Require that the dwelling unit be the long-term resident's primary residence;
 - Limit the number of bedrooms being rented to overnight guests to not more than two, and require a conditional use review for facilities that rent more than two bedrooms per night.
- The regulations also accommodate the needs and preference of current households as expressed by people who provided testimony on the accessory short-term rental amendments to the Planning and Sustainability Commission. The Planning and Sustainability Commission received testimony from 36 people who rent bedrooms in their homes to overnight guests. Many of the 36 testified that renting a room to guests has allowed them to increase their income, and 14 of the 36 testified that the additional income has allowed them to stay in their homes.
35. **Policy 4.2, Maintain Housing Potential**, calls for retaining housing potential by requiring no net loss of land reserved for, or committed to, residential, or mixed-use. This policy is implemented by an approval criterion applied to quasi-judicial Comprehensive Plan Map Amendments that requires no net loss of potential housing units when a requested amendment is from a residential or the urban commercial Comprehensive Plan Map designation to a non-residential map designation (33.810.050.A.2). These amendments do not conflict with this policy because they do not amend, change, or undermine the approval criterion.

36. **Policy 4.4 Housing Safety**, calls for ensuring a safe and healthy built environment and assisting in the preservation of sound existing housing and the improvement of neighborhoods. These amendments support this policy because they require the operator of a Type A accessory short-term rental to verify that each floor on which a room will be rented has at least one carbon monoxide alarm, and each bedroom has a smoke detector that is interconnected with smoke detectors in an adjacent hallway. These requirements are intended to ensure that guests can exit the dwelling rapidly and safely in the event of a fire or other emergency. These amendments also prohibit accessory short-term rentals in dwelling units in Chapter 13 buildings without approved sprinkler systems.
37. **Policy 4.8, Regional Housing Opportunities**, ensures opportunities for economic and racial integration throughout the region by advocating for the development of a range of housing options affordable to all income levels throughout the region. Policy 4.8, Objective A calls for advocating for a regional “fair share” strategy for meeting the housing needs of low, moderate, and higher-income households and people in protected classes in cities and counties throughout the region, and Policy 4.8 Objective B calls for supporting regulations and incentives that encourage the production and preservation of housing that is affordable throughout the region. As stated in the findings for Goal 4, Housing, and Policy 4.2, Maintain Housing Potential, these amendments will not encourage the loss of long-term rentals because they do not allow the conversion of housing units in residential zones from a primary residential use to a primary commercial use.
38. **Policy 4.9, Fair Housing**, calls for freedom of choice in housing type, tenure, and neighborhood for all, regardless of race, color, age, gender, familial status, sexual orientation, religion, national origin, source of income or disability. City Code Title 23.01 and Oregon Revised Statute 659A.403 prohibit discrimination based on race, religion, color, sex, sexual orientation, gender identity, national origin, marital status, familial status, age if over 18, or disability in places of public accommodation, such as lodgings, and in the selling, leasing or renting of real property. This ordinance does not reduce or nullify in any way the prohibition of discrimination contained in City Code Title 23.01 or ORS 659A.
39. **Policy 4.11 Affordability**, promotes the development and preservation of quality housing that is affordable across the full spectrum of household incomes. The amendments are consistent with this policy because allowing accessory short-term rentals will not affect the supply of needed affordable housing for the following reasons:
- The accessory short-term rental regulations do not allow conversions of needed housing in residential zones from a residential use to a commercial use. The regulations ensure that the primary use of the dwelling unit remains household living. The regulations allow a long-term resident to rent unused bedrooms within their primary residence to overnight guests, and the regulations limit the number of bedrooms that can be rented on a short-term basis.
 - Allowing accessory short-term rentals in additional residential structure types will increase the number of householders eligible to establish an accessory short-term rental. Testimony in the record asserts that the ability to receive income from overnight guests may increase the ability of long-term residents to afford the cost of maintaining their homes or remain in their home during times of financial struggle.
 - Home Forward (formerly Housing Authority of Portland) is a government agency that owns homes and makes them available to rent by households earning less than sixty-percent of median metropolitan statistical area income. Rental agreements for these homes always contain a prohibition on subletting that will prohibit accessory short-term rentals. The amendments will therefore not affect the affordability of this publically owned housing. In addition, they will not

affect affordable housing obtained through the Housing Choice Voucher Program funded by the U.S. Department of Housing and Urban Development and administered by Home Forward. This program is commonly referred to as Section 8, and it provides rent assistance to low-income residents. The assistance voucher can be used for renting an apartment or a house, but it cannot be used to rent a room in an apartment or a house, therefore converting a bedroom in a home to an accessory short-term rental is not removing a Section 8 housing unit from the affordable housing market.

40. **Policy 4.14 Neighborhood Stability**, calls for neighborhood stability by promoting: 1) a variety of homeownership and rental housing options; 2) security of housing tenure; and 3) opportunities for community interaction. As detailed in the findings for Goal 2, Urban Development, Policy 2.15, Living Close to Work, Policy 3.2 Social Conditions, Policy 3.5, Neighborhood Involvement, and Goal 4, Housing, the amendments promote neighborhood stability by ensuring that the short-term rental use remains accessory to a primary household living use, preventing the conversion of a dwelling in a residential zone to a full-time, short-term rental, requiring notification of the establishment of an accessory short-term rental to neighboring dwelling units and local neighborhood and business associations, and allow the accessory short-term rental permit to be revoked for failure to comply with the regulations of Title 33.207.

GOAL 5, ECONOMIC DEVELOPMENT

41. **Goal 5, Economic Development**, calls for fostering a strong and diverse economy which provides a full range of employment and economic choices for individuals and families in all parts of the city. As described in the findings for Goal 2, Urban Development, and Policy 2.15, Living Close to Work, the amendments are consistent with this goal because they encourage expanded opportunity for home-based jobs. An accessory short-term rental, where a long-term resident rents bedrooms in the dwelling in which they reside to overnight guests, is a home-based job. Currently, accessory short-term rentals are not allowed in multi-dwelling structures, multi-dwelling development, triplexes, attached duplexes, manufactured dwellings, and houseboats. The amendments allow residents in these structure types the opportunity to have this type of home-based job. According to a survey of accessory short-term rental host in Portland who use the Airbnb website, the average annual income generated from an accessory short-term rental is \$6,860 (Airbnb survey 2014).

GOAL 6, TRANSPORTATION

42. **Goal 6, Transportation**, calls for developing a balanced, equitable, and efficient transportation system that provides a range of transportation choices; reinforces the livability of neighborhoods; supports a strong and diverse economy; reduces air, noise, and water pollution; and lessens reliance on the automobile while maintaining accessibility. The amendments are consistent with this goal because the existing regulations that will apply to an accessory short-term rental ensure that the potential number of trips generated by an household with an accessory short-term rental will not exceed the number of trips that could be generated by a household without an accessory short-term rental because:
- The regulations include a provision that limits the total number of guests and residents staying in a home with an accessory short-term rental to no more than the number of residents allowed to reside in a home without an accessory short-term rental.

- The regulations further limit the number of trips that could be generated by an home with an accessory short-term rental because they prohibit the resident in a home with a Type A accessory short-term rental from also operating a Type B accessory home occupation. A Type B accessory home occupation is one in which the operator has one employee or up to eight customers per day. By prohibiting a Type B accessory home occupation, the potential number of trips to and from a home in a residential zone is reduced.
- The recommended amendments cap the number of dwelling units in a multi-dwelling structure or triplex that can have an accessory short-term rental. The cap will also limit the potential for additional trips to and from an accessory short-term rental in a multi-dwelling structure.

In addition, testimony in the record suggest that many guests in a home with an accessory short term rental do not have a car. One operator who testified at the Planning and Sustainability Commission hearing said that fewer than one-half of their guests have had a car, and another operator testified that more than 80 percent of their guests did not have a car.

43. **Policy 6.12, Regional and City Travel Patterns**, calls for supporting the use of the street system consistent with its state, regional, and city classifications and its classification descriptions. Objective B calls for minimizing the impacts of interregional and long intraregional trips on Portland neighborhood and commercial areas, while supporting the travel needs of the community. These amendments are consistent with this policy because, as stated in the findings for Goal 6, Transportation, they ensure that the number of trips generated by a dwelling unit with an accessory short-term rental will be no more than, and could potentially be fewer than, the number of trips generated by dwelling unit without an accessory short-term rental.
44. **Policy 6.26, On-Street Parking Management**, calls for managing the supply, operations, and demand for parking and loading in the public right-of-way to encourage economic vitality, safety for all modes, and livability of residential areas. As stated in the findings for Goal 6, Transportation, these amendments are consistent with this policy because they will not increase the demand for parking in residential areas, and will in some cases reduce the potential demand for parking in residential areas.

GOAL 8, ENVIRONMENT

45. **Goal 8, Environment**, calls for maintaining and improving the quality of Portland's air, water and land resources and protect neighborhoods and business centers from detrimental noise pollution. These amendments will limit potential impacts from noise because the amendments and the accessory short-term rental regulations include provisions intended to keep the activities occurring in association with the accessory use at the same level of activity expected from home without an accessory short-term rental. The amendment and regulations accomplish this by:
 - Ensuring that the number of guests and residents staying in a home with an accessory short-term rental does not exceed the number of residents of a home without an accessory short-term rental;
 - Prohibiting establishment of a Type B accessory home occupation in a home with an accessory short-term rental. A Type B accessory home occupation can have up to eight customers arriving and leaving from the home each day;
 - Limiting the number of dwelling units in a multi-dwelling structure or triplex that can have an accessory short-term rental; and
 - Allowing the accessory short-term rental permit to be revoked for failure to comply with the requirements of Title 33.207.

For these reasons, the amendments are consistent with this goal.

GOAL 9, CITIZEN INVOLVEMENT

46. **Goal 9, Citizen Involvement**, calls for improving the methods for citizen involvement in the on-going land use decision-making process, and providing opportunities for citizen participation in the implementation, review, and amendment of the Comprehensive Plan. Policy 9.1 calls for encouraging citizen involvement in land use planning projects by actively coordinating the planning process with relevant community organizations, through the reasonable availability of planning reports to city residents and businesses, and notice of official public hearings to neighborhood associations, business groups, affected individuals and the general public. The preparation of these amendments provided multiple opportunities for citizen involvement, in accordance with the legislative procedure requirements of Title 33.740, Legislative Procedure. The amendments support this goal for the reasons found in the findings for Statewide Planning Goal 1, Citizen Involvement.

GOAL 10, PLAN REVIEW AND IMPLEMENTATION

47. **Policy 10.10, Amendments to the Zoning and Subdivision Regulations**, requires amendments to the zoning and subdivision regulations to be clear, concise, and applicable to the broad range of development situations faced by a growing urban city. Objective A calls for promoting good planning by effectively and efficiently implementing the Comprehensive Plan, addressing present and future land use problems, balancing the benefits of regulations against the cost of implementation and compliance, and assuring that Portland remains competitive with other jurisdictions as a location in which to live, invest and do business. The amendments are consistent with this policy and its objectives for the following reasons:

- They address a development situation that has been growing in Portland. The number of short-term rentals occurring in Portland has increased substantially. In May 2014, Bureau of Planning and Sustainability found over 1,600 short-term rental listings on one website that facilitates peer-to-peer short-term rentals, up from 107 in January 2011. In October, 2014 the Bureau of Planning and Sustainability found that 579 of the 1,600 short-term rental listings were for dwelling units in multi-dwelling structures;
- They address a present land use problem. Accessory short-term rentals are prohibited in multi-dwelling structures. Therefore, the 579 short-term rental listings for dwelling units in multi-dwelling structures are operating without approval and this presents a present land use problem that needs to be remedied; and
- They clarify and streamline regulations that have not been updated since 2004.

NOW, THEREFORE, the Council directs:

- a. Adopt Exhibit A, *Accessory Short-Term Rentals in Multi-Dwelling Structures—Mayor's Recommended Draft*, dated October 20, 2014;
- b. Amend Title 33, Planning and Zoning, as shown in Exhibit A, *Accessory Short-Term Rentals in Multi-Dwelling Structures—Mayor's Recommended Draft*, dated October 20, 2014;
- c. Adopt the commentary in Exhibit A, *Accessory Short-Term Rentals in Multi-Dwelling Structures—Mayor's Recommended Draft*, dated October 20, 2014 as legislative intent and further findings;

- d. Direct the Bureau of Planning and Sustainability to monitor the effects of the amendments as part of their overall monitoring program, and provide a report on the effects to City Council by January 2017; and
- e. Amend Bureau of Development Services Enforcement Fee and Penalty Schedule as shown in Exhibit B.

Section 2. If any section, subsection, sentence, clause, phrase, diagram, designation, or drawing contained in this Ordinance, or the plan, map or code it adopts or amends, is held to be deficient, invalid or unconstitutional, that shall not affect the validity of the remaining portions. The Council declares that it would have adopted the plan, map, or code and each section, subsection, sentence, clause, phrase, diagram, designation, and drawing thereof, regardless of the fact that any one or more sections, subsections, sentences, clauses, phrases, diagrams, designations, or drawings contained in this Ordinance, may be found to be deficient, invalid or unconstitutional.

Passed by the Council: JAN 14 2015

Mayor Charles Hales
Prepared by: Julia Gisler
Date Prepared: October 27, 2014

Mary Hull Caballero
Auditor of the City of Portland
By



Deputy

1211-1247-1333-54

Agenda No.
ORDINANCE NO. 186976 As Amended
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)

INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales	CLERK USE: DATE FILED <u>NOV 14 2014</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales <i>P</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	LaVonne Griffin-Valade Auditor of the City of Portland By: <i>[Signature]</i> Deputy
BUREAU APPROVAL Bureau: Planning and Sustainability Bureau Head: Susan Anderson <i>Susan Anderson</i> Prepared by: Julia Gisler Date Prepared: October 30, 2014	ACTION TAKEN: NOV 19 2014 <i>As Amended</i> PASSED TO SECOND READING DEC 03 2014 9:30 A.M. DEC 03 2014 <i>RESCHEDULED TO</i> DEC 18 2014 2 P.M. TIME CERTAIN DEC 18 2014 PASSED TO SECOND READING JAN 14 2015 10:45 AM TIME CERTAIN
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>KS Beaumont</i>	
Council Meeting Date November 19, 2014	

AGENDA TIME CERTAIN <input checked="" type="checkbox"/> Start time: <u>2:00 pm</u> Total amount of time needed: <u>1.5 hours</u> (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: <u>1.5 hrs.</u> (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish		<input checked="" type="checkbox"/>
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Novick	4. Novick	<input checked="" type="checkbox"/>	
Hales	Hales	<input checked="" type="checkbox"/>	