

CITY OF DUNDEE
PLANNING COMMISSION AGENDA
P.O. Box 220
620 SW 5th Street
Dundee, Oregon 97115

MEETING WILL BE TELECONFERENCED

Join Zoom Meeting: <https://us02web.zoom.us/j/87220147126>

Or listen by calling: 1-253-215-8782

Meeting ID: 872 2014 7126

MEETING DATE: April 21, 2021

Meeting Time: 7:00pm

- I.** Call Meeting to Order
- II.** Public Comment
- III.** Approval of Minutes
- March 17, 2021
- IV.** Public Hearing – Continued from March 17, 2021 (Deliberation Only)
- LURA 20-16, City of Dundee (Revisions to Section 17.203.240 and 17.202.020 of the Dundee Municipal Code regarding Vacation Rentals)
- V.** Issues from Planning Commissioners
- VI.** Adjournment

CITY OF DUNDEE

Meeting: Planning Commission Meeting

Location: Meeting was held virtually via Zoom.
City Hall Meeting Chambers
620 S.W. 5th Street
Dundee, Oregon 97115

Date: March 17, 2021

Time: 7:00 p.m.

I. Meeting called to order.

Chairman O'Neill called the meeting to order. Commissioners present, which consisted of quorum, were Shannon O'Neill, David Hinson, Ed Carlisle, and Doug Pugsley. City Planner Matt Straite and City Administrator Rob Daykin were also present.

Members of the audience tuning in to the hearing included Brian H., Shannon Stuekle, Justin Wiezorek, Steve Jara, Cathy Chambers, Megan Carda, Lisa Peck, Heather Howard, Pat Vial, Lance Koudele, Rachel, Jeff Peck, Mike, Wendy Fontaine, and John Bridges.

II. Public Comment

There was no public comment.

III. Public Hearing

- LURA 20-16, City of Dundee (Revisions to Section 17.203.240 and 17.202.020 of the Dundee Municipal Code regarding Vacation Rentals)

Chairman Howland read the statements in to record and requested that any persons wishing to give testimony send an email or zoom chat message to Melody Osborne.

1. Declarations of Ex-Parte, Bias, or Conflict of Interest

Chairman Howland questioned the Commissioners about ex-parte, bias, or conflict of interest. Commissioner Hinson stated that he is a friend of Elizabeth Sundeen who provided testimony. He stated that his relationship with her, not any of the conversations they had, would interfere with his ability to act as Planning Commissioner.

There were no objections to jurisdiction.

2. Staff Report

Matt Straite reviewed the staff report, highlighting proposed changes and staff responses to written testimony that were included in the report and packet.

Commissioner Hinson questioned which version (there were two in the packet) was going to be used, stating that neither seemed to include the changes made based on public testimony. Mr. Straite responded that the two versions should be the same, but that the changes were not included as the draft code had already been presented to the public and DLCDC.

3. Public Testimony

Chairman O'Neill read through the list of persons wishing to testify and again requested that anyone not on the list contact Melody Osborne to be added.

John Bridges of Brown Tarlow Bridges & Palmer, 515 E. 1st Street, Newberg, stated he represented the Tebb's, who owned property in the agricultural zone in Dundee. He described the property and stated that the property had been established a long time prior to the Riverfront Master Plan. They did not live in Dundee but had hoped to be able to use it as a place where they could gather with family and then sometimes rent it out as a VRBO. Mr. Bridges continued to explain that the property was well away from any other development and didn't have the same type of impacts as another vacation rental might.

Mr. Bridges addressed his proposed changes. Where he suggested the addition of "material", he felt this should be added because an STR could be determined by staff to be a burden to anyone. He disagreed with the comment by the staff that "the intent of the section was to address nuisance issues like noise and smoke and those issues would not be material". Mr. Bridges believed that those issues would be material if noise were defined as being a problem when it was noisy for too long, or too loud, or the timing was an issue. He believed that absent a definition there was a risk of staff making arbitrary decisions that could be challenged by the owner of the STR.

Mr. Bridges remarked next on his comment regarding ADU's. He wanted to clarify that he meant Planning Commission could make a distinction that if an ADU was part of the whole then it would be allowed to be used as a rental. Going back to his clients as an example, they have a home but also have a separate facility with an apartment that should be able to be used if the home was also being rented (together as a whole).

Finally, he requested that the Agricultural zone be amended to allow STRs. He again stated that the home was eventually going to be surrounded by Light Industrial and that very few agricultural homes existed that could be used as STR, so the burden would be light.

Chairman O'Neill asked if the Commissioners had any clarifying questions. Commissioner Pugsley asked if Mr. Bridges knew how many homes were located in the Agricultural zone that may be affected by the change. Mr. Bridges responded that he did not. Commissioner Pugsley stated that he understood the uniqueness of the situation but wondered if it was something that may need to be taken up later. Mr. Bridges explained that he had spoken with staff about how the Tebb's may be able to use their property and staff thought bringing it up during this public hearing may be the best way to start.

Rachel Cason of 1007 SW 2nd Place, stated they were thinking about building an ADU into a portion of their home. She requested clarification on why ADUs were not going to be allowed as STRs. Chairman O'Neill responded that when the ADU process was written into the code it was decided at that time that they were not to be used as short-term rental units. It was not the intention of the ADU to be used that way.

Sue Larson of 200 SW 7th Street stated that they had a vacation rental and infrequently used it in that matter. She responded that they have property cameras that monitor the property and if there was any type of an infraction to the rules they were calling immediately. She felt that it seemed peculiar that there would be limits on permits (to only one per owner) on persons using their STRs responsibly. She would prefer that people taking care of their STRs and responding to complaints would be the ones that she would want to be owners of STRs. Commissioner Carlisle questioned how it was possible to determine a good owner and who was not. Ms. Larson responded that one way would be to look at the numbers of complaints against the properties.

There were no additional requests to testify.

Chairman O'Neill asked if there was any rebuttal or comments on statements made during testimony to which staff would like to respond. Mr. Straite stated that there was not.

CA Daykin stated a concern about the limitations on the number of STRs and whether the standard STRs would need to maintain some sort of activity so that they did not simply exist to preclude others from being present. He stated that there was a suggestion at one time that there be some sort of economic contribution. Mr. Straite responded that a requirement was added under business license requirements that an STR must rent during a one-year period in order to renew the business license.

4. Staff Recommendation

Chairman O'Neill asked if there was a staff recommendation. CA Daykin responded that he would go back to his previous statement that he recommended adding, possibly, that an STR needed to remit at least \$500.00 in transient room taxes to the city to maintain their license.

5. Deliberation

Chairman O'Neill opened deliberation.

Commissioner Hinson began with the question of ADUs and whether they were going to be considered a dwelling unit and therefore available to rent as an STR, or whether they were excluded. Chairman O'Neill restated that during the addition of ADUs to the Development Code it was not intended for them to become STRs because that was not the intent. The intent for ADUs was to provide housing and it was her opinion that she did not want to change the code to include them. CA Daykin also stated that the ADU legislation was to address a housing shortage, and since that was the purpose the Commission at the time voted to exclude them as STRs.

Commissioner Hinson clarified that if they had an ADU and the owners were living in it the use would not be classified as an STR because the owners would be living there. The use would be a Bed and Breakfast. There was continued conversation regarding ADUs and the conclusion was to have staff add more clarifying language to make it obvious that ADUs could not be rented as STRs.

Commissioner Hinson pointed out some formatting errors and typos to be corrected. Commissioner Pugsley proposed that deliberation be continued to April so that a clean copy with the changes and corrections could be reviewed prior to the recommending motion to City Council. It was decided to finish reviewing the current proposed changes so that all changes could be on the next draft.

There was conversation about whether infrequent STRs should be required to pay transient tax or be exempt. CA Daykin suggested that Planning Commission also recommend to City Council that the Business License and Transient Tax section of the Municipal Code be updated as well to incorporate any decision made. Commissioner Hinson questioned whether the State would be collecting tax on infrequent STRs and whether it would be confusing for the City to exempt them. Two other commissioners stated that they should all be treated the same regarding taxes and business licenses—infrequent should be treated the same as frequent.

CA Daykin pointed out that it would also be difficult to determine whether an infrequent STR was truly infrequent or operating as an STR in disguise. He suggested that maybe they be required to give dates up front. Chairman O’Neill asked if there was another reporting system that might work. Mr. Straite and CA Daykin responded it was going by the honor system. There was continued discussion regarding whether periods of rentals should be required and whether taxes should be collected. The conversation concluded with Commissioner Hinson restating that exempting infrequent STRs may be more complicated than intended because the owners would still be paying state tax.

Commissioner Hinson referred to the section on business licenses. He felt that the statement about complaints should be changed from “addressed by property owner” to “reported by/to property owner”. He felt that the renewal should not be based on how many problems had been solved, but by how many had been reported. Commissioner Hinson also asked about whether a STR already having a business license would automatically be renewed, or if there were others waiting on the queue whether the current STR would then go to the back of the line so that another had the opportunity. Chairman O’Neill responded that she agreed with the language change—that the renewal should be based on how many were reported. Commissioner Carlisle stated that it would be important to also add the action taken to the complaints reported.

Commissioner Carlisle stated that his memory of discussion regarding the idea of the queue was that the Commission believed it was fairer to let those already approved as an STR to renew. Mr. Straite stated that his notes from his workshop indicated that the Commission did not want to include the queue. Commissioner Carlisle remembered that Dundee was also so far away from meeting the 5% cap that the need for a queue was a long time off. Mr. Straite noted that in recent discussion with the Oregon Fair Housing Council they stated they were very appreciative of the 5% cap.

Commissioner Hinson noted the standard under Parking (Item J-8). He felt sentence two should read “All overnight and visiting guests (not overnight guests) must park in designated parking areas.” since they were allowed one on-street parking spot. There was a question about whether the reference under Noise Limits (J-11) was correct. Mr. Straite responded he would check.

Commissioner Hinson questioned whether, under J-16, if “in a timely manner” was too vague and should be more specific. He also questioned whether the specific instances needed to be spelled out. Chairman O’Neill responded with types of disturbances that may need more immediate response than others. She also questioned how they could define “timely”.

Clarification was requested regarding the term “response”. It was concluded that “response” did not mean “action”. That the issue should be responded to—acknowledged—but that the action could take place at a later time. Commissioner Carlisle stated that he would be opposed to setting a

specific period of time, he liked “timely”. Chairman O’Neill concurred. There was conversation regarding whether the responsible party was responding to the complaint or the complainant. The conclusion was that the RP was responding to the complaint and was not required to call the complainant. It was also concluded that “timely” did not need to be specified; and that the specific disturbances listed were in response to the survey responses from citizens, so they should continue to be listed.

Under K-3 “Immediate Complaints”, it was questioned whether complaints should be reported as soon as the limit of three was reached instead of annually at the time of renewal. Commissioner Carlisle stated that he felt the number of three was too low since an owner could have one bad group that accumulated three before the owner was able to get them out. Commissioner Pugsley noted that he believed the owners would be on top of complaints. Mr. Straite agreed that much of this was self-regulating since owners of STRs depended upon good reviews.

There was conversation regarding whether Section K-4 was meant that the City had received three complaints, or whether the three complaints were to the owner. It was agreed that it was three complaints to the City. Questions arose about whether that meant the complainant would need to contact both the property owner and the city; it was answered that the complaint should go to the property manager, but if not resolved then the complaint should call the city. CA Daykin questioned the revocation of a permit and how long a revocation would last. Mr. Straite noted there was not a legal standard, so it would be whatever the Commission was comfortable with. There was commentary that one-year would be a good standard, however it could also be something that was decided during the hearing. Mr. Straite suggested that language be added to say, “Any revocation will last one year, or as otherwise indicated by the Planning Commission.” There was consensus to this addition.

Commissioner Pugsley stated that, upon Mr. Bridges suggestion, he would like to add the word “material” to “E. Criteria (1)”. Commissioner Carlisle stated that he wanted to hear what the City Attorney’s opinion on this was before he felt comfortable supporting the change. Chairman O’Neill agreed.

Commissioner Pugsley opened discussion on whether the Agricultural zone should be added to zones permitted to have STRs. It was noted that because the Riverside District Code had a special plan, there would not be the agricultural zone in the future. Therefore, future rezoning of the district would nullify the change. There was some conversation regarding whether there were other land use options available for the applicant rather than add the ag zone to permissible uses. The Commission consented to change the zoning regulation to permit STRs in the Agricultural zone.

CA Daykin requested that the Planning Commission further define infrequent STRs and standard STRs, suggesting again some sort of economic threshold. The conversation segued into requiring a threshold for standard STRs so that an owner couldn’t prevent their neighbor from having an STR by pulling a permit and then never renting. Planning Commission agreed to add a \$500.00 threshold. Chairman O’Neill questioned whether there should be a caveat for unexpected events. Mr. Straite suggested adding a comma to the \$500.00 threshold that stated, “or otherwise approved by the City”. CA Daykin suggested that the Commission give Mr. Straite and him the opportunity to confer and come back with some language.

Mr. Straite also circled back to the transient tax for infrequent STRs as he did not hear a consensus. The Commission gave a consensus that all STRs should be taxed equally.

Commissioner Pugsley stated that he would like to see a clean version prior to making any motion to recommend. This was agreed upon by the other Commissioners and it was moved and seconded to continue deliberation to April 21, 2021.

VI. Planning Issues from Commission Members.

CA Daykin shared that Commissioner Gilden had resigned from the Planning Commission.

VII. Adjournment

The meeting was adjourned.

Shannon O’Neill, Chairman

ATTEST:

Melody Osborne, Administrative Assistant

Memorandum

TO: Dundee Planning Commission
FROM: Matt Straite, MIG Contract Planner
CC: Rob Daykin, City Administrator
DATE: April 20, 2021
SUBJECT: Short term vacation rental code amendments – LURA 20-16



Background

On March 17, 2021 the Planning Commission held a public hearing for code updated related to Vacation Rentals. During the hearing the Commission asked for changes to the proposed revision. Those have been made and are included in the attached Order of Recommendation below. These include:

- Change the term 'party' in section A to 'the persons renting the STR.' Also see the definitions section.
- Base 'infrequent' off of tax revenue instead of nights, see C.1.c.
- Taxes shall be required for both infrequent n long term Short Term Rentals (STR), deleted C.1.d which previously exempted infrequent users from taxes. See also F.1 and the definitions section.
- Revised E.1 to removed 'such as special landscaping', and 'noise,' added more general text regarding what must be added to mitigate.
- Revised 4.c to remove the word 'addressed' and add 'received/reported.' Also added text to require the applicant to explain how each compliant was addressed.
- Revised I to explain that STR renewals are not subject to the 5% cap.
- Revised section J.1, the standards, to clarify that parking must be on-site. Fixed a typo.
- Add STR's as permitted in the AG Zone. See J.10, the use table, and the definitions section.
- Clarified in J.10 that an owner cannot live in an ADU and rent the house as an ADU.
- Clarified text in J. 11 to have owners report illegal activities.
- Added text to Section K, immediate complaints, to make that process more clear. This clarifies that there are two separate processes, one for the owner to address, the other for the City to address.
- Revised K.2 to require at least 1 year before an applicant can re-apply for an STR that was revoked.
- Collapse the two listed uses in the use tables (infrequent and long term STRs) into one entry.

Process

The Dundee Planning Commission held workshops in September and November of 2020 to discuss potential code amendments to the short-term vacation rentals section, 17.203.240, and related sections. As a result of the workshop discussions, staff has put together proposed Development Code amendments that will:

- Change the name of Vacation Rentals to 'Short Term Rentals' (STR).
- Create two categories of rentals- infrequent and standard, for greater flexibility.
- Expand notice requirements for new STRs.
- Define occupancy limits.
- Establish a maximum number of STRs in the City (5%).
- Addresses congestion of STR's (not allowed adjacent to each other).
- Limits on street parking.

- Requires a local representative, in order to manage complaints quickly.
- Limits the number of STRs one owner can have in the City.
- Maintains many of the previous standards for vacation rentals that were working well.

The Planning Commission will make a recommendation on the proposed Development Code amendments to the City Council, which will make a final decision.

Proposed Development Code Amendments

See the PC Order.

Discussion

The City established the vacation rental program in 2014. Currently the City features about 20 registered vacation rentals. This evaluation will help bolster the positive impacts of vacation rentals, such as increasing tourism, while addressing the possible impacts to the community. The short-term rental industry has continued to evolve since the 2014 adoption. This evaluation is intended to implement best practices in the industry.

As the Commission may recall, staff began the process by sending a survey to the community to gather feedback on possible STR changes to the Development Code. This data was presented to the Commission. A comparison of different cities STR sections was provided as well, with an analysis of the key differences. Lastly, staff held interviews with key stakeholders. Input from these were provided to the Planning Commission. With significant feedback from the Commission during workshops, the amendments provided reflect input from the community and the Commission.

Public Comments

As of Tuesday March 9, 2021, the day before this memo was published the City received comments from four individuals:

- Ms. Groff, dated February 6, 2021
- Mr. Bridges, dated March 8, 2021
- Ms. Sundeen, dated March 9, 2021
- Ms. Carda, Dated March 9, 2021

These comments are attached to this memo. Staff responses have been included as well.

Staff Recommendation

At the April 21, 2021 hearing, the Planning Commission should:

1. Consider the staff memo.
2. Deliberate and make findings showing that the proposal is consistent with city and state policies. Tentative findings are shown in Exhibit A of the Order of Recommendation.
3. Make a recommendation that the City Council adopt the proposed Development Code amendments.

**ORDER OF RECOMMENDATION
DUNDEE PLANNING COMMISSION
FILE NO. LURA 20-16**

**AN ORDER RECOMMENDING THAT CITY COUNCIL ADOPT AMENDMENTS TO THE DUNDEE
DEVELOPMENT CODE TO ADD STANDARDS FOR VACATION RENTALS**

RECITALS:

1. The Planning Commission held workshops in September and November of 2021 to discuss potential code amendments to modify the short term vacation rentals section, and related sections, of the Development Code.
2. The proposed amendments would modify the process, rules, and standards for vacation rentals (now proposed to be called Short term Rentals).
3. The modification of the vacation rentals section of the Development Code would implement industry best practices and foster additional rentals while address common issues with such rentals.

THE DUNDEE PLANNING COMMISSION ORDERS AS FOLLOWS:

1. The Planning Commission recommends that the Dundee City Council adopt the following Development Code amendments. Proposed additions to the Code are shown as underlined, deleted sections of 17.203.240 were omitted for clarity.

17.203.240 ~~Vacation~~ Short Term rentals

All short-term rentals (STRs) shall conform to the following standards:

A. Applicability. No person shall occupy, use, operate or manage, nor offer or negotiate to use, lease or rent, a dwelling unit for short-term rental unless issued a STR permit or exempted under this Section. The standards of this section shall supersede the standards elsewhere in the Development Code, unless otherwise stated. This section applies to a dwelling unit in a residential or Agriculture (AG) zone built for permanent use. The person(s) renting the STR must rent the dwelling in its entirety for the purpose of overnight lodging to visitors for less than 28 days at any one time.

B. Purpose. The purpose of this section is to provide a process and standards for allowing STR units while mitigating possible impacts to neighbors. STRs are not considered home occupations.

C. Review Process. There are two types of short-term rentals. Infrequent and standard STRs are regulated below.

1. Infrequent STRs are properties that are available for rent fewer than 30 days total per calendar year. These are:
 - a. Processed as a Type I application (neighbor notification is not required).

b. Required to comply with all the standards listed in subsection (J).

c. Limited in revenue generated by the STR to no more than \$500 in taxes generated annually, or otherwise approved by the City Manager.

€d. Exempt from the concentration limits for STRs in subsection (H) of this section.

2. Standard STRs shall be processed as a Type II application.
3. All STR applications must include (this supersedes the requirements of 17.402.040, except 17.402.040.B.2 and 7):
 - a. A site plan consistent with the requirements of 17.402.040.B.2.
 - b. Bedroom and bathroom counts.
 - c. Images of the following required safety features: Smoke detectors, carbon monoxide detectors, and fire extinguishers. The images should include the date the image was taken.
 - d. A list of the applicant's rules and requirements for renters. If the STR is approved these will be requirements of the permit.
 - e. A narrative explaining how the standards below, and the criteria from Section 17.402.050 are met (for infrequent STRs the criteria from Section 17.401.020.C pertain).

D. Notice. A Type II written notice consistent with Section 17.401.030 shall be provided to all neighbors within 200 feet of the property. The notice shall contain all of the following information:

1. The name, address, and telephone number of a local contact person responsible for maintenance and responding to emergencies, so that residents may report any problems with the STR as outlined in Section 17.203.240.K.
2. All other requirements of Section 17.401.030.B.3.

E. Criteria. For both Type I Infrequent Short Term Rentals and Type II Short Term Rentals the criteria are:

1. The proposed STR will not present any burden on neighbors to the property. Any mitigation added to address concerns, have been included as requirements of the permit. Mitigation may be required to the satisfaction of City Staff.
2. The applicant has obtained a business license (for all Type II permits).

3. All standards from Section 17.203.240.J have been met.

F. Business License and Transient Room Tax.

1. The owner of the STR shall obtain and annually renew a business license pursuant to Chapter 5.04 of the DMC with the City of Dundee (Type I and II), and shall comply with Chapter 3.04 DMC, Transient Room Tax (Type I and Type II).
2. Failure to renew the business license within 14 months (one year plus two months grace period) of issuance/renewal the STR permit will be void.
3. An STR permit holder must rent the unit at least once during a one-year period in order to renew the business license.
4. All business license renewals for STRs shall include:
 - a. Evidence at the time of renewal that all Transient Room Taxes have been paid in full for the previous year.
 - b. The owner or property owner must annually provide contact information to neighbors within 200 feet of the STR property, including an emergency contact other than the property owner. An affidavit shall be provided with the business license renewal application stating such mailing has been sent.
 - c. The applicant shall provide a log of complaints to the City annually with the business license renewal. This shall include issues received /reported by the property owner or manager and all nuisance issues that were addressed by the police. The log must explain how each complaint was addressed.

G. Limits on Permit Transfer. All STR permit approvals will only be valid for the current property owner (not including transfers to trusts, LLC's, divorces or similar changes in names, but not ownership). Any sale of the property will automatically invalidate the STR permit.

H. Occupancy Limits. The maximum occupancy for the STR shall be two persons per bedroom plus two additional persons. For example, a two-bedroom dwelling would have a maximum occupancy of six persons. Any higher limits may be approved by the Planning Commission as a Conditional Use Permit. The criteria for a higher limit shall include those listed in 17.404.030 and the following additional criteria:

1. The property has unique mitigating characteristics, or other mitigation is provided, that will reduce any possible nuisances to neighbors including but not limited to noise. Fencing, landscaping, and other standard features of residential uses are not considered mitigation. Noise studies may be required.

I. Concentration limits. At no point shall the number of STR permits in the City exceed five percent (5%) of the total number of detached single-family homes in the city, calculated at the time the permit is issued. The burden of proof to demonstrate this is the applicants at the time of application. Infrequent STRs are exempt and do not contribute to the City wide total. Any STR renewal is not required to demonstrate that they are within the 5% limit. Should the City reach the 5% limit, no new STR permits shall be issued until previous STR permits do not renew or the number of residential units on the City grows to the point where there is less than 5%.

J. Standards.

1. Parking. At least two (2) off street parking spaces (located on the property) must be provided. In addition, one (1) STR parking space may be on-street. All overnight and visiting guests (not overnight guests) must park on the property in designated parking areas (as shown on the site plan). No unauthorized on-street parking is permitted.
2. Trash and Recycling Facilities. The owner shall provide for and maintain regular trash collection. Available bins must have adequate capacity for the renters, and no uncontained garbage is allowed on the site.
3. Pets. Pets shall comply with DMC Title 6.
4. Noise Limits. All activities associated with the STR shall comply with the noise standards in Chapter 8.28 DMC. Any violations are to be considered nuisance violations.
5. RVs and Other Temporary Shelters. The premises of the STR may not include any occupied recreational vehicle, trailer, tent, or other temporary shelter during the rental occupancy. Tents, including event tents, are not permitted.
6. Nuisances. All activities associated with the STR shall not cause a nuisance as defined in Chapter 8.16 DMC.
7. Posting of Information. The applicant shall keep posted a list of information about the STR adjacent to the front door inside the dwelling. At a minimum, the posting shall include the following information:
 - a. The name and contact information for a local contact person responsible for maintenance and responding to emergencies and/or complaints.
 - b. The current annual STR business license.
 - c. Any requirements for the STR to ensure it complies with this code.
 - d. The location of any safety equipment including fire extinguishers.

e. The maximum number of occupants that was approved by the City.

f. A list of the applicant's requirements for renters of the property (enforceable as part of this permit issuance).

8. Guest Register. The owner or property manager shall maintain a guest register listing each tenant of the STR along with the number of dwelling occupancy days consistent with DMC 32.04.150.
9. No Type II STR shall be located adjacent (contiguous to the property on the same side of the street) to any permitted Type II STR unit. The Planning Commission may approve contiguous Type II STR permits as a Conditional Use Permit with criteria as outlined in Subsection (H).
10. STRs are allowed in any dwelling unit in a residential zone or the Agriculture (AG) zone except multifamily dwellings and Accessory Dwelling Units. An owner shall not rent out a main house while they live in an Accessory Dwelling Unit.
11. For all Type II STRs, the property owner shall designate a local representative that is physically located within the Dundee Urban Growth Boundary (UGB) or within ten (10) vehicular miles of the UGB. Said representative can be a property owner or a licensed property management company with a physically staffed office within ten (10) vehicular miles of the UGB. The owner may be the designated representative if the owner resides within these stated limits.

The local representative must be authorized by the owner of the dwelling to respond to the tenant and neighborhood questions or immediate concerns. The local representative shall serve as the initial contact person if there are questions or complaints regarding the operation of the STR, including immediate complaints. The local representative must respond to complaints in a timely manner to ensure the dwelling complies with the standards for STRs and other city ordinances pertaining to, but not limited to, noise, disturbances, nuisances, as well as state laws pertaining to the consumption of alcohol, or the use of illegal drugs, or other illegal activities.

12. No property owner (private or corporate) shall be issued more than one STR permit.

K. Complaints and Permit Revocation.

1. Immediate complaints. Immediate complaints are those made directly to the STR representative and/or the Fire or Police Department. These are not intended to be reported to City Hall. The process identified in this section is separate from the process identified in Section K.2 below. Any complaint made to both the STR representative and the City will follow both processes identified in K.1 and K.2.
 - a. All immediate complaints shall go to the property owner or property manager. The property owner or property manager is required to address any immediate complaints

while the offending renter is still onsite. Any emergencies should be reported to police and/or the fire department first.

- b. Any unresolved complaints that are not addressed by the property owner or property manager shall be addressed by the local police department as a nuisance complaint.
 - c. The applicant shall provide a log of complaints to the City annually with the business license renewal. This shall include issues addressed by the property owner or manager and all nuisance issues that were addressed by the police.
 - d. Where complaints are persistent and recurring such that they have a detrimental effect to the quiet enjoyment of the adjoining residents, as determined by the City Administrator, the City Administrator may schedule a hearing before the Planning Commission to consider adding additional conditions for mitigation or revoking the short term rental permit. The owner may appeal the Planning Commission decision to the City Council.
2. Standards Violations. Any complaints about a violation of the standards listed in Section 17.203.240.J shall be reported to the city. The city shall notify the property owner in writing of any corrective action necessary to correct the violation, and the owner shall have 30 days to correct the identified issue. If the city receives three or more complaints about violations of the standards listed in Section 17.203.204.G within a 12-month period, the city administrator shall schedule a hearing before the Planning Commission to consider adding additional conditions for mitigation or revoking the short term rental permit. The owner may appeal the planning commission decision to the city council. Any revocation of an STR permit shall last at least 1 year before an applicant can re-apply for an STR. Any new application to reinstate the STR shall be treated an all new application. [Ord. 563-2018 § 1 (Exh. A); Ord. 537-2014 § 1].

Table 17.202.020 Zoning Table

Table 17.202.020; Zoning Table	P: Permitted Use; CU: Conditional Use; S: Special Use Requirements Apply: N: Not Permitted										
Uses	Residential			Commercial			Public and Ag				Special Use Requirements
	R-1	R-2	R-3	C	CB D	LI	P	P O	A	EFU	
<u>Infrequent or standard Short Term Rental</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>P</u>	<u>N</u>	DMC 17.203.240

17.203.260 Accessory dwelling unit (ADU), Subsection C. Standards

7. An accessory dwelling unit may not be used as a Short Term rental.

17.401.010 Purpose and applicability

Table 17.401.010 Summary of Approvals by Type of Review Procedure		
Approvals	Review Procedures	Applicable Regulations
<u>Infrequent Short Term Rentals</u>	<u>Type I</u>	<u>DMC 17.203.240</u>
<u>Short Term Rentals</u>	<u>Type II</u>	<u>DMC 17.203.240</u>

17.501 Definitions

“Short Term Rental” means a dwelling unit in a residential or the Agriculture (AG) zone built for permanent use. The person(s) renting the STR must rent the dwelling in its entirety for the purpose of overnight lodging to visitors for less than 28 days at any one time. Short term rental does not include a dwelling in which individual rooms are rented out separately; this type of use would fall under “bed and breakfast establishment.” Any rental in a non-residential zone or the Agriculture (AG) zone is a hotel or motel.

“Infrequent Short Term Rental” means a dwelling unit in a residential zone built for permanent use. The person(s) renting the STR must rent the dwelling in its entirety for the purpose of overnight lodging to visitors, similar to Short Term Rentals; however, Infrequent Short Term Rentals are limited in revenue generated by the STR to no more than \$500 in taxes generated annually, or otherwise approved by the City Manager.

2. This order is based on the staff report, findings shown in Exhibit A, and public testimony.

Exhibit A: Findings (LURA 20-16 – Vacation Rental Updates)

Amendments are required to be consistent with all applicable local and state laws including the Dundee Comprehensive Plan and Statewide Planning Goals.

Dundee Comprehensive Plan

Recreation and Willamette River Greenway. Goal: To provide adequate park land and recreation facilities for area residents and visitors and preserve land within the Willamette River Greenway.

Finding: Short term rentals provide a place to stay when recreating in the Wine Country. The changes to the existing regulations will make it easier to establish a short term rentals, because it will create different categories of rentals. The amendments will also minimize nuisance issues for existing residents. Ensuring that renters will be good neighbors. The changes will not incentivize the development of vacant land in the Willamette River Greenway.

Economy. Goal: To maintain a level of economic development adequate to meet public need. Objective (2): To assure that commercial and industrial developments preserve and enhance the aesthetic character and livability of Dundee.

Finding: Short term rentals have been used since 2014 as a tool to bring economic development to the City. The revised regulations will help bolster new STR opportunities in several ways, including creating a two tier system of rentals. This will help assure that all the negative impacts of STRs are more tightly regulated. Examples of this include only allowing one STR in the community per person, placing a cap on the total number of STRs that can be in the City, adding regulations to spread them out, thus not creating one overconcentrated area of STRs, and adding regulations to address street parking. The additional regulations will help balance the need for STRs with the need to keep the community strong and vibrant.

Statewide Planning Goals

Goal 8: Recreational Needs (OAR 660-015-0000(8)) – To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

Finding: The proposed Development Code amendments will help strengthen the recreational needs of visitors to the Dundee area by providing them with a more consistent lodging experience, while helping to keep the community quiet and peaceful. The amendments add additional regulations to get faster resolve to local complains, by requiring a local representative to address complaints faster. Limits have been added to how many people can stay in the units overnight, and all parking must be located onsite, not in the street. The additional protections against nuisances will help visitors and residents enjoy the area more, and help foster further visitors.

Goal 9: Economic Development (OAR 660-015-0000(9)) – To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.

Finding: The proposed Development Code amendments build on the original regulations to keep up with short term rental industry trends and trends of neighboring towns. The multi-tier system will help casual users, like those who rent their house when they are on vacation, without the need for taxes or a process to go through. While those that rent more frequently will be required to treat the STR like a business, with land use requirements such as tracking (for taxes), required signage, complaint servicing, and ultimately the ability to have the permit suspended if nuisance issues are not addressed. As stated previously, the new regulations will help protect the community, which is one of the reasons renters rent in the area. Therefore, the proposed amendments would further economic development efforts at the local level.

Title 17 Development Code Criteria

17.405.030 Criteria for Map or Code Amendments

Development Code Amendment. Proposals for a development code amendment must comply with applicable comprehensive plan goals and policies, statewide planning goals, and Oregon Administrative Rules.

Finding: These are outlined above.