

Vacation Rental (VR) Recommended Ordinance Changes

July 29, 2017

The Yachats city council has reviewed and discussed the following ordinance changes. A public hearing was held the evening of July 12th where considerable written and oral public testimony was provided.

Guiding principles used while evaluating options:

- The city needs to improve the way we track and analyze VR activity.
- Minimize the need for staff workload increases
- Where possible & appropriate, make issue & solution information available to the public
- Seek a reasonable balance between the desires of VR property owners & their neighbors
- Solutions need to be simple, easy to understand, administer and enforce

Should Yachats limit the number of VRs?

1. There is a growing awareness about the lack of available long term rental property in Yachats. Capping the number of VRs could make more property available for long term renting and reduce the impact of VR activity in residential neighborhoods. The license count has been stable the last four years. This suggests now might be a good time to impose a limit on the number of licenses without impacting existing license holders. The current license count is 127 with 5 license requests pending. (as of 7-28-2017)
 - 1.1. We have data for the current neighborhood distribution. (see attached) Recommend a VR limit of 135 units. This represents 17.6% of single family homes in Yachats. No applications will be accepted until the VR count drops below 125. When the VR count drops below 125, the city will announce we are accepting new applications.
 - 1.2. Priority will be given to existing license holders. If licenses have not been renewed by Dec. 29, 2017 and pending applications for new licenses that meet all requirements will be considered in the order they were received subject to proof of ownership.

Are license fees appropriate?

2. Current license fees do not cover the cost of VR management, enforcement and administration.
 - 2.1. Recommend new license applicants have to submit all the required information along with a check for the license fee and inspection at the time they make the initial license application.
 - 2.2. Recommend new applicants provide proof of ownership with license application. A paid water bill will be sufficient.
 - 2.3. Recommend the following VR annual license rates.
 - \$200 a year for two bedrooms or less
 - \$250 a year for three bedrooms
 - \$300 a year for four bedrooms
 - \$400 a year for more than four bedrooms

2.4.Recommend inspection fees be increased to \$100 the first year and \$50 for subsequent years of a renewed license. If more than two trips are required, there should be an additional \$50 for each inspection trip.

Are fines for VR license violations sufficient to encourage compliance?

3. There are several code areas that could be reviewed to eliminate gray areas and encourage license compliance. This topic also includes the effectiveness of management oversight.
 - 3.1.Recommend increasing the fine for operating a VR without a license to \$1,000 per incident (per day).
 - 3.2.Recommend a fine for advertising higher occupancy than what is approved for their property.
 - 3.3.Change how repeat offenders are held accountable. Within any 12 month period, first offense receives a written warning; second offense citation with a potential fine; third offense license suspension for a full year.

Is VR complaint process adequate / transparent / efficient?

4. The current VR complaint process and historical data isn't transparent and oversight is difficult because of the manual nature of the data.
 - 4.1.Recommend that all VRs required to be managed by a professional property manager. This is necessary to effectively respond to issues like garbage, parking, and noise. It also ensures that an independent party is tracking use and timely payment of fees and taxes.
 - 4.2.Recommend the current complaint process be replaced by developing a new complaint tracking system that ties to the existing license / tax / property database. This solution could address several other issue areas while providing the most cost effective and transparent solution for the long term.
5. **Valid e-mail address(es), contact name & contact phone number needs to be a condition for retaining a license**
6. Yachats operates with a very small staff. To avoid having to add staff to address VR issues, requires owners to keep the city current on changes in e-mail addresses. Making this a condition of retaining their license could address this problem.
 - 6.1.Recommend that a condition for receiving and retaining a VR license is that the owner is required to provide current e-mail address for each of the following: Owner; property manager; tax reporting. In addition the current information is required for local contact: name and phone number for the owner.

7. **A few properties claim they are not renting homes while a steady flow of different vehicles and people arrive and depart every week.**
8. All the evidence suggests these are vacation rentals. They have regular garbage, landscaping services and a property manager. If vehicle traffic is very high, sometimes as many as 4 to 6 cars are present, there may be a violation. The city may be unsuccessful in establishing an exchange of cash, although the property agent may accept donations to pay expenses. The city has an interest in regulating traffic, parking, noise, trash and other activities related to visitors staying in town.
 - 8.1. Recommend Vacation Rental definition be changed to: 'Vacation rental' means a single-family dwelling, duplex or triplex which is rented for periods of less than 30 days, such as by the day or week, or which is held out as available for rent or donation for periods of less than 30 days."The dwelling may consist of individual units or be in a contiguous form to be considered a vacation rental dwelling, however, each individual unit is to be considered separately for licensing and regulation purposes. A home which is listed with an agent as a vacation rental, advertised, available by referral, word of mouth, commendation and reputation are some of, but not limited to, the ways of identifying a vacation rental."
 - 8.2. Recommend an ordinance change to create code for vacation rentals that establishes a process for identifying vacation rentals operating without a license. If property is visited by different vehicles over the course of a month, and this pattern is repeated for more than three months and can be documented by photo evidence of different vehicles, it may be considered a vacation rental and required to have a license and pay a vacation rental tax. Add a new definition for "compensation" to include non-cash exchanges of value.
 - 8.3. Recommend a \$30 a day fee in-lieu-of a tax when there is no documented exchange of value. Part of the rationale here is the city council has an interest in regulating traffic, parking, trash and recycling cans, noise, and other activities inconsistent with a Yachats residential neighborhood. The minimum fee in-lieu-of a tax should be high enough to encourage licensure, and payment of taxes due the city.
9. When vacation rentals are used by the owner or other family members, it is very difficult for code enforcement staff to differentiate between renters and owners when they observe potential VR violations.
 - 9.1. Recommend an ordinance change that states, "when a property owner elects to rent their property, they are agreeing to abide by all the vacation rental conditions and restrictions when the owner and family and friends are using the property".
10. VR properties need to have a house number visible from the street.
 - 10.1. Recommend that all VR properties have house numbers that are at least 6 inches high and visible from the street and that this requirement be included in the regular inspection process.

