

City Council Action Item Cover Sheet

March 7, 2018

Agenda Item:

Presentation – Vacation Rentals

Question Before Council:

Presentation – updating council on vacation rentals

Person/Group Initiating Request:

Joan Davies

Tom Lauritzen

Item Summary/Background:

Vacation Rental presentation

City of Yachats

Council Update

Code Enforcement Transition

Vacation Rental Controls

March 7, 2018

Today's Presentation

- A brief review of recent history, starting with Council implementation of the 125-license cap in September 2017
- Factors impacting our ability to track violations
- Resources involved in the analysis
- The processes used to reach a recommendation
- The results: Recommendation to amend both our code enforcement process and underlying Vacation Rental Code

Background: A brief refresher on how we got here

- In September 2017, Council voted to establish a two-year pilot project for vacation rental licensing
- Council set a deadline for applications; directed staff to process all applications received by the deadline, then stop accepting new applications until attrition reduced the inventory to 125; and planned to use the two-year period to analyze the impact of vacation rentals on our city
- No further applications considered after 10/15/17.
- No waiting list of applications until pilot project ends.

Background: a brief refresher on how we got here (continued)

- Council requested quarterly reports
- Council set goals to evaluate
- All applications received by the deadline; new properties were inspected and licensed in October 2017
- Five historical vacation rental properties did not apply for licensure in December 2017
- As of today's date, all licenses issued for 2018 remain active, but at least five (5) of the licensed properties are for sale
- Vacation rental licenses are non-transferrable

Initial Council Questions

- How many Vacation Rental licenses issued for 2018?
- How many NEW license apps have been denied, due to cap?
- What is the complaint nature and location, since 10-15-17?
- How many unlicensed vacation rentals have been found on on-line sites such as VRBO, AirBnB, TurnKey, etc.?

Answers to the questions from Council

- “How many Vacation Rental licenses do we now have?”
 - 162 according to the Property Data Base (old data not removed)
 - 130 on City Website (used for “marketing”, per Councilor Scott)
 - 158 in a query focus on “vacation rental license required”
 - 146 in a statement by Councilor Scott at Feb. 14 council meeting

BUT, after reconciliation, and a count of the actual payments received for 2018, there were (really) a total of 145 licenses issued.

Answers to the questions from Council (continued)

- “How many new license requests have been received but not issued, due to the cap?”

So far: 2 actual applications filled out and denied by staff
5 phone calls (two by realtors) asking if available
1 email requesting public records; threatening suit

Answers to the questions from Council (continued)

- The 3rd question (what are the nature and location of complaints) gave us problems, though:
 - The complaint process, defined years ago by the committee led by Burgundy Featherkile, has not been significantly updated and inhibits tracking complaints
 - Citizens are directed by Code to contact management companies or owners directly, which bypasses City statistics collection
 - Code provides for “no complaint recorded” if the property owner or manager resolves the issue within two hours, regardless of repetition of same-type offense
 - Many citizens contact City office staff, impacting workload and affecting tracking
 - Unless Code Enforcement Officer is notified, no tracking mechanism is engaged, so statistics are skewed
 - Of the complaints recorded since 10-15-17, there were actually very few for vacation rentals, and concerned parking in right-of-way, lights left on and overhanging tree limbs. We did have a log truck parked at a tiny VR, though.

Answers to the questions from Council (continued)

- The 4th question (unlicensed vacation rentals advertised on on-line sites) has turned out to be a non-issue, so far:
- A search of Air BnB, VRBO, TurnKey, and similar sites shows that property managers use the sites to advertise their clients' LICENSED properties
- Because the on-line sites do not disclose addresses, but use photos to identify available homes, a photo inventory was developed to assist in matching on-line listing photos to licensed Vacation Rentals
- No unlicensed VRs have been found so far, but that can change daily

Evaluation Goals established by Council

- The impact of vacation rentals on neighborhoods and businesses in Yachats – **no complaints or observations; no stats available**
- The impact of a robust enforcement program – **cannot yet be measured because current process does not lead to complaints; does not have accurate tools available to public; fatally flawed**
- The impact of on-line businesses like AirBnB in advertising vacation rentals – **property managers and owners use the sites to promote licensed vacation rentals**
- The impact of not requiring vacation rentals to be managed by a professional management company – **none has been identified**

Quarterly information requested by Council

- A recently completed inventory of all 145 active licenses disclosed incomplete or non-existent compliance with house numbers, local contact information and management company signage
- Each property was photographed and four questions were tracked: house number, management sign, trash put away, and whether parking spaces were appropriately defined and number available

STREET ADDRESS	HOME	HOME #	MGR SIGN	TRASH	PARK DEF
OF VACATION RENTAL	#	VISIBLE	VISIBLE	"AWAY"	& MAX #
1st W	198	Weak	N	Y	2
1st W	270	Y	N	Y	2

YACHATS LICENSED VACATION RENTALS

03/01/18

Out of 145 licensed VRs...

No visible house number:	44
No visible manager number:	118
Trash not "put away neatly":	49

Original intent with trash and recycle containers was to prevent them from being tipped over by wind or animals.

Some houses do not have a place to put containers "out of sight" - no shed or garage; house up a long driveway, etc.

Disposal company filed a request for the City to stop requiring "bear proof" cans because of the extra expense involved

YACHATS LICENSED VACATION RENTALS LIST 03/01/18

- **1st St W** 198, 270, 291F, 291R, 420
- **2nd St E** 364, 525
- **2nd St W** 230, 265, 362, 420, 431, 440
- **3rd St E** 403
- **3rd St W** 228, 472, 503, 505, 563x3
- **7th St E** 60
- **7th St W** 551, 575
- **Aqua Vista** 330, 365, 368, 575, 583, 591, 851
- **Bay View** 508
- **Cape View** 537
- **Cedar Ave** 200
- **Center Way** 507
- **Combs Cir** 264, 272, 280, 328, 336, 360, 384, 522
- **Coolidge** 455, 503, 641
- **Crestview** 22

YACHATS LICENSED VACATION RENTALS LIST 03/01/18:

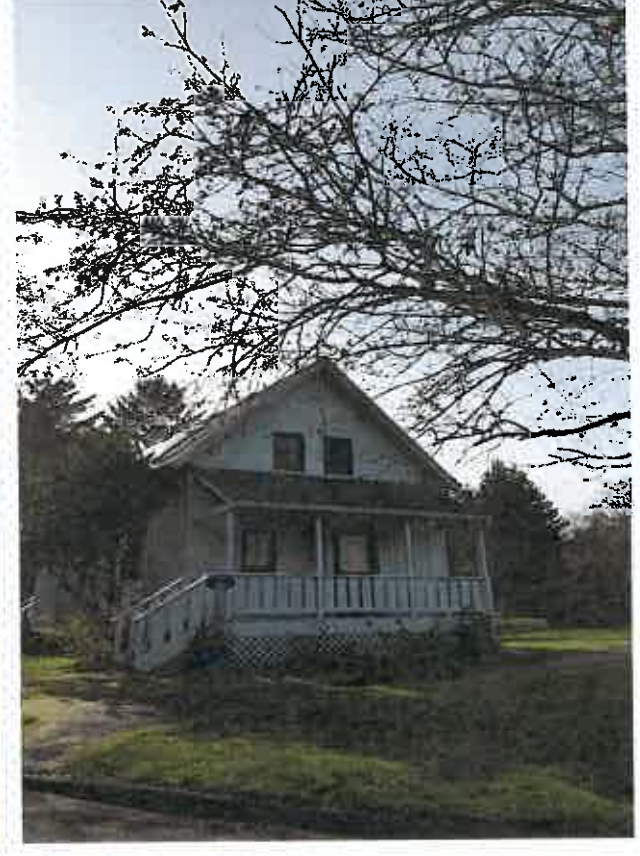
- Driftwood 820, 1091
- Gender Dr 45, 62, 79, 93
- Greenhill 18, 38, 78, 111
- Hill Court 261
- Hwy 101 N 81, 131 (above Ona)
- Hwy 101 S 46, 270, 453, 530, 562
- Jennifer 236, 250
- Joni's Way 40
- King St 355, 1046, 1430
- Lemwick Ln 610, 625, 635
- Lincoln 149
- Marine Dr 373, 412, 655
- Ocean View 170, 180, 190, 360, 370, 442, 466, 540, 586, 622, 651,
687, 753, 761, 786, 789, 791, 811, 841, 861, 933, 961,
979, 1031, 1209, 1219, 1270

YACHATS LICENSED VACATION RENTALS LIST 03/01/18:

- **Overleaf** 2050, 2055, 2065, 2090, 2120, 2130, 2140
- **Pontiac St** 61
- **Reeves** 50, 174, 177, 181, 230
- **Shell St** 15, 17, 154, 176, 195, 267
- **Shellmidden** 431, 435, 438, 460
- **Spring Hills** 116
- **Stonebridge** 80
- **Surfside** 40, 60
- **Village Lane** 370
- **Windsong** 230
- **Windy Way** 23, 33, 53
- **Yachats Ocean** 198, 236, 264, 390, 509, 523L, 523U, 530

YACHATS LICENSED VACATION RENTALS LIST:

If you are familiar with the company signs, you can identify by size and shape, but cannot read names/numbers. Only SeaNik's sign is readable from the street. Only 1 out of 8 Quiet Water VRs has a management sign.



YACHATS LICENSED VACATION RENTALS LIST

Some homes have “container corrals”, many of which were approved years ago; some have nowhere to store trash containers (no garage, no shed, or like the one on the right, they have to be available to garbage truck).



Resources used in this analysis

- Joan Davies, Code Enforcement Officer
- Kathy Perkins, Citizen and Experienced Filer of Complaints
- Tom Lauritzen, Finance Committee
- Joan's Toyota Highlander – very nice ride!
- A Samsung Smartphone

Processes used to determine a recommendation

- 2-person team, street-by-street drive-by, photos and notes
- Inventory checklist and photobook then prepared
- Results tabulated
- Conclusion reached that the current Vacation Rental code and enforcement process will not provide the answers to two of the four data points, and will not provide sufficient data to address the four Evaluation Goals

Suggested Enforcement Changes

- Compliance should begin with citizen observation, as it does now, but direct the citizen to the Code Enforcement Officer
- Citizens should email the details of the alleged violation to the Code Enforcement Officer, with photos, if possible
- The Code Enforcement Officer will log the complaint and triage the violations by contacting management companies or owners, automatically developing the tracking data the Council needs
- A busy 2018 summer season, with accurate complaint history, sorted by property and type, should provide the necessary data to address the Evaluation Goals in October, one year later

Suggested Enforcement Changes (continued)

- The 2018 Vacation Rental list of 145 licensed properties will be available to the public in the City website Document Library, so that they know whether a property is under vacation rental restrictions
- A monthly review of what properties have sold (enabled by the fact that all title searches come through City Hall staff) will allow Code Enforcement Officer to remove each property, as the VR license is lost due to sale, and easily keep the on-line VR list “live”
- Six simple amendments to current Code, voted on in April, to at least enable preliminary improvements, while an ad hoc task force reviews Code
- Create an ad hoc task force to look at the entire Chapter 4 with a new “eye” and statistics from other cities. City of Newport has begun a similar review. All agendas, minutes and handouts are available on their website, easily reviewed and monitored (don’t reinvent the wheel, as they say)

Suggested Code Amendments

Chapter 4.08 - Vacation Rental Licenses

- Section 4.08.010 Purpose.

The vacation rental license is in recognition of the desire of many owners to rent their property on a short-term basis and to provide for the orderly use and regulation of such rentals to preserve the health, safety and welfare of the community. **This use shall not adversely affect the residential character of the neighborhood.** These standards and procedures are in addition to City ordinances and Federal and State laws and regulations. The purpose of an inspection is to **ensure** the health and welfare of the occupants.

NEIGHBORHOODS ALREADY AFFECTED; CITY CAN'T ENSURE HEALTH & WELFARE

Suggested Code Amendments (continued)

Chapter 4.08 - Vacation Rental Licenses

- Section 4.08.030 Standards.

The **house number** for the vacation rental shall be prominently displayed on the exterior of the building, using numbers at least four (4) inches in height, and **be readily visible from the street.**

THIS IS THE ONLY “FROM THE STREET” REQUIREMENT IN CODE

- ... garbage receptacles **shall not be readily visible from the street.** OR ... “SHALL BE SAFELY CONTAINED”?
- ... The City license, with the name and phone number of the local contact, shall be posted **on the front of the vacation rental building, where the public can easily read it.**
- **DOESN'T SAY “FROM THE STREET”; REQUIRES COMPLAINANT TO ENTER ONTO VR PROPERTY TO GET INFO**

***ADD LANGUAGE TO PROHIBIT LEAVING EXTERIOR LIGHTS ON ALL NIGHT AND/OR WHEN VR IS VACANT?**

- Section 4.08.040 Inspection, license and annual fee.

All licenses shall be obtained prior to any rental of the property. The required application and license fee are due on January 1 of each year for the fiscal year commencing with that date and are delinquent on February 1. **The delinquency fee will be set by resolution.** **RESOLUTION WILL BE READY FOR APRIL VOTE**

Suggested Code Amendments (continued)

Chapter 4.08 - Vacation Rental Licenses

- Section 4.08.050 Complaints.

All complaints shall be in writing on a form provided by the City and signed by the complainant. The complainant must show or attest that they have made a timely attempt to resolve the issue with the person representatively responsible for management of the property.

CURRENT DIRECTIVE CAN PLACE ANGRY RESIDENT AT THE DOOR OF A VACATION RENTAL, WITH NEGATIVE EXCHANGE POSSIBLY ENSUING

If the licensee fails to meet this requirement within a reasonable amount of time, the City Recorder will prepare a report for City Council action.

JUST NEED TO REPLACE "Recorder" WITH "Manager"