

Note: Anyone wishing to speak at any Planning Commission meeting is encouraged to do so. If you wish to speak, please rise and, after you have been recognized by the Chair, give your name and complete address for the record. You will then be allowed to speak. Please note that the public testimony may be limited by the Chair and normally is not allowed after the Public Hearing is closed.

**ASHLAND PLANNING COMMISSION
SPECIAL MEETING
JANUARY 22, 2013
AGENDA**

- I. **CALL TO ORDER:** 7:00 PM, Civic Center Council Chambers, 1175 E. Main Street

- II. **ANNOUNCEMENTS**

- III. **PUBLIC FORUM**

- IV. **UNFINISHED BUSINESS**
 - A. **Approval of Findings for PA-2012-01511, Transportation System Plan Update.**

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

- VI. **ADJOURNMENT**

**CITY OF
ASHLAND**



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).

BEFORE THE PLANNING COMMISSION
City of Ashland, Jackson County, Oregon
December 11, 2012

IN THE MATTER OF PLANNING ACTION #2012-01511, A REQUEST FOR)
A PROPOSAL TO ADOPT AN UPDATED TRANSPORTATION SYSTEM)
PLAN (TSP) AS A SUPPORTING DOCUMENT TO THE ASHLAND)
COMPREHENSIVE PLAN, AND TO AMEND THE STREET DEDICATION) **RECOMMENDATION**
MAP.)

APPLICANT: City of Ashland)
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RECITALS:

1) The application is to adopt an updated Transportation System Plan (TSP) as a supporting document to the Ashland Comprehensive Plan, and to amend the Street Dedication Map.

2) **The requirements for a Legislative Amendment are described in 18.108.170 and 18.08.345 as follows:**

18.108.170 Legislative Amendments

A. It may be necessary from time to time to amend the text of the Land Use Ordinance or make other legislative amendments in order to conform with the comprehensive plan or to meet other changes in circumstances and conditions. A legislative amendment is a legislative act solely within the authority of the Council.

B. A legislative amendment may be initiated by the Council, by the Commission, or by application of a property owner or resident of the City. The Commission shall conduct a public hearing on the proposed amendment at its earliest practicable meeting after it is submitted, and within thirty days after the hearing, recommend to the Council, approval, disapproval, or modification of the proposed amendment.

C. An application for amendment by a property owner or resident shall be filed with the Planning Department thirty days prior to the Commission meeting at which the proposal is to be first considered. The application shall be accompanied by the required fee.

D. Before taking final action on a proposed amendment, the Commission shall hold a public hearing. After receipt of the report on the amendment from the Commission, the Council shall hold a public hearing on the amendment. Notice of time and place of the public hearings and a brief description of the proposed amendment shall be given notice in a newspaper of general circulation in the City not less than ten days prior to the date of hearing.

E. No application of a property owner or resident for a legislative amendment shall be considered by the Commission within the twelve month period immediately following a previous denial of such request, except the Commission may permit a new application if, in the opinion of the Commission, new evidence or a change of

circumstances warrant it.

SECTION 18.08.345. Legislative amendment.

An amendment to the text of the land use ordinance or the comprehensive plan or an amendment of the zoning map, comprehensive plan maps or other official maps including the street dedication map described in section 18.82.050, for land involving numerous parcels under diverse ownerships.

3) The Planning Commission, following proper public notice, held a public hearing on December 11, 2012, at which time testimony was received and exhibits were presented. The Planning Commission held their deliberations and recommended to the City Council approval of the proposal to adopt the updated TSP and to amend the Street Dedication Map.

Now, therefore, The Planning Commission of the City of Ashland recommends as follows:

SECTION 1. EXHIBITS

For the purposes of reference to this recommendation, the attached index of exhibits, data, and testimony will be used.

SECTION 2. RECOMMENDATION

2.1 The Planning Commission finds that it has received all information necessary to make a recommendation based on the Staff Report, public hearing testimony and the exhibits received.

2.2 The Planning Commission finds that the planning process made efforts to include a wide range of people including neighbors, property owners, business owners, community groups, and the general public, and to provide a variety of ways to learn about the project, participate in the plan development and provide comments. Additionally, the Planning Commission finds that the public hearing on December 11, 2012 was properly noticed in the newspaper in accordance with 18.108.170.D and by mail to property owners impacted by the proposed amendments to the Street Dedication Map in accordance with ORS 227.186.

The draft TSP document is the product of a two and a half year planning process that began in June 2010, with a general timeline as follows.

- **System Analysis and Evaluation of Options:** The first year was used for analysis of the existing system, projecting the transportation demand 20 years in the future, and developing a series of technical memos and white papers addressing the various needs and options for the different modes of transportation. During this time there was a concurrent series of meetings in which the Technical Advisory Committee (TAC), Transportation Commission (TC) and Planning Commission (PC) reviewed the technical memos and white papers.
- **Draft Preferred and Financially Constrained Plan:** The next three months involved compiling the draft plan, and joint meetings of the TC and PC to review the materials.

- **Plan Refinement:** The TC and PC held a series of joint meetings to review and refine the draft plan over the following year.
- **Final Edits and Application:** After the joint TC and PC meetings, the final edits were made, and the formal application was submitted on October 26, 2012.

In addition to the joint TC and PC meetings held throughout the project, four additional public meetings were spaced throughout the project – a TSP Update Workshop in March 2011, a Temporary Road Diet TC Special Meeting in March 2011, a Temporary Road Diet Public Meeting in June 2011, and a Transportation Forum in October 2012. Three briefings were given on the TSP to the City Council, and these meetings were open to the public. Similarly, all of the joint meetings of the TC and PC were open to the public, and included time for public participation and comments.

2.3 Chapter 18.108 allows for legislative amendments “in order to conform with the comprehensive plan or to meet other changes in circumstances or conditions.” The process of updating the TSP is primarily intended to address changes in conditions that have occurred during the 15 years since the previous TSP was adopted and project needs based on that updated analysis. The amendment of the Street Dedication Map is for consistency with the updated TSP, and therefore also is to address changes in conditions.

The Planning Commission finds that the proposed plan and map amendments are consistent with local goals and policies included in the Ashland Comprehensive Plan. Community-wide needs include addressing the City’s long range land use and transportation goals such as making streets convenient, safe, accessible and attractive for users, and accommodating transportation needs due to future population and employment growth. A variety of Ashland Comprehensive Plan goals and policies, as detailed below, support the proposed TSP update and Street Dedication Map amendment.

Housing

Goal Ensure a variety of dwelling types and provide housing opportunities for the total cross-section of Ashland’s population, consistent with preserving the character and appearance of the city.

Policy 3) Regulation of residential uses shall be designed to complement, conserve and continue the aesthetic character to of Ashland through use of the following techniques:

- d) Street design and construction standards shall promote energy efficiency, air quality, and minimal use of land. To this end, the City shall:
 - 1) Adopt a master conceptual plan of future streets by size and use category.
 - 2) Adopt minimum street width standards which provide only what is need for adequate traffic flow and parking.
 - 3) Incorporate bicycle and pedestrian traffic planning in street design.
 - 4) Limit street slopes, requiring curvilinear streets along contours in steeper areas.

Economy

Goal To ensure that the local economy increases in its health, and diversifies in the number, type

and size of businesses consistent with the local social needs, public service capability and the retention of a high quality environment.

Policy 2) The City shall design the Land Use Ordinance to provide for:

b) Controlled access along Ashland Street to ensure limited points of common access to businesses that are developing or undergoing development in this area.

c) Specific development guidelines which will ensure that:

2) Development along Siskiyou Boulevard and Ashland Street will not primarily be automobile-oriented, but will also include attractive landscaping and designs that encourage pedestrian, bicycle, and mass transit forms of travel.

Parks, Open Space and Aesthetics

Goal To provide the people of Ashland with a variety, quantity and quality of parks, park facilities, open space, trails and visual resources sufficient for their needs.

Policy 13) Require street trees in all new residential, commercial and industrial development.

Policy 16) Develop an urban forest plan for the City including a street tree and a non-street tree section, a tree resource inventory, a plan for preservation and renewal of trees of stature and native species, long range maintenance plan, a plan to promote the greater use of trees and shrubs on both public and private land, and plan to educate the public regarding the benefits of trees on public right-of-ways.

Transportation

Street System Goal To provide all citizens with safe and convenient transportation while reinforcing the recognition of public rights-of-way as critical public spaces.

Policy 28) Periodically assess future travel demand and corresponding capacity requirements of street network. Choose a comprehensive transportation system approach to address any capacity insufficiency that is consistent with the goals, policies and philosophy of the Transportation Element of the Comprehensive Plan.

Pedestrian and Bicycle Goal To raise the priority of convenient, safe, accessible and attractive walking and bicycling networks.

Policy 5) Target walkways and bikeway improvements that link neighborhoods, schools, retail and service areas, employment centers and recreation areas.

Public Transit Goal To create a public transportation system that is linked to pedestrian, bicycle and motor vehicle travel modes, and is as easy and efficient to use as driving a motor vehicle.

Policy 1) Develop pedestrian and bicycle networks that are linked to the public transportation routes.

Commercial Freight and Passenger Goal To provide efficient and effective movement of goods, services and passengers by air, rail, water, pipeline and highway freight transportation while maintain the high quality of life of Ashland.

Policy 4) Maintain boulevard and avenue street facilities adequate for truck travel within Ashland.

Energy, Air and Water Conservation

Goal The city shall strive, in every appropriate way, to reduce energy consumption within the community.

Policy 3) New Housing

- e) The City shall address overall energy usage of new developments instead of just looking at houses on an individual basis. Areas to be considered could be transportation energy, recycling, composting, communal gardens, water usage and solar access protection.

2.4 The Planning Commission finds that the adoption of the updated TSP and amended Street Dedication Map is consistent with relevant Statewide Land Use Planning Goals as described below.

Oregon Statewide Planning Goal 1 – Citizen Involvement requires a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process. Joint TC and PC meetings that were open to the public were held throughout the TSP update and included public comment. Three briefings were given on the TSP to the City Council, and these meetings were also open to the public. A public workshop was held in March 2011, a Transportation Forum was held in October 2012, as well as two public meetings on the temporary road diet for North Main Street. A project website was in place throughout the duration of the project and was updated with the latest project news, meetings and documents. Additionally, comments could be submitted electronically via this site throughout the project.

Oregon Statewide Planning Goal 2 – Land Use Planning requires a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions. Through Technical Advisory Committee meetings, representative from the City, County, State (ODOT) and other stakeholders conducted a review and evaluation of existing plans, polices, standards and laws that are relevant to local transportation planning. In addition, a variety of data and projections including population and employment data and forecasts, buildable lands information and transportation data was used in the development of the plan.

Oregon Statewide Planning Goal 9 – Economic Development requires cities and counties to address providing adequate opportunities for a variety of economic activities for residents. The TSP includes projects and system adjustments to serve existing and planned commercial and employment uses.

Oregon Statewide Planning Goal 10 – Housing requires cities and counties to provide for the housing needs of citizens of the state, including a range of types and price/rent levels, and allowing for flexibility of housing location, type and density. Existing and planned population density and land use patterns were taken into consideration when developing the TSP to plan for transportation facilities for future development of housing. The TSP was developed accounting for growth in future residential trips, and the implementation measures were created to benefit all users in the city.

Oregon Statewide Planning Goal 11 – Public Facilities and Services requires cities and counties to provide for and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for development. The TSP documents existing conditions and

future needs for the transportation system in Ashland, and proposed improvements and implementation measures are tailored to meet those future needs. The Street Dedication Map identifies streets that will be needed in the future to connect the street network and provide access to undeveloped areas within the Urban Growth Boundary (UGB).

Oregon Statewide Planning Goal 12 – Transportation, as well as OAR 660-012-0000 the “Transportation Planning Rule,” require cities and counties to provide a safe, convenient and economic transportation system, and requires transportation planning to be in coordination with land use planning. The TSP is an important component in the set of tools used to integrate land use and transportation planning because the plan identifies the physical improvements to the transportation system along with supporting studies and programs that will need to be funded and built in the planning period ending in 2034. Existing and future conditions were analyzed to create the final plan which addresses safety, mobility and accessibility as they relate to various modes of transportation available in Ashland.

SECTION 3. DECISION

3.1 The updated TSP plans for a balanced city wide transportation system, with an emphasis on active transportation, improving pedestrian and bicycle facilities, and enhancing transit service. The TSP is a key component of implementing the vision of retaining Ashland’s small-town character by planning for “a transportation system that is integrated into the community and enhances Ashland’s livability, character and natural environment” as expressed in the Ashland Comprehensive Plan. In addition, the TSP is an important resource that outlines the physical improvements to the transportation system along with supporting studies and programs that will need to be funded and built in the planning period ending in 2034.

Based on the record of the Public Hearing on this matter, the Planning Commission recommends approval of the proposal to adopt the updated TSP and to amend the Street Dedication Map as described in Planning Action #2012-0151, and recommends the following revisions to the final TSP document prior to the second reading of ordinances adopting the TSP.

1. That references to the TSP serving as the Transportation Element of the Comprehensive Plan shall be deleted from the document. The following sentence in the introduction on page 2 of the plan shall be amended as follows: It also serves ~~as the transportation element, and~~ as a supporting document, of the Ashland Comprehensive Plan as required by state law.” The following sentence under Ashland Comprehensive Plan on page 34 of the plan shall be amended as follows: The Comprehensive Plan ~~was~~ is the bedrock of goals, policies, and land use designation for updating the TSP.
2. That the recently updated and adopted Jackson County coordinated population projection for Ashland shall be included along with the “Historical and Project Ashland Population” chart in Exhibit 2-3 on page 7.
3. That the Population Density by Census Block Group in Figure 2-4 on page 8 shall be update to include the 2010 Census information.

4. That the descriptions of pedestrian facility types on page 94 and bicycle facility types on pages 102-103 shall be revised to reference the adopted Ashland Street Standards.
5. That the Updated City of Ashland Street Functional Classification Map in Figure 6-1 on page 87 shall be corrected to include a Neighborhood Street classification consistent with the Ashland Comprehensive Plan and Street Standards (i.e. green lines appear to be mislabeled in legend as Neighborhood Street).
6. That Table 10-3 Preferred Plan Intersection and Road Projects on page 138 shall include a notation that the location of the connection from Clay Street to Tolman Creek Road shall be determined at the time of redevelopment of the manufactured home park.
7. That Project (R44) Tolman Creek-Mistletoe Road Streetscape Enhancements in Table 10-3 Preferred Plan Intersection and Road Projects on page 138 shall be revised to reflect the Phase I improvements to Mistletoe Road described in the Croman Mill District Standards.

Planning Commission Approval

Date

Planning Commission Communication

January 22, 2013 Study Session

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

FROM:

Bill Molnar, Community Development Director, molnarb@ashland.or.us

SUMMARY

City Code Compliance has seen a dramatic increase in the number of illegal short-term vacation home/rentals being operated without zoning approval. In all cases, these illegal, short term accommodations are avoiding paying local transient occupancy taxes, licensing fees and commercial utility rates normally associated with the guest accommodation industry. The Council held a study session in August 2012 in order for staff to provide an overview of the problem, explain the advantages and disadvantages commonly related to short-term rentals and summarize code provisions that are currently applied to these establishments by other Oregon communities. The Council requested that the Planning Commission evaluate the existing code requirements, identify potential opportunities for increasing flexibility and forward a recommendation for possible code amendments to the Council for their direction.

Possible alternatives have been suggested for Commission consideration. Each will increase the number of properties eligible to request a conditional use permit to operate a short term rental. Under the first alternatives (Alternative B & C.), staff has suggested the possibility of expanding the geographic area where vacation rentals are allowed to include all property within R-2 and R-3 multi-family zoning districts, not only those properties located within 200-feet of a major street (i.e. boulevard or collector). Under the second alternative (Alternatives D & E), lands eligible for short term rental operations could be expanded to include properties within a single-family zoning district, but only within 200-feet of a major city street. Lastly, the other variation among the two alternatives is the question of whether or not to require the property/business owner to live on the property, or allow an on-site property manager employed by the property owner/business owner.

BACKGROUND AND POLICY IMPLICATIONS:

Ashland's Travelers' Accommodation ordinance, which allows for short-term, overnight accommodations within multi-family zones with approval of a conditional use permit, was established in the early 1980s. The ordinance was intended to provide an opportunity for the owner of an existing and preferably historic structure to gain additional income by offering overnight accommodations. In turn, a portion of the revenue would be reinvested into improvements to the historic structure and site. Most take the form of a Bed & Breakfast or Inn, nestled into an existing residential neighborhood.

Ashland limits short-term accommodations to multi-family districts throughout the city, while specifically prohibiting the use in single-family zones. A conditional use permit is required before short-term accommodation can be established and individual rooms made available to lease for short



periods of time. Additionally, the existing ordinance limits eligibility to those multi-family properties within 200 feet of a major street, arterial or collector. Finally, the property or business owner is required to reside on the travelers' accommodation site, as a means of managing the accommodation as well as providing a link between the neighborhood and this quasi-business establishment. It is estimated that there are over 70 approved short-term accommodation establishments in the City, including both residential and commercial zoning districts, accounting for approximately 1300 rooms.

More Recent Trends

Over the past several years, City Code Compliance staff has witnessed a substantial increase in the number of short-term vacation rentals operating without the requisite land use approval and, as a consequence, are not paying the city's transient occupancy taxes or obtaining a city business license. These primarily include individual *homes* advertised as available for short stays on the increasingly popular Vacation Rentals by Owner (VRBO) website. Many of these homes are being offered and operated in single-family zoning districts, which prohibit the operation of short term (less than 30-days) rentals. In June of 2012, approximately 40 letters were mailed to property owners believed to be offering short term vacation rentals without the required land use approval, or within areas of the town not zoned for short-term accommodations.

Summary of Issues and Concerns – Vacation Home Rentals

A review of information on this topic including phone interviews with other communities reveals that many cities and counties are dealing with the issues and impacts related to short-term vacation home rentals. While the values and politics of each community ultimately influences the approach and eventual code language proposed to deal with short-term vacation home rentals, the following issues and concerns commonly highlight local discussion and debate.

Protection of Neighborhood Character

A common municipal purpose for regulating short-term rental housing is to protect the character of existing residential neighborhoods. Tension between permanent residents and operators of short-term vacation home rentals arise due to increased traffic, noise, impacts to available on-street parking and other potentially disruptive activities (e.g. late night celebrations). Another concern cited, yet often difficult to measure, is the perception that too many short-term vacation rentals in an a neighborhood could lead to a decreased sense of "localness," based on the idea that permanent residents often hold a greater attachment to local social networks and community involvement.

2010 Census data estimates the average household size of Ashland at 2.03 persons, while an informal survey of short-term vacation rentals in Ashland listed on the VBRO website offers accommodations for an average of seven persons. Similarly, statistics compiled by the North Carolina Vacation Managers Association estimates that the average number of people utilizing a vacation rental per night is six persons. The impact of six people in a household per night versus the average Ashland household of two can be quite significant in terms of noise generation, traffic, water and wastewater usage, solid waste generation and road maintenance.



Effects on Housing Supply and Affordability

The local housing market likely may be impacted by the proliferation of illegal, short-term vacation home rentals. According to the 2010 Census, 357 or 3.4% of all housing units in the City of Ashland are for seasonal, recreational, or occasional use. This is an increase of 140% from the 2000 census that showed 150 seasonal, recreational, or occasional use units, making up only 1.7% of the City's total housing stock. The economic benefits to property owners from the conversion of existing residences to short-term vacation homes can potentially drive up prices of existing homes. Additionally, an increase in short-term vacation homes can lead to a reduction in the availability in the number of long-term, single-family home rentals. This is because the economic benefits to the property owner from operating a short-term vacation home are potentially much greater than that of a longer term, year round home rental.

Physical Impacts

While not necessarily the case in Ashland, some communities cite the need for restrictions on short-term vacation home rentals in order to protect the character of their residential neighborhoods. The underlying rationale is that short-term home rentals in single-family zones generally are not owner-occupied and therefore are less likely to be cared for to the same degree as permanent residences. Other communities note, however, that it is in the best interest of the owners of short-term vacation homes to take good care of their property in order to have a successful business and, therefore, have a strong incentive to select guests who are respectful of their properties.

Site Management

The City's Travelers Accommodation code provisions for licensed establishments within a multi-family residential district require the property owner or business owner to reside on the property. This reflects a more traditional innkeeper model. In carrying out compliance on unlawful vacation home rentals within Ashland, it is clear that few if any have a property owner or property management representative living on the property. A property management presence provides neighbors or the City an ability to readily access an individual should complaints or concerns arise.

Increased Choice

Short-term vacation home rentals in existing neighborhoods can offer a greater sense of freedom and choice to visitors. In general, short-term vacation home rentals differ from bed & breakfasts, hotels, motels, and other "lodging" uses by providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation. Although Ashland's bed & breakfasts often are similar in appearance and location to many short-term vacation home rentals, they are distinguishable by the requirement that the property or business owner reside onsite. This standard ensures that the person(s) responsible for the daily operations of the accommodation and compliance with the conditions of the land use application are housed on the property, while also being integrated into and accessible to the immediate neighborhood should concerns arise.



Fairer Competition with Licensed Lodging

Existing B&B's owners/operators with valid land use approvals have complained to Code Compliance staff about the unfair advantage the illegal, unlicensed vacation homes pose. This is primarily due to the fact that these unlicensed homes have not had to incur a variety of expenses, such as a land use permit (i.e. conditional use permit), city business license, transient occupancy tax and commercial utility rates, and building code issues related to safety inspections.

Impacts to the Local Economy

For Ashland with its robust tourist industry, short-term vacation home rentals represent a potential additional source of tax revenue. In addition to Ashland's Transient Occupancy Tax (TOT), establishments offering overnight accommodation are required to hold and annually renew a business license, as well as have a valid land use approval (i.e. conditional use permit and other applicable permit fees).

As a tool for economic growth, short-term vacation home rentals can create considerable economic benefits within a community through the creation of jobs, and attracting visitors who spend money in local shops and restaurants. Many of the jobs created by short-term vacation home rentals, however, often are low skilled, low paying and seasonal or part time. This can create a drain on the local workforce and exacerbate issues related to continuing a cycle of lower paying jobs in a community with an expensive housing market.

Studies have identified both negative and positive property tax impacts from an increase in short-term vacation rentals on small, medium and large communities. In some instances, the increased value of vacation rental properties has driven the price of property up and therefore property taxes. This can have the effect of raising the property tax rate on year round citizens and in some communities have driven lower income residents out of the community altogether.

Summary of Potential Impacts - Short Term Rentals in Single-Family zones

Positive Impacts

- TOT, business license and miscellaneous permit fees
- Increased choice of accommodation types, especially for families
- Income source for individual property owners
- Employment opportunities

Negative Impacts

- Neighborhood Impacts – noise, traffic, physical changes to site, etc.
- Reduced housing and long-term rental availability for residents
- Decreased sense of localness
- Increased stress on infrastructure and services

FISCAL IMPLICATIONS:

A review a other communities indicate that expanding short-term rental restrictions to include other areas of Ashland (i.e. single family neighborhoods) may put additional administrative burdens on the



local government, including the processing of land use and building permits, licensing and registration applications and code compliance. Building officials are likely to be faced with an increased volume of required inspections. Code Compliance personnel and the police officers may need to assume additional enforcement duties under a short-term rental ordinance. Down the road, this could lead to a discussion about the potential reinstatement of the citywide Code Compliance position that was eliminated in January 2009.

STAFF RECOMMENDATION AND SUGGESTED COMMISSION ACTION:

Changes to land use requirements related to short-term vacation home rentals should be undertaken with caution and an understanding of the potential effects to longstanding community goals for maintaining strong neighborhoods, and a diverse, permanent housing inventory designed to serve a wide range of households representing a variety of household incomes.

The City Council will have a study session on March 4, 2013 to discuss this item. The Commission has been asked to forward a recommendation onto the Council. If the Commission suggests amending the language in the current ordinance to increase options for the operation of short term home rentals, the Council could initiate that a code amendment be prepared by staff. At the March 4, 2013 Council Study Session, Staff would like to provide a summary of the Planning Commission recommendation on this topic. I few questions have been attached to assist the Commission in forwarding an opinion to Council on this subject.

ATTACHMENTS:

- Possible Alternatives -- Code Changes
- Discussion Questions
- Informal Survey of Other Cities - Matrix
- Map of Ashland – Identification of areas zoned for Travelers’ Accommodations (Hotel, Motels, and Bed & Breakfasts)
- Document submitted by Mark Dennett
- Document submitted by Ashland Bed & Breakfast Network



Possible Ordinance Changes

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.



Discussion Questions

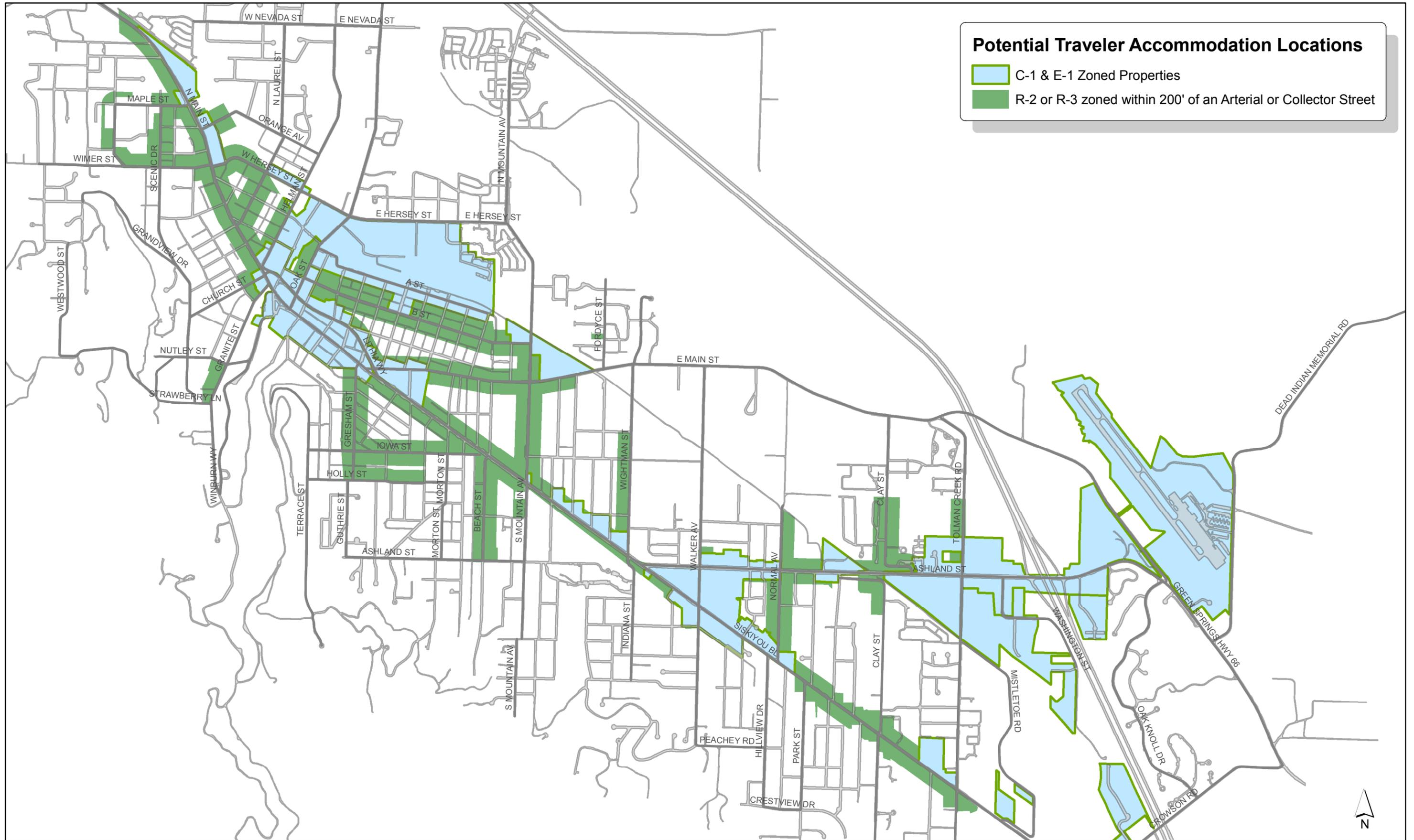
1. Should changes to the Land Use Ordinance be considered that provide more opportunity for property owners to operate vacation home rentals? If yes...
2. Currently, vacation home rentals are permitted as a conditional use in multi-family zoning districts (R-2 and R-3) on properties located within 200 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?
 - b. Should a property owner/business owner/manager be required to live on site in the case of a property where only one, individual vacation home rental is in operation?
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? If yes,
 - a. Should the area be limited to those properties within a specified distance from an arterial or collector street?
 - b. Should a property owner/business owner/manager be required to live on site in the case of a property where only one, individual vacation home rental is in operation?
 - c. In addition to operating an individual vacation home rental on a property within a single family zoning district (R-1), should the property be eligible for an additional accessory residential unit?
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?



Short-Term Vacation Home Rentals – Summary of Oregon Cities

| City | Short-Term Rentals Allowed in Single-Family Zones | Short-Term Rentals Allowed in Other Zones/Districts | Required Land Use Approval Process | Other Licenses, Fee & Taxes |
|--------------|---|--|--|---|
| Ashland | <ul style="list-style-type: none"> • No • Prohibited in single-family (R-1), rural (RR) and suburban (R-1-3.5) residential zones. | <ul style="list-style-type: none"> • Yes • Allowed in commercial (C-1), employment (E-1) and owner-occupied in multi-family zones (R-2 & R-3) | <ul style="list-style-type: none"> • Conditional Use Permit | <ul style="list-style-type: none"> • Business License • JC Health Dept. • Transient Occupancy Tax |
| Bandon | <ul style="list-style-type: none"> • No | <ul style="list-style-type: none"> • Yes • Controlled Development Zones (ocean front/jetty and bluff areas); Old Town Commercial (C-1) and Light Industrial Zone | <ul style="list-style-type: none"> • Conditional Use Permit | <ul style="list-style-type: none"> • Business License • Transient Occupancy Tax • Local Representative |
| Cannon Beach | <ul style="list-style-type: none"> • No | <ul style="list-style-type: none"> • Yes • Owner-occupied B&B allowed in R-2 & R-3 zones. • No owner occupancy in Residential Motel (RM) zone | <ul style="list-style-type: none"> • Conditional Use in R-2 / R-3 • Permitted Use in RM | <ul style="list-style-type: none"> • Business License • Transient Occupancy Tax |
| Sisters | <ul style="list-style-type: none"> • Yes – owner occupied | <ul style="list-style-type: none"> • Vacation Rental (Minor CUP) and B&Bs allowed in multifamily zones; special permitted / permitted • Commercial zones, same requirements as above | <ul style="list-style-type: none"> • Minor Conditional Use Permit • B&B special permitted and Minor CUP (owner occupancy – 1,320' spacing) | <ul style="list-style-type: none"> • Business License • Transient Occupancy Tax |

| | | | | |
|--------------|--|--|--|---|
| Gold Beach | <ul style="list-style-type: none"> • Yes (existing structures) | <ul style="list-style-type: none"> • | <ul style="list-style-type: none"> • Conditional Use Permit with specific standards (requires public hearing) | <ul style="list-style-type: none"> • Business License • Transient Occupancy Tax • Local Representative available 24-hrs. |
| Lincoln City | <ul style="list-style-type: none"> • Yes | <ul style="list-style-type: none"> • Yes • Note: Lincoln City is currently discussing the possibility of limiting short-term rentals to specific districts. | <ul style="list-style-type: none"> • Special Use Permit (SUP) • One per property owner, landscaping & parking standards. | <ul style="list-style-type: none"> • Business License • Transient Occupancy Tax • Local Representative • Annual Renewal |
| Yachats | <ul style="list-style-type: none"> • Yes – owner occupied B & B | <ul style="list-style-type: none"> • An on-site owner is not required within Recreation Overlay zones | <ul style="list-style-type: none"> • Conditional Use Permit in R-1,-2,-3 zones; max # of 5 occupants. • Other zones limited to Recreation Overlay (RO) & proximity to 101. | <ul style="list-style-type: none"> • Business License • Transient Occupancy Tax • Local Representative • Annual Renewal (tri-annual inspection) |
| Seal Beach | <ul style="list-style-type: none"> • Yes – no B&B | <ul style="list-style-type: none"> • Vacation Rental and B&Bs require CUP in High Density zone. • Vacation Rental and B&Bs not allowed in Med. Density | <ul style="list-style-type: none"> • Conditional Use Permit • B&B's only in historic structures in overlay zone; owner occupied | <ul style="list-style-type: none"> • Business License • Transient Occupancy Tax • Annual inspection |
| Sonoma Co. | <ul style="list-style-type: none"> • Yes – owner occupied | <ul style="list-style-type: none"> • | <ul style="list-style-type: none"> • | <ul style="list-style-type: none"> • |
| Austin, TX | <ul style="list-style-type: none"> • Yes • Level of regulation dependent on owner occupancy and length of rental | <ul style="list-style-type: none"> • | <ul style="list-style-type: none"> • Short Term Rental License– proof of insurance, proof of registration for taxes | <ul style="list-style-type: none"> • Annual renewal • Business license • Transient Occupancy • Fire safety inspection |



0 900 1,800 3,600 5,400 7,200 Feet

Property lines are for reference only, not scaleable

VACATION HOME ORDINANCE CITY COUNCIL STUDY SESSION

BACKGROUND BRIEF

What Is The Size of the Vacation Home Rental Market?

National research (Phocus Wright) shows that today there are four lodging choices that are considered individual visitors markets:

- Staying with friends and relatives
- Motels/Hotels/Resorts
- Bed & Breakfast Inns
- Extended-Stay - Vacation Home Rentals

Staying with friends and relatives and motels/hotels/resorts remain the two largest. But the next two are equal in size: B&B's and vacation home rentals both control 11% of the national market. The fastest growing demand is for extended-stay style lodging, such as suites, cottages, cabins and vacation homes.

According to a 2010 HomeAway study by Radius Global Market Research, the vacation rental industry generated more than \$85 billion in 2010 in the U.S. and Europe. HomeAway's LeisureLink Demand Index™ shows that overall vacation home lodging demand grew more than 200% between 2008 and 2010. This demand is reflected in the explosive growth of vacation home rental websites:

- **HomeAway, Inc.** – Is the worldwide leader in vacation home rentals with 735,000 paid listings. HomeAway owns the three major vacation home websites in the U.S.:

HomeAway.com

VRBO.com

VacationRentals.com

The pioneer site was Vacation Rentals by Owner (VRBO.com) founded 15 years ago. It was acquired by HomeAway in November 2006. VacationRentals.com became part of HomeAway in May 2007.

In addition, HomeAway also operates **BedandBreakfast.com**, the most comprehensive global site for finding bed-and-breakfast properties. Google Ventures purchased HomeAway shares from existing investors in November 2010 to provide major search support for all the sites.

- **FlipKey** – Majority-owned by TripAdvisor* – the largest travel site in the world – is promoted on TripAdvisor.com and other TripAdvisor media sites and is the other major online player with 160,000 vacation homes located in over 7,000 cities throughout the world.

Of course, this review doesn't even touch on the explosive growth of Craig's List, which is now the prime source of classified advertising in America.

These vacation home websites have almost 60 million visits per month. With all due respect, Ashland simply can't control this exploding lodging segment by enforcing a 30-year old hotel/motel ordinance on a few select homeowners.

How Do Vacation Home Rentals Differ From The Hotel/Motel And B&B Market?

While B&Bs and Hotels/Motels occasionally compete with Vacation Home Rentals, homes attract a very different clientele based on psychographic research.

- In America, B&B clients desire a luxurious, historic, and personalized experience with the owners in a neighborhood setting.
- Hotel/Motel clients desire more amenities (spas, pools, workout rooms, restaurants, bars), convenience to major attractions, and they often look for package deals.
- Vacation rental home clients desire the inherent value of renting a home, with extra space, privacy, and home-style amenities (kitchen) with are ideal for longer stays. Homes particularly appeal to extended families, small groups (two couples), visitors traveling with pets, and foreign travelers that can stay a longer period of time.

The LeisureLink Demand Index™ found that travelers are using vacation rentals for everything from weekend getaways (38 percent) to multi-week vacations (21 percent). In addition to flexible lengths of stays, travelers agree that the use of vacation rentals allows them to enjoy a range of value-related benefits. In fact, nearly 74 percent said they are able to travel with more friends and family. Fifty percent said vacation rentals allow them to take longer vacations; 49 percent said they can take more upscale vacations; and 35 percent said vacation rentals allow them to travel more frequently.

What Is The Estimated Size Of This Market In Ashland?

This is hard to determine since Ashland's current enforcement policy has driven the majority of vacation homeowners underground. Based on informal discussions with numerous property owners and reviewing online resources, it is estimated that

there are 150 properties that are being marketed as vacation rentals. Of course, not all of these are illegal. HomeAway research reveals that the national average for vacation home rentals is 20 weeks (140 days), so this represents a potential of 21,000 room nights that could be taxed.

The City of Ashland is in a position to estimate potential Transient Occupancy Tax (TOT) from these homes. But the potential to significantly increase TOT collection by creating a Vacation Home Rental ordinance is significant.

What Are The Key Reasons For Changing This Ordinance?

1. **It increases the supply of taxable lodging.** Ashland needs more lodging capacity and more TOT revenue, especially with the closing of a large portion of the Windmill Inn of Ashland (Ashland Hills).

The city, given its “no growth” policy and limited land for development, cannot easily increase lodging capacity by building more hotels and resorts. An updated ordinance to regulate vacation home rentals in all zones, including R1, would not only increase lodging capacity, it would support the city’s “in fill” philosophy and allow Ashland to better serve a distinct segment of the lodging industry.

2. **Vacation home rentals fulfill a known visitor need.** In reviewing past guest records with a variety of vacation home owners, the typical Ashland vacation home renters are extended families, two couples, or someone looking to relocate. They want to “test drive” living in an Ashland neighborhood, and they can’t do this with a B&B or motel/hotel experience. Home rentals especially appeal to foreign visitors that may be here for longer periods. Also, more and more visitors want to travel with their pets, and this eliminates many current Ashland lodging choices.
3. **Vacation home rentals strengthen Ashland’s economy.** Because vacation home visitors typically stay longer, a week or more, there are more opportunities for tourism dollars to reach deeper into the community.

By staying longer, these visitors support more local businesses: wineries, culinary attractions, shopping, local artists, golf, etc. The longer someone stays the more likely they are to shop in local stores, buy groceries and gas, purchase fresh produce at the farmer’s market, go to the movies, ski Mt. Ashland, and support the more than 80 restaurants and numerous galleries in Ashland.

4. **Vacation home rentals protect neighborhoods and provide supplemental income for homeowners.** Many aging or retired property owners, who had planned to sell their homes as part of their retirement income plan, cannot afford to do so at current market values, even though they may no longer live full-time in Ashland because of family commitments, health issues or a desire to travel.

Many homeowners also rely on this supplemental income to pay their property taxes and mortgages in the face of layoffs or other economic issues. Many are at risk of losing their homes if they are denied this income source. If these owners are forced into foreclosures and loan defaults, how will this help the City, Jackson County, or our Ashland economy?

One of the key factors in studying this issue is that the vast majority of Ashland vacation home rentals are not owned by corporations or companies. They are owned by local residents that live in them, so they are focused on protecting their investment and that means protecting their neighborhoods.

In reviewing other cities that have had successful vacation home rental policies in R1 zones, there is no evidence that vacation home rentals will negatively impact the residential feel of a neighborhood.

What Is The Challenge With Enforcing Current Regulations?

The city's current "crack down" on vacation home rentals, driven by a complaint by the local B&B industry, places the city in a questionable legal environment called "rent-seeking."

In economics, rent-seeking is an attempt to obtain economic control by manipulating the social or political environment in which economic activities occur. The simplest definition of rent-seeking is to gain wealth by increasing one's share of existing wealth, i.e. market share, instead of trying to create new wealth. The City of Ashland, by favoring one lodging segment over another could be accused of doing this.

Of course, this doesn't touch on the legal issue of selective enforcement, where the City has not applied their enforcement efforts equally. Easily identified vacation rentals have been targeted, while the vast majority that are flying under the radar have not. If this ordinance is to be enforced, it must be done so across the board and in a manner that is fair to all vacation homeowners.

As outlined, given the explosive growth of this segment over the past decade, the City has placed their hard-working and dedicated planning staff in a position where they have to spend time scouring websites, instead of simply updating and revising a vacation home ordinance that would make vacation home rentals a positive economic and community asset for everyone involved.

How Difficult Will It Be To Establish A Vacation Home Ordinance?

An ordinance specifically for vacation homes is nothing new. Numerous Oregon cities have embraced the vacation home rental segment for years and made money by developing sensible regulations that can address neighborhood issues while collecting TOT from everyone.

It should be relatively easy to obtain copies of existing regulation that have proven very successful. I have already provided a copy of a 20 year old Gold Beach ordinance that is working well for their community.

Will Ashland B&Bs Support This Change?

In my informal discussions with B&B owners, if an ordinance change creates a level playing field and stops giving illegal rentals a competitive advantage; I believe they would be supportive.

As a former B&B owner, I believe Ashland's B&B industry deserves a level playing field. Although there is no hard research that vacation home rentals offer inferior accommodations or directly compete with B&B's for longer stays, Ashland visitors certainly need to be assured that home vacation rentals are regulated and the city needs to collect TOT from all visitor accommodations.

Will Ashland Residents Support This Change?

In talking to numerous residents, home owners, B&B operators, and neighbors, I believe this change will be positively received by the community. But only an independent, scientific study can answer that question. I would urge the council to consider conducting a quantitative study that would provide the City with input from the entire community. Below are a few of the comments I have received by Ashland homeowners:

Longterm property owner, resident (30 years)and business owner

"I chose to list my own home with VRBO because I saw it as the most beneficial way to make ends meet. I have experienced a dramatic increase in expenses over the last few years and no additional revenue.

I have lived in the same neighborhood for over 30 years. I have seen many changes in property owners and new construction. The neighborhood has only improved and shows a real pride of ownership. It is a mix of single family owner occupied properties and higher density rental properties.

I understand the City's concerns relating to short term vacation stays in these neighborhoods. Based on a previous experience renting out a property thru VRBO I knew my clientele would be a sophisticated and moneyed group.

My maximum occupancy was 4 adults, no more than the occupancy of a longer term rental. The traffic, noise, and presence would be no more than a longer term rental. My guests paid a significant security deposit and I had an on-site manager in another rental on-site.

To date I have never had a problem with short term guests, but I have had to respond to many noise, parking, damage and other issues with long term tenants.

My neighbors have all commented on how pleasant and effectively unchanged the neighborhood has been since the visitor season began.

The City should begin to develop with home owners under no penalty, a comprehensive review and plan of action to license shortterm vacation stays.

Tourism is the life blood of this city. We must be forward thinking and create the most vibrant tourism economy possible. The City and Municipalities would generate new revenue with a revised ordinance. The trickle-down effect for the overall economy would improve. The City needs to prioritize this issue. A plan for guidelines, licensing etc. must be put into action for the 2013 Season.

Jeff and Melody Jones – Long term property owners

As a vacation rental owner, I feel privileged to be able to share our space with people who choose to stay with us rather than a hotel. We have made close friends with guests who return year after year.

All of our guests are here to see Shakespeare plays, attend weddings, and mostly, to live in a neighborhood to get the feel of Ashland to retire or relocate in. These people are intelligent, kind, and very respectful of our property and our neighborhood. Everyone recycles and we only ever have ONE can of garbage per week.

Because of our guests, I am SURE our yard and environment is much cleaner and presentable, like cleaning one's house before having dinner guests. Our guests don't pick up children, drive to and from work every day, go to appointments or do daily errands, they seldom get in their cars.

There is definitely a shortage of housing for Ashland visitors as people often comment that EVERY PLACE is totally booked and they are so grateful there is an alternative place to stay.

I hope the council understands the importance of vacation rentals. I see this as being nothing but a win win for the City of Ashland, our visitors and us vacation rental owners who need this extra income to pay for the high cost of living in this lovely place.

Visitor's comments:

"We were fortunate to have stayed at this lovely cottage in June 2012 and we would like to thank Melody, Jeff and Julian for their hospitality. Their place has a beautiful, large garden with 3 seating areas, a BBQ area, a vegetable garden and a hammock - all of which were offered for our use. We were in town for a family wedding, and were encouraged to invite people over to enjoy their amenities. Over the course of the month we were there, we were able to invite our relatives and friends over - and ended up having some wonderful evenings with them. The cottage is within walking distance to Lithia Park, the Shakespearian Theatre, the Cinema and several restaurants and shops. You won't be able to find a better place to stay in Ashland. We are looking forward to going back next year".

Char and Gerry -Vancouver Island, Canada

Diane Paulson - Long-time property owner

In reviewing my past tenants, we have had three people who lived in Annie's Cottage and came back from where they lived and bought homes in Ashland.

We housed the temporary/Interim Fire Chief, people attending the United Bicycle Institute (UBI), overseas visitors (Korea) and people as far away as New York City.

All of these guests have infused more money into the Ashland economy than just their rent. And a good number of grandparents who want a large enough space to have their grandkids stay over, cook for them, babysit for their kids, absolutely would not work with a B&B or a motel room.

We've also had other VRBO owners from other cities stayed because they wanted the same experience that they were offering, more privacy, less noise, more amenities like cooking at home, bringing their pets, more feelings like you are a local and NOT a Tourist. They love that they can meld into the local culture more.

Some of the people wanted to come for a week, some for a few months. We had to tell the weekly ones, that the we had to charge them a monthly rate and they came anyway... staying as long as they could to get their money's worth.

Our neighbors do not have any complaints that I am aware of, they see our guests as a vehicle for friendship and adventure, thru getting to know them and what their stories were.

AUTHOR OF THIS BRIEF – Mark Dennett is a former B&B owner, a former operator of vacation rentals in Sun River, Jacksonville and the Oregon coast, and a long-time tourism consultant who has worked for various local hotels, resorts and B&B's. In developing this background brief he has had extensive conversation with local Ashland property owners and has reviewed a variety of secondary research. Dennett is owner of the Ashland based Dennett Consulting Group and DCG Research.

Ashland's Bed & Breakfast Network (ABBN) Position Paper on Unlicensed Vacation Rentals

To: Ashland City Council Members
From: Ashland's Bed & Breakfast Network
Date: August 2, 2012

In anticipation of the Ashland City Council's upcoming Study Session to discuss unlicensed lodging operations throughout the city, the Ashland's Bed & Breakfast Network (ABBN) Board, the only organized lodging association in Ashland, met on July 30, 2012 and respectfully presents its position for your consideration.

Our View: As long-established business people and residents of Ashland, the most important considerations for the city in responding to the request for revisions of the Travelers' Accommodation Ordinance are the protection of city neighborhoods and permanent residents, and to provide visitors to Ashland a first rate experience with safe, clean and environmentally-sound lodging. Appropriate living, sleeping and adequate parking must be provided and the city's taxing laws should be evenly enforced. Only then should consideration be given to the sometimes competing interests of various segments of the lodging industry.

As for legalizing Vacation Home Rentals in any R-1 zone, it is critically important that the integrity of the R-1 residential neighborhoods is maintained and the city solicits residents' input.

You should be aware that the city's recent enforcement of the city's 30-day rental ordinance on unlicensed lodging operations was not initiated at the request of ABBN or any of its 22 members. Moreover, ABBN, which represents the most highly-regulated segment of the lodging industry, does not necessarily oppose updating/amending the city's Travelers' Accommodations Ordinance (18.24.030.K). However, we hope that the Council would not apply a different set of standards and regulations for Vacation Rentals versus other lodging establishments such as B&Bs. Nonetheless, if a lower set of standards and regulations are proposed, then in the interest of fairness, we expect the same is applied equally to all lodging establishments in order to provide an equal playing field.

To that end, should the city decide to update/amend the ordinance, we would like to make sure that at a minimum the following requirements are met by all applicants:

- a. Obtain Conditional Use Permit;
- b. Obtain Business License;
- c. Comply with Jackson County lodging requirements;
- d. Comply with the City of Ashland and State of Oregon Transient Occupancy Tax;
- e. Provide adequate and required off-street parking;
- f. Conversion to city's commercial utility rate for all services;
- g. Obtain Commercial liability insurance for guest safety;
- h. Require annual fire-safety inspection;

It is worth noting that as more rental units are taken off the long-term rental market to rent as short-term Vacation Rentals, the Ashland rental housing market will be negatively impacted both in term of supply and price.

As the city budget reflects, the city's Transient Occupancy Tax has decreased in recent years. This not only indicates unlicensed Vacation Rentals are taking business from licensed lodging establishments, it indicates that sufficient room vacancies exist within the current licensed lodging establishments. Members of ABBN will be present at the Council's Study Session and will be happy to answer any questions you might have.

Sincerely;

ABBN Board of Directors

- A Midsummer's Dream Bed & Breakfast
- A-Dome Studio
- Abigail's Bed & Breakfast Inn
- Anne Hathaway's B&B and Cottages
- Ashland Black Swan Inn
- Ashland Creek Inn
- Ashland Mountain House B&B
- Ashland Royal Carter
- Ashland Tudor House
- Bayberry Inn
- Blue Moon Bed & Breakfast
- Chanticleer Inn B&B
- Coolidge House Bed & Breakfast
- Country Willows Bed & Breakfast
- Iris Inn
- McCall House
- Oak Hill Bed & Breakfast
- Oak Street Station
- Romeo Inn
- Shrew's House Bed & Breakfast
- TouVelle House Bed & Breakfast
- Winchester Inn Restaurant & Wine Bar

CC: Dave Kanner, City Administrator
Bill Molnar, Community Development Director

Amy Gunter

From: M.E. "Jack" Swisher [swisher.jack@gmail.com]
Sent: Wednesday, December 05, 2012 3:57 PM
To: Emily Smith
Subject: VRBO

Hi Amy,

This probably should not be for the record. If you want an abbreviated version to use in public hearings or public deliberations, let me know.

As an Ashland lodging owner for the last couple of decades, I have been pleased with the checks and controls the Ashland Department of Planning and the City Council have placed on growth within the city. For the most part, your offices have taken a proactive role in planning for growth. Growth has been fairly orderly, unlike in some other areas of the country where it has been explosive and seems unplanned. Ashland businesses are sited in commercial districts for the most part, and residences are located in residential neighborhoods, mostly. There is some overlap and some conflicts, to be sure. Zoning has played a key role in guiding certain kinds of activities into some areas while excluding it from other areas of the city. It is not a perfect system, the zoning overlays, but it seems to be the best we have at the moment, and it is approved by the state zoning bodies that mandated our zoning plans in the first place.

The Internet has allowed new advertising opportunities for businesses. In many ways it has improved our businesses' ability to reach out to new customers and retain customers. But in Ashland the VRBO.com and Ashlandvacations.com websites have also created problems for lodging owners like me. Now, anybody with a digital camera and some flowery text can place an ad on these websites. Suddenly, they're a lodging business that rents out rooms or houses by the night. It doesn't seem to matter to these newcomers that they have no business license, commercial liability insurance policy, conditional use permits, or bonds. Inspections by Jackson County Health Department are not required. No city official gets to check their off-street parking plan. The city fire department never gets to review their site for fire engine access. And Jackson County Health Department never gets to inspect their premises for public health hazards or code violations.

I urge the Ashland planning zoning officials to work with your colleagues in Salem and Medford to put the clamps on these fly-by-night businesses in Ashland. Share concerns and information with Oregon Department of Revenue. Contact Bret Thomas at Jackson County Health Department. Reach out to Oregon Department of Land Conservation and Development in Medford and Salem to share strategy and goals for enforcing the zoning laws in Ashland. Use all the tools and partners at your disposal to make businesses compliant, or shut them down.

It is hard being in business in Ashland if our city officials do not curb the non-compliant Internet lodging businesses we compete with. Competition for customers is fierce. Having pirates in the mix who collect no taxes, pay no license fees, suffer no inspections, and skirt around the conditional use permit process adds to our difficulties. Powerful people in the community would wish you do nothing, some of them on the boards and councils that run the city.

Thanks for all you do.

Mark E. "Jack" Swisher
Oak Street Cottages

RECEIVED

DEC 07 2012

City of Ashland

April Lucas

From: Melanie Mindlin [sassetta@mind.net]
Sent: Friday, August 24, 2012 8:49 AM
To: anita isser
Cc: April Lucas
Subject: Re: Vacation Rentals

RECEIVED

AUG 24 2012

Hi Anita,

Thanks for your thoughtful suggestions. I hope you will come and speak when we have this scheduled at the Planning Commission. I have forwarded your letters to our staff so they can be part of the record in this matter.

Melanie

On Aug 24, 2012, at 7:29 AM, anita isser wrote:

> Melanie,

>

> Thanks for responding to our email. I think it's timely that the
> Planning Commission will soon take a new look at regulations for
> Vacation Rentals. Some of the conditional use requirements are out of date.

> Being responsible for the local taxes and a business license as
> well as being properly insured and inspected is appropriate.

> Providing off-street parking and requiring the business owner to
> live on site is correct.

> Why the residence must be at least 20 years old makes no sense. Why
> can't a newer house be a vacation rental?

> The requirement that the travelers accommodation be located within
> 200 feet of a collector or arterial street is equally ridiculous. When
> we inquired about a variance several years ago we were told that the
> distance requirement was for travelers to be able to catch the bus.
> REALLY? Short term visitors walk or drive; they don't take the bus.
> Furthermore, the bus isn't available much and it doesn't circulate on
> all the collector streets (East Main for example). We were further
> informed back then that there was no chance the Council would grant a
> variance, because if they gave us one they'd have to give one to

> everyone in town who wanted one and they didn't want to do that. So,
> apparently, the point of the 200 feet requirement was to control the number of vacation rentals.

> I've read that some R-1 neighborhood residents object to vacation
> rentals in their neighborhoods. The concern seems to be traffic and noise.

> Our experience is that if anything there's less noise and less traffic
> than with a long term rental.

> Thanks for taking our views into account. We're eager for
> improvements in the travelers accommodation code.

>

> Sincerely,

>

> Steve and Anita isser

>

>

>

>

April Lucas

From: Melanie Mindlin [sassetta@mind.net]
Sent: Monday, August 20, 2012 1:01 PM
To: anita isser
Cc: April Lucas; John Stromberg
Subject: Re: Vacation Rentals

RECEIVED

AUG 20 2012

Dear Anita and Steve,

I understand that we may have an opportunity to discuss this issue at the Planning Commission in the near future. Thank you for writing me about your personal situation. Of course, in order to get a variance you need to show unique or unusual circumstances.

I am curious to know what you would consider reasonable rules or guidelines applied throughout the City, not just in your specific situation.

Thanks,
Melanie Mindlin
Chair, Planning Commission

On Aug 20, 2012, at 12:50 PM, anita isser wrote:

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>
> August 20, 2012
>
> Ashland Planning Commission
>
> Hi Melanie
>
> We have lived in our house on Garfield Street for 34 years. The
> upstairs has a separate entrance, kitchen, bath, and electrical meter.
> For many years we rented the apartment full time. But we no longer
> rent it year round, because we want the space for our visiting adult
> children and extended family and friends. A vacation rental is the
> most appropriate use for this apartment.
>
> We would like to create a legal vacation rental. We meet most of the
> current required criteria – we live on the site, there is adequate
> off-street parking, and we live in a multi-family residential zone. There
> is one exception. We are not 200 feet from an arterial street. We are
> approximately 500 feet from East Main. This means that we would have
> to apply for a variance.
>
> We were told these are the steps we must take: fill out a pre-app
> form (\$125), get a Conditional Use Permit (\$963), and apply for a
> variance and have a hearing (\$1928). And then there is no guarantee
> that we would get the variance and could expect no financial refund if
> the variance was denied. We, and everyone in town we have spoken to, thinks this is absurd.
>
> We could be running a lovely vacation rental that would benefit the
> city, tourists, and ourselves. The city would receive lodging tax
> revenue, tourists would have another good option for their visit, and
> we would be supplementing our income as we approach our retirement
> with very limited funds. Seems like it could be a win-win situation.

> We believe it's time for the planning commission to revisit this issue
> and create some reasonable rules and guidelines.

>

> Sincerely,

> Anita and Steve Isser

> 84 Garfield Street

> Ashland

>

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AUG 09 2012

8-8-13

To: Members of Planning Commission
and Councilors -

I live at 148 Central next door to 140 Central (VanAkin Cottages). Home owner has rented her main home for two years to tourists (\$200 per night). She has two other structures occupied by her & a renter ^{at the same address}.

This is my reaction after two summers of Van Akin's guests parking ~~to~~ their cars ten feet from my bedroom window. They are slamming car doors as many as twelve times while packing to leave, often so hard my bedroom windows rattle. This is in the morning. What ~~will~~ ^{will} this quiet neighborhood become if more people join in this money-making ~~scheme~~ ^{scheme}? I was not made aware of any public meetings when applicants were hoping to change zoning, allowing visitors in such close proximity to regular long-time residents.

Loosening vacation rental housing laws would make it even more troublesome. Ms. VanAkin couldn't provide the needed number of parking spaces for these additional cars & parks her car & trailer in the alley which I think is a violation. Are homeowners given ~~per~~ conditional permits for these businesses?

Mr Chapman, would ^{you} like this arrangement "next door to your home"? I'm in the historic district, which makes Ashland charming & feel threatened now. Why aren't next door neighbors polled on these changes & notified when the change is made? I wasn't.

Ms VonAkin built ^{the} house she's living in without a permit, which was obtained after it was built. She is very persuasive (claiming innocence) because there had been an old storage shed there. Part of this illegal house is actually 20 inches from the ^{wooden} fence between our property.

Barbara Ross for Sandra Ross (owner)