

CITY OF SALEM



585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 17-288

Version: 1

Date: 6/12/2017

Item #: 7.2b.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Lisa Anderson-Ogilvie, AICP,
Interim Community Development Director

SUBJECT:

Short-term rental development standards and licensing requirements

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Should the City Council engross Ordinance Bill No. 5-17, which amends the Salem Revised Code (SRC) to establish development standards and licensing requirements for short-term rentals and accessory short-term rentals and allowing those uses in certain zones, and conduct reading for enactment?

RECOMMENDATION:

Engross Ordinance Bill No. 5-17, which amends the SRC to establish development standards and licensing requirements for short-term rentals and accessory short-term rentals and allowing those uses in certain zones.

SUMMARY AND BACKGROUND:

On May 8, 2017, the City Council held a public hearing to consider amendments to the City's development code and licensing requirements for home-sharing and short-term rentals.

After receiving testimony at the May 8, 2017, public hearing, the City Council voted to continue the public hearing to May 22, 2017, to allow for the submission of additional testimony regarding the proposed amendments and allow staff to address issues and questions raised during the public hearing. In addition to continuing the hearing, the Council also voted to hold a work session in advance of the hearing on May 22, 2017.

On May 22, 2017, the City Council held a work session and continued hearing on the amendments and, after receiving additional testimony, voted to engross the ordinance and advance it to second reading for enactment with the following revisions:

- 1) 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 available
- 2) 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.
- 3) Increase the maximum number of guestrooms that can be rented in an accessory short-term rental from two to three.
- 4) Limit the overall maximum number of guests allowed for accessory short-term rentals to 10 when the owner/resident is not present as host.

FACTS AND FINDINGS:

The May 22, 2017, staff report identified areas where the proposed ordinance could be further revised to address issues raised during the public hearing process.

In response to public testimony received, and in consideration of the potential revisions identified by staff, the City Council voted to engross Ordinance Bill No. 5-17 and advance it to second reading for enactment.

Engrossed Ordinance

A summary of the proposed revisions included in the engrossed ordinance is provided below:

- 1) Notification to Neighborhood (SRC 30.1000(c) & SRC 30.1100(c)).**

Adds requirement that notice of license approval and renewal be provided to the neighborhood association and that the notice include the contact information for the operator's local representative, and a link to the City's website where the contact information is available.
- 2) Accessory Short-Term Rentals in Guest Houses/Guest Quarters (SRC 700.006(b) & SRC 111.005(c)).**

Removes the prohibition preventing accessory short-term rentals from being operated within guest houses/guest quarters and clarifies that guest houses/guest quarters may be used for accessory short-term rentals in addition to the main house.
- 3) Maximum Number of Guestrooms Allowed for Hosted Accessory Short-Term Rentals (SRC 700.006(d)(1)).**

Increases the maximum number of guest rooms that may be rented within an accessory short-term rental when the resident family is present as host from two to three.
- 4) Maximum Number of Guests Allowed for Non-Hosted Accessory Short-Term Rentals (SRC 700.006(e)(2)).**

Establishes a cap limiting the maximum overall number of guests within an accessory short-term rental when the resident family is not present as a host to 10.

Bryce Bishop
Planner II

Attachments:

1. Attachment 1 - Engrossed Ordinance Bill No. 3-17
2. Attachment 2 - Exhibit A to Ordinance Bill No. 3-17 (findings)