

## CHAPTER 5.10 SHORT-TERM RENTAL OPERATING LICENSE

Legislative History: *Ord. 2028 (2016)*

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5.10.010 Title. The provisions of this chapter are intended to authorize and regulate the short-term rental of residential dwelling units on all property within the City of Hood River. To that purpose, there is added to the Hood River Municipal Code Chapter 5.10 entitled "Short-Term Rental Operating License," and those sections and subsections set forth below.

5.10.020 Purpose and Scope.

A. This ordinance provides reasonable and necessary regulations for the licensing of short-term rental of residential dwelling units in order to:

1. Ensure the safety, welfare and convenience of renters, owners and neighboring property owners throughout Hood River.
2. Balance the legitimate livability concerns with the rights of property owners to use their property as they choose.
3. Recognize the need to limit short-term rental options within the neighborhoods to ensure compatibility, while recognizing the benefits of short-term rentals in providing recreation and employment opportunities, as well as transitional housing and business or hospital related short stays.
4. Help maintain the City's needed housing supply for residential use.
5. Protect the character of the City's neighborhoods by limiting the number and concentration of full-time short-term rentals in residential zones. In the adoption of these regulations, the City finds that the transient rental of dwelling units has the potential to be incompatible with surrounding residential uses. Therefore, special regulation of dwellings listed for transient occupancy is necessary to ensure that these uses will be compatible with surrounding residential uses and will not materially alter the neighborhoods in which they are located.

B. A short-term rental license is a permission to operate a short-term rental in accordance with this chapter. An operating license may be terminated or revoked if the standards of this chapter are not met or the dwelling is sold or otherwise transferred as defined in this chapter. This chapter provides an administrative framework for licensing the annual operation of a short-term rental.

C. The regulations of this code are not intended to permit any violation of the provisions of any other law or regulation.

D. Exemption of a use from the provisions of this chapter shall not exempt the use from other applicable provisions of this Code.

#### 5.07.030 Definitions.

A. Applicant(s) means an owner(s) of a dwelling unit who applies to the City for a short-term rental operating license.

B. Authorized agent is a property management company or other entity or person who has been designated by the applicant or licensee, in writing, to act on their behalf. The authorized agent may or may not be the designated representative for purposes of contact for complaints.

C. City Manager means the City Manager or his or her designee.

D. Hosted homeshare means the transient rental of a portion of a dwelling while the homeowner is present. For the purposes of this Title, “present” means the homeowner is staying in the dwelling overnight.

E. Licensee means the owner(s) of a dwelling unit who holds a short-term rental operating license.

F. Non-transient rental means to rent a dwelling unit or room(s) for compensation on a month-to-month basis, or for a longer period.

G. Owner(s) means the natural person(s) or legal entity that owns and holds legal or equitable title to the property. If the owner is a business entity such as a partnership, corporation, limited liability company, limited partnership, limited liability partnership or similar entity, all persons who own an interest in that business entity may be considered an owner.

H. Short-term rental means a Hosted Homeshare or Vacation Home Rental.

I. Short-term rental operating license means the regulatory license required by HRMC 5.10.030 and described in this chapter. It will be referenced as an “operating license.”

J. Transfer means the addition or substitution of owners not included on the original license application, whether or not there is consideration. If multiple owners exist on a license, individual owners may be removed from the license without constituting a transfer.

K. Transient rental means to rent a dwelling unit or room(s) for compensation on less than a month-to-month basis.

L. Vacation home rental means the transient rental of an entire dwelling unit.

M. Daytime means between the hours of 7:00am to 10:00pm

N. Overnight means between the hours of 10:00 pm to 7:00 am the following day

5.10.040 Annual Short-Term Rental Operating License Required. No owner of property within the Hood River City limits may advertise, offer, operate, rent, or otherwise make available or allow any other person to make available for occupancy or use a short-term rental without a short-term rental operating license. Advertise or offer includes through any media, whether written, electronic, web-based, digital, mobile or otherwise.

5.10.050 Application and Fee.

A. Application Required. Applications for an operating license shall be on forms provided by the City, demonstrating the application meets the standards required by this chapter. The applicant or authorized agent shall certify the following information to be true and correct:

1. Owner/Applicant Information. Applicant's name, permanent residence address, telephone number, and the short-term rental address and telephone number.
2. Proof of Residential Use (for conforming short-term rentals within the R-1, R-2 or R-3 zones only). The residential use of a dwelling unit shall be established through its continued use as the primary residence of the property owner. The applicant shall provide at least two of the following items as evidence that the dwelling is the primary residence of the owner:
  - A copy of the voter registration.
  - A copy of an Oregon Driver's License or Identification Card.
  - A copy of federal income tax return from last tax year (page 1 only financial data should be redacted).
3. Representative Information. The applicant shall provide the name, telephone number, address and email of a local representative (which can be a person or company) who can be contacted concerning use of the property or complaints related to the short-term rental, as set forth in HRMC 5.10.080. For the purposes of this requirement, local means the representative's address is within a 30 minute travel time of the subject property.
4. Parking. Statement that required parking spaces are available, with a dated photo(s) submitted of interior and exterior parking spaces. A site plan including a parking diagram of these parking spaces shall also be submitted.
5. Occupancy. Occupancy limits and number of bedrooms.
6. Good Neighbor Guidelines. Acknowledgment of receipt and review of a copy of the City's good neighbor guidelines. In addition, evidence that the City's good neighbor guidelines has been effectively relayed to short-term rental tenants, by incorporating it into the rental contract, including it in the rental booklet, posting it online, providing it in a conspicuous place in the dwelling unit, or a similar method.

7. Listing Number. If they advertise, the listing numbers or website addresses of where the short-term rental advertises (such as the VRBO/Airbnb/rental website number, account number, URL, etc.).

8. A completed checklist for fire safety as required by HRMC 5.10.080.C.2.

9. Proof of garbage service as required by HRMC 5.10.080.C.3.

10. Such other information as the City Manager or designee deems reasonably necessary to administer this chapter.

B. Incomplete Application. If a license application does not include all required materials, the application will be considered incomplete and the City will notify the applicant, in writing, explaining the information required. If the applicant provides the missing required information within 30 calendar days of the date of the notice, the application will be reviewed. If the applicant does not provide the required information, the application will be deemed withdrawn and the City may refund all or a portion of the application fee.

C. License Fee. The fee for application for a short-term rental operating license or license renewal shall be as established by resolution of the City Council.

5.10.060 Term of Annual License and Transferability.

A. Term. A short-term rental operating license shall be renewable annually on or before January 15th, the license may be renewed annually for up to four years by the licensee or authorized agent provided all applicable standards of this chapter are met. If an authorized agent changes during the operating license period, the licensee shall timely notify the City in writing of the change.

B. Transferability. The operating license shall be issued in the name of the licensee(s) and is not transferable.

5.10.070 Operating License and License Renewal.

A. License Must Be Obtained.

1. An operating license shall be obtained and renewed as required in this section. The permission to operate a short-term rental in the City of Hood River shall be revoked for failure to obtain or renew a license to operate as provided in this chapter.

2. The maximum number of nights per year which a short-term rental may be operated shall be in accordance with HRMC 17.04.115 and as specified below. The license shall specify whether the short-term rental will be operated as a hosted homeshare or a vacation home rental; however, the number of nights allowed is the maximum number for all short-term rental use of the subject property. The maximum number of nights shall be indicated on the license and shall not be exceeded.

Short-term rentals in C-1 and C-2 zones:	365 nights /year
Conforming short-term rentals in R-1, R-2 and R-3 zones:	90 nights /year
Existing non-conforming short-term rentals in R-1, R-2 and R-3 zones:	See HRMC 5.10.070.A.3

3. Existing Nonconforming Short-term Rentals within the R-1, R-2 and R-3 zones. For the purposes of this section, an existing non-conforming short-term rental is one which meets all of the standards and criteria in HRMC 17.04.115.D. The extent of the non-conformity shall be limited to the maximum number of nights of transient rental which previously occurred in any one calendar year, 2013 through October 13<sup>th</sup>, 2016. The applicant has the burden of proving by a preponderance of credible evidence all of the elements of a nonconforming hosted homeshare or vacation home rental.

B. Application and Renewal Application Process.

1. Existing Short-term Rentals. Existing short-term rentals may continue to operate until such time as the City has approved or denied the application. If approved, the license may be renewed annually thereafter in accordance with subsection C, below. If denied, operation of the short-term rental must cease within 30 days. Failure to submit an application as required by this section shall result in the loss of all non-conforming use status.

2. New Short-term Rentals. A license shall be obtained before beginning operations. A completed operating license application and fee may be submitted and issued at any time. The license may be renewed annually thereafter in accordance with subsection C, below.

C. Renewal Standards.

1. Operating licenses may be renewed by the licensee annually for up to four years after the year of issuance.

2. The City will review an application for operating license renewal and issue a renewal provided all the standards in this chapter continue to be met. If not met, the City will not renew the operating license and the property shall not be used as a short-term rental.

D. A decision on an operating license application or renewal may be appealed as provided in HRMC 5.10.120.

5.10.080 Criteria for Approval of an Operating License and Operating License Renewal.

A. The applicant has the burden of proof to demonstrate compliance with each applicable criterion for approval or renewal of the operating license. The approval criteria also operate as continuing code compliance obligations of the owner. Staff may verify evidence submitted and the applicant shall cooperate fully in any investigation.

B. To receive approval, an applicant must demonstrate that all approval criteria listed below has been satisfied:

1. Zoning. The property is in compliance with requirements of HRMC Title 17 (Zoning).

2. Contact Information. The applicant or authorized agent has provided information sufficient to verify a qualified person will be available to be contacted about use of the short-term rental during and after business hours. The licensee or representative shall be available to be contacted by telephone to ensure a response to the short-term rental address at all hours (24 hours a day, seven days a week) while the dwelling unit is occupied for rent. Response must be within 30 minutes. The designated

representative may be changed from time to time throughout the term of the license. To do so, the license information shall be revised with the City at least 14 days prior to the date the change takes effect, except when the failure to do so is beyond the licensee's control. In an emergency or absence, contact forwarding information to a qualified person may be provided for the licensee or representative. In the case of Hosted Homeshares, the contact person shall be the permanent resident who will be hosting the transient accommodations.

3. Notice to Neighbors. For Vacation Home Rentals, the licensee or authorized agent shall either: (a) provide an annual mailing or otherwise distribute by hand, a flier to neighbors within a 250-foot radius of the short-term rental property address containing the operating license number and owner or representative contact information, or (b) post a small placard or sign as specified by the City on the property in proximity to the adjacent street advising neighbors and tenants of the same information where it can be seen from the public right-of-way.

The purpose of this notice is so that adjacent property owners and residents can contact a responsible person to report and request resolution of problems associated with the operation of the short-term rental. If the permanent contact information changes during the license period, the new information must be mailed or distributed again, or changed on the placard or sign.

#### C. Health and Safety.

1. Responsibility. It is the licensee's responsibility to assure that the short-term rental is and remains in substantial compliance with all applicable codes regarding fire, building and safety, health and safety, and other relevant laws.

2. Fire and Emergency Safety. A completed checklist for fire safety (fire extinguishers, smoke alarms, carbon monoxide detectors, etc.) shall be required with each annual operating license application and renewal. The licensee shall be responsible for completing the fire safety checklist and ensuring continued compliance. Verification by the City shall be required prior to issuance of a license and may be required for each renewal at the City Manager's discretion.

3. Solid Waste Collection – minimum service requirements. During all months that the dwelling is available for transient accommodation, Vacation Home Rentals shall have weekly solid waste collection service with assisted pick-up provided by the solid waste provider, if available. For the purposes of this section, assisted pick-up means the collection driver retrieves the cart from the driveway, rolls it out for service, and then places it back in its original location.

D. Mandatory Postings. The short-term rental license issued by the City (or a copy thereof) shall be displayed in a prominent location within the interior of the dwelling adjacent to the front door. The license will contain the following information:

1. A number or other identifying mark unique to the short-term rental operating license which indicates the license is issued by the City of Hood River, with the date of expiration;
2. The name of the licensee or representative and a telephone number where the licensee or representative may be contacted;
3. The number of approved parking spaces;
4. The maximum occupancy permitted for the short-term rental;
5. Any required information and conditions specific to the operating license;
6. Day of week of trash pickup;
7. The property address; and

8. The City of Hood River official logo.

E. The licensee shall be in compliance with the Hotel Tax Code pursuant to HRMC Chapter 5.09, and subject to the Tax Administrator's authority under that chapter.

F. Parking.

1. One (1) hard surfaced off-street parking space shall be provided for every two bedrooms. In calculating the number of spaces required, the total shall be rounded up. Parking areas shall not be located in the front yard. If the garage is to be utilized to meet the parking requirement, a photo of the interior of the garage shall be submitted to show the garage is available for parking. Required parking may be permitted on another lot within 250 feet of the subject property with a shared parking agreement or proof of legal parking access.

2. A parking diagram of the approved parking spaces shall be provided to tenants and be available in a prominent location within the short-term rental dwelling.

5.10.090 Additional Operational Requirements.

A. Advertising and License Number. The licensee or authorized agent shall put the annual operating license number on all advertisements for the specific property, if legally possible.

B. Complaints.

1. Response to Complaints. The licensee or representative shall respond to neighborhood questions, concerns, or complaints in a reasonably timely manner depending on the circumstances.

2. Record of Response. The licensee or representative shall maintain a record of complaints and the actions taken in response to the complaint, if relevant, in an electronic or written manner deemed reasonable to document the interaction. If kept, this record can then be made available for City inspection upon request to investigate a complaint.

C. Inspection. Upon application for an operating license all short-term rentals shall be subject to inspection by the City for compliance with this section.

1. The City Manager may conduct a site visit upon an application for a short-term rental to confirm the number of bedrooms (as defined by the International Building Code) stated on the application and the number, location and availability of on-site parking spaces. The site visit will be coordinated with the applicant and be conducted during the City's normal business hours, and with reasonable notice.

2. The City Manager may visit and inspect the site of a short-term rental to ensure compliance with all applicable regulations, during the City's normal business hours, and with reasonable notice and other procedural safeguards as necessary. Code violations shall be processed in accordance with HRMC Title 1.

D. Specific Prohibitions. The following activities are prohibited on the premises of a Short-term Rental during periods of transient rental:

1. Events. Examples of events include, but are not limited to, company retreats, weddings, rehearsal dinners, etc.

2. Unattended barking dogs.
3. Activities that exceed noise limitations set by HRMC Title 8.09.

E. The maximum overnight occupancy for the dwelling shall be limited to two persons per bedroom (as defined by the International Building Code) and two additional persons (e.g., a two-bedroom dwelling is permitted a maximum overnight occupancy of six persons). The maximum daytime occupancy shall be limited to the overnight occupancy plus six additional persons (e.g., a two-bedroom dwelling is permitted a maximum daytime occupancy of twelve).

F. Administrative Rules. The City Manager shall have the authority to establish administrative rules and regulations consistent with the provisions of this chapter for the purpose of interpreting, clarifying, carrying out, furthering, and enforcing the provisions of this chapter. A copy of such administrative rules and regulations shall be on file in the Office of the City Recorder and be posted on the City website.

#### 5.10.100 Violations.

In addition to complaints related to nuisance and noise and other violations of the HRMC, the following conduct also constitutes a violation of this chapter and is a civil infraction:

- A. The discovery of material misstatements or providing of false information in the application or renewal process.
- B. Representing a dwelling as available for occupancy or rent as a short-term rental where the owner does not hold a valid operating license issued under this chapter, or making a short-term rental available for use, occupancy or rent without first obtaining a valid operating license.
- C. Advertising or renting a short-term rental in a manner that does not comply with the standards of this chapter.
- D. Failure to comply with the substantive standards of HRMC 5.10.080 and HRMC 5.10.090.

#### 5.10.110 Penalties.

- A. In addition to the fines and revocation procedures described below, any person or owner who uses, or allows the use of, or advertises, property in violation of this chapter is subject to the enforcement authority of HRMC Title 1.
- B. Each twenty-four hour period in which a dwelling is used, or advertised, in violation of this chapter or any other chapter of the HRMC shall be considered an occurrence for calculation of the following fines:
  1. The first occurrence of one or more violation(s) will incur a warning or other fine amount otherwise specified in HRMC, whichever is greater.

2. A second occurrence of one or more violation(s) within a 12-month period is subject to a \$250 fine or other fine amount otherwise specified in HRMC, whichever is greater.

3. A third occurrence and all subsequent occurrences of violation(s) within a 12-month period is subject to a \$500 fine or other fine amount otherwise specified in HRMC, whichever is greater.

C. Revocation. The following actions are grounds for immediate revocation of an operating license:

1. Failure to renew an operating license as set forth in HRMC 5.10.070 while continuing to operate a short-term rental.

2. The occurrence of three or more violations within a 12-month period resulting in fines pursuant to 5.10.110.B3.

3. The discovery of material misstatements or providing of false information in the application or renewal process is grounds for immediate revocation of the operating license.

4. Such other violations of this chapter of sufficient severity in the reasonable judgment of the City Manager, so as to provide reasonable grounds for immediate revocation of the operating license.

D. Notice of Decision/Appeal/Stay. If the operating license is revoked as provided in this section, the City Manager shall send written notice of revocation to the licensee stating the basis for the decision. The notice shall include information about the right to appeal the decision and the procedure for filing an appeal. The licensee may appeal the City Manager's decision to revoke the operating license under the procedures set forth in HRMC 5.10.120. Upon receipt of an appeal, the City Manager shall stay the revocation decision until the appeal has been finally determined by the Hearing Officer.

#### 5.10.120 Appeals of Short-term Rental Operating License Determinations.

A. Filing Requirements – Notice. The licensee or authorized agent may appeal a short-term rental operating license decision to deny or revoke an operating license under HRMC 5.10.100.

B. Authority to Decide Appeal. The Hearings Officer shall be responsible for determining an appeal of a decision approving or denying an application or renewal application for an operating license, or revoking or suspending an operating license, in any zone.

C. Time for Filing. An appellant is required to file a written notice of appeal including the basis for the appeal within 14 calendar days of the license determination being appealed. This requirement is jurisdictional and late filings shall not be allowed.

D. Fee for Appeal. The City Council may establish by resolution a fee for filing an appeal, which shall be jurisdictional.

E. Procedures. The City Manager may establish administrative procedures to implement the appeal procedures provided in this section, including any required forms. The Council may adopt procedures for hearings not in conflict with this section, including but not limited to time limits on oral testimony and limitations on written argument.

F. Hearing. Within 35 days of receiving the notice of appeal, the City Manager shall schedule a hearing on the appeal before the Hearings Officer. At the hearing, the appellant shall have the opportunity to present evidence and arguments as may be relevant. The Hearings Officer may direct the City Attorney to draft findings of fact and interpretations of code or law to be considered at a later meeting.

G. Standard of Review and Decision. The Hearings Officer shall determine whether the City's decision was based on a preponderance of the evidence. A decision of the Hearings Officer shall be based on the evidence received, in writing and signed by the chair, no later than 30 days after the close of the hearing. The Hearings Officer may determine not to suspend or revoke the license, or to revoke or suspend the license. If the Hearings Officer upholds the decision to revoke the operating license, the Hearings Officer shall order the licensee to discontinue use as a short-term rental. If the Hearings Officer reverses the decision to revoke the operating license, the operating license shall be continued.

H. Finality. The Hearings Officer's decision shall be final on the date of mailing the decision to the appellant. The Hearings Officer's decision is the final decision of the City and is appealable only by writ of review to Circuit Court.

#### 5.10.130 Discontinuance of Short-term Rental Occupancy.

A. After Revocation. After a short-term rental operating license has been revoked, the dwelling unit may not be used or occupied as a short-term rental unless a subsequent license is granted, and the licensee whose license has been revoked shall not be eligible to reapply for a short-term rental license for short-term rental occupancy of the same property for a period of two years.

B. After Expiration. If a short-term rental operating license expires, the dwelling unit may not be used or occupied as a short-term rental until such time as a subsequent license has been granted for that property.

5.10.140 Remedies Not Exclusive.

The remedies provided in this chapter are in addition to, and not in lieu of, all other legal remedies, criminal and civil, which may be pursued by the City to address any violation of this code, the Development Code, or other public nuisance.