

Exhibit A

FINDINGS FOR ORDINANCE BILL NO. 5-17

AMENDMENTS TO THE SALEM REVISED ESTABLISHING DEVELOPMENT STANDARDS AND LICENING REQUIREMENTS FOR SHORT-TERM RENTALS AND ACCESSORY SHORT-TERM RENTALS AND ALLOWING SUCH USES IN THE RA, RS, RD, RM-I, RM-II, RH, CN, CO, FMU, PM, AND IG ZONES (CODE AMEDMENT CASE NO. CA17-01)

PROCEDURAL FINDINGS

1. Under SRC 300.1100, legislative land use proceedings include proposals to amend the City's land use regulations and involve the creation, revision, or implementation of broad public policy generally affecting a large number of individual properties. The final decision in a legislative land use proceeding is an ordinance enacted by City Council.
2. Pursuant to SRC 300.1110(a), legislative land use proceedings may be initiated by the City Council, Planning Commission, or staff. On February 7, 2017, staff requested the Planning Commission initiate the proposed amendments; the Planning Commission subsequently approved Resolution No. 17-04 initiating the proposed amendments pursuant to SRC 300.1110(a)(2).
3. ORS 197.610 and OAR 660-018-0020 require that notice be provided to the Department of Land Conservation and Development (DLCD) on any proposed amendment to a local land use regulation at least 35 days prior to the first public hearing. Required notice to the DLCD was submitted on January 30, 2017.
4. Notice of the public hearing before the Planning Commission was mailed and published in the newspaper as required under SRC 300.1110(e).
5. On March 7, 2017, the Planning Commission held a public hearing to receive public testimony and consider the proposed amendments. Subsequent to the close of the hearing the Planning Commission voted to recommend that the City Council accept first reading of an ordinance bill for the purpose of amending the code, as recommended by staff, with two additional revisions pertaining to:
 - The information that must be maintained by the short-term rental or accessory short-term rental operator in the required guest registry; and
 - The required inspection period for accessory short-term rentals.
6. On April 10, 2017, the City Council conducted first reading of the proposed ordinance bill (Ordinance Bill No. 5-17) to amend the Salem Revised Code and subsequently voted to schedule the proposed ordinance for an additional public hearing before the City Council.
7. Notice of the public hearing before the City Council was mailed and published in the newspaper as required under SRC 300.1110(e).
8. On May 8, 2017, the City Council held a public hearing to receive public comments and testimony on the proposed ordinance and subsequently voted to:

- Continue the public hearing to May 22, 2017, to allow for the submission of additional comments and testimony regarding the amendments and to allow staff to address issues and questions raised during the public hearing; and
 - Hold a separate work session preceding the continued public hearing on May 22, 2017.
9. On May 22, 2017, the City Council held a work session and the continued hearing on the amendments and, after receiving additional public testimony, voted to engross the ordinance and advance it to second reading for enactment with the following additional revisions:
- Require notice of approval of any license, or license renewal, for both short-term rentals and accessory short-term rentals to be provided to the neighborhood association. The notice will include the local representative contact information and a link to the City's website where the contact information is be available
 - Allow accessory short-term rentals within guest houses, provided the total number of guestrooms being rented on the property does not exceed a maximum of three.
 - Increase the maximum number of guestrooms that can be rented in an accessory short-term rental from two to three.
 - Limit the overall maximum number of guests allowed for accessory short-term rentals to 10 when the owner/resident is not present as host.

SUBSTANTIVE FINDINGS

SRC 110.085(b) establishes the following approval criteria which must be met in order for a code amendment to be approved:

- (1) The amendment is in the best interest of the public health, safety, and welfare of the City; and*
- (2) The amendment conforms with the Salem Area Comprehensive Plan, applicable Statewide Planning Goals, and applicable administrative rules adopted by the Department of Land Conservation and Development.*

Findings Addressing Approval Criteria

- (1) The amendment is in the best interest of the public health, safety, and welfare of the City.*

Finding: The proposed amendment is in the best interest of the public health, safety, and welfare of the City because it recognizes a form of short-term commercial lodging that has been made easier and more popular with the advent of home-sharing websites like Airbnb, FlipKey, HomeAway, and others. Rather than going through going through the time and expense of obtaining Conditional Use Permit approval in the RA, RS, and RD zones, property owners are choosing to instead rent their homes without the necessary approvals and without the benefit of any review or inspection for safety, or any limits on the operation of the rental. The proposed amendments address this issue by providing an easier path to operate small-scale short-term rentals legally in the City's RA, RS, and RD zones with less time, expense, and potential uncertainty than is associated with obtaining Conditional Use approval. By making the review and approval process easier, more property owners will hopefully choose to operate legally rather than illegally and running

the risk of enforcement and costly fines.

The proposed amendments help to promote health and safety by subjecting short-term rentals and accessory short-term rentals to licensing requirements and safety inspections, based on the requirements of the City's Housing Code (SRC Chapter 59). This ensures that any guest room or dwelling unit rented will be safe for occupancy by guests.

The proposed amendments help to promote the welfare of the City by requiring short-term rentals to pay their share of the transient occupancy tax (TOT), which in turn helps to establish greater equity in regulation of short-term rentals and traditional hotels, motels, and bed & breakfasts and increases the funds available to support programs that benefit the community and promote the City as destination to visit, which helps support the local economy.

The proposed amendments also help to strengthen the community by providing property owners an easier way to legally and safely make their homes, or guestrooms within their homes, available for rent on a short-term basis while also providing helpful supplemental income for owners which in some cases allows them to stay in their homes.

By making it easier to operate small-scale short-term rentals and retaining the Conditional Use approval process for larger-scale short-term rentals, and by establishing license and safety requirements for all short-term rentals, the proposed amendments will allow for greater compliance with the code, promote increased safety, increase TOT tax revenue, and afford property owners the flexibility to make their homes available for rent in a manner that does not impact the character of surrounding neighborhoods. All of these factors support the best interest of, and contribute to, the public health, safety, and welfare of the City.

(2) The amendment conforms with the Salem Area Comprehensive Plan, applicable Statewide Planning Goals, and applicable administrative rules adopted by the Department of Land Conservation and Development.

Finding: The Salem Area Comprehensive Plan (SACP) is the long-range plan for guiding development in the Salem urban area. The overall goal of the plan is to accommodate development in a timely, orderly, and efficient arrangement of land uses and public facilities and services that meet the needs of present and future residents of the Salem urban area.

Because the proposed amendment primarily revises the code to make it easier to operate small-scale short-term rentals in the RA, RS, and RD zones, the goals and policies of the Salem Area Comprehensive Plan for Residential Development are primarily applicable to the proposed amendment.

The proposed amendment has been reviewed for conformance with the applicable goals and policies.

Residential Development Goal: *To promote a variety of housing opportunities for all income levels and an adequate supply of developable land to support such housing. In meeting this goal, residential development shall:*

- a. Encourage the efficient use of developable residential land;*

- b. Provide housing opportunities for Salem's diverse population; and*
- c. Encourage residential development that maximizes investment in public services.*

The proposed amendment will not impact the variety of housing opportunities available to residents within the City or the supply of land to support such housing.

Within the RA, RS, and RD zones, the proposed amendments allow smaller-scale accessory short-term rentals as a Special Use. The special use standards applicable to accessory short-term rentals included under proposed SRC 700.006(a) specifically require accessory short-term rentals to be operated as an accessory use to a Single Family or Two Family use. In order to qualify as an accessory use, the accessory short-term rental must be operated by the resident family who lives in the dwelling unit.

Requiring accessory short-term rentals in the RA, RS, and RD zones to be operated by the owner or renter of the dwelling unit ensures that the primary use of the dwelling remains for residential, rather than short-term rental, purposes. Larger-scale short-term rentals, or those smaller-scale short-term rentals where the owner does not reside in the dwelling, will continue to require Conditional Use approval in the RA, RS, and RD zones as is currently required in these zones for bed & breakfasts. As such, the allowance of short-term rentals and accessory short-term rentals within the RA, RS, and RD zones will not affect residential housing supply in these zones beyond what is currently allowed.

In the City's multiple family residential zones (RM-I, RM-II, and RH), bed & breakfasts are currently allowed as an outright permitted use. Under the proposed amendment, bed & breakfasts within the multiple family zones are replaced by short-term rentals. The only principle differences between a bed & breakfast and a short-term rental is that a short-term rental does not require a morning meal and a short-term rental can be located in a single family dwelling unit and a condominium unit. Within the RM-I, RM-II, and RH zones, short-term rentals, like bed and breakfasts currently, will continue to be allowed as an outright permitted use in these zones. Because the proposed amendment does not make any significant changes in how short-term rentals are currently allowed in the RM-I, RM-II, and RH zones, the amendment will not affect residential housing supply in these zones beyond what is currently allowed.

Because the proposed amendment will not affect residential housing supply in residential zones beyond what is currently allowed under the code, the proposed amendment conforms to this comprehensive plan goal.

The proposed amendment was also reviewed for conformance with the applicable Statewide Planning Goals and administrative rules adopted by the Department of Land Conservation and Development. The following goals are applicable to the proposed amendment:

Goal 1 – Citizen Involvement: *To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.*

The proposed amendment conforms to this goal because the process associated with the adoption of the proposed amendment requires public notice and affords the public an opportunity to review, comment, and take part in the adoption process.

Goal 10 – Housing: *To provide for the housing needs of citizens of the state.*

As is identified in the findings establishing the proposed amendment's conformance with the residential development goal of the Salem Area Comprehensive Plan, the proposed amendment will not impact the City's residential housing supply beyond what is currently allowed.

Under the current code, bed and breakfasts are allowed as a Conditional Use in the RA, RS, and RD zones and a permitted use in the RM-I, RM-II, and RH zones. Under the proposed amendments, bed & breakfasts are replaced by short-term rentals and accessory short-term rentals. Within the multiple family zones, short-term rentals, like bed & breakfasts currently, will continue to be permitted uses. Within the RA, RS, and RD zones, accessory short-term rentals will be allowed as a permitted use and short-term rentals, like bed and breakfasts currently, will be allowed as a Conditional Use.

The most significant change included in the proposed amendments is the allowance accessory short-term rentals as a Special Use in the RA, RS, and RD zones. This change will not, however, result in any increase in impacts on the City's housing supply because in order to qualify as an accessory short-term rental in the RA, RS, and RD zones, the rental must be operated by a resident family who lives in the dwelling unit. Because the resident family must live there, the dwelling unit will retain its principal use as a residence rather than a short-term rental.