

March 27, 2013: 4:00 – 5:45pm
Council Chambers-1175 East Main Street

1. (4:00) Approval of Minutes (5 min)
February 27, 2013

2. (4:05) Public Forum (5 min)

3. (4:10) Student Fair Housing Survey Review (25 min)
Evan Lasley

4. (4:35) Liaison Reports discussion (15 min)

Liaison Reports
Council (Carol Voisin)
Staff (Linda Reid)
General Announcements

5. (4:50) Sun Village Update (10 min)
Chair: Regina Ayars

6. (5:00) Rental Registry (20 min)
Chair: Regina Ayars

7. (5:20) Vacation Rental update and discussion (20 min)
Staff Liaison: Linda Reid

8. (5:40) April 24th 2013 Meeting Agenda Items
Commissioner items suggested (5 min)
Quorum Check – Commissioners not available to attend upcoming regular meetings should declare their expected absence.

9. (5.45) Upcoming Events and Meetings

CDBG Award Public Hearing-City Council Meeting,
7:00-10:00 PM; April 2, 2013

Next Housing Commission Regular Meeting
4:00-5:45 PM; April 24, 2013

10. (5:45) Adjournment

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Community Development office at 541-488-5305 (TTY phone is 1-800-735-2900). Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title 1).



**CITY OF
ASHLAND**
ASHLAND HOUSING COMMISSION
DRAFT MINUTES
February 27, 2013

CALL TO ORDER

Chair Regina Ayars called the meeting to order at 4:00 p.m. in the Siskiyou Room at the Community Development and Engineering Building located at 51 Winburn Way, Ashland, OR 97520.

Commissioners Present:	Council Liaison
Regina Ayars	Carol Voisin
Brett Ainsworth	
Barb Barasa	SOU Liaison
Evan Lasley	Andrew Ensslin
Michael Gutman	
Ben Scott	Staff Present:
Commissioners Absent:	Linda Reid, Housing Specialist
	Carolyn Schwendener

APPROVAL OF MINUTES

Gutman/Lasley m/s to approve the minutes of the January 23, 2013 regular Housing Commission meeting. Voice Vote: All Ayes; minutes were approved as presented.

PUBLIC FORUM

No one spoke

CDBG PRESENTATIONS

Maslow Project – Mary Ferrell founder and Executive Director of the Maslow Project spoke. Ferrell explained that the Maslow Project is a nonprofit advocacy agency whose mission is to offer every homeless child and youth the probability of success and the opportunity for a better life. They do this by providing resources for basic needs, removing barriers to education and employment and fostering self-sufficiency in a collaborative and empowering environment. Homelessness is defined as “any student who lacks a fixed, regular, and adequate night residence.” This includes couch surfing, doubled-up, living in weekly rate motels, shelters, parks, streets and campgrounds or in substandard blight conditions. Ferrell pointed out their proposed target is 100 students.

The Maslow Project is located inside the Ashland Senior High School. The Ashland case manager works approximately three days a week providing services to eligible youth and families. Ferrell acknowledged that the Maslow Project is requesting \$10,000 from the CDBG funds to cover a portion of the Case Manager’s salary. All other program costs are covered by other funding sources. These CDBG funds are critical to the payroll expenses of this project. A reduction in hours of the Case Manager would result in decreased access for students to this service.

The following are questions from the Commissioners:

How long have you been in existence?

We started over 14 years ago but became non-profit just four years back. We chose to become non-profit in order to expand and be a county wide service.

How do you work with other non-profits in the Community?

We partner with as many agencies as possible. Our case manager spends time with the Community Works street outreach worker conducting outreach programs. We also give referrals to each other when appropriate.

Are there any duplicates regarding services offered in our Community?

No. We offer a full range of services including coordinating housing for children.

How do you access the children who are not in High School?

Our case manager goes to all the schools in the district as well as Headstart. There is a built in network in place.

You mentioned having \$8,700 in donations from the Community. How many make up that number?

Approximately seven businesses and forty-five to fifty individuals

Ashland Emergency Food Bank – Treasurer and Board Member Ward Wilson along with Grant writer Walt Slater gave a presentation. For over forty years the AEFB has been distributing food to the Communities of Ashland and Talent. Each month they provide an average of 475-525 households (representing 1,300 children and adults) with a three to five-day supply of essential food items. They anticipate that 1,500 unique households (representing 3,750 individuals) will seek assistance from them in 2013.

AEFB has one part time employee and approximately ninety regular volunteers. They are currently housed at 560 Clover Lane, the old Kentucky Fried Chicken/A & W Restaurant. In August of 2011 they were able to negotiate a two year lease at that property with the option to purchase it when the lease is up in the amount of \$475,000.

AEFB is asking for \$87,000 in CDBG funds to help purchase the property. Currently they have \$91,225 in secured monies, \$87,646 CDBG awarded funds from 2012 and \$296,129 in tentative monies.

Grant writer, Slater made two points regarding the AEFB purchase. As a basic service their application will score higher and is identified as a priory project for funding from various foundations and funding sources. Slater stated that if awarded the additional CDBG funds it will help bring leverage with the other private contributors.

The following are questions from the Commissioners:

The deadline for the purchase of the building is August 31, 2013. What will happen if you don't have the money at that time?

AEFB has no obligation to purchase the property. It would be our hope that the Bank would give us more time if we are close to the amount needed. The bank has demonstrated their desire to help us make the purchase.

How confident do you feel in the next six months that you can raise over fifty percent of your target?

We are very confident! It took us a year to really get started on our fundraising and we have done quite well in a short amount of time. Currently no one we have asked has turned us down. We have received a donation from a prominent community member who has also asked to join our fundraising campaign.

Why did it take so long to get the campaign going?

None of the people on the board have any experience in fund raising. We had to educate ourselves. We spoke with fund raising professionals in the valley including the YMCA Director. We had to find volunteers to do the layout and graphics.

Wilson invited the Commissioners to their March 10th open house and Pie Social at the food bank located at 560 Clover Lane.

St. Vincent de Paul – Rich Hansen, Foundation Liaison and Chici Cutting, President represented St. Vincent de Paul. The Rogue Valley District Council of St. Vincent de Paul is dedicated to providing compassionate support and care to the poor and needy in Jackson County, regardless of race, religion, creed, sex, sexual preference or

ethnic origin. Twelve volunteers respond to calls for help on the Ashland phone line.

In the fiscal year ending September 30, 2012 the Ashland/Talent Home Visit Conference spent \$124,510 helping the needy. In total they helped 184 families with rent expenses and 304 families with utility bills. Hansen acknowledged that St. Vincent de Paul is requesting \$24,000 in CDBG funds with this application. None of the money received goes to salaries or benefits; it all goes to those they serve. The only overhead expense is \$16.38 for a voice mail answering machine.

The following are questions from the Commissioners:

What percentage of your budget goes to help pay people's utility bills?

Approximately 45% of the budget is designated for utility help about \$55,000. \$59,000 is used for rent. All CDBG funds received are used for rent.

Living Opportunities – Jim Gochenour, Development Director spoke. Gochenour began by thanking the Commissioners for their support with last year's Grant money. Thanks to the City of Ashland CDBG funds in 2012 Living Opportunities was able to complete an interior capital improvement project at their building located at 747 Normal Ave. in Ashland. They are requesting \$24,000 from the City's CDBG fund in order to continue with the renovation of the building. The money will go toward adding siding and insulation, replacing windows, doors, update light fixtures, fencing and updates to the porch. The goal is to increase the energy efficiency of the building. Living Opportunities will provide the remaining needed \$17,300 and will cover any unanticipated costs associated with the project. The life expectancy of the building is another thirty years.

Their mission statement is "For people with developmental disabilities to work for the same employers, live in the same neighborhoods, and have the same experiences everyone aspires to in our community." Gochenour expressed his pride in several awards that Living Opportunities have received; Medford Chamber of Commerce outstanding non-profit award along with three years in a row "the best non-profit to work for to mention a couple.

City of Ashland – Brandon Goldman, City Senior Planner, presented the application. Goldman pointed out that in 2009 the City Council awarded the City of Ashland CDBG funds for their Affordable Housing Weatherization and Energy Efficiency project. This project was very successful assisting twenty households benefiting thirty Ashland residents and leveraging over \$35,000 in matching funds from various sources. The City is asking to use \$25,000 in CDBG funds to complete energy efficiency improvements on units occupied by qualifying low-income families. With an approximate grant amount of \$2,500 per dwelling the City could assist approximately ten households with energy efficiency upgrades or other necessary repairs to reduce energy costs.

The following are questions from the Commissioners:

Does the City have another funding source that this could come from?

Goldman suggested asking that question to someone in conservation or administration.

What happens if a renter requests help with weatherization?

The program is designed for property owners. The program targets owner occupied units.

Who performs the work?

The home owner would contract with providers. They would then submit to the city an invoice for the services provided.

In 2009 for the CDBG Weatherization program. Where did the matching funds come from?

The 2009 program leveraged funds from; Access' weatherization program, the City's Conservation program loans and grants, from Rural Development 502 loan and grant programs, funds from City of Ashland revolving loan rehabilitation program, and homeowners.

STAFF RECOMMENDATIONS

Reid expressed the City's appreciation to all the organizations for applying for these funds as they are all necessary services to our community. Reid stated it is staff's responsibility to check eligibility and determine whether the applicants meet Federal CDBG regulations and address the priorities identified with the City of Ashland 2010-2015 Consolidated Plan. The total City of Ashland allocation of CDBG funds for the 2013 program year is expected to be approximately \$164,556 which includes the administrative portion of 20%. CDBG regulations states that not more than 15% can be awarded to Public Service activities and there is no limit on the percentage of funds that can be awarded to capital improvement projects. Reid reminded the Commissioners that City is still uncertain about the exact allocation from the Federal Government and reserves the ability to fund less should they receive less.

HOUSING COMMISSION DISCUSSION AND RECOMMENDATION

Gutman/Barasa m/s that we accept the staff recommendations, (even though we would like to see Living Opportunities funded) for the allocation of the CDBG money.

The Commissioners discussed the motion. Though the Commissioners believed that the recommendation was fair and applicable they were disappointed to see no money awarded to Living Opportunities. Those Commissioners that visited the site at 747 Normal were amazed with the interior work that was done. They called attention to the self worth that the people who work and spend their free time in that building must experience. Their self esteem will be greatly increased.

Ayars/Lasley m/s an amendment to the current motion to change the allocation recommendation from staff for social services to stay the same; but to reduce the allocation to AEFB, to award Living Opportunities for the full amount and the remaining balance to be allocated to the ACFB, and not fund the City application.

The Commissioners discussed the amendment. They inquired about allocating the money to four different projects rather than three. This has previously been discussed in the past and Reid explained the difficulty involved in doing that. After a discussion and acknowledging that Living Opportunities is a valuable resource in our Community it was determined that the Energy Efficiency program is a higher priority.

Ayars withdrew her amendment followed by Lasley withdrawing his second. The Commissioners voted on the original motion. Voice Vote; motion passed unanimously

Reid announced that the CDBG award public hearing will be at the April 2, 2013 Council meeting.

FAIR HOUSING SURVEY FOR STUDENTS

Lasley would like some input from the Commissioners as to what they would like included in the survey. The Commissioners will submit their ideas to Reid and she will consolidate them and send them to Lasley. Reid reminded the Commissioners not to have an email meeting but to just send the suggestions to her without a discussion. Reid will give the update to Lasley.

Ainsworth announced to the Commission that this was his last meeting. He has resigned due to his need to focus on other priorities in his life. The commissioners thanked Ainsworth and expressed their appreciation for his volunteerism and contribution to the Commission.

MARCH 27, 2013 MEETING AGENDA ITEMS

Student Fair Housing Survey Review

UPCOMING EVENTS AND MEETINGS

**Next Housing Commission Regular Meeting
4:00-5:45 PM; March 27, 2013**

ADJOURNMENT - The meeting was adjourned at 5:45.m.

Respectfully submitted by Carolyn Schwendener

DISCUSSION ITEM

Short-Term Vacation Rentals

Memo

DATE: 2/7/2013

TO: Planning Commission

FROM: Bill Molnar, Community Development Director

RE: Draft Memo from PC to Council

Attached you'll find a *draft* memorandum from the Planning Commission to the Council describing key suggestions that came out as part of your discussion on January 22nd regarding short term vacation rentals. The communication is an initial attempt to capture the Commission's direction on the issue. It is intended to provide a summary of your recommendation, some minimal background on the issue and briefly describe your suggested direction to the Council for their consideration as they determine whether to move forward on specific code changes to the Land Use Ordinance. While the Council did not provide detailed direction to the Commission about their objectives, it could be safe to say they wanted the Commission to consider code changes that would address the increase in demand for individual vacation home rentals. I believe the Commission has provided some limited yet reasonable changes that increase the number of potential properties eligible for such use, through targeting the multi-family zones that largely are located in proximity to the downtown and which zoning currently permits a variety of uses.

There are many opinions and concerns surrounding this issue that many communities, not just Ashland, are struggling to address. It seems appropriate to spend some additional time to reflect on last month's discussion and take the opportunity to refine your suggestions and recommendations. Planning Commissioner Chair Mindlin in a recent email to the Commission made a number of thought provoking comments that could be considered. Specifically, does making all multi-family lands eligible for short term vacation rental use diminish the ability for these areas to attract infill projects that offer long term rental units close to the downtown, schools, parks, existing and future bus routes?

It could be useful to provide some additional clarification for Council as to why you did not recommend extending the opportunity for vacation home rentals to single family zones. While increasing the potential for more vacation rentals in multi-family zones is a reasonable first step given the district's purpose of accommodating a variety uses, are there additional reasons that need to be forwarded to council?



There exist many examples of how cities have approached this issue, from more discretionary review processes like a conditional use permit, to much more permissive actions that might only include a business license, safety inspection and payment of transient occupancy taxes. At the last meeting, staff has provided a matrix outlining some of the approaches taken by other municipalities. In the end, it is a local choice, unique to that particular community and often influenced by what fits best with its history and ideals. Regardless of what is decided, staff can tailor code amendments that reflects the desires of the Commission and City Council.

Attachments:

- Draft Planning Commission Memo
- Memo from Linda Reid, Housing Program Specialist
- January 22, 2013 – Possible Alternatives Document



Memo - Draft

DATE: 2/7/2013

TO: Honorable Mayor and City Council

FROM: Ashland Planning Commission

RE: Preliminary feedback on potential code amendments related to vacation home rentals

Summary

The Commission had a discussion about zoning regulations for short term vacation home rentals in the light of considering opportunities to address the increased demand for short term home rentals, while keeping in mind potential impacts to existing neighborhoods and the possibility of reducing the availability of long term rental housing supply. As a result, the Council may want to consider increasing the number of properties eligible to operate a vacation home rental by extending the option to all lands within the city's multi-family zoning districts (R-2, R-3). The Commission supports maintaining the existing requirement that a conditional use permit be obtained in order to operate a Bed and Breakfast as well as an individual vacation home rental. These recommendations represent a reasonable initial step with the results and impacts being evaluated at some future date. At this time, however, the Commission does not propose removing the current prohibition of operating short term, overnight rentals in single family zoning districts (R-1).

Background

On August 6, 2012, the Council requested that the Commission evaluate the issue about the growth in numbers of unlicensed vacation home rentals. The Housing Commission was also asked to weigh in on the issue and forward their thoughts to the Council. The Planning Commission held a public meeting on January 22, and again on February 12, 2013 to review and make refinements to their recommendation. Additionally, the Community Development Director introduced the item at the Housing Commission's meeting on October 24, 2012, with the Housing Commission again discussing the issue at their January 27, 2013 meeting where they provided a recommendation to the Commission and Council.

The Planning Commission discussed the appropriateness and potential implications of amending the Land Use Code so that additional opportunities for short term home rentals could be increased. Overall, there appears to be general consensus that the current standards regulating short term vacation rentals have been effective in providing accommodations quite different from traditional hotel or motels, while fitting in well and in general enhancing the character of many of Ashland's established neighborhoods.



Recommendation

In order to facilitate our discussion on this matter, we were provided with a few basic options to consider. Our recommendation or suggestions for possible code amendments have been described below.

1. **Should changes to the Land Use Ordinance be considered that provide more opportunity for property owners to operate vacation home rentals?**

Since the initial adoption of Ashland's Travelers' Accommodation Ordinance in the early 80's, the code has been amended as a way to adjust to new conditions and concerns. Given the measurable increase in non-licensed, individual vacation home rentals, the Commission feels it is timely to consider some fine-tuning that may address increased demand for short term home rentals, as well as make clear to residents and property owners those operations that are in conflict with the city's zoning requirements, licensing and transient tax obligations.

2. **Currently, vacation home rentals are permitted as a conditional use in multi-family zoning districts (R-2 and R-3) on properties abutting or located within 200 feet of an arterial or collector street. Should the area eligible for establishing a vacation home rental be increased to include:**

a. **All land within Ashland's multi-family zoning districts? and**

The Commission suggests the Council consider allowing all properties within multi-family zoning districts (R-2 & R-3) to be eligible to submit a land use application for short term vacation rentals. Currently, only properties abutting or within 200 feet of a major street, such as an arterial and collector, are eligible to request a conditional use permit. While the intent of the 200-foot rule was likely to direct the additional traffic from vacation rentals to a limited area adjacent to or within a block of streets designed and anticipated to accommodate greater loads, this may not be a significant factor given the proximity of much of the city's multi-family lands to major streets with our network. An evaluation of this recommendation shows that this would result in 600 additional properties being eligible to operate vacation rentals, an approximately 40 percent increase above the current number of properties.

The Commission believes that this approach may draw the least neighborhood notice as the city's multi-family zoning districts already allow a wide variety of uses. This could also be the option, however, most likely to impact more existing and future rental housing, since those are generally located in the R-2 and R-3 zones.

b. **Should a property owner/business-owner/manager be required to live on site in the case of a property where only one vacation home rental is in operation?**

The Commission believes that it may not be necessary to require the property/business owner or site manager to reside on the property in cases where the use of the site consists only of a single, individual vacation home rental. If this is the case, we recommend the



code be amended to require that 24-hour contact information be posted in the home, as well as made available to surrounding neighbors within a specified distance from the property.

As part of the discussion, a commissioner expressed concern about the potential impacts of having too many individual vacation homes without an on-site owner/manager concentrated in a given area. Could we run the possibility of certain neighborhoods taking on a character more like Sunriver, Oregon? Another commissioner expressed concern about for neighbors in the area and the need for them to readily contact the property owner or property management should major problems arise.

3. Currently, vacation home rentals are prohibited as a use in single family zoning districts (R-1). Should lands within Ashland’s single family zoning districts be eligible for establishing a vacation home rental through the conditional use procedure?

The Commission recommended that Council continue to prohibit short term vacation rentals in single family (R-1) zoning districts. In general, the Commission would prefer to make small changes initially and evaluate the effectiveness of those changes, rather than opening up larger areas of the city to be eligible when not fully understanding the potential impacts.

4. In all cases above, should establishing a vacation home rental be subject to a land use application, such as a conditional use permit, with public notice providing to surrounding neighbors?

The Commission suggests that the decision of whether to permit short term vacation home rentals should be handled through the conditional use permit process, as currently required. This process allows for surrounding property owners to be notified and key impacts addressed through conditions of approval.

Operation of a short term vacation rental in a residential zone represents a quasi-commercial use in the form of providing an overnight accommodation for travelers and visitors. The Housing Element of Ashland’s Comprehensive Plan states that mixed uses often create a more interesting neighborhood environment and should be consider wherever they will not disrupt existing residential area. The Plan states this policy should be implemented through the list of Conditional Uses in multi-family zones and the adopted approval procedures. We believe the recommendation for maintaining the requirement that these operations, regardless of scale, require a conditional use permit is consistent with existing Plan policies.

Other Considerations

1. Code Compliance

The Commission does not feel that concerns raised by citizens concerning the need for city staff to be more diligent in their efforts to seek compliance with existing city codes was within our scope of action. We understand that historically compliance with provision related to travelers’ accommodations in the Ashland Land Use Ordinance (ALUO) has been enforced on a case by



case basis, initiated by written neighbor complaints, as well as owners of approved visitor accommodations. We can draw attention to the fact that noncompliant vacation rentals go beyond being out of conformance with the ALUO, but are also not paying commercial utility rates, transient occupancy taxes or business licensing fees.

It seems unlikely that simply expanding the number of properties eligible to request land use approval for a vacation home rental will solve the compliance problem. Enforcement would ultimately depend on more aggressive actions that may necessitate a new approach and very likely additional resources.

2. Limitation on Concentrations

Individual members expressed concerns over possible adverse impacts that a concentration of legitimately approved vacation rentals may have upon a neighborhood. Other code provisions for possible consideration might include a limitation on total number of vacation homes; a limitation on new vacation homes to be added each year and/or a limitation on numbers of vacation homes within a certain distance of each other. While uncertain of the level of success, these represent examples of requirements employed by other communities.

3. Resident Owner or Manager

A majority of commissioners were in favor of not requiring an on-site manager in the case of a property with only a single vacation home rental. However, keeping this regulation may improve the likelihood that there will be no complaints about the use of the premises.



Memo

DATE: 2/7/2013
TO: Bill Molnar, Community Development Director
FROM: Linda Reid
RE: HC recommendation on vacation rentals

At their regular meeting held on January 23, the Housing Commission forwarded a recommendation that the Council make no changes to the existing code that regulates vacation rentals units.

Commissioners cited several reasons for making such a recommendation, including: the detrimental effects that allowing current rental units to convert to vacation rentals could have on the available rental housing stock; a reduction in housing availability (both ownership and rental), and the potential to raise housing costs as it is more lucrative for owners to rent properties for short term stays than to maintain them for year round residents.

Many commissioners felt that allowing the conversion of current owner-occupied and rental units to vacation rentals would further exacerbate the existing lack of housing for families with children as less housing will be available for those who already live in the community or those who would like to live in the community.

Housing Commissioners were also concerned about the effects on the housing stock occupied or sought by students and for long term renters, citing the City survey's low scores for housing affordability and availability. Housing Commissioners felt that the City would need to work on the compliance piece if the code were to stay the same.



Possible Alternatives for Addressing an Increased Demand for Vacation Home Rentals

1. Clarification of Definitions

Chapter 18 of the Ashland Municipal Code, Land Use Ordinance, includes the following definition for Travelers Accommodations. These establishments are commonly known as Bed and Breakfasts or Inns, are located within multi-family residential zoning districts, often consist of multiple accommodation units and require the property owner or business owner to reside on the property.

18.08.795 Traveler's Accommodations

Any establishment in a residential zone having rooms or dwellings rented or kept for rent to travelers or transients for a charge or fee paid or to be paid for rental or use of such facilities for a period of less than thirty (30) days.

The proposed code changes are intended to address the commercial use of a single, individual residence by renting the home for a period of time less than 30 consecutive days, by advance reservation or arrangement. The following is an example of a definition for a vacation home rental:

Vacation Home Rental means an individual dwelling unit rented for the purpose of overnight lodging for a period of not less than one night and not more than 29 days other than ongoing month-to-month tenancy granted to the same renter for the same dwelling.

2. Expanding the areas in which Vacation Home Rentals are permitted – Possible alternatives

Alternative A – No Changes: Maintain the existing ordinance language and evaluate more aggressive enforcement efforts. Short term vacation home rentals are currently permitted and approved through a conditional use process, but only for eligible properties located in R-2 and R-3 multi-family zoning districts, within 200 feet of a collector or arterial. The property/business owner is required to live on site.

Alternative B – Multi-Family zoning districts: Expand the geographic area where short term vacation home rentals are permitted to include all property within R-2 and R-3 multi-family zoning districts. The property/business owner would be required to live on site, even in cases involving the operation of an individual “vacation home rental”. The number of units is determined by the existing formula. A conditional use permit would be required.



Neighborhood Impacts – Addressed through conditional use permit. Some impact can be expected due to other permitted and conditionally allowed uses in the zone. Over concentration likely would be disruptive to the existing neighborhood character.

Needed Housing – Could reduce the amount of available rental and/or ownership housing

Choice – Increases the number of properties eligible to operate vacation rentals

Management – Resident management required

Additional Permits & Licenses – Business license, TOT tax, commercial utility rates, county health department, etc.

Alternative B. (1): Expand the geographic area where vacation rentals are permitted to include all property within R-2 and R-3 multi-family zoning districts. In the case of an application to operate an individual “vacation home rental”, the property/business owner would not be required to live on site (or an onsite manager could be required). The number of vacation home rental units is determined by the existing formula. A conditional use permit would be required.

Neighborhood Impacts – Addressed through conditional use permit. Some impact can be expected due to other permitted and conditionally allowed uses in the zone. Over concentration likely would be disruptive to the existing neighborhood character.

Needed Housing - Could reduce the amount of available rental and/or ownership housing

Choice – Increases the number of properties eligible to operate vacation rentals

Management – Resident management not required

Additional Permits & Licenses – Business license, TOT tax, commercial utility rates, county health department, etc.

Alternative C: Expand the geographic area where vacation home rentals are permitted to include R-1, single- family zoning districts, but only for properties within 200-feet of a major street (i.e. arterial, collector, or neighborhood collector). The number of vacation home rental units cannot exceed one per tax lot. The property/business owner or tenant manager would be required to live on site. A conditional use permit would be required.

Neighborhood Impacts – Addressed through conditional use permit. A relatively small number of frequently in use short term rentals could be disruptive to the existing neighborhood character.

Needed Housing - Could reduce the amount of available rental and/or ownership housing

Choice - Increases the number of properties eligible to operate vacation rentals

Management – Resident management required

Additional Permits & Licenses - Business license, TOT tax, commercial utility rates, county health department, etc.

Alternative C. (1): Expand the geographic area where vacation rentals are permitted to include R-1, single- family zoning districts, but only for properties within 200-feet of a major street (i.e. arterial, collector or neighborhood collector). The number of vacation home rental units cannot exceed one per tax lot. The property owner is not required to live on site. The code would allow for an additional residential unit (i.e. accessory residential unit) in conjunction with the vacation home, but only to house the property owner/business owner or tenant manager. If the property/business owner/manager does not reside on the property, an additional residential unit (i.e. accessory residential unit) could still



be permitted in combination with the vacation rental unit, or not. A conditional use permit would be required.

Neighborhood Impacts – Addressed through conditional use permit. A relatively small number of frequently in use short term rentals could be disruptive to the existing neighborhood character.

Needed Housing - Could reduce the amount of available rental and/or ownership housing

Choice - Increases the number of properties eligible to operate vacation rentals

Management – Resident management not required

Additional Permits & Licenses - Business license, TOT tax, commercial utility rates, county health department, etc.

3. Additional recommended requirements

A. Definitions

- **Add definition** - Primary Residence

The property that the taxpayer uses a majority of the time during the year ordinarily will be considered the taxpayer's principal residence. In addition to the taxpayer's use of the property, relevant factors in determining a taxpayer's principal residence, include, but are not limited to:

- (i) The taxpayer's place of employment;*
- (ii) The principal place of abode of the taxpayer's family members;*
- (iii) The address listed on the taxpayer's federal and state tax returns, driver's license, automobile registration, and voter registration card;*
- (iv) The taxpayer's mailing address for bills and correspondence;*
- (v) The location of the taxpayer's banks; and*
- (vi) The location of religious organizations and recreational clubs with which the taxpayer is affiliated.*

(Note: Take from IRS definition for primary residence)

B. Additional CUP criteria for Vacation Home Rentals:

- **Added requirement:** Business License and Transient Occupancy Tax registration required prior to operation of the Traveler's Accommodation.

- **Added Requirement:** Maximum Occupancy

Two (2) persons per bedroom with a maximum of 10 persons

- **Added Requirement:** Off-street parking

Two off-street parking spaces (cannot be reduced through the use of on-street credits)



- **Added Requirement:** Maximum length of operation

Vacation Home may be leased for a maximum of #___ consecutive days with a minimum 3-day vacancy between rental bookings

- **Added Requirement:** Concentration

Vacation home rental properties must be separated from other vacation home properties by a minimum distance of ___feet. (**Note:** This could lead to competition among single family property owners to get approval sooner in order to not preclude their ability to operate a vacation home at a later date)

- **Added requirement:** Required care, upkeep, and appearance of property

No more objectionable noise, smoke, dust, litter or odor shall be emitted from the Traveler's Accommodation than a typical neighborhood dwelling.

Dwellings used for traveler's accommodations shall be maintained at or above the level of the surrounding dwellings in the neighborhood, including landscaping, signage, and exterior maintenance.

Provisions for regular garbage removal from the premises shall be provided and documentation of such provisions shall be included in the City of Ashland files.

- **Added requirement:** Onsite manager or post 24-hour local contact (within 20 miles)

There shall be a designated local management person immediately available to handle complaints and problems. The name and contact information of the designee shall be provided to the City of Ashland Community Development Department, the City of Ashland Police Department and to all properties within 200-feet of the Traveler's Accommodation.

- **Added requirement:** Expiration, transfer of ownership, etc.

If the Traveler's Accommodation activities cease for a period of six months as determined by transient occupancy tax receipts, the Traveler's Accommodation becomes void with no operation without approval of a conditional use permit.

That documentation of the transfer of ownership and evidence of knowledge of regulations shall be provided to the City of Ashland Community Development.



- **Added requirement:** Prohibit advertisement of invalid establishments

Advertising a Traveler's Accommodation or Vacation Home rental without a valid Conditional Use Permit approval, current business license, and Transient Occupancy Tax registration shall be subject to citation into municipal court.



Hi Bill and Commissioners,

After our discussion on the vacation rentals, I felt dissatisfied with the vagueness of the outcome. During the meeting, I was having difficulty getting my mind wrapped around a clear picture of our objectives. While we may not be able to give a very definitive response to the City Council, I would like to see us provide a more clear analysis of the issue.

1) First of all, I want to be clear that compliance with existing laws is not within our scope of action. However, we should recognize that historically compliance with the ALUO has been enforced on a case by case basis instigated by neighbor complaints. We can draw attention to the fact that noncompliant vacation rentals go beyond being out of conformance with the ALUO, as they are also not paying commercial utility rates or accommodation taxes.

2) It seems unlikely that simply expanding the types of homes that could be legal vacation rentals will solve the compliance problem. It seems that enforcing compliance on all identifiable vacation rentals would require a new approach and associated resources.

3) If the City wants to balance a compliance campaign with increased access to legal vacation rentals, we have identified several potential ways to do that. The various options that I see are as follows. These could be filled out with further comments from councillors.

a) Allow all homes with R2-3 zoning (not just those within 200 ft.) to be vacation rentals. This approach may draw the least neighborhood notice as we already allow a wide variety of uses in that zoning. However, this would also be the option most likely to impact affordable rentals, since those are mostly in the R2-3 zones.

b) Allow all homes within 200 ft of collector streets whatever their zoning. This might address some transportation issues involved with the original approach such as limiting traffic on neighborhood streets.

c) Allow all homes within the downtown area. This would address some transportation issues, in that people could walk to primary tourist destinations.

d) Allow all homes in Ashland. Caveats that went along with this might include a limitation on total number of vacation homes, a limitation on new vacation homes to be added each year and/or a limitation on numbers of vacation homes within a certain distance of each other.

e) We could remove the requirement that an owner live on the premises in conjunction with any of these options. However, keeping this regulation may improve the likelihood that there will be no complaints about the use of the premises.

4) I think we were clear already on the following points:

- Vacation homes should still go through the CUP process.

- The requirement that a home be historical had an objective that is no longer a priority. However, requiring that homes be more than 20 years old seems to support an objective of discouraging people from building homes specifically for the purpose of being vacation rentals.

- Requiring that the owner live on the premises limits the choice options of visitors, many of whom would prefer to be staying in a place with more privacy. However this regulation may achieve other objectives.

I look forward to the opportunity to discuss this matter further, considering the input of the Housing Commission and providing a more coherent recommendation to the Council

Melanie

Housing Commission Memo

Title: Vacation Rental Update
Date: March 27, 2012
Submitted By: Linda Reid, Housing Program Specialist

Planning Commission Meeting Minutes and Recommendation

A. Potential Code Amendments Related to the Establishment & Operation of Short-Term Vacation Home Rentals.

Community Development Director Bill Molnar stated the purpose of tonight's agenda item is to review the draft memo prepared for the City Council's March 4th Study Session meeting and for the commission to provide any final refinements to the memo. He briefly outlined the current requirements for short-term vacation rentals and stated at their last meeting the commission recommended to: 1) extend this use to all lands zoned multi-family, 2) maintain the conditional use permit requirement, 3) remove the owner on-site requirement for single home rentals, and 4) not allow this use in single family zones. Mr. Molnar noted the compliance discussion that occurred at the last meeting and believes the City needs to be more aggressive in this area. He suggested further efforts may include making information available to those seeking to travel to Ashland so they can find out which accommodations are legitimate and which ones are not.

Commissioner Mindlin noted the letter from the Housing Commission which recommends the City not alter the current ordinance requirements; and stated Ashland's Bed & Breakfast industry has also lobbied for no change. Mr. Molnar commented on the Housing Commission's viewpoint of looking for housing opportunities within our boundaries. He stated they believe there is a finite supply of housing available in Ashland and they want the City to be very cautious about any ordinance changes that would reduce that inventory.

Commissioner Mindlin questioned the statement in the draft memo that claims there is an increased demand for short-term home rentals. Mr. Molnar clarified the commission can edit the memo as they choose and could reword or remove this statement if they feel it does not capture their intent. He also clarified for the commission that the Comprehensive Plan supports economic activity if it is not incompatible to do so and the City's Comprehensive Plan speaks to the benefits of mixed use neighborhoods; however, this should only be done if the use does not disturb the main intent of the neighborhood. He stated there needs to be a review process and the current practice is to issue conditional use permits in the multi-family zones so that the uses can be monitored and evaluated.

Commissioner Kaplan recommended several modifications to the memo:

- 1) Item #1 (pg.2), last sentence: suggested the phrase "not in compliance" instead of "conflict".
- 2) Under Other Considerations (pg.3), he stated the language switches to first person and the rest of the memo is written in third person.
- 3) Item #3 (pg.4), last sentence, he stated the word "No" is too strong and suggested using "fewer



complaints" instead.

4) Kaplan voiced support for the option to prohibit advertisement of invalid establishments and would like this language reflected in the memo.

Public Input

Mark Schoenleber/60 Wimer/Stated he owns two legal vacation rentals and stated removing the owner on-site requirement conflicts with the City's desire to maintain the character of neighborhoods. He also voiced concern with removing the 200 ft. from an arterial requirement and stated this will drive these uses deeper into the neighborhoods. Mr. Schoenleber also raised the issue of parking and cautioned the commission about changing the current ordinance.

Abi Maghamfar/120 Gresham/Stated he owns Abigail's Bed & Breakfast and is also one of the founding members of the Ashland Lodging Association. Mr. Maghamfar stated he understands enforcement is not their purview, but at the same time they are setting land use regulations and when you do this someone has to enforce them. He stated his organization adamantly objects to opening up R1 zones to vacation rentals and stated the City needs to address the illegal vacation rentals operating in Ashland. Mr. Maghamfar requested an equal and level playing field in the multi-family and commercial districts and stated everyone should have to comply with the same rules. He stated the existing ordinance is sufficient and they do not believe this issue should have come this far and all started because one person who was operating illegally addressed the City Council. He commented on supply and demand and noted there are 75 licensed establishments in Ashland. He stated the supply is plentiful and the demand can be met by existing licensed establishments. He added shutting down those who are operating illegally would benefit the City.

Ellen Campbell/120 Gresham/Stated legal units pay Oregon state taxes and also pay the County's personal property tax. She added those that are operating illegally are pocketing a lot of money that should be going to the City.

Mr. Maghamfar was asked to provide the current vacancy rates during high season. He responded that the vacancy rates vary, but on average it is 70% during high season. He noted guests are limited to the number of seats available in the theater, and until there are other reasons for people to visit Ashland there is no need to increase the City's lodging capacity. He added if the City were to place a list of licensed accommodations on their website, the B&B industry could promote this.

Commission Discussion/Deliberations

Commissioner Brown stated he is on the same page as the Housing Commission and they should leave well enough alone. He added the draft memo seems to suggest they are advocating for change and believes it should read if you must change, these are the areas that could be looked at.

Commissioner Kaplan agreed with Brown's statement, but stated he agrees with the position to advocate for change. When asked if he believes whether Ashland needs more inventory or if his support is based on making the ordinance easier to comply with, he stated it is the latter. He added he would prefer that people be allowed to operate legally than to operate illegally for no good reason. Commissioner Dawkins stated he was happy to see the Housing Commission's recommendation and stated his position is halfway between Commissioner Brown and Kaplan. He agreed that there needs to be a level playing field and would be comfortable with allowing some homes in the multi-family zone to come in as rentals, but would only advocate for this if they adopt a fixed number for these types of units. He added if the Commission does not want to set a number, his position is to not change the ordinance.



Commissioner Miller stated her preference is to not expand into the R-1 zone, and if they were to remove the 200 ft. from an arterial requirement it should only be in the downtown area. She noted the parking concerns raised during public testimony and stated this is a concern for her as well.

Commissioner Brown commented on the purpose of zones and stated the City is correct to limit where these uses can exist. He stated he does not see the need to increase the housing stock for these temporary tenants and stated if they increase the number of units available, this will increase the compliance problem.

Commissioner Mindlin voiced her desire to provide a clear recommendation to the City Council and questioned whether they want to recommend expanding this opportunity or not. Commissioner Brown stated "No". Commissioner Miller stated only in the downtown area. Commissioner Kaplan stated "Yes" and supports removing the 200 ft requirement in the multi-family zone. Commissioner Dawkins stated "Yes", but only if they place a limit on the number permitted.

Commissioner Mindlin summarized the commission's discussion and stated it appears they are not convinced there is more of a demand than the City can meet, however there may be a demand for certain types of accommodations that are not currently available. If the Council decides to expand into this area, the commission recommends that the units be in a multi-family zone and within walking distance of the downtown, and to establish a limited number of allowed units. The Commission also supports the prohibition of advertisements of invalid establishments.

Mr. Molnar stated it would be helpful if the commission could draft a formal recommendation and Commissioner Mindlin stated she would work on this with staff.

City Council Discussion and Action

1. Council consideration to initiate amendments to Ashland's Municipal Code related to the establishment and operation of short-term vacation rentals

City Administrator Dave Kanner provided background on local vacation home rentals. Council directed the Planning and Housing Commissions to review potential code amendments to short-term vacation rentals. Vacation homes were typically single-family dwellings rented to travelers on a nightly basis for a period of less than 30 days. They fell into a gray area in terms of state law, city code, and county environmental health ordinances.

Community Development Director Bill Molnar explained the Ashland zoning ordinance had provisions for these types of accommodations since the early 1980s. The Housing Commission recommended no changes to the current land use ordinance that allowed short-term accommodations through a conditional use process in the commercial and multifamily zoning districts. They were concerned providing opportunities to convert existing rental homes to short-term accommodations would have a negative impact on housing availability and costs. Existing parameters for Vacation Rentals by Owner (VRBO) required conditional use permits in all zones, owner occupancy, or a manager on premise in multifamily zones.

The Planning Commission was not convinced the current supply of VRBOs was not meeting the demand. Additionally, there was sufficient land currently zoned for property owners to go through a conditional use permit process to add to the supply. However, the Commission determined current regulations did not meet the full demand for travelers' coming to town to lease an individual home on a lot for a short period that did not have an owner or manager on the premise. They recommended modifying the land use code to allow a limited number of short-term home rentals within multifamily



zones and walking distance to the downtown without an owner or manager on the premise. They also recommended maintaining the restriction in the zoning code prohibiting short-term accommodations in the single-family zones.

Mr. Kanner noted other municipal codes involved with tourist facilities. The first was **Chapter 4 Revenue and Finance, 4.24 Transient Occupancy Tax, 4.24.010 Definitions**. Staff believed the definition of hotel in the code could apply to vacation homes. In **Chapter 18 Land Use**, staff thought it was clear a vacation rental dwelling was subject to Transient Occupancy Tax (TOT) but there was value in cleaning up code language to make it clear. Staff recommended modifying language in **Chapter 6 Business Licenses and Regulations, 6.04 Business Licenses** to require business licenses for vacation home rentals. The next two were subject to debate. **Chapter 15 Fire Code** did not require vacation rental homes to have smoke detectors or a fire inspection because they were single-family homes. Council could adopt a local code ordinance requiring fire inspections for Bed and Breakfasts, boutique inns that slept less than 10 guests, or vacation homes. The last code affected was **Chapter 9 Health and Sanitation**. State law did not consider vacation homes as tourist facilities subject to a tourist facility license. Because of that Jackson County did not require vacation homes to obtain a tourist facility license nor would they inspect a vacation home or enforce a city ordinance that designated a vacation home as a tourist facility. Staff did not recommend tourist facility license requirements for vacation homes.

He went on to address enforcement and explained the Code Enforcement Officer position was cut several years before so code enforcement was now an ad hoc function spread amongst many people and entirely complaint driven. The goal of code enforcement was compliance through fees. If the City reinstated a Code Enforcement Officer, that position would handle all the code issues currently spread throughout the departments and serve as a single point of contact, coordinate with departments and have the resources necessary for follow up and tracking compliance.

Mr. Molnar explained the primary purpose for having a certain number of VRBOs was limiting the potential impacts to the residential areas. Staff researched other cities regulations on vacation home rentals that placed limits on numbers and distance from each other. Mr. Kanner added the Planning Commission would recommend a specific number as well code suggestions.

Mr. Molnar noted the Planning Commission recognized the need for single unit non-owner occupied vacation rentals because of a national preference for VRBOs. The City allowed VRBOs in the commercial and employment zones but did not allow a lot of land or zoning designation to accommodate the demand. Staff focused on multifamily zones because the City did not permit VRBOs in residential zones.

Stacy Waymire/1070 Greenmeadows Way/Explained he was part of a Limited Liability Company that owned property in Ashland that was currently a 30-day rental and supported vacation home rentals in the R1 Zone area.

Margery Winter/634 Iowa Street/Agreed with Mr. Waymire on the need of vacation home rentals in the R1 Zone, preferably historic houses. VRBOs provided rentals for people with short-term jobs or engagements.

Abi Maghamfar/451 North Main Street/Explained he was a member of the Ashland Lodging Association and the founder of the Ashland Bed and Breakfast Network who submitted 46 petitions supporting active enforcement of unlicensed vacation rentals. People were doing illegal activities and it needed to stop. He listed legal lodging costs that unlicensed VRBOs did not pay emphasizing



unfair competition and illegal business practices.

Pete Hawes/431 Courtney/Submitted a letter into the record that he hoped Council would consider during deliberation. He went on to speak in favor of vacation home rentals and the how they benefited the community.

Kim Blackwolf/354 Liberty Street/Referenced and read from a letter she submitted into the record supporting vacation home rentals.

Jean Fyfe/215 Sherman Street/Lived closed to a vacation rental home and noted the guests were quiet, personable, and interested in experiencing a private setting. She shared her experiences renting vacation homes.

Stewart McCollum/819 Elkader Street/Explained how and why he started renting his home as a vacation rental, shared personal experiences and ideas for VRBOs.

Carolyn Shaffer/234 7th Street/Noted her personal circumstances as a widow and how home rentals helped supplement her income.

Ellen Campbell/120 Gresham Street/Explained she was a member of the Ashland Bed and Breakfast Network and the Ashland Lodging Association. Ashland had 76 lodging establishments with 29 legal vacation homes not up to full occupancy and questioned the need for more.

Yvonne Fried/1320 Prospect Street/Used her home as an adult foster care home that was handicapped accessible. She spoke in favor of vacation home rentals and benefits of housing entire families.

Melody Jones/79 Pine Street/Owned a home with a mother in-law unit that she rented on a monthly basis. She supported VRBOs, disclosed utility costs had not changed, and there were no parking issues.

Lisa Beam/1015 Mary Jane Avenue/Spoke on behalf of the Ashland Chamber of Commerce and explained how illegal vacation home rentals caused unfair competition.

Council majority supported compliance through land use codes, approval conditions for Conditional Use Permits, distance to arterials, freeing up the requirement for on-site owners for R-2 and R-3 Zones, but did not support VRBOs in the R-1 Zone. Staff would research how many vacation home rentals were prior long-term rentals.

Councilor Voisin/ Rosenthal m/s to approve the initiation of amendments to the Ashland Municipal Code related to short-term rentals that incorporate the recommendations forwarded to the Council by the Planning Commission, and further direct staff to prepare amendments to Chapters 4, 6 and 15 of the AMC, as necessary, to ensure that taxation and licensing issues are appropriately addressed. DISCUSSION: Councilor Marsh did not support the Planning Commission recommendation for a new district downtown for VRBOs, or having caps on the number of facilities but supported retaining the 200 feet within an arterial.

Councilor Marsh/Lemhouse m/s to amend the motion to eliminate the Planning Commission recommendations to include a Downtown District element, retain the current standard for distance from an arterial requirement, and have the ordinance not include a cap on specific



kinds of facilities. DISCUSSION: Councilor Voisin would not support the motion and wanted information on how many VRBOs were close to the downtown area. Councilor Lemhouse thought the free market would dictate rental areas so the City did not need to regulate them. Councilor Slattery would not support the motion and wanted to see the ordinance in its entirety prior to voting. **Roll Call Vote: Councilor Morris, Marsh, and Lemhouse, YES; Slattery, Voisin, and Rosenthal, NO. Mayor Stromberg broke the tie with a YES vote. Motion passed 4-3.**

Roll Call Vote on amended Main Motion: Councilor Morris, Slattery, Marsh, Lemhouse, Voisin and Rosenthal, YES. Motion passed.

