

CITY OF PORT ORFORD PLANNING COMMISSION  
MINUTES OF MEETING  
February 1, 3:30 p.m.  
Regular Meeting, virtually held  
555 W. 20<sup>th</sup> Street  
Port Orford, Oregon

1. Call to Order.

The regular meeting of the City of Port Orford Planning Commission was called to order Tuesday, February 1, 2022, at 3:30 p.m. by Chair Nieraeth.

Those members present were: Chair Nieraeth, Vice Chair Berndt, Comm. Thelen, Comm. Rossi, Comm. Jezuit, Comm. Rinehold

City staff present were: Crystal Shoji, Legal Counsel Kudlac, CA Ginsburg

Others present: Steve Lawton, Sara Lovendahl, Ann Vileisis,

2. Additions to the Agenda: None. Chair Nieraeth announced that if anyone needs something to be included in the packet, the information must be submitted by noon the prior Thursday. This is to be implemented for the next meeting in March. Comm. Thelen commented that commissioners do not know that information is needed until the agenda is provided.

3. Approval of Minutes January 4, 2021: Comm. Berndt moved to approve Planning Commission Meeting Minutes and Special Meeting Minutes of the January 4, 2021 and meeting with Comm. Rossi as second. ***Motion carried 6-0***

Discussion: None.

<b>Comm. Thelen</b>	<b><u>Yes</u></b>	<b>Comm. Nieraeth</b>	<b><u>Yes</u></b>	<b>Comm. Berndt</b>	<b><u>Yes</u></b>
<b>Comm. Rossi</b>	<b><u>Yes</u></b>	<b>Comm. Rinehold</b>	<b><u>Yes</u></b>	<b>Comm. Jezuit</b>	<b><u>Yes</u></b>

4. Public Comment:

Steve Lawton: City resident, commented on the issues being solved with the vacation rental discussions. Mr. Lawton stated that the essence of land use planning is to avoid problems before they occur. He feels that by establishing zoning and planning ordinances the city ensures an orderly development of the community and orderly lifestyle and livability. He addressed the statement, “I don’t feel comfortable telling somebody what they can do with their house.” Mr. Lawton feels that is the essence of land use planning and zoning ordinances, which inherently tell people what to do with their property and places. He addressed the statement, “how can we restrict vacation rentals in our residential zone.” He feels vacation rentals are lodging businesses and should not be allowed in a residential zone, the same as

other businesses are not allowed in a residential zone. He stated the vacation rentals are mostly owned by out-of-town corporate investors who own many other vacation rentals. Vacation rentals are occupied by customers and not local residents living in their homes. He feels local residents are the local lifeblood of the community. He is concerned that vacation rentals will contribute to the water crisis. He addressed the comment, “why are we considering the issue of affordable housing with the issue of vacation rentals”. He feels that vacation rentals are directly related to the issue of affordable housing and stated many long-term rentals have been converted to vacation rentals. He stated studies throughout the country have shown that vacation rentals increase the value of housing, thus affecting affordable housing. Mr. Lawton addressed the comment, “vacation rentals help the local economy.” He feels they do provide some income into the local economy, but he feels the vast majority of income does not ever touch the local community, as it flows over the internet through Airbnb and out of state investors. He stated that customers that eat and shop do provide minimal income, but what they are creating is low paying and seasonal jobs in restaurants and stores. He feels these jobs in the service sector pay less than 50 percent of the wage in Oregon. He expressed his appreciation to the commissioners for their service to the public.

Sara Lovendahl, local resident, stated she understands the issue of regulating short term rentals is complex. She is not anti-short-term rentals; however, unregulated short-term rentals pose problems for the city due to the city water issue and the fact that investors are buying up rental stock and permanent residences. She shared problems she has experienced with short-term rentals around the lake near her house.

Ann Vileisis, local resident, appreciates the city for considering this issue. She referred to her letters previously sent to the Planning Commission. She stated it is great news that other cities are ahead of Port Orford in this issue, which has provided information already gathered for Port Orford to use. She expressed her appreciation to the commissioners for their service to the community.

5. Public Hearing: None.

6. Planning Matters.

a. Vacation Rentals in Residential Areas Discussion:

Chair Nieraeth referred to memos and articles CA Ginsburg provided. Chair Nieraeth would like information on the exact number of rentals and where they are located. Chair Nieraeth is not in favor of a year-long commitment through a moratorium. Chair Nieraeth reminded commissioners they are addressing R1 and R2. Planner Shoji advised that currently vacation rentals are not allowed in R1 and R2. If a use is mentioned in one zone and not another, they cannot be in the zone not mentioned. The city has a choice to enforce the ordinance where it is and address the vacation rentals already in the residential

zone. Planner Shoji stated that if the city were to allow the current vacation rentals in the residential zones, at some point the city will have to admit there was a mistake. Otherwise, the citizens will think the city is changing the rules by not allowing more vacation rentals. She stated most are probably not signed up as a home occupation, such as bed and breakfast.

CA Ginsburg advised there are about 55 vacation rentals currently in town. She estimated that 75 percent are in R1 and R2. CA Ginsburg advised the city benefits from the TLT taxes paid by these vacation rentals. She suggested approximately 60 to 70 percent of the vacation rentals are owned by people outside of Port Orford and maybe Oregon. CA Ginsburg suggested a contact person be required on the permit that is a short distance away in case of an emergency.

Comm. Berndt described and suggested a process of sending letters to vacation rentals in R1 and R2 to explain the code. The Planning Commission will need to decide what action will be taken such as a timeframe to comply versus grandfathering with stipulations such as renewal. CA Ginsburg guessed that people are going to continue the trend of renting regardless of a letter. Comm. Berndt suggested qualifications such as spacing of 300 feet. She suggested a lottery if too many people apply and number of licenses issued are limited. Comm. Berndt reminded commissioners these vacation rentals put a demand on the city's emergency services.

Legal Counsel confirmed through CA Ginsburg that the city has issued business licenses to those vacation rental owners in R1 and R2 that have come forward. She is concerned about revoking those business licenses. She agrees with regulating those that are in place and suggested a yearly reapplication process, putting a revocation process in place based on complaints, and/or limit of number in zones and creating a wait list. Current vacation rentals in R1 and R2 can be managed.

Comm. Thelen heard that the courts held up taking away a business license since they do not have a right to have a business in an area that is not allowed to accommodate the business. He adds that managing these at a higher level increased the workload of the city government. He suggested researching increasing revenue to the city through fees and penalties. CA Ginsburg advised the vacation rentals pay an annual business license fee and the TLT tax quarterly. Fee changes will have to be approved by City Council. Comm. Thelen asked if there is a way to limit where the owner lives. Legal Counsel Kudlac advised that she is not familiar with a restriction of where the owner lives and advised there are a lot of ways around such residency restrictions. She does not believe it would pass constitutional muster, but the city can require owners hire a local property manager or

local person to respond to emergencies and maintain the property, which would channel funds to the city.

He suggested involving the community to see what the community wants. Comm. Thelen suggested the discussing the difficult issue of capping the number of vacation rentals in town. Coos Bay capped the vacation rentals in town at 1 percent of housing units. Port Orford is now at 6 percent. Planner Shoji reminded that vacation rentals are not allowed in R1 and R2. The city either needs to put in city code this is an allowed use or to not allow the vacation rentals in R1 and R2.

Planner Shoji addressed there might be some additional tasks the city will be presented with such as inspections and site plan visits that will incur expenses. The expenses can be addressed by the commission. If a site plan review is performed, the city is into a planning application of some kind. These can be addressed through the planning commission or the administration. These issues have not been managed in the past.

Planner Shoji suggested defining the business, such as Airbnb, bed and breakfasts or vacation rentals and decide what is going to be allowed or regulated. Comm. Thelen reported Coos Bay created a category of "home stay," which is where somebody lives on part of the property and rents out part of their home. Home Stays are allowed in any zone in Coos Bay. He wonders if some of the 55 in Port Orford might include Home Stays. Planner Shoji advised that Home Stay is what started vacation rentals since Port Orford did not have any definitions. Home Stays usually involved food and then the Health Department is involved.

CA Ginsburg suggested putting together an application packet to address complaints and concerns. Comm. Berndt suggested the packet be followed by an ordinance or guidelines and definition within the year. She suggested giving the current vacation a year to comply with any amendments in the future. CA Ginsburg stated vacation rentals have to renew at the end of June, so putting something in place would be beneficial by that time. Legal Counsel Kudlac suggested parking limitations and occupancy limitations and other use limitations on the business license application. She stated that once the rules are in place, some current vacation rentals will not meet qualifications. Qualifications can be made regardless of land use zone.

Comm. Rinehold thinks requiring the owner to have a local address is beneficial, though difficult. She wonders if the current vacation rentals can be grandfathered in until regulations are in place and give a year for compliance. The current moratorium is in place for 12 months.

Legal Counsel advised that the City Council has to have a hearing for business license regulations but will not have to go through the process of an ordinance change. Once a use is allowed in certain zones but not permitted in other zones, such as vacation rentals in residential but no other businesses is allowed in residential could be a land use issue. The city will need to shore-up their code due to the vacation rentals in R1 and R2.

Comm. Berndt suggested a checklist as part of the process of issuing the business license. She feels it would be valuable to put a review process in place. She wonders about the value of an as-needed planning process consultant.

Comm. Thelen and Comm. Berndt volunteered to research a list of limitations on business licenses, which is appropriate due to lack of quorum. CA Ginsburg will look at information addressed by other jurisdictions regarding fees.

The public can be made aware of the topic via utility bills. The public can respond via correspondence to a survey, or a public meeting can be scheduled. By consensus, commissioners agree to sending out a survey to the public. A simple survey will be written by CA Ginsburg and Chair Nieraeth and presented next meeting. The survey can be sent with utility bills and posted on the City website.

7. Other Business.

a. Announcements and Communications:

- City Planner Comments: None.
- Planning Commission Comments:

Comm. Thelen expressed his appreciation to the community for attending the meeting.

8. Public Considerations:

Steve Lawton, local resident, appreciates the Planning Commission's concern for fairness, but he wanted them to understand it is a billion-dollar industry. He is concerned about the equity to the citizens. Noncompliant businesses have been allowed in residential neighborhoods in the community, and he wonders where the commissioners are considering residents who live in the residential zones and their livability. He wonders if the Commission is going to allow the noncompliant businesses to exist in residential areas. He hopes commissioners consider the residents and not always worry about the out-of-state investors.

Sara Lovendahl reported she was struck by the fact that the vacation rentals are illegal at this time in the residential neighborhoods. She thinks it would behoove the Commission to hear from more of the citizens in the residential neighborhoods. She suggested ways to address the issue.

Ann Vileisis echoed things Steve and Sara already stated. She thinks the fact that there are illegal businesses in the residential neighborhoods is huge. She reminded that the city council asked for restrictions in residential zones. She felt affordable housing is the most important

thing to address, and the number of vacation rentals allowed is crucial in addressing the affordable housing issue. She suggested more work needs to be done.

9. Adjourn:

**Chair Nieraeth adjourned the February 1, 2021, meeting at 5:16 p.m.**