



Eugene City Council

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AMENDED AGENDA EUGENE CITY COUNCIL

December 11, 2019

**12:00 p.m. CITY COUNCIL WORK SESSION and
MEETING OF THE EUGENE URBAN RENEWAL AGENCY
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401**

**Meeting of December 11, 2019;
Her Honor Mayor Lucy Vinis Presiding**

Councilors

Betty Taylor, President
Mike Clark
Chris Pryor
Jennifer Yeh

Emily Semple, Vice President
Greg Evans
Claire Syrett
Alan Zelenka

Note: This agenda was amended to reflect the re-ordering of agenda items.

**12:00 p.m. CITY COUNCIL WORK SESSION and
MEETING OF THE EUGENE URBAN RENEWAL AGENCY**

- 1. EXECUTIVE SESSION: Pursuant to ORS 192.660(2)(e)**
- 2. WORK SESSION: An Ordinance Concerning Short-Term Rental Business Licenses; Amending Section 3.005 of the Eugene Code, 1971; and Adding Section 3.350 to that Code.**

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El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

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EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session: An Ordinance Concerning Short-Term Rental Business Licenses;
Amending Section 3.005 of the Eugene Code, 1971;
and Adding Section 3.350 to that Code.

Meeting Date: December 11, 2019
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Lydia Kaye
Contact Telephone Number: 541-682-5482

ISSUE STATEMENT

City Council previously provided direction to bring back regulations for short-term rentals for consideration. At this work session, City Council will review a draft ordinance regulating short-term rentals.

BACKGROUND

City Council previously reviewed information on short-term rentals at a September 23, 2019, work session, including positive and negative impacts, and examples of regulations from other communities. Short-term rentals are generally considered rentals available for 30 days or fewer. Short-term rentals are most commonly provided through hosting platforms such as Airbnb, VRBO (Vacation Rental by Owner), and HomeToGo. Short-term rentals are not currently regulated as a land use in the City of Eugene land use code. While there is a requirement that all short-term rentals pay transient room tax, there is currently no requirement to obtain a business license for this use in the City of Eugene.

Following discussion at the previous work session, City Council requested a draft ordinance regulating short-term rentals be drafted and for staff to return with it for another work session. The following items were directed to be incorporated into the ordinance:

- License and renewal fee
- Owner-occupancy requirement
- Limit the number of days a unit can be rented
- Permit revocation based on number of complaints per calendar year
- Requirements for on-line platforms to assist in regulations
- Parking requirements

Attachment A is a draft ordinance for council's review and discussion. Though there has not been a public process to date, staff have created a webpage to provide information on the current process and an email link to gather public comments which will be provided to City Council at the time of public hearing.

At the September 23 work session, questions were raised regarding staff's ability to determine if the intermediary platforms, or businesses like Zillow, began to purchase dwellings to use solely for the purpose of short-term rentals. Staff contacted Lane County Assessment and Taxation to determine if the purchase is not made in the businesses name (i.e., purchased through an LLC), can staff determine the company behind the purchase. The Assessment and Taxation department indicated that there isn't a means to uncover these types of transactions unless the businesses used their parent company names. Staff note that the program will be complaint based, so if City Council adopts an ordinance that requires owner-occupancy and a community member believes a property is being used as a short-term rental that is not owner occupied, staff would begin an investigation. These companies would not be able to receive a license for a short-term rental because there would not be an owner verified through the license process, and enforcement would proceed.

Policy Considerations

One of the considerations for council is how to address existing short-term rentals if the regulations are adopted. Of primary concern are property owners who may have several homes that are purchased for short-term rentals that are not owner occupied. Staff recommends consideration of a transition period which will allow these property owners to either arrange for the properties to be converted to long-term rentals, or to sell the properties. Below are two options for discussion:

Grandfather existing short-term rentals for one year (or alternative period of time).

These businesses would be required to obtain a temporary transitional license if they can demonstrate they were established prior to adoption of the ordinance. After the prescribed transition period, the transitional license will expire.

The second option would be to grandfather any short-term rental in existence prior to adoption of the ordinance, so long as the property remains in the same ownership.

Another consideration is whether council supports having an allowance for owners to rent their properties for up to two weeks per year without being required to obtain a short-term rental license. This would allow people who are interested in renting their homes for isolated events, such as the 2021 World Track & Field Championships, to do so without needing to go through the licensure process.

PREVIOUS COUNCIL DIRECTION

[September 23, 2019, Work Session](#)

Council directed staff to draft an ordinance regulating short-term rentals through the Business License Program.

COUNCIL OPTIONS

1. Direct the City Manager to make specific changes to the draft ordinance and to schedule a public hearing to hear testimony on the draft ordinance.
2. Direct the City Manager to make specific changes to the draft ordinance and return for an additional work session.
3. Take no action at this work session.

CITY MANAGER'S RECOMMENDATION

None

ATTACHMENTS

- A. Draft Ordinance: An Ordinance Concerning Short-Term Rental Business Licenses; Amending Section 3.005 of the Eugene Code, 1971; and Adding Section 3.350 to that Code.

FOR MORE INFORMATION

Staff Contact: Lydia Kaye
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Staff E-Mail: lkaye@eugene-or.gov

ORDINANCE NO. _____

AN ORDINANCE CONCERNING SHORT-TERM RENTAL BUSINESS LICENSES; AMENDING SECTION 3.005 OF THE EUGENE CODE, 1971; AND ADDING SECTION 3.350 TO THAT CODE.**THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:**

Section 1. Section 3.005 of the Eugene Code, 1971, is amended to add the following set of Definitions between the definitions for “Public Passenger Vehicles” and the definitions for “Solid Waste, Yard Debris and Recycling”:

Short-Term Rentals:

Dwelling Unit. A building, or portion thereof, designed and used as a residence for occupancy by one family. This includes buildings constructed on-site and manufactured homes.

Guest. A person or group of people renting a short-term rental.

Owner. Any person who, alone or with others, has an ownership interest in a short-term rental or the tax lot on which the short-term rental is located. A person whose interest in a proposed short-term rental is solely that of a tenant, subtenant, lessee, or sublessee shall not be considered an owner.

Short-term rental. A dwelling unit, or portion of a dwelling unit, offered for overnight occupancy in exchange for a fee and that is available for rent for fewer than 30 consecutive days. For purposes of EC 8.410, “short-term rental” has the same meaning as “vacation dwelling.”

Transient lodging intermediary. A person or business, other than the owner of the short-term rental, that facilitates a short-term rental and either:

- (1) Charges for occupancy of the short-term rental;
- (2) Collects the consideration charged for the occupancy of the short-term rental; or
- (3) Receives a fee or commission and requires the owner of the short-term rental to use a specified third-party entity to collect the consideration charged for occupancy of the short-term rental.

Section 2. The following heading and Section 3.350 of the Eugene Code, 1971, are added to provide as follows:

Short-Term Rental

3.350 Short-Term Rental.

- (1) Short-term Rental Licensure Requirements. No person or business may own a short-term rental in the City of Eugene without a short-term rental license. The following requirements apply to the issuance and retention of a short-term rental license.
 - (a) The short-term rental shall be in a legally established dwelling.
 - (b) An owner of the short-term rental shall reside on the same tax lot as the short-term rental for a minimum of 270 days per calendar year.
 - (c) A short-term rental unit may be occupied by a guest while an owner is not residing on the same tax lot for a maximum of 90 days per calendar year. There is no limit on the number of days a short-term rental can be occupied by a guest while a property owner is residing on the same tax lot.
 - (d) At no time may the number of guests occupying a short-term rental, when combined with the number of residents, exceed five unrelated people in a single-family dwelling.
 - (e) A short-term rental guest shall be limited to no more than one vehicle for each bedroom rented by the guest. A guest vehicle may be parked on site or in legal street parking.
 - (f) At all times, for each short-term rental, the licensee shall maintain a current, accurate record in the form of a guest registry that includes the number of guests and the dates they occupied the short-term rental. The guest registry shall be maintained for a minimum of three years from the date of the short-term rental occupancy.
 - (g) At all times, basic health and safety features shall be provided for guests within each short-term rental, including operable fire extinguishers, smoke detectors, and carbon monoxide detectors.
 - (h) At all times, each short-term rental shall be covered by liability insurance with minimum limits of not less than \$500,000.
- (2) Term of Short-term License. The term for a short-term rental license issued hereunder shall commence on January 1 and expire on December 31 of the year issued. The license fee for applications received after January 1 shall be prorated on the basis of that term. An application for extension or renewal must be submitted by November 1, accompanied by the required license fee. Failure to submit the license fee with the extension or renewal application, or to pay the same before the end of the current license term may result in the licensee being required to submit a new application and pay an

application fee. A licensee who submits an extension or renewal application after November 1 may be assessed a penalty fee of \$20 per day for each day between November 1 and the date the application is submitted.

- (3) City Audit of Short-term Rental. At a time and location designated by the city manager, the city manager may conduct a general audit of a short-term rental up to twice per calendar year to determine compliance with applicable city code, administrative rule and license requirements. In addition to an audit, the city manager may require a short-term rental licensee to produce records contained in the guest registry or other records related to an investigation of a specific complaint or allegation of a violation of city code, administrative rules, license provision or other applicable law. Production of records for an investigation or to evaluate a complaint does not count toward the twice-per-year auditing limit.
- (4) Revocation of Short-term License. In addition to the bases for revocation stated at EC 3.050, a license for a short-term rental may be revoked if the city verifies more than three violations of the following within a calendar year:
 - (a) EC 3.350(1);
 - (b) a rule established pursuant to EC 3.350;
 - (c) a term of the short-term rental license;
 - (d) EC 4.080 Noise Disturbance - Prohibited; or
 - (e) EC 6.050 Garbage and Debris - Disposition.
- (5) Transient Room Tax. Transient room tax shall be collected and remitted to the city for each short-term rental, in coordination with transient lodging intermediary if utilized, as set forth in EC 3.770 through EC 3.804.
- (6) Transient Lodging Intermediary Responsibilities.
 - (a) Subject to applicable laws, a transient lodging intermediary shall disclose to the city on a regular basis each of its short-term rental listings in the city, the name(s) of the person(s) responsible for each such listing, the address of each such listing, the length of stay for each such listing and the price paid for each stay.
 - (b) A transient lodging intermediary shall not complete any booking transaction for a short-term rental that is not covered by a short-term rental license issued by the City pursuant to EC 3.350.
- (7) Bed and Breakfast. A bed and breakfast use that has been approved through a conditional use permit pursuant to EC Chapter 9 is exempt from the requirements of (1), above.
- (8) Rules. The city manager shall adopt rules that may set standards and establish additional requirements for short-term rental owners and transient lodging intermediaries. Such rules shall be consistent with this code and be designed to address public safety and needs, compatibility with neighborhoods, and public convenience.

- (9) Fees. For the purposes of offsetting the costs to the city associated with the enforcement of this Section, the city manager, using the process contained in section 2.020 of this code, shall set short-term rental licensing fees.

Section 3. Notwithstanding the provisions of Sections 1 and 2, *[placeholder – for grandfathering existing short-term rentals and/or setting time within which existing short-term rentals must be licensed]*

Section 4. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended or repealed herein.

Passed by the City Council this

___ day of _____, 2020

Approved by the Mayor this

___ day of _____, 2020

City Recorder

Mayor