

ORDINANCE NO. 489

AN ORDINANCE AMENDING THE CITY'S DEVELOPMENT CODE TO UPDATE CERTAIN PROVISIONS FOR SHORT-TERM RENTALS; AND MAKE OTHER CHANGES.

WHEREAS, the City of Sisters ("City"), as the applicant for file number TA 18-03, proposed legislative amendments to the Sisters Development Code ("Development Code");

WHEREAS, the amendments, among other things, propose to revise the standards for short-term rentals (collectively, the "Amendments");

WHEREAS, in accordance with Sisters Development Code Chapter 4.1, legislative amendments are processed as a Type IV application;

WHEREAS, the Department of Land Conservation and Development received the "Notice of Proposed Amendment" at least 35 days prior to the first evidentiary hearing;

WHEREAS, after due notice, a public hearing on the Amendments was held before the Sisters Planning Commission ("Planning Commission") on October 18, 2018;

WHEREAS, the Sisters Planning Commission, after receiving public testimony and other evidence and fully deliberating the matter, recommended that the Sisters City Council ("City Council") adopt the proposed Amendments;

WHEREAS, after due notice, a public hearing was scheduled before the City Council on November 14, 2018; and

WHEREAS, after reviewing the staff report and the Planning Commission's recommendation, receiving public testimony and other evidence, and deliberating the matter fully, City Council voted to adopt the Amendments.

NOW, THEREFORE, THE CITY OF SISTERS ORDAINS AS FOLLOWS:

1. Findings. The findings contained in the recitals and those found in the staff report delivered at the November 14, 2018 public hearing before City Council, and attached hereto as Exhibit A, are hereby adopted.

2. Amendments. The amendments to the Development Code attached hereto as Exhibit B are hereby adopted.

3. Authorization. The city manager, or designee, is authorized to execute any documents and to take such actions as are necessary to further the purposes and objective of this Ordinance including without limitation codifying the Amendments into the Development Code.

4. Severability; Corrections. If any section, subsection, sentence, clause, and/or portion of this Ordinance is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Ordinance. This Ordinance may be corrected by order of the City Council to cure editorial and/or clerical errors.

This Ordinance was PASSED by the City Council by a vote of 3 for and 2 against and APPROVED by the mayor on this 28th day of November, 2018.



Chuck Ryan, Mayor

ATTEST:



Kerry Prosser, City Recorder

Exhibit A to Ordinance No. 489

PLANNING COMMISSION RESOLUTION PC 2018-08 AND STAFF REPORT

[attached]



**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SISTERS,
PC 2018-08**

WHEREAS, the City of Sisters ("City"), as the applicant for file number TA-18-03, proposed legislative amendments to the Sisters Development Code related to short-term rentals (collectively, the "Amendments");

WHEREAS, in accordance with Sisters Development Code Chapter 4.1, legislative amendments are processed as a Type IV application;

WHEREAS, due notice of an October 18, 2018 public hearing on the Amendments was published in the Nugget newspaper on October 4, 2018 and October 11, 2018;

WHEREAS, the Department of Land Conservation and Development (DLCD) received the Notice of Proposed Amendment at least 35 days prior to the hearing;

WHEREAS, City staff issued a staff report containing proposed findings of consistency with applicable approval criteria, which was available in advance of the public hearing;

WHEREAS, findings contained with the staff report determined that the Amendments are consistent with the applicable Statewide Planning Goals and the City's adopted Comprehensive Plan;

WHEREAS, a public hearing on the Amendments was held before the Sisters Planning Commission on October 18, 2018, at which time the staff report was reviewed, witnesses were heard, and evidence was received; and

WHEREAS, after fully deliberating the matter, the Planning Commission voted to recommend that the City Council adopt the proposed Amendments.


NOW, THEREFORE, the City of Sisters Planning Commission resolves as follows:

1. Findings. The above-stated findings and those contained in the staff report for file number TA-18-03 are hereby adopted.
2. Recommendation. The Planning Commission recommends that the City Council adopt the Amendments as proposed, a copy of which was attached as an exhibit to the staff report for file number TA-18-03.
3. Severability; Effective Date. The provisions of this Resolution PC 2018-08 (this "Resolution") are severable. If any section, subsection, sentence, clause, and/or portion of this resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this resolution. This Resolution will be in full force and effect from and after its approval and adoption.



A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SISTERS,
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THE FOREGOING RESOLUTION IS HEREBY ADOPTED THIS 18th DAY OF
OCTOBER, 2018 by a vote of 6 for and 1 against.


Signed: David Gentry, Chairman



STAFF REPORT Community Development Department

TA #18-03

File #: Text Amendment #18-03

Applicant: City of Sisters

Request: Adopt PC Resolution 2018-08, recommending the City Council adopt amendments to the Sisters Development Code (SDC) text revising Short-Term Rental regulations including: A complete restatement of SDC Section 2.15.2700 Special Provisions – Vacation Rental Housing Units; amending definitions in Chapter 1.3 – Definitions; and revising related uses tables (Table 2.2.1 Residential District; Table 2.3.1 Multi-Family Residential District; Table 2.4.1 Downtown Commercial District; Table 2.5.1 Highway Commercial District; Table 2.9.1 Urban Area Reserve District; Table 2.13.300.A Sun Ranch Residential District; and Table 2.14.300.A North Sisters Business Park District).

Hearing Date: October 18, 2018, 5:30 pm, Sisters City Council Chambers, 520 E. Cascade Avenue, Sisters, OR

Staff: BreAnne McConkie, Principal Planner

I. BACKGROUND

The Community Development Department (CDD) is responsible for updating and ongoing administration of the Development Code. Working with the Planning Commission, City Attorney, and City Council, staff has compiled Text Amendment application (#18-03) modifying Vacation Rental (Short-Term Rental) regulations. The proposed amendments were reviewed in a number of workshops held by the Planning Commission and City Council in 2017 and 2018. A previous draft was also included in Text Amendment application #18-01 but was removed from the final adopting ordinance at the direction of the City Council.

Acting on behalf of the City of Sisters as the applicant for the subject Development Code Text Amendment, staff is proposing to amend the Development Code as summarized on the following pages.

II. REQUEST

Staff requests the Planning Commission review the proposed text amendments, hear statements from all participants, and adopt PC Resolution 2018-08, recommending the City Council adopt the amendments as proposed.

A summary of the proposed amendments is provided on the following page. The marked up, full version of the proposed text amendments is shown in Exhibit A. Text that has been added is shown as double underlined. Proposed deletions are shown with ~~strikethrough~~.

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SUMMARY OF PROPOSED TEXT AMENDMENTS (#TA 18-03): CHAPTER 2.15.2700 SPECIAL PROVISIONS – SHORT-TERM RENTALS (VACATION RENTAL HOUSING UNITS)

Complete restatement of *SDC Section 2.15.2700*. The proposed new *SDC Section 2.15.2700 – Short-Term Rentals* would completely replace the existing text in *SDC Section 2.15.2700*. The new text includes the following modifications:

- Change terminology (Vacation Rentals changed to Short-Term Rentals).
- Adding a requirement to obtain an STR Operator License.
- Adding a requirement to obtain an STR permit for each unit.
- Clarifying STR regulations apply to all residential units including when located in a commercial district.
- *Noticing & Review Type*. Establishing STR permits as a Type I application and review process; Removing noticing requirements and availability to appeal to the Planning Commission (appeals possible to the Oregon Land Use Board of Appeals (LUBA)).
- *Concentration Limits*. Establishing concentration limits; Prohibiting new STRs from locating within 250 ft. of an existing STR (condominiums exempt from the concentration limits).
- *STR Permit Transferability*.
 - *New STRs (established on or after the effective date of the proposed ordinance)*: STR land use permit and STR Operator License are specific to the owner of a property and are not transferable when properties are sold.
 - *Existing STRs (established prior to the effective date of the proposed ordinance)*: New owners of an existing vacation rental must submit a complete application for an STR operator license within 60 days of property transfer in order to maintain the existing use (*SMC 5.50.040(C)(3)*). If an existing owner does not apply within 60 days, the use will be abandoned per *SDC 2.15.2700.H*.
- *Definitions and Use Tables*: Modifying the definition of a “Vacation Rental” (VR) to “Short-Term Rentals” (STR); Modifying related Tables to reflect changed definition from VR to STR:
 - Table 2.2.1 Use Table for the Residential District;
 - Table 2.3.1 Use Table for the Multi-Family Residential District;
 - Table 2.4.1 Use Table for the Downtown Commercial District;
 - Table 2.51 Use Table for the Highway Commercial District;
 - Table 2.9.1 Use Table for the Urban Area Reserve District;
 - Table 2.13.300.A Use Table for the Sun Ranch Residential District;
 - Table 2.14.300.A Use Table for the North Sisters Business Park District; and
 - Table 4.1.200 Summary of Development Decisions/Permit by Type of Decision-making Procedure.

Changes to the City’s Municipal Code related to Short-Term Rentals, are also proposed including provisions for an STR Operator’s License. The ordinance to adopt Municipal Code amendments related to Short-Term Rentals is tentatively scheduled for a City Council Public Hearing on November 14, 2018. A draft of the municipal code Chapter 5.50 Short-Term Rental Operating License is included for reference in Exhibit C.

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III. EXHIBITS

Exhibit A – TA 18-03 Development Code Text Amendment (marked up version)

Exhibit B – Planning Commission Resolution 2018-08

Exhibit C – Chapter 5.50 Short Term Rental Operating License (*for reference only*)

IV. CONCLUSIONARY FINDINGS

Sisters Development Code (SDC) Chapter 4, Table 4.1.200 lists a code amendment as a Type IV decision, regulated by Chapter 4.7 (Land Use District Map and Text Amendments). Section 4.7.200 states that legislative amendments are policy decisions made by the City Council and shall be reviewed using the Type IV procedure found in SDC Section 4.1.600 and shall conform to SDC section 4.7.600 Transportation Planning Rule compliance (if applicable).

Pursuant to the SDC Section 4.1.600, the City may approve, approve with modifications, approve with conditions, deny the proposed change or recommend an alternative to the code text amendment based on the criteria in SDC 4.1.600.E. Decision-Making Considerations. The following are staff's conclusionary findings for each of the applicable criteria:

SDC 4.1.600.E. Decision-Making Considerations.

E. Decision-Making Considerations. The recommendation by the Planning Commission and the decision by the City Council shall be based on consideration of the following factors:

SDC 4.1.600.E.1. Approval of the request is consistent with applicable Statewide Planning Goals.

The Sisters Development Code requires all text amendments to comply with the requirements of the Statewide Planning Goals. Compliance with the relevant goals is as follows:

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

STAFF FINDING: The Planning Commission held workshops on 09/21/17, 10/19/17, 11/16/17, 01/18/18, 03/15/18, 04/19/18, 06/21/18, 07/19/18, 08/16/18 and a public hearing on 05/17/18 to review the proposed text amendments and receive public input. Additionally, the City Council held workshops which were open to the public on 11/29/17, 04/11/18, 05/23/18, 07/25/18 and a public hearing on 06/27/18 at which time public comments were received.

All workshops and hearings were open to the public and provided opportunities for public comment. The Text Amendment application was noticed using the procedures in Chapter 4.1 which includes publication of notice in the newspaper.

Staff finds the Text Amendment (TA #18-03) complies with Goal 1 of the Statewide Planning Goals.

Goal 2 - Land Use Planning. To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.

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STAFF FINDING: The proposed text amendments are intended to clarify the land use review process required for Short-Term Rental permits and establish clear, factual criteria by which to review permit applications.

The proposed amendments establish STR permit applications as a Type I review and land use decision. SDC 2.15.2700.B outlines the specific submittal requirements and SDC 2.15.2700.C provides clear criteria by which to evaluate STR permit applications. Additionally, the proposed amendments establish an objective and factual basis for permit revocation.

Staff finds the Text Amendment (TA #18-03) complies with Goal 2 of the Statewide Planning Goals.

Goal 9: Economic Development – To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

STAFF FINDING: The proposed regulations allow for economic use of residential properties while providing parameters, including spacing, to balance potential impacts to the residential character and livability in the residential zones.

Staff finds that the proposed Text Amendment (TA #18-03) complies with Goal 9 of the Statewide Planning Goals.

SDC 4.1.600.E.2. Approval of the request is consistent with the Comprehensive Plan.

The City of Sisters Comprehensive Plan is organized in a manner that follows the format of the statewide planning goals. The evaluation for consistency with the Comprehensive Plan text relies on whether the proposal aligns with specific tasks, policies and objectives within the relevant portions of the Plan, which are as follows.

Goal 1: Citizen Involvement

1.4 POLICIES

- 1. The City of Sisters shall seek out and encourage public participation in all aspects of the City planning process.**

Tasks –

- a. Planning Commission and City Council meetings shall be held on a regularly scheduled basis.
- b. Planning Commission and City Council meeting agendas shall be publicized in a manner that makes this information widely available.
- d. The City shall use a variety of methods to achieve citizen involvement.

STAFF FINDINGS: As previously stated, the Planning Commission held workshops on 09/21/17, 10/19/17, 11/16/17, 01/18/18, 03/15/18, 04/19/18, 06/21/18, 07/19/18, 08/16/18 and a public hearing on 05/17/18 to review the proposed text amendments and receive public input. Additionally, the City Council held workshops which were open to the public on 11/29/17, 04/11/18, 05/23/18, 07/25/18 and a public hearing on 06/27/18 at which time public comments were received.

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All workshops were open to the public and provided opportunities for public comment. The Text Amendment application has been noticed using the procedures in Chapter 4.1 including publication of notice in the newspaper.

Staff finds that the proposed Text Amendment (TA #18-03) complies with all relevant policies provided within Goal 1 of the Comprehensive Plan.

Goal 2: Land Use Planning

2.4 POLICIES

1. The City of Sisters shall develop land use codes and ordinances that are based on an adequate factual basis as well as applicable local, state, and federal regulations.

Tasks –

- a. Codes and ordinances shall spell out responsibilities for administering and enforcing land use policies.**
- b. The City of Sisters Development Code shall be used to facilitate the development process and to implement the land use goals outlined in this Plan.**

3. As economic and social conditions change, it may be appropriate for the City to create new zoning designations that will work to assist the City in meeting the goals and policies of the Comprehensive Plan, the requirements of state law, and state land use goals.

Tasks -

- a. The City shall periodically review the Sisters Development Code to determine whether the districts set forth therein are adequate to address the goals, policies and objectives of the Comprehensive Plan and whether economic and social conditions warrant revision of the district codes, or creation of new districts. Any application for a code amendment shall address the policies and facts supporting the proposed code amendments.**

STAFF FINDINGS: The proposed text amendments will provide a clear land use process for administering and enforcing land use policies as they relate to short-term rentals. While the proposed text amendments do not establish a new zoning designation, they establish provisions in the development code to adequately address the goals, policies and objectives of the Comprehensive Plans including concentration limits to minimize potential impacts to the residential character in residential zones.

Staff finds that the proposed Text Amendment (TA #18-03) complies with all relevant policies provided within Goal 2 of the Comprehensive Plan.

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Goal 9: Economic Development.

9.4 POLICIES

1. The City shall guide growth in a manner that will result in a balance between economic and environmental interests.

Tasks –

d. The City's Development Code should continue to allow mixed-use development within the Commercial Districts, and in transitional light- industrial areas such as the Sun Ranch and Three Sisters Business Parks (as previously noted in the findings), and small commercial uses and home occupation mixed with residential uses.

e. Commercial and Industrial uses shall minimize their impacts on residential areas by being subject to additional development standards, i.e. buffers, setbacks, landscaping, sign regulation and building height restrictions.

2. The City shall support the tourist industry and special events that have a positive year-round economic impact on the community.

STAFF FINDING: As stated in Goal 9 task 1.d, the City's Development code shall allow . . . small commercial uses and home occupations mixed with residential uses and shall support the tourist industry (task 2). The proposed amendments are intended to allow for relatively low impact commercial (short-term rental) uses in residential zones while minimizing potential impacts to the residential use and enjoyment, and neighborhood character through concentration limits.

Staff finds that the proposed Text Amendment complies with all relevant policies provided within Goal 9 of the Comprehensive Plan.

SDC 4.1.600.E.3. The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided concurrently with the development of the property. The applicant shall update City of Sisters Masters Plans for Water, Sewer, Parks and Transportation Systems subject to City Council approval, to reflect impacts of the rezoning on those facilities and long-range plans. The applicant must demonstrate that the property and affected area shall be served with adequate public facilities, services and transportation networks to support maximum anticipated levels and densities of use allowed by the District without adversely impacting current levels of service provided to existing users; or applicant's proposal to provide concurrently with the development of the property such facilities, services and transportation networks needed to support maximum anticipated level and density of use allowed by the District without adversely impacting current levels of service provided to existing users.

STAFF FINDINGS: The text amendments do not negatively affect public facilities, services, or transportation networks.

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SDC 4.1.600.E.4. Compliance with 4.7.600, Transportation Planning Rule (TPR) Compliance

Legislative changes are reviewed to verify compliance with the TPR, which is found in Oregon Administrative Rules, Division 12, Section 660-012-0060.

SDC Section 4.7.600 Transportation Planning Rule Compliance

A. When a development application includes a proposed comprehensive plan amendment or land use district change, the proposal shall be reviewed by the City to determine whether it significantly affects a transportation facility, in accordance with Oregon Administrative Rule (OAR) 660-012-0060. Significant means the proposal would:

1. Change the functional classification of an existing or planned transportation facility. This would occur, for example, when a proposal is projected to cause future traffic to exceed the capacity of "collector" street classification, requiring a change in the classification to an "arterial" street, as identified by the Transportation System Plan; or
2. Change the standards implementing a functional classification system; or
3. Allow types or levels of land use that would result in levels of travel or access what are inconsistent with the functional classification of a transportation facility;
4. The effect of the proposal would reduce the performance standards of a public utility or facility below the minimum acceptable level identified in the Transportation System Plan.

B. Amendments to the Comprehensive Plan and land use standards which significantly affect a transportation facility shall assure that allowed land uses are consistent with the function, capacity, and level of service of the facility identified in the Transportation System Plan. This shall be accomplished by one of the following:

1. Limiting allowed land uses to be consistent with the planned function of the transportation facility; or
2. Amending the Transportation System Plan to ensure that existing, improved, or new transportation facilities are adequate to support the proposed land uses consistent with the requirement of the Transportation Planning Rule; or,
3. Altering land use designations, densities, or design requirements to reduce demand for automobile travel and meet travel needs through other modes of transportation.

STAFF FINDINGS: The proposed amendments do not change the functional classification of any roadways and do not allow for more intensive development than is presently allowed under this City existing Development Code. Accordingly, the amendments will have no effect on an existing or planned transportation facility and there is no need for further analysis under the Transportation Planning Rule (TPR).

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V. PUBLIC COMMENTS

The Planning Commission held workshops on 09/21/17, 10/19/17, 11/16/17, 01/18/18, 03/15/18, 04/19/18, 06/21/18, 07/19/18, 08/16/18 and a public hearing on 05/17/18. Additionally, the City Council held workshops which were open to the public on 11/29/17, 04/11/18, 05/23/18, 07/25/18 and a public hearing on 06/27/18.

At the workshops, public comments were received on the proposed text amendments to SDC Chapter 2.15.2700 Special Provisions – Vacation Rental Housing Units (Short-Term Rentals). Additionally, written public comments were received related to specifically to the proposed text amendments to SDC Chapter 2.15.2700 Special Provisions – Vacation Rental Housing Units (Short-Term Rentals). All public testimony received during the Planning Commission and City Council meetings, as well as written public comments are part of the public record and are contained in file TA #18-03, available for review at the City of Sisters City Hall.

All workshops were open to the public and provided opportunities for public comment. The Text Amendment application has been noticed using the procedures in Chapter 4.1 which includes publication of notice in the newspaper.

VI. COMPOSITION OF THE RECORD

The following makes up the record in this matter, and is contained in file TA #18-03 and is available for review at the City of Sisters City Hall:

1. Staff Report
2. DLCD Notice
3. Final Resolution 2018-08

Exhibit B to Ordinance No. 489

DEVELOPMENT CODE AMENDMENTS

[attached]

**THE FOLLOWING IS A COMPLETE RESTATEMENT OF SISTERS DEVELOPMENT CODE
SECTION 2.15.2700**

Chapter 2.15 – Special Provisions

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2.15.2700 Short-Term Rentals

- A. Purpose; Applicability. The purpose of this section is to protect the character of the City's residential neighborhoods by limiting and regulating short-term rental of dwelling units. The provisions contained in this Section 2.15.2700 apply to all lawfully established short-term rentals within the City. No person shall establish, maintain, advertise, offer, rent, occupy, use, operate or manage, nor offer or negotiate to use, lease, or rent, a dwelling unit for short-term rental occupancy without first applying for and obtaining a short-term rental permit in accordance with this Section 2.15.2700 or satisfying the legal nonconforming use requirements under subsection J of this section. A separate land use approval is required for each dwelling unit proposed to for use as a short-term rental.
- B. Application Submittal Requirements. The following information shall be submitted to the City along with a form approved by the City in order to apply for a short-term rental permit.
1. The name(s), address(es), email address(es), and telephone number(s) of the owner(s) of the short-term rental for which the permit is to be issued, and the same for the authorized representative if different than the owner(s). An application may be submitted by an owner with the buyer as the applicant and upon written request, the approval will be granted to the buyer.
 2. Acknowledgment by signature that the owner and authorized representative have read all the regulations relating to the operation of a short-term rental under SMC Chapter 5.50, Short-Term Rental Operating License.
 3. Verification that the applicant has registered as a hotel operator under SMC Chapter 3.15.
 4. Certification of the accuracy of the information submitted and agreement to comply with the conditions of the permit.
 5. Consent to City's inspection of the subject property and dwelling unit to ensure compliance with this section.
- C. Review Type. Applications for short-term rentals are subject to the following review processes:
1. Short-term rentals within Commercial Zoning Districts (DC and HC) shall be:
 - a. Processed as a Type I application; and
 - b. Exempt from the concentration limits in subsection (E) of this section.

2. Short-term rentals within Residential Zoning Districts (R, MFR, SRR), the Urban Area Reserve Districts (UAR), and the North Sisters Business Park (NSBP) shall be:
 - a. Processed as a Type I application; and
 - b. Subject to the concentration limits in subsection (E) of this section.
 3. Short-term rentals in existence prior to February 1, 2013 are reviewed in accordance with subsection (J)(2) below.
- D. Prohibited Uses. No recreational vehicle, travel trailer or other temporary shelter shall be inhabited as or used in conjunction with a short-term rental.
- E. Concentration Limits.
1. A short-term rental cannot be approved on a property within 250 feet of another property zoned R, MFR, SRR, UAR, and NSBP that has a valid short-term rental approval or is a legal nonconforming use approved under subsection (J) of this section.
 2. Where a property in the R, MFR, SRR, UAR, or NSBP has multiple dwelling units (i.e. ADUs, duplexes, apartments, etc.), only one dwelling unit on the property may be used as a short-term rental.
 3. Notwithstanding anything herein to the contrary, dwelling units within a condominium are not subject to any concentration limits and are not considered when applying subsection (E)(1), whether as a property with an existing short-term rental or as a property proposed for a short-term rental.
 4. "Within 250 feet" means a straight-line measurement in a radius extending for 250 feet or less in every direction from the closest point on the property line of the subject property to the closest point on the property line of the other property as determined by the Community Development Director.
- F. Limits on Permit Transfer. Notwithstanding anything contained in the Development Code to the contrary, any short-term rental application submitted after December 28, 2018 is specific to the owner of the property or owner-authorized buyer. This means that the short-term rental approval shall not run with the land, but shall terminate and be void, with no further proceedings, upon transfer of the real property subject to the short-term rental approval. For purposes of this section, "transfer" means any change of ownership of a property lawfully allowed to operate as a short-term rental, whether or not there is consideration; provided, however, "transfer" does not include the following: (a) upon the death of the owner, a change in ownership where title is held in survivorship with a spouse or domestic partner; (b) upon the death of the owner, a transfer to a trust which benefits only the decedent's spouse, child(ren), or registered domestic partner for the lifetime of the spouse, child(ren), or registered domestic partner; (c) the transfer of ownership of the real property to or between the members of a limited liability company or partnership when the transfer involves the same owner(s); and/or (d) the transfer to a trustee, a corporation, a partnership, a limited partnership, a limited liability partnership, or other similar entity, if at least one owner is living at the time of transfer and retains at least a twenty-five percent (25%) interest in the entity.
- G. Short-Term Rental Operating License; Timing.

1. License Required. In addition to obtaining applicable land use approvals for a short-term rental under this section, persons operating short-term rentals must obtain, and maintain at all times, a short-term rental operating license under SMC Chapter 5.50. All short-term rentals, regardless of the date the use was initiated, are subject to SMC Chapter 5.50.
2. Timing. Subject to the provisions of this section, an owner and/or authorized agent must apply for a short-term rental operating license in accordance with SMC 5.50.040(C).

H. Abandonment of Use.

1. Notwithstanding SDC Chapter 5.2, Nonconforming Uses and Structures, and except as provided in a temporary hardship exemption issued pursuant to Section H(3), authorization to operate a short-term rental will be deemed void with no further proceedings or action required by the City (a) if short-term rental use ceases for any period of 365 consecutive days, and/or (b) the operating license is otherwise revoked.
 - a. For short-term rentals lawfully established prior to December 31, 2018, the period of use shall initially be measured from the 365 days prior to the due date for obtaining the initial operating license. Thereafter, the period of use for such short-term rental shall be measured as any 365-day period.
2. The following will be considered prima facie evidence of abandonment of use: (a) failure to pay Transient Room Tax in accordance with SMC Chapter 3.15 within any 365-day period; and/or failure to obtain and/or maintain an operating license in accordance with SMC Chapter 5.50.
3. Temporary Hardship Exemption.
 - a. A temporary hardship exemption from this section may be granted by the Community Development Director, in the Community Development Director's sole discretion. To apply for a hardship, the applicant must complete the form prescribed by City and submit proof, acceptable to City, that:
 - i. A medical condition of the owner, spouse, domestic partner or immediate family member that jeopardizes the ability of the owner to operate the short-term rental;
 - ii. The death of a spouse, domestic partner or immediate family member that jeopardizes the ability of the owner to operate the short-term rental; or
 - iii. The structural integrity of the short-term rental renders it uninhabitable for tenants and the owner is taking reasonable measures to repair or replace the short-term rental.

- b. The Community Development Director shall establish the duration of the temporary hardship exemption, but such duration shall not exceed 180 days. A one-time extension of the temporary hardship exemption, not to exceed 180 days, may be approved upon request if one of the conditions of subsection (H)(3)(a) of this section continues applies.
- I. Expiration of Approval and Initiation of Use. If the owner does not initiate the use by renting the short-term rental at least one night within 180 days of the date of the short-term rental approval, the short-term rental approval shall be void with no further proceedings.
- J. Prior Existing Use.
 - 1. Existing Type I Permits. Any short-term rental approved and legally permitted under the former 2013 SDC 2.15.2700 may continue as a legal nonconforming use provided:
 - a. That the use is not abandoned under subsection (H) of this section; and
 - b. That the owner obtains and maintains the operating license in accordance with SMC Chapter 5.50.
 - c. The owner has the burden of establishing a valid prior approval and continuous operation when applying for an operating license or operating license renewal.
 - 2. Legal Nonconforming Uses. Any short-term rental that was lawfully established prior to February 1, 2013, when the initial short-term rental regulations were adopted, and has been lawfully and continually operating since that time, may continue as a legal nonconforming use provided:
 - a. The non-conforming use is verified through a declaratory ruling in accordance with SDC Chapter 4.9.
 - b. That the use has not abandoned under subsection (H) of this section; and
 - c. The owner obtains and maintains an operating license in accordance with SMC Chapter 5.50.
- K. Inspection.
 - 1. Commencing on December 31, 2018, prior to issuance of an operating license, the Community Development Director may require any dwelling unit authorized as a short-term rental to be inspected to verify that the dwelling unit is in compliance with all applicable Building Codes.
 - 2. The Community Development Director may visit and inspect the site of a short-term rental, and reinspect on a schedule prescribed by the Community Development Director, to ensure compliance with all applicable regulations. Such inspections shall occur during normal business hours, with reasonable notice, and pursuant to such other

procedural requirements adopted by the Community Development Director. Code violations shall be processed in accordance with SDC Chapter 1.4, Enforcement.

L. Revocation.

1. If three or more code violations related to the use of the short-term rental, verified by the Community Development Director, have occurred on the property containing the short-term rental within a period of 365 consecutive days, the City may revoke any authorization to operate a short-term rental.
2. Complaints to the City regarding code violations related to the use of the short-term rental shall be filed in accordance with SDC Chapter 1.4.400, Complaints Regarding Violations, and/or SMC Chapter 5.50.

Violations shall be processed in accordance with SDC Chapter 1.4 and SMC Chapter 8.15, Nuisances.

STR RELATED DEFINITIONS AND USE TABLE AMENDMENTS:

Double Underline is language added.

~~Strikethrough~~ is language deleted.

Chapter 1.3 – Definitions

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Short-term rental(s): The use of a dwelling unit (or a habitable portion of a dwelling unit) by any person or group of persons entitled to occupy the dwelling unit for rent for a period of less than thirty (30) consecutive days. Short-term rental(s) also means a vacation home rental approved under the regulations in effect through [insert day prior to effective date of new ordinance] and owner-occupied short-term rentals. “Short-term rental(s)” does not mean bed and breakfast inns, hotels, and/or motels.

Short-term rental permit: An approved development application authorizing a short-term rental.

~~Vacation rental – The use of a residential dwelling unit by any person or group of persons entitled to occupy for rent for a period of less than 30 consecutive days per month and that is rented in such a manner for more than 10 days in a calendar year. – See Short-Term Rental Definition.~~

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Chapter 2.2 – Residential District (R)

Sections:

2.2.200 Uses

Table 2.2.1 Use Table for the Residential District

Land Use Category	Permitted/Special Provisions/Conditional Use
Miscellaneous	
Vacation Rentals <u>Short-term rental</u>	P/SP

....

Chapter 2.3 – Multi-Family Residential District (MFR)

Sections:

2.3.200 Uses

Table 2.3.1 Use Table for the Multi-Family Residential District

Land Use Category	Permitted/Special Provisions/Conditional Use
Miscellaneous	
Vacation Rentals <u>Short-term rental</u>	P/SP

....

Chapter 2.4 – Downtown Commercial (DC) District

Sections:

2.4.200 Uses

Table 2.4.1 Use Table for the Downtown Commercial District

Land Use Category	Permitted/Special Provisions/Conditional Use
Miscellaneous	
Vacation Rentals <u>Short-term rental</u>	P/SP

....

Chapter 2.5 – Highway Commercial (HC) District

Sections:

2.5.200 Uses

Table 2.51 Use Table for the Highway Commercial District

Land Use Category	Permitted/Special Provisions/Conditional Use
Miscellaneous	
Vacation Rentals <u>Short-term rental</u>	P/SP

....

Chapter 2.9 – Urban Area Reserve District (UAR)

Sections:

2.9.200 Uses

Table 2.9.1 Use Table for the Urban Area Reserve District

Land Use Category	Permitted/Special Provisions/Conditional Use
Miscellaneous	
Vacation Rentals <u>Short-term rental</u>	P/SP

....

Chapter 2.13 – Sun Ranch Residential (SRR) District

Sections:

2.13.300 Permitted Uses

Table 2.13.300 A Use Table for the Sun Ranch Residential District

Land Use Category	Permitted/Special Provisions/Conditional Use
Miscellaneous	
Vacation Rentals	P/SP

<u>Short-term rental</u>	
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Chapter 2.14 – North Sisters Business Park (NSBP) District

Sections:

2.14.300 Uses

Table 2.14.300 A Use Table for the North Sisters Business Park District

Land Use Category	Permitted/Special Provisions/Conditional Use
<u>Miscellaneous</u>	
<u>Short-term rental</u>	<u>P/SP</u>

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Chapter 4.1 – Types of Applications and Review Procedures

Sections:

4.1.200 Description of Permit/Decision-Making Procedures

Table 4.1.200

Summary of Development Decisions/Permit by Type of Decision-making Procedure

Action	Decision Type	Applicable Regulations
<u>Short-term rental</u>	<u>Type I</u>	<u>Chapter 2.15</u>