

City of Hood River
Planning Commission
Public Meeting
February 29, 2016

City Council Chambers
211 Second Street
Hood River, OR 97031

PRESENT: Chair Nathan DeVol, Nikki Hollatz, Bill Irving, Casey Weeks, Victor Pavlenko, Jodie Gates, Will Smith

ABSENT: n/a

STAFF: City Manager Steve Wheeler, Planning Director Cindy Walbridge, Senior Planner Kevin Liburdy

OTHER: Cathy Corliss, Consultant with Angelo Planning explained the proposed Title17 Code Amendments: Short Tern Rental Housing

MINUTES

I. CALL TO ORDER – Chair DeVol at 5:35 p.m.

II: PLANNING DIRECTOR’S UPDATE:

Copies of the proposed STR regulations were distributed.

Cindy Walbridge introduced the new Associate Planner, Jennifer Kaden.

III: PUBLIC HEARING: File 2016-02: To add definition and limitations on vacation home rentals, hosted home shares and any other transient rentals along with updated definitions on other residential housing types in the Hood River Municipal Code under 17.01.060 Definitions, and amend 17.030.010 Urban Low Density Residential Zone; 17.03.020 Urban Standard Density Residential Zone; 17.03.030 Urban High Density Residential Zone; 17.03.040 Office/Residential Zone; 17.03.050 General Commercial Zone designating where residential uses (to include vacation home rentals and hosted home shares) are allowed; and adding 17.04.105 Hosted Home Shares; 17.04.115 Vacation Home Rentals; and amending 17.23 Accessory Dwelling Units (ADU).

Chair DeVol opened the public hearing.

STAFF REPORT

Steve Wheeler, City Manager: Stated that he recognizes this matter as an important community concern. In Hood River it has been easy to perform short term rentals by paying

transient room tax. We are talking about an approach with more regulations, licensing, etc. We recognize it's new and different in Hood River, but it's not new in different in other cities in Oregon and the country. We have a starting point but it's unlikely to be the finishing point in terms of recommendations. The challenge is to listen, be respectful, think and come up with recommendations that work for Hood River, that are manageable and functional. It is hard to please everyone but I anticipate a good dialogue and good recommendations.

Planning Director Cindy Walbridge explained her job is to determine if a code change complies with the city's comprehensive plan. City has been incorporating reports into the comprehensive plan for 15 years including a vision document in 2005, 1995, an economic opportunities analysis in 2011 and a housing needs analysis in September of 2015. These plans explain what we want Hood River to look like in the future.

The Housing Needs Analysis recognizes that it will be difficult to expand the Urban Growth Boundary. There are numerous reasons the City may not have enough land to accommodate expected growth such as if the population grows faster, or if short-term rentals (STRs) grow at a faster rate, or if some land remains in agricultural use. The addition of about 220-250 STRs could use up the remaining vacant land.

The city council approved three housing strategies. The first is to consider land use efficiencies including infill, density. But, before considering density, council asked us to look at strategy 2, regulating STRs, so that they don't use up new potential density. The third strategy is development of affordable housing.

Council formalized their direction on STRs on November 16, 2015 expressing concern about STRs reducing the number of available year round housing units. Direction was to allow whole home vacation rentals in residential zones with a cap, allow hosted homeshares in residential zones without a cap, allow vacation rentals in commercial zones with a cap, and limit clustering and density of vacation homes with a distance requirement. City hired a consultant to draft code based on council's direction.

I compared the proposal to existing policies in the comprehensive plan, and there are many policies that support limitation of STRs as addressed in the staff report. Businesses that offer long-term wages and benefits are the priority. Employers depend on the city to having housing in place for employees. So, how are STRs affecting available land? There is a trend in many industries that they are being affected because employees can't find housing.

Other policies address the need to develop affordable housing and to improve efficiency of land use.

The code was written based on existing policies. There are many different opinions and questions about justification of the proposal, but it is supported by existing comprehensive plan policies.

Cathy Corliss, Angelo Planning Group: explained the proposed regulations.

PUBLIC TESTIMONY

Chair DeVol outlined the parameters for public testimony and invited the public to speak.

Arthur Babitz, Hood River: spoke about the purpose and function of residential lands, referred to the City's Comprehensive Plan Goals, short term rentals result in annual net loss.

Susan Crowley, Hood River: Secretary of Livable Hood River, nonprofit neighborhood group: proposed the "Portland Plan" - owner occupied short-term rentals in residential zones.

Jon Kelter Gehrig, Hood River: He spoke about the short-term rentals incredible growth, current home values, large percentage of short-term rental owners are from outside the county.

Bill Kabeiseman, Attorney from Portland; represents Lovable Hood River, an organization for rental property owners, managers and users. He stated his clients are concerned they have not been involved in the short-term rental process. Suggested we need to take the time to do it right and short term rentals are a very small piece to affordability.

A.J. Kitt, Hood River: he said to consider the source of facts that we are using to make these recommendations. He feels part of this proposal is beneficial to the City and is something we should do; although he did have some concerns about specific proposals.

Ahmad Ziada, Hood River: spoke about the difficulty to find a home to buy or a long-term rental; affordability not an issue for him, it is availability. His employees are having the same problem or others cannot find affordable housing. Therefore, it is causing employees to quit their jobs and leave this area.

Bear Trotebas, Hood River: he is a full time resident and rents out one bedroom in his house. He stated some people prefer to stay in a home than a hotel, it is good for retail and he has no problems with his neighbors.

Liz Terhaar, Hood River: stated she is having difficulty finding a house to buy in her price range. She supports Livable Hood River, the "Portland Plan".

Tina Lassen, Hood River: spoke about how vacation rentals affect Hood River resident's ability to buy or rent a home. She supports the Livable Hood River proposal. Regarding tourism, she said we have a very robust tourism industry that is not dependent on vacation rentals.

McKenna Walbridge, Hood River: she shared her rental experience; she and several other roommates were renting a home and then had to move because it became a short-term rental. She expressed the difficulties for young people living on lower wages to find affordable housing here.

Laurie Balmuth, Hood River: stated if we could make all short-term rentals be full time rentals, our problem would be solved, but does not think we can do that. Short-term rentals are a worldwide situation; people want to invest in real estate. She does think it is important to regulate them.

Woody Orlickas, Hood River: stated for the record the proposals presented need to be reconsidered with care, as they are too draconian as is.

Jacqui Bishop, Hood River: stated that short-term rentals helped her make the decision to buy a house because she could rent it out for income if needed or become part of her retirement. She would like all existing vacation rentals grandfathered in perpetuity, freeze on others.

Joe Sheahan, Hood River: talked about the need for housing for residents, availability is an issue and supports the "Portland Plan".

Mike McCarthy, Parkdale: stated adequate enforcement needed for short-term rentals, but not by neighbors. Opposed to short-term rentals in a residential zone.

Daniel McNerthney, Portland: owns a second home in Hood River, it has been a short-term rental since 2014. He supports short-term rentals. West side should be allowed to have short-term rentals.

Tina McNerthney, Portland: owns a second home in Hood River, it has been a short-term rental since 2014. Short-term rental allows them to occupy their home on occasions, unlike a long-term rental. They employ local residents to maintain their home. Eliminating short-term rentals on the Westside is discriminatory and is opposed to the lottery system.

Mike Jacoby, Hood River: wants the choice to do either short-term or long-term renting with his home, not supportive of the proposal.

Grant Polson, Hood River: owns Vagabond Hotel and vacation rentals. Asked the question: are short-term rentals businesses? According to the TRT certificate, short term rentals can be considered hotels, therefore; should abide by the same rules.

Elizabeth Taylor, Hood River: manages approximately 75 vacation homes. Short-term rentals provide temporary housing for tourist and residents in need. Suggest we take a closer look at the effect of the proposed changes. Do not discriminate against short-term rentals.

Sandra Bishop, Eugene: consultant for HR Vacation Rentals. Suggests the City get the Livable and Lovable organizations together to discuss these proposals.

Lesley Lamb, Hood River: manages vacation rentals. Also suggests getting together to discuss the proposals. The 5 year grandfather proposal not practical and re-consider the 250 feet spacing. Stated the short-term rental owners use their homes all the time.

Pat Barnhart, Hood River: owns a duplex as a long-term rental. Opposes these proposals. Affordable housing is a huge problem, very complex.

Heather Staten, Hood River: asked the question: what is a residential zone? It is where people live on a long-term basis. Short-term renters are not neighbors; they only bring money to the community. They do not enrich us like real neighbors and residents do.

Jurgen Hess, Hood River: stated the short-term rental users and owners are not here to help with community issues. Supports keeping the current level of short-term rentals. These proposals will not affect tourism; pointed out there will be a new hotel on the waterfront.

Ron Montague, Mukilteo, WA: bought a second home in 2005, used as a short-term rental. Points out all the expenses and is not as profitable as lead to believe.

Ray Abanto, Hood River: works for a vacation rental agency. Says short-term rentals bring money to the community, he promotes local businesses to the renters. Supports Lovable Hood River organization.

Jess Gehrig, Hood River: has short-term rentals in her neighborhood that are causing issues. They are promoted to house up to 14 people, with that comes many cars, trash and more people in a dense neighborhood. Feels residential neighborhoods should be residential only; short-term rentals are businesses.

Justinian Taylor, Hood River: owns a short-term rental. Opposes the City's proposal. Says Hood River has always been hard to make a living or find housing. Short-term rentals provide many jobs in the community and housing for company's employees.

Lewis Taylor, Hood River: high school student. Feels the problem is limited housing, taking away short-term rentals is not a good solution. Supports short-term rentals.

Sharon Guidera, Hood River: owns a long-term duplex rental. Opposes the City's proposals. Feels the consequences will harm the long term affordability for housing and will have an adverse effect on our long term economic health.

Rob Guidera, Hood River: suggests we work with the existing regulations as opposed to coming up with new ones.

David Michalec, Hood River: suggests we do what is right for the community, rather than protecting someone's investment.

Aaron Baumhackl, Hood River: owner of Soltice restaurant. Spoke about the difficulty in finding affordable housing here for himself, staff and friends. Says his business thrives on short-term rentals.

Kim Pulido, Hood River: owns rentals, long and short-term. States we need to accept that Hood River has become a tourist town. Supplements income from her rentals. Believes short-term rentals are the way of the future for homeowner's that want to protect their investment and property. From her experience, short-term renters have treated her property better than long-term renters.

John Herron, Hood River: real issue is affordable housing. Restricting use of homes could generate worse affects. Price of homes for sale or rent are too high for work force population. Ordinance should affect everybody equally. Need to expand the Urban Growth Boundary.

Avi Cohn, Hood River: short-term rentals are profitable, why limit them? Issue is limited land, restricting short-term rentals will not solve the problem, need high-density housing.

Ralph Kemptner, Vancouver, WA: owner of a short-term rental in Hood River. Stated that long-term renters can cause problems too. Short-term renters prefer a house to a hotel. Short-term rentals and tourism are valuable assets to the community.

Russ Gibbs, Hood River: stated the problem is affordable housing. Restricting short-term rentals may put more of them under the radar. Vacation rentals will be over capacity, creating a parking issue. Urges Council to look at other solutions other than restricting short-term rentals.

Dana Pricher, Hood River: agreed that short-term rentals should be licensed and taxed. Agreed with future short-term rental limits, but allow current ones to continue to operate. West-end exclusions are unfair, suggests changes to ADU laws.

Kathy Carlson, Hood River: feels these new rules will not create more places to live. Unfair to change short-term rentals rules. Should be able to use your house for short-term rental.

Kurt Buddendeck, Hood River: stated short-term rentals not key to tourism. Not against short-term rentals, issue is shortage of long-term rentals.

Alex Evans, Hood River: grew up in Hood River, owns a business here. Do we want Hood River to be a tourist town that becomes too expensive for most of us to live, like Vail? Does the market need to dictate what happens to the town, or can we take another approach? There is more at stake than how much money we are earning. Respects property owners but supports actions to make it easier for people to live in Hood River rather than for vacationing.

Brian Towey, Hood River: noted that the housing study acknowledges that data is not complete or accurate for STRs, and that is troubling. Within 250 feet of my home there are six dark homes used only occasionally by the owners, and another handful that are vacation rentals. Vacation home separation rule may force some to sell to second-home owners resulting in more dark homes. There are three housing strategies. Strategy 2 was about registering and tracking STRs to help make good decisions. Don't ignore strategies 1 and 3. The technical advisory committee for the housing study did not give priority to STR regulations. If we value affordable housing, let's build it.

Jason Wang, Hood River: thanks to the city for taking on this issue. Resident since 1993, at a crossroads. Who are my neighbors? Consider the livability, not the money. The tourists will still come.

Garrett Apland, Hood River: teacher on special assignment for the school district, currently renting, would like to stay here long term but may not be possible. Consider the impact and density of STRs. Much of the testimony tonight describes STRs as businesses, which should be operating in a commercial zone. Supports Livable Hood River proposal.

Steve Leslie, Hood River: owns a short-term rental. Stated that businesses profit from short-term rentals. Vacation homes are not a great investment and they do not need to be regulated.

Peg Leslie, Hood River: owns a luxury vacation home with year round guests. Managing the rental is her full time job. Opposes the 5- year amortization period.

Susan Froelich for Brian Carlstrom, Hood River: short-term rentals converted to long-term rentals will not solve the problem of affordable housing. Need to build more affordable housing. Short-term rentals bring money to the community.

Susan Froelich, Hood River: stated her house was destroyed when it was a long-term rental, but not when it was a short-term rental. Affordable housing situation is a different issue than short-term rentals. Need to build more affordable housing. How are the proposed changes going to be enforced?

James Lambardo, Hood River: said not everybody can afford to live here; need better wages. Build smaller homes on smaller lots. Housing problem is not the short-term rentals, it is availability.

Aaron Tersteeg, Portland: purchased home to eventually live here, used as a short-term rental to support their dream. Opposes any drastic changes to the code, but supports taxes. Tourism is very important.

Polly Wood, Hood River: stated if we compromise the land use laws, it will eventually cause sprawl. There is room for short-term rentals for supplemental income.

Jay Senior, Seattle, WA: purchased home to eventually retire here, used as a short-term rental to finance it. Uses local businesses to manage and maintain it.

Mike Schaffer, Camas, WA: purchased home mostly for their use, used as short-term rental to finance it. Not against short-term rental regulations, but it will not solve the housing problem. If short-term rentals are not allowed, their house will go dark.

Chairman DeVol closed oral testimony and continued the hearing to March 21, 2016 at 5:30 p.m. Planning commission will continue to accept written testimony until 5:00 p.m. on March 16, 2016. Please submit written comments as soon as possible in order to give the commissioners adequate time to review all testimony.

IV: ADJOURN: 9:00 p.m.

ATTEST:

Nathan DeVol, Chair

Date

Cindy Walbridge, Planning Director

Date (Approved)

DRAFT