



TO: Kent Studebaker, Mayor
Members of the City Council

FROM: Scot Siegel, Planning and Building Services Director
Bill Youngblood, Senior Code Enforcement Specialist
Leslie Hamilton, Senior Planner

SUBJECT: Short-Term Rentals (LU 18-0034) – Update on Planning Commission Work

DATE: November 20, 2018 **MEETING DATE:** December 4, 2018

ACTION

Provide direction to the Planning Commission on the scope of code amendments regulating Short-Term Rentals (STRs).

EXECUTIVE SUMMARY

As directed by City Council and pursuant to the Planning Commission’s 2018 Work Plan, the Commission has spent the past six months researching examples of Short-Term Rental (STR)¹ regulations used by other cities, and has surveyed Lake Oswego citizens on concerns that could arise if STRs are allowed in residential zones. This research is summarized in **Attachment 1**.

While the survey had some limitations (it was self-selecting and therefore not statistically valid), it has helped in identifying potential concerns with STRs. These include quality of life issues such as disturbances due to neighborhood traffic, parking, and noise, and safety concerns. The Commission has also tried to identify potential benefits of STRs that would be lost if the City continues to ban them. These include the opportunity for homeowners to supplement their income, more customers for local businesses, and promotion of Lake Oswego as a destination through a form of hospitality that proponents call “home sharing.”

¹ Cities generally define “short-term rental” or transient lodging as accommodations for 30 days or less, or less than 30 days. Previous staff reports have referred to “less than 30 days,” though Lake Oswego’s code specifies **30 days or less**. [LOC 24.02.010 Transient Lodging Tax.] The development code [LOC 50.03.002 Use Table] does not contain a use classification for short-term rentals or bed and breakfast inns; all types of transient lodging are classified as Hotels, which are allowed only in commercial zones.

The Commission has focused on potential land use impacts that could result from allowing STRs in *residential* areas only, because as noted above transient lodging uses (hotels) are already allowed in some of the city's commercial zones and there have been no reported problems with them. However, the Council could opt to regulate STRs in all zones where the use is allowed by adopting specific standards for transient lodging that occurs within different types of dwellings.

The Commission has identified some possible approaches (code concepts) below for drafting STR regulations in the event the Council decides to allow them. Staff has organized the concepts into three scenarios: *Home Occupation, Exceed Home Occupation, and No Change*.

DISCUSSION

The community dialogue on STRs over the past two years has shown that Lake Oswego citizens feel strongly about this issue. The survey design, which included participation by proponents and opponents of STRs, intentionally sought input on the positives and negatives of allowing STRs, rather than focusing on regulations. While the survey was not statistically valid, it highlighted some potential concerns with STRs. These include quality of life issues such as disturbances due to neighborhood traffic, parking, and noise, and safety concerns.

A key question that the survey could not answer is how many STRs the Lake Oswego market might support. It is also unknown if the number is likely to grow over time. For comparison, West Linn, a city of 26,000 population with no downtown or lake but two rivers and several small neighborhood commercial areas, regulates STRs as home businesses or "home occupations." According to West Linn's planning director, they have an estimated 35-40 STRs and receive few code enforcement complaints about them.

Another key issue is that enforcement problems could increase if Lake Oswego were to legalize STRs, simply because there would be additional regulations on the books to enforce. A *laissez faire* approach would allow STRs with only a business license required, and no land use codes to enforce; transient lodging tax could be required. This approach is not recommended based on public comments received to date.

There could also be unintended consequences of allowing STRs. For example, as identified in the survey, large areas of Lake Oswego are within homeowners' associations (HOAs), which may prohibit STRs. The City has no inventory of HOA regulations, nor is it involved in enforcing private agreements. City staff has previously responded to complaints about STRs on properties where HOA restrictions also apply only because the City prohibits STRs.

Planning Commission Input

The Planning Commission's approach to the issue of regulation is straightforward, even as individual commissioners have different views on whether STRs should be allowed:

Who could be harmed by allowing STRs? Who stands to benefit? What are the land use impacts? What enforceable regulations can be applied to mitigate the impacts?

The Commission also recognizes—and both proponents and opponents of STRs would agree—that the more regulations the City applies to STRs, the greater the costs to the City (workload for city staff) and the more enforcement issues potentially that could result.

The Commission and Council have received extensive background on STRs, including news articles, information provided by proponents and opponents, and data on STRs operating illegally in Lake Oswego.² The Planning Commission has provided their input below. With Council direction, staff can work with the Commission to begin drafting STR land use regulations for public hearings in early 2019.

Schedule

The earliest the Commission could begin public hearings on code amendments is February 2019, due to land use noticing requirements. However, the schedule is contingent on Council direction regarding the scope of any code amendments and the public outreach process that the Commission and Council expect to complete before beginning any hearing.

ALTERNATIVES

The Commission has identified some possible approaches (code concepts) below for drafting STR regulations in the event the Council decides to allow STRs. Staff has organized the concepts into three scenarios for Council consideration: *Home Occupation*, *Exceed Home Occupation*, and *No Change*.

1. **Regulate STRs as Home Occupations.** If regulated as a home occupation,³ an owner, family member, or other individual would have to reside at the property. This likely would keep the number of STRs small and minimize neighborhood impacts. The Commission believes that STR hosts who reside on a property are more likely to have high standards for renter conduct and would be more conscientious about protecting neighborhood livability. Proponents contend the activity is self-policing because hosts and renters “review” one another and the comments are posted online. While this may be true (the market may penalize those who do not adhere to high standards of hospitality, safety, etc.), there is greater assurance of this occurring where an individual resides in the same structure or adjacent to the STR.

It has also been suggested that rental platforms (Airbnb, VRBO, etc.) can delist rentals that do not comply with their rules. However, if the Council has concerns about the

² Prior City Council Study Sessions were on [April 17, 2018](#), [July 18, 2017](#), and [June 20, 2017](#).

³ The regulations for Home Occupations are that they do not alter the residential character of the neighborhood nor infringe upon the right of residents to the peaceful enjoyment of the neighborhood. A current business license is required, and no employees other than family members who reside at the dwelling are allowed. The size of the home business is also limited to 25% of the floor area on the lot including accessory structures. [LOC 50.03.004.b.ii]

impacts of STRs on neighborhood livability, it should not delegate enforcement (to protect public safety and welfare) to private enterprises.

Proponents also say the difficulties that some communities have had in regulating STRs are due to a high volume of tourists and a high rate of absentee homeowners in those communities, which Lake Oswego does not experience. If regulated as home occupations, they say, STRs can peacefully coexist with other residences. If you agree, then the Home Occupation approach may be for you.

Pros: Existing home occupation standards address the “residential character of the neighborhood” and “the right of residents to the peaceful enjoyment of the neighborhood.”

The home occupation standards’ other requirements assure that the residence is owner- or family member- occupied and has no outside employees.

Additional requirements such as parking, number of guests, or limits on nightly rentals could be added, though it would make enforcement more difficult.

Collection of transient lodging taxes and maintenance of contact information, etc. are already part of business license registrations/renewals for other uses.

This approach does not preclude HOAs from restricting STRs.

Cons: The “residential character” and “peaceful enjoyment” home occupation standards cited above are discretionary, which can lead to disagreement over their interpretation. However, this approach has served Lake Oswego well for other types of home businesses, of which the city has over five hundred.

This approach only works where a portion of a house (or an accessory dwelling unit) is rented, because the code limits home occupation uses to 25% of the floor area on the lot. Though the standard could be amended to allow a larger rental space provided the owner or a family member resides on the lot.

2. Allow STRs that Exceed Home Occupation Standards

If you believe that STRs should be allowed more broadly than home occupations, which are limited to 25% of floor area on a lot, or if you believe that the requirements for home occupations would be insufficient to control the impacts of STRs, the Planning Commission (by straw poll) identified the following potential code concepts at its [November 14 Work Session](#):

- Business License (already required for all businesses)

- Owner-occupied: owner resides in or adjacent to the dwelling. The Commission did not specify whether an owner or host must be present but wanted to study how other jurisdictions have approached the issue.
- Parking on-site based on number of rentals
- Contact information registry posted online (via Business License records)
- No commercial events such as weddings, cooking classes, etc. with STR
- Limit number of bookings annually
- Must be in a lawfully established dwelling (also required for Home Occupation)
- Include Home Occupation type of regulation addressing “residential character of the neighborhood” and “the right of residents to the peaceful enjoyment of the neighborhood”
- Do not allow any more signage than already allowed for residential use
- Limit occupancy using similar approach as for long-term rentals, which are subject to landlord-tenant laws (occupancy based on number of bedrooms)
- Require safety inspections⁴ (non-land use regulation)
- Check-in after a certain number of years to review regulations with the Commission and Council

Pros/Cons: The Commission is interested in studying the above concepts and having staff ask other jurisdictions about the effectiveness of their regulations before drafting code amendments, but only if the Council believes this is a good use of our time. Therefore, it would be helpful if the Council can provide direction on whether the Commission and staff should spend much time studying the above options.

3. **No Change.** The ban on STRs remains and the City resumes proactive enforcement.

Pros: Lake Oswego maintains its brand: A city of peaceful neighborhoods, free of commercial activity except for existing home occupations.

There is no added workload or cost to the City; enforcement continues similar to ongoing enforcement of existing codes.

⁴ Lake Oswego Fire Marshal, Gert Zoutendijk, notes, that for single-family and duplex dwelling structures, Portland will verify that each bedroom to be rented to overnight guests met the building code requirements for a sleeping room at the time it was created or converted, has a smoke detector that is interconnected with a smoke detector in an adjacent hallway, common area, or immediate vicinity of sleeping rooms and is located on a floor that has a functioning carbon monoxide alarm. Carbon monoxide alarms shall be located in each bedroom or within 15 feet outside of each bedroom door. For Multi-Dwelling structures, the property owner or their authorized agent must self-certify that the bedrooms comply with the interconnected smoke detector and carbon monoxide detector requirements.

Cons: Lake Oswego misses out on the social and economic benefits of STRs or “home sharing.”

The number of illegal STRs could increase with market demand, whereas legalizing them may have been a way to keep the number relatively small, allowing for reasonable oversight and enforcement.

CONCLUSION

There will always be the bad actor who disregards code and social norms and seems to do everything imaginable to offend their neighbors—late-night noise, cars blocking the street, etc. These are the proverbial 10% of cases that take 90% of code enforcement staff’s time. The question is whether the number of bad actors or the severity of bad behavior will increase as a result of legalizing STRs.

Over the past two years, there have been an estimated 30-80 short-term rentals operating in Lake Oswego at any time, with the numbers gradually declining. During the same timeframe, the Planning Department has responded to 6 STR complaints. By comparison, since March of this year, out of approximately one thousands complaints relating to noise, parking, and suspicious persons that the Police Department received, only one was associated with a STR property and it was not possible to attribute it to the use of the property as a STR. On the other hand, there could be unintended consequences of allowing STRs.

RECOMMENDATION

Staff is seeking direction from the Council on the scope of potential regulations.

ATTACHMENT

1. Planning Commission Staff Memo, 11/02/18



TO: Planning Commission

FROM: Leslie Hamilton, Senior Planner

SUBJECT: Short-Term Rentals – Work Session 4 (LU 18-0034)

DATE: November 2, 2018 **MEETING DATE:** November 14, 2018

ACTION

Review survey results and research on other jurisdictions' Short-Term Rental (STR) regulations, and provide input to staff on drafting amendments to the Lake Oswego Code (LOC) concerning STRs.

DISCUSSION

This is the fourth in a series of Planning Commission (Commission) work sessions focusing on STRs. Prior work sessions were held in June, July and August of 2018. At the August work session, the Commission accepted staff's recommendation to create an on-line community survey addressing attitudes and concerns about STRs. The Commission also recommended that staff research STR regulations in other communities that are similar to Lake Oswego.

STR Regulations in Other Cities

Staff contacted 36 cities throughout the nation to review STR regulations or lack thereof. Staff primarily focused on communities with the following characteristics:

- Relatively affluent suburbs
- Populations under 80,000
- Non-resort

Staff included a number of Portland-area suburbs for direct context comparison. Attachment A is a summary of the cities that were surveyed, and Attachment B identifies the STR regulations for each city that specifically regulates the use. The following general statements can be made from the research:

- 7 communities prohibit STRs specifically
- 11 communities allow STRs but do not regulate them
- 17 communities regulate STRs by various means

Of the communities that regulate STRs, the following generalities can be made from the research:

- Most codify a license of some type: Business, Home Occupation or Other
- Most STR permits are granted administratively upon showing that certain clear and objective criteria are met.
- Conditional Use Permits are rare; when required, it is most often for more intensive short-term rentals (i.e., those that allow commercial events or weddings; Bed & Breakfast Inns).
- Seven communities require proof that the dwelling is the operator's primary residence. Evidence includes Driver's License, tax statements, etc.
- Eight regulate parking and require STR parking to be provided on-site.
- Three communities limit the number of un-hosted nights per year to 90-120.
- Eight communities codify payment of the Transient Occupancy Tax (TOT).
- Other regulations that occur multiple times include signage (signs prohibited or limited to very small signs); limits on STRs in temporary units such as RVs or tents; limits on commercial activities such as retreats, weddings, etc.; and sharing/posting contact information.

Community Survey Results

Response Rate: After the July work session, two Neighborhood Association representatives asked about the possibility of conducting a survey of their residents about STR issues and attitudes. Staff's recommendation was to work with the Neighborhood Associations and STR representatives to create a survey that could be offered to all Lake Oswego residents to gauge interest and identify issues regarding STRs in residential neighborhoods. The resulting STR survey hosted by Survey Monkey was available on-line from September 4 – September 30, 2018. A link to the survey was provided to all Neighborhood Association representatives and was advertised on the City's home page and STR project page. At the close of the survey, there were **857** respondents, which is the highest response rate of all public surveys hosted by the City on the Survey Monkey platform from 2010 to 2018, as shown below:

- We Love LO Vision (Comprehensive Plan): 832
- Republic Services Survey: 568
- LO Fiber: 416
- Planning Commission Goals 2018: 116
- Marijuana Regulation: 80
- Tree Code Fees: 23

Information Technology (IT) Analysis: One of the concerns with an online survey is the potential for multiple responses from the same person. Staff from the IT department analyzed the IP addresses for red flags, and three were found and addressed as follows:

- Two entries were duplicated in their entirety, including IP addresses and exact start and end times. This was likely a glitch and one entry from each IP address was removed.
- One IP address had three survey entries, on three different days, with almost the exact wording in the open responses; the entries also had suspicious emails. The latest two entries were removed.

Staff performed its analysis of the responses after these corrections were made to the raw data.

Survey Analysis: The survey results are included in Attachment C. First, it must be noted that the survey results are not statistically valid, as sample size, response rate, confidence level and random sampling were not calculated or included, and the survey included many open-ended responses. After removing identifying data (IP addresses, names, emails), staff distributed the complete survey response data to the survey workgroup for their review and analysis. The following analyses were made by staff:

Questions 1-4, Demographics: The respondents were overwhelmingly full-time Lake Oswego residents and homeowners. All Neighborhood Associations were represented, with the biggest turnout from First Addition Neighbors-Forest Hills (FAN-FH), Palisades and Mountain Park. Thirty-one (31) respondents live in unincorporated Clackamas County and are not subject to Lake Oswego regulations until annexation.

Questions 5-6, HOA status: HOAs are private associations for the management of residential subdivisions or condominiums. They are not administered by the City, and HOAs can vary widely in what they regulate, and how their regulations are administered and enforced. These questions were included to gauge the extent to which private agreements may already regulate or prohibit short-term rentals.

- 31% of respondents indicated that they live within an HOA-represented condominium or subdivision. However, judging from the responses to Question 6 (to identify their HOA), many appear to confuse HOA with Neighborhood Associations.
- 8% of HOA residents reported that their HOA prohibits STRs, while 22% did not know.
- 41 separate HOAs were identified as prohibiting STRs. The City cannot confirm that all identified HOAs prohibit STRs; additionally, property owners may amend HOA bylaws to add, modify or delete restrictions.

Questions 7-9, Familiarity with STRs: Online, short-term homesharing is a relatively new concept in travel; Airbnb, for instance, had its first booking in 2008 but its growth in the last few years has been rapid, as shown in the chart included in Attachment D. These questions were included to gauge the extent to which respondents were familiar with STRs such as Airbnb,

Homestay, VRBO, etc. 75% of respondents have used an STR, and the main reason was for vacation purposes.

Question 10, Effects of STRs: This question asked the extent to which neighborhoods would be affected by STRs, and there were seven possible responses:

- I don't know
- STRS would have no effect on my neighborhood
- STRs would have some minor effects, but non that concern me
- STRs would have mostly positive effects (please describe)
- STRs would have both positive and negative effects (please describe)
- STRs would have mostly negative effects (please describe)
- Please describe potential effects.

However, Question 10 had a mistake in Survey Monkey. The survey did not allow the responder to choose both an answer to “what impacts – none, positive, negative, both” and then describe the impacts. To answer the open question, the responder could not have chosen any of the preceding six options. Staff performed the following analyses to get a truer understanding of the Question 10 responses:

There were 252 open responses submitted in Question 10. Staff sorted these responses into four categories: Negative effects; positive effects; positive and negative effects; and other. The responses were color-coded and the assignments were shared with the STR survey group on October 18, 2018. These responses were added to the appropriate category and the percentages re-calculated.

| QUESTION 10: OVERALL SURVEY RESULTS (853) – Open Answers Not Assigned | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 49 | 5.74% |
| STRs would have no effect on my neighborhood | 106 | 12.4% |
| STRs would have some minor effects, but none that concern me | 127 | 14.88% |
| STRs would have mostly positive effects (please describe) | 69 | 8.08% |
| STRs would have both positive and negative effects (please describe) | 63 | 7.38% |
| STRs would have mostly negative effects (please describe) | 188 | 22% |
| Please describe potential effects | 251 | 29.4 |

| QUESTION 10: OVERALL SURVEY RESULTS (853) – Open Answers Assigned | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 49 | 5.74% |
| STRs would have no effect on my neighborhood | 106 | 12.4% |
| STRs would have some minor effects, but none that concern me | 127 | 14.88% |
| STRs would have mostly positive effects (please describe) | 100 | 11.7% |
| STRs would have both positive and negative effects (please describe) | 100 | 11.7% |
| STRs would have mostly negative effects (please describe) | 364 | 42.6% |
| Unassigned responses | 8 | .01% |

The “mostly negative” response increases from 22% to 42% once the open responses are accounted for. However, the responses highlighted in blue should be considered together, since they are all essentially positive. Considering the blue response rates together, positive responses increase from 35% to 38.9%.

Staff then sorted the responses based on whether the survey-taker had used an STR. It appears that STR-users have a more positive impression of STRs compared to those that have not used an STR. The tables below show the responses for non-STR users (top) and STR users (bottom)

| QUESTION 10: RESPONDENT HAS NEVER USED AN STR (210) – Open Answers Assigned | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 12 | 5.7% |
| STRs would have no effect on my neighborhood | 11 | 5.2% |
| STRs would have some minor effects, but none that concern me | 13 | 6.1% |
| STRs would have mostly positive effects (please describe) | 6 | 2.8% |
| STRs would have both positive and negative effects (please describe) | 19 | 9% |
| STRs would have mostly negative effects (please describe) | 146 | 69.5% |
| Open answer did not identify impact | 3 | 1.4% |

*Note: Four responders did not indicate whether they had used an STR or not. They are not included in these break-out analyses.

| RESPONDENT USED AN STR (639) – Open Answers Assigned | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 37 | 5.7% |
| STRs would have no effect on my neighborhood | 95 | 14.8% |
| STRs would have some minor effects, but none that concern me | 113 | 17.7% |
| STRs would have mostly positive effects (please describe) | 93 | 14.5% |
| STRs would have both positive and negative effects (please describe) | 81 | 12.6% |
| STRs would have mostly negative effects (please describe) | 216 | 33.8% |
| Open answer did not identify impact | 4 | .01% |

*Note: Four responders did not indicate whether they had used an STR or not. They are not included in these break-out analyses. Additionally, four open responses did not address impacts, so the total number of responses was reduced from 639 to 635.

As shown above, 69.5% of non-STR users believe STRs will bring mostly negative impacts to neighborhoods, compared to 33.8% of STR-users. Only 14.1% of non-STR users believe STRs will have little, none or only positive impacts, compared to 47% of STR-users. Staff performed the same analysis on the responses from five of the neighborhoods that had the largest number of responses: First Addition-Forest Hills, Palisades, Mountain Park, Evergreen and Bryant. In all five neighborhoods, the percentage of respondents who had a negative view of STRs dropped from 78.4% to 38.6% if the respondent had used an STR. The FAN-FH analysis is shown below as an example because it had the most respondents; all five neighborhood analyses are illustrated in Attachment E.

FAN-FH Responses based on whether respondent used STR previously, with open answers assigned:

| FAN-FH: ALL RESPONDENTS (101) – Open Answers Assigned | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 7 | 6.9% |
| STRs would have no effect on my neighborhood | 11 | 10.8% |
| STRs would have some minor effects, but none that concern me | 14 | 13.8% |
| STRs would have mostly positive effects (please describe) | 15 | 14.8% |
| STRs would have both positive and negative effects (please describe) | 15 | 14.8% |
| STRs would have mostly negative effects (please describe) | 39 | 38.6% |

| FAN-FH: RESPONDENT HAS NEVER USED AN STR (21) – Open Answers Assigned | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 2 | 9.5% |
| STRs would have no effect on my neighborhood | 0 | 0% |
| STRs would have some minor effects, but none that concern me | 1 | 4.7% |
| STRs would have mostly positive effects (please describe) | 1 | 4.7% |
| STRs would have both positive and negative effects (please describe) | 2 | 9.5% |
| STRs would have mostly negative effects (please describe) | 15 | 71.4% |

| FAN-FH: RESPONDENT USED AN STR (80) – Open Answers Assigned | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 5 | 6.25% |
| STRs would have no effect on my neighborhood | 11 | 13.75% |
| STRs would have some minor effects, but none that concern me | 13 | 16.25% |
| STRs would have mostly positive effects (please describe) | 14 | 17.5% |
| STRs would have both positive and negative effects (please describe) | 13 | 16.25% |
| STRs would have mostly negative effects (please describe) | 24 | 30% |

Staff performed a secondary analysis of the 253 written responses under Question 10 by noting the frequency of certain terms. Note that the raw count does not distinguish between positive and negative references:

| | |
|---------------------|-----|
| Parking: | 219 |
| Noise: | 218 |
| Traffic: | 69 |
| Safety: | 53 |
| Stranger/Transient: | 57 |
| No Effects: | 33 |
| Trash/Garbage: | 23 |
| Crime: | 23 |

Finally, the survey workgroup reviewed the raw data (with names, emails, or other identifying information removed) and provided their analysis and comments. Mark Rockwell provided comments on October 23 and they are included as Attachment F.

Question 11, Housing Types Appropriate for STRs: This question asked what type of dwelling the respondent would be most or least comfortable with for STRs. The dwelling type that had the largest agreement is an Accessory Dwelling Unit (ADU); this is where the response rate between “Strongly Agree” and “Strongly Disagree” was the largest. This raises a potential policy issue, as the City has recently amended its code to facilitate construction of ADUs and is presently considering financial incentives for ADUs as part of its economical housing strategy.

Question 12, Residential Areas appropriate for STRs (open question): Respondents had a choice of three answers: Anywhere, I Don't Know, and Limited (please specify). 49.4% of respondents, chose “anywhere”, and 31.9% chose “limited.” The open answers in the “limited” option ranged from specific neighborhoods, specific housing types, near freeways or downtown. Staff discerned no clear tendencies from this data.

Question 13, Concerns (open question): This question asked what concerns the respondent might have with STRs, and the responses are similar to those of Question 10. Parking, noise and stranger/crime issues are among the most frequent responses, as follows:

| | |
|---------------------|----|
| Parking: | 21 |
| Business (positive) | 21 |
| Business (negative) | 11 |
| Noise | 16 |
| Stranger/Transient | 12 |
| Traffic | 9 |
| Trash/garbage | 6 |
| Safety | 5 |

Question 14, Allow with Re-Authorization: This question could be read as a referendum of the STR issue for those who responded to the survey. 53.24% of respondents indicated that STRs should be allowed in some form, while 42.4% chose “do not allow”. The swing voters per se are the 32.15% who would allow STRs on a trial basis.

- Allow: 21.08%
- Allow with Sunset: 32.16%
- Do Not Allow: 42.4%

Staff analyzed the response rates separately for people who had used an STR and people who had not. Again, the responses were much more favorable from people who had used an STR:

| People who have not used an STR (211) | | |
|--|-----|-------|
| Allow | 8 | 3.7% |
| Allow with Sunset | 41 | 19% |
| Do Not Allow | 154 | 72.9% |
| I Don't Know | 6 | 2.8% |
| Blank | 2 | 0.1% |

| People who have used an STR (641) | | |
|--|-----|-------|
| Allow | 170 | 26.5% |
| Allow with Sunset | 230 | 35.8% |
| Do Not Allow | 202 | 31.5% |
| I Don't Know | 31 | 4.8% |
| Blank | 5 | 0.1% |

Question 15, Length of Time for Sunset Date: This was an open question, and the responses ranged from six months to 10 years; many also answered that there should be no sunset date or that STRs should not be allowed at all. For those that responded with a range (i.e., 1-2 years), staff assigned the average of the range (i.e., 1.5 years) and then calculated the average sunset date, which was **2.06 years**.

Question 16, Open Comments: Many of the comments received for this open-ended question were similar to Questions 10 and 13. Both positive and negative comments were submitted, as well as neutral comments.

Additional Comments: A number of comments were submitted outside of the survey. They are included in Attachment H.

Code Enforcement Update

a. Summary of Research on Existing STRs in Lake Oswego

At the time of the publication of this report, there were 27 confirmed STR listings within the city limits, and another 16 listings requiring verification of being within the City limits. An updated map of advertised STRs is included in Attachment G. Below are some initial observations from the research:

- 27 confirmed listings within the city limits, as of October 23, 2018.
- 20 listings are whole-house and 7 are partial house rentals.
- 11 (41%) of the “hosts” were not the property owner.
- 4 (15%) of the property owners live outside of the city limits with 2 (7%) living outside of Oregon.
- Listings are distributed throughout the city though concentrated in FAN-FH.
- The minimum stay per visit ranged from 1 to 29 nights, with a median stay of 7 nights.
- The maximum number of guests ranged from 2 to 12 guests with a median of 5 guests.
- The rent per night ranged from \$42 to \$500, with a median rent of \$120.

b. Code Enforcement/Compliance Issues

The Police Department pulled all complaints relating to parking, noise, and suspicious persons citywide for the three-month period of July 2018 – September 2018. A total of 439 complaints were made during that time period; of those, only one complaint (noise) was associated with a property identified as hosting an STR; however, it is not possible to determine whether the complaint was attributed to use of the property as a STR. This rate (<1% of all complaints) is similar to the prior reporting period of March 2018 – June 2018.

ATTACHMENTS

- A. Summary of Cities Surveyed
- B. Regulations for Cities that Specifically Regulate STRs
- C. [STR Survey Results](#) (not included due to size, use link provided below)
- D. Airbnb Growth Chart 2009-2017
- E. Question 10 Analysis for Five Neighborhoods
- F. Survey Analysis by Mark Rockwell, 10/23/18
- G. Code Enforcement Map of Advertised STRs in Lake Oswego, 10/18
- H. Comments Received Outside of the On-Line Survey

This staff memo, including attachments, and past meeting materials can be found by visiting the project webpage using this link:

<https://www.ci.oswego.or.us/all-projects>
(Under Search enter LU 18-0034 and press Enter)

| | City | Allow STRs in residential zones? | How | Notes | Contact |
|----|----------------------------------|----------------------------------|---|---|------------------------------|
| 1 | West Linn, OR [pop 26,859] | Yes | Home Occupation | | Darren Wyss |
| 2 | Tigard, OR [pop 51,902] | No | NA | | Carol Krager |
| 3 | Oregon City, OR [pop 36,286] | No | NA | Check B&B regulations | Christina Robertson-Gardiner |
| 4 | Sherwood, OR [pop 19,294] | Yes | Does not regulate specifically | Keep them posted | Julia Hajduk |
| 5 | Milwaukie, OR [pop 20,929] | Yes | Home Occupations (STRs) and Conditional Uses (vacation rentals) | STRs – incidental, 95 nights/year, hosted or unhosted. 30 in town. VR – commercial lodging | Denny Egner |
| 6 | Tualatin, OR [pop 27,545] | No | NA | | Tabitha Boschetti |
| LU | Happy Valley, OR [pop 19,704] | Yes | Minimal regulations: Business License required, and can't be a "Rooming House." | | Michael Cynkar |
| 8 | Hillsboro, OR [pop 105,164] | Yes | As B&B; CUP required | Putting together a work plan to make process less discretionary, costly, and time consuming | Andrew Crampton |
| 9 | Gresham, OR [pop 111,523] | Yes | As B&B with Type II review, 8.0100 | | Carly Rice |
| 10 | Wilsonville, OR [pop 23,768] | Yes | Home occupation (owner on-site); CUP/Home Business (owner off-site) | Ordinance 825 | Dan Pauly, Sr. Planner |
| 11 | Newberg, OR [pop 23,306] | Yes | Special Use, Vacation Rental Homes, 15.445.300 | SF Detached, register, two parking spaces, posting in home, revocation hearing. | Email |
| 12 | Woodburn, OR [pop 25,590] | Yes | Does not regulate specifically | No plans to regulate STRs | Colin Cortes |

Cities Surveyed for STR Regulations

| | City | Allow STRs in residential zones? | How | Notes | Contact |
|----|---------------------------------------|---|--|--|------------------|
| 13 | Hood River, OR [pop 7,702] | Yes | 17.04.115 plus definitions | Hosted Home Share/Vacation Home Rentals defined. Licensing; one on-site parking space per 2 bedrooms; 90 days per year; accessory use. | Kevin Liburdy |
| 14 | Camas, WA [pop 22,449] | Yes | Does not regulate specifically | | 9/26, no name |
| 15 | Spokane, WA [pop 217,300] | Yes | 17C.316.010-070 Type A: Admin Permit Type B: CUP | Type A: bedroom or entire home, no commercial mtngs.; Type B: bedroom or entire home, commercial meetings (parties, weddings, banquets) OK. | Heather Trautman |
| 16 | Bremerton, WA [pop 40,675] | Yes | Does not regulate specifically | | Tracey Wood |
| 17 | Kirkland, WA [pop 87,701] | Yes | KMC 7.02.300, Business Licenses | Detached dwelling, not to exceed 120 days, owner-occupied | Kaylie Duffy |
| 18 | Bainbridge Island, WA [pop 24,404] | Yes | Does not regulate specifically | May look into it in 2019 | Jennifer Sutton |
| 19 | Castle Rock, CO [pop 57,666] | Yes | Does not regulate specifically | | Tammy King |
| 20 | Grand Lake County, CO [pop 495] | Yes | CUP hearing if notice results in written complaints | Parking, defined trash, snow storage (?), no signs, penalties IDD. | Erin O'Rourke |
| 21 | Englewood, CO [pop 34,050] | Planning effort ongoing re: STR regulations – draft | | Owner: titled owner or property as found on County Deed of Record. | Erik Sampson |

Cities Surveyed for STR Regulations

| | City | Allow STRs in residential zones? | How | Notes | Contact |
|----|-------------------------------------|----------------------------------|---|---|---------------------------|
| 22 | Redwood City, CA [84,950] | Yes | | Un-hosted limited to 120 days, no limit on hosted; local contact; on-site parking; register, BL and TOT payment. | Lindy Chan |
| 23 | Huntington Woods, MI [pop 6,328] | Yes | Does not regulate specifically | | Hank Berry |
| 24 | Saratoga, CA [pop 30,767] | No | NA | | Debbie Pardo |
| 25 | Winnetka, IL [pop 12,417] | No | NA | "The zoning ordinance does not specifically allow STRs." | Kathy Scanlan |
| 26 | Sammamish, WA [pop 63,773] | Yes | Does not regulate specifically | May look into STR regulations in the future | Ryan Harriman |
| 27 | Bexley, OH [pop 13,669] | Yes | Does not regulate specifically | (Pending ordinance tabled) | Kathy Rose |
| 28 | Orinda, CA [pop 19,470] | Yes | Ordinance 17-04 | License; pay TOT; 2 people per BDR + 3; only one on a property at a time; local contact available 24/7. | Drew Taplin |
| 29 | Zionsville, IN [pop 26,784] | Yes, kind of | Regulate occupancy to one single family | Owner off-site during rental OK (because only one family); owner on-site during rental not OK (because two-family) | Wayne DeLong |
| 30 | University Park, TX [pop 24,905] | Yes | Does not regulate specifically | | Patrick Baugh |
| 31 | Cambridge, MA [pop 110,651] | Yes | 4.60 Use Regulations | Operator-occupied or owner-adjacent; liability insurance; post garbage, emergency exits and permit; register with City. | Cliff Cook; Sisia Daglian |

Cities Surveyed for STR Regulations

| | City | Allow STRs in residential zones? | How | Notes | Contact |
|----|---------------------------------|----------------------------------|--------------------------------|---|---------------|
| 32 | Greenwich, CT [pop 62,359] | Yes | Does not regulate specifically | | Katie DeLuca |
| 33 | Charleston, SC [pop 139,000] | Yes | Sec 54-208 | | On-line |
| 34 | Los Gatos, CA [pop 30,545] | No | NA | Policy committee is considering whether to research further (See Oct 2 agenda) | Armer |
| 35 | Los Altos, CA [pop 30,561] | No | NA, 14.30 | | Yvonne Dupont |
| 36 | San Luis Obispo, CA | Yes | | Owner-occupied; admin permit, add'l parking, 4 guest max, provide contact, TOT. | |

| CITY | LICENSE: Business License (BL), Home Occ (HO) or Other (O) | ACCESSORY USE | CUP | PRIMARY RESIDENCE | PARKING | POSTING/ NOTICE/ CONTACT | LIMITS ON NIGHTS | OWNER ON SITE | DWELLING TYPES | TRASH | SIGNS | OCCUPANCY LIMIT | INSURANCE | INSPECTION | RENEWAL | TOT* | COMPLIANCE/ REVOCATION | OTHER or NOTES |
|-----------------------------------|--|---------------|---|---|--|---|---|--------------------------------------|--|--|---|---|----------------|--|--|------|--|--|
| West Linn, OR (Pop. 26,859) | HO, BL | Yes | | Yes | On-site | | | | | | Limited to one, 1.6 sq. ft. in area, 6 sq. ft., not illuminated | | | | | | | Owner-occupied |
| Milwaukie, OR (Pop. 20,929) | HO | Yes | Yes - for vacation rental or B&B | | | | STR - 95 unhosted nights | | | | | | | | | | | Approximately 30 in town |
| Happy Valley, OR (Pop. 19,704) | BL | | | | | | | | | | | | | | | | | Can't be a 'rooming house'; no complaints to date |
| Hillsboro, OR (Pop. 105,164) | | | Yes in residential zones | Yes - by DL or tax forms | One on-site space per rented bedroom, on all-weather surface. | | | | | | | | | | | Yes | | Regulate as a BnB. No commercial events - weddings, meetings, etc. Only one non-resident can be engaged in operation. Only 5 vehicle trips per day to site. Evidence of fence or landscaping to buffer headlights, etc. |
| Wilsonville, OR (Pop. 23,768) | HO - if owner on site; BL | Yes | Yes - if owner off-site (called Home Business) | | | | | | | | Limited to 3 sq. ft. | | | | | | | |
| Newburg, OR (Pop. 23,306) | | | | | 2 spaces on site that are available to the renters | Post near front door: operator name and number; police dept. phone #; max occupancy; garbage day; standards for rental occupancy. | | | Single-family dwelling only | Applicant shall provide for regular refuse service | | | | | | | 2+ complaints per year = revokation hearing | No occupied RV, trailer, tent or temporary shelter during rental occupancy |
| Gresham, OR (Pop. 111,523) | BL | Yes | | Yes | One on-site space per each guest sleeping room | | | | SFD, used for past 5 years as SFD | | Limited to one, 6 sq. ft., not illuminated | | | Yes - smoke detector in each room | | Yes | | Regulations same as for BnBs. |
| Hood River, OR (Pop. 7,702) | O | Yes | Yes | Proof per Chapter 5.10 | 1 on-site, per 2 BDR. If garage is being used to meet this requirement, must provide photo proving availability. Shared parking agreement within 250 feet of site OK - must provide proof. | | 90 nights for both HHS and VHR | | Not within RV, travel trailer, tent or other temporary structure | | | 2 persons per BDR + 2 additional persons | | | | | | Regulate: Hosted Home Share (HHS), Vacation Home Rental (VHR) |
| Spokane, WA (Pop. 217,300) | BL | | Only for TYPE B: BDR or entire home AND commercial meetings | | | Must inform all neighbors and submit copy of notification with application | | | All | | | Type A: 2 adults per bedroom. Type B: per CUP | Proof required | Yes - must meet Building Code for sleeping room (at time it was created/converted) and must meet Fire Code | | | | Type A: No non-resident employees. Type B: employees per CUP. Log book of all renters, rooms, license numbers must be available for inspection by staff upon request. STR Permit # must appear in all advertisements. |
| Kirkland, WA (Pop. 87,701) | BL | | | | B&B regulations apply: One per guest room, provided in garage, driveway or on-street "immediately adjacent" to site | | None if STR is primary residence of operator; 120 days if owner/agent lives on-site at least 245 days AND a property manager is available and identified when unhosted. | | SFD | | | | | | | | Owners and agents jointly responsible for compliance | Owner-occupied. No more than 2 rental agreements on-site at same time; rental agreements must include provisions to avoid conflicts with neighbors |
| Grand Lake County, CO (Pop. 495) | Other: Nightly Rental License. Option: BL if County taxes NR as a commercial use | | Administrative permit in residential zones, except that CUP required if notice results in complaint | | Yes: tenants must park on site or in City lot, not in ROW | Town will send 24-hour contact info to all property owners within 100 feet | | | | Trash area must be clearly defined | Prohibited | | | | Annual: Admin if no complaints in previous 12 months; CUP if 1+ complaints | Yes | Penalties identified in code | Property owners within 100' receive notice and can object |
| Redwood City, CA (Pop. 84,950) | BL; O - register with City | | | Evidence includes: income tax statements or DL. | Existing on-site spaces shall be made available to renters | Host must ID local contact, available 24/7 during unhosted stays, to renters and adjacent properties. | No limit if hosted; 120 days if unhosted | Hosted: must be present 10 pm - 6 am | All legal dwelling units | | | | | | Annual | Yes | Revocation hearing process codified | (1) No weddings, commercial functions, corporate events, etc. (2) Must maintain 3 years of records, including TOT payment. No approval for dwellings (1) that are subject of active compliance order, or (2) where STR has been denied or revoked in prior 24 months |
| Orinda, CA (Pop. 19,470) | BL; O - STR Registry | | | | | Local contact 24/7 | | | | | | 2 people per BDR + 3 | | | | Yes | | Only one rental at a time at the dwelling; must have STR reg # on all advertisements; no Temporary Events on-site when used as an STR. |
| San Luis Obispo, CA (Pop. 47,536) | BL | | | Must show documentation annually | | Must provide local contact if host not on-site 24/7; must provide to renters and adjacent neighbors | | | | | | Limited to 4 guests | | | | Yes | | Owner-occupied. Bus license number must appear in all advertisements |

*Transient Occupancy Tax LU 18-0034

| CITY | LICENSE: Business License (BL), Home Occ (HO) or Other (O) | ACCESSORY USE | CUP | PRIMARY RESIDENCE | PARKING | POSTING/ NOTICE/ CONTACT | LIMITS ON NIGHTS | OWNER ON SITE | DWELLING TYPES | TRASH | SIGNS | OCCUPANCY LIMIT | INSURANCE | INSPECTION | RENEWAL | TOT* | COMPLIANCE/ REVOCATION | OTHER or NOTES |
|-------------------------------|--|---|-----|---|---------|---|------------------|--|----------------|---------------|------------|--|-----------|------------|--|--|------------------------|---|
| Zionsville, IN (Pop. 26,784) | | | | | | | | | | | | | | | | | | Owner must be off-site during rental |
| Cambridge, MA (Pop. 110,651) | O - Register with City | Yes - must be owner-occupied or owner-adjacent (MF of 4 or fewer, with operator owning all units) | | Owner or primary leaseholder; needs written permission of property or condo association, if applicable. Provide prrof of primary residence: signed affidavit; property title or tenancy agreement; photo ID; govt or utility correspondence issued in past 3 months | | Post contact info for operator or local contact; Post garbage instructions, emergency exit locations, STR certificate | | If owner is off-site for more than 7 days, the unit may only be rented as a whole unit to only one party | | Post location | | Unit/BRD must comply with building code occupancy limits | Liability | Yes | Every 5 years; new inspection required | Remit as required to City and/or State | | No commercial meetings or rentals less than 10 hours. Must keep accurate records for 3 years. |
| Charleston, SC (Pop. 134,385) | BL | | | Yes, and record owner | | | | Yes | | | Prohibited | | Liability | | Yearly | Yes | | Maintain guest register. Breakfast is only meal that can be served. STR Permit # must appear on all advertisements. Applications must be notarized. 15-day posting, 5 day appeal. |

ATTACHMENT C

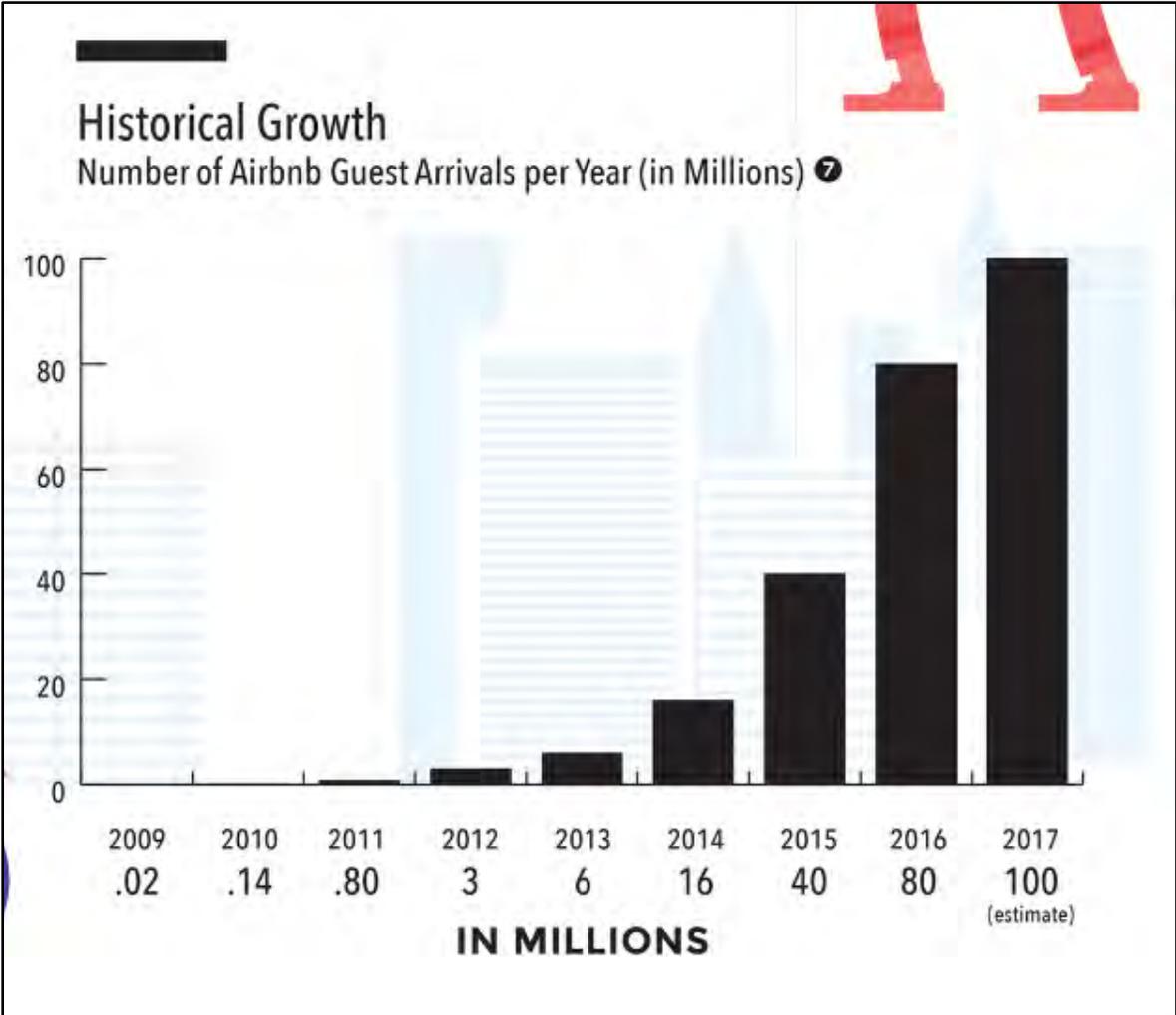
LU 18-0034

SHORT-TERM RENTAL SURVEY RESULTS

*(Due to size, this attachment is only available on
the project webpage, use link below)*

<https://www.ci.oswego.or.us/all-projects>

**(Under Search enter LU 18-0034 and press
Enter)**



<http://www.vizlly.com/blog-airbnb-infographic/>

Accessed October 27, 2018

QUESTION 10 ANALYSIS FOR FIVE NEIGHBORHOODS

FAN-FH Responses based on whether used STR previously, with open answers assigned

| FAN-FH: ALL RESPONDENTS (101) – Open Responses Categorized and Added | | |
|---|------------|----------|
| | Raw | % |
| I don't know | 7 | 6.9% |
| STRs would have no effect on my neighborhood | 11 | 10.8% |
| STRs would have some minor effects, but none that concern me | 14 | 13.8% |
| STRs would have mostly positive effects (please describe) | 15 | 14.8% |
| STRs would have both positive and negative effects (please describe) | 15 | 14.8% |
| STRs would have mostly negative effects (please describe) | 39 | 38.6% |

| FAN-FH: RESPONDENT HAS NEVER USED AN STR (21) – Open Responses Categorized and Added | | |
|---|------------|----------|
| | Raw | % |
| I don't know | 2 | 9.5% |
| STRs would have no effect on my neighborhood | 0 | 0% |
| STRs would have some minor effects, but none that concern me | 1 | 4.7% |
| STRs would have mostly positive effects (please describe) | 1 | 4.7% |
| STRs would have both positive and negative effects (please describe) | 2 | 9.5% |
| STRs would have mostly negative effects (please describe) | 15 | 71.4% |

| FAN-FH: RESPONDENT USED AN STR (80) – Open Responses Categorized and Added | | |
|---|------------|----------|
| | Raw | % |
| I don't know | 5 | 6.25% |
| STRs would have no effect on my neighborhood | 11 | 13.75% |
| STRs would have some minor effects, but none that concern me | 13 | 16.25% |
| STRs would have mostly positive effects (please describe) | 14 | 17.5% |
| STRs would have both positive and negative effects (please describe) | 13 | 16.25% |
| STRs would have mostly negative effects (please describe) | 24 | 30% |

Palisades Responses based on whether used STR previously, with open answers assigned

| PALISADES: ALL RESPONDENTS (77) – Open Responses Categorized and Added | | |
|---|------------|----------|
| | Raw | % |
| I don't know | 6 | 9.1% |
| STRs would have no effect on my neighborhood | 14 | 18.1% |
| STRs would have some minor effects, but none that concern me | 14 | 18.1% |
| STRs would have mostly positive effects (please describe) | 5 | 6.4% |
| STRs would have both positive and negative effects (please describe) | 10 | 12.9% |
| STRs would have mostly negative effects (please describe) | 28 | 36.3% |

| PALISADES: RESPONDENT HAS NEVER USED AN STR (19) – Open Responses Categorized and Added | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 2 | 10.5% |
| STRs would have no effect on my neighborhood | 3 | 15.7% |
| STRs would have some minor effects, but none that concern me | 1 | 5.2% |
| STRs would have mostly positive effects (please describe) | 1 | 5.2% |
| STRs would have both positive and negative effects (please describe) | 1 | 5.2% |
| STRs would have mostly negative effects (please describe) | 11 | 57.8% |

| PALISADES: RESPONDENT USED AN STR (58) – Open Responses Categorized and Added | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 4 | 6.8% |
| STRs would have no effect on my neighborhood | 11 | 18.9% |
| STRs would have some minor effects, but none that concern me | 13 | 22.4% |
| STRs would have mostly positive effects (please describe) | 4 | 6.8% |
| STRs would have both positive and negative effects (please describe) | 9 | 15.5% |
| STRs would have mostly negative effects (please describe) | 17 | 29.3% |

Mountain Park Responses based on whether used STR previously, with open answers assigned

| MT PARK: ALL RESPONDENTS (76) – Open Responses Categorized and Added | | |
|---|------------|----------|
| | Raw | % |
| I don't know | 4 | 5.2% |
| STRs would have no effect on my neighborhood | 9 | 11.8% |
| STRs would have some minor effects, but none that concern me | 7 | 9.2% |
| STRs would have mostly positive effects (please describe) | 16 | 21% |
| STRs would have both positive and negative effects (please describe) | 13 | 17% |
| STRs would have mostly negative effects (please describe) | 27 | 35.5% |

| MT PARK: RESPONDENT HAS NEVER USED AN STR (16) – Open Responses Categorized and Added | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 1 | 6.25% |
| STRs would have no effect on my neighborhood | 0 | 0% |
| STRs would have some minor effects, but none that concern me | 1 | 6.25% |
| STRs would have mostly positive effects (please describe) | 0 | 0% |
| STRs would have both positive and negative effects (please describe) | 2 | 12.5% |
| STRs would have mostly negative effects (please describe) | 12 | 75% |

| MT PARK: RESPONDENT USED AN STR (60) – Open Responses Categorized and Added | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 3 | 5% |
| STRs would have no effect on my neighborhood | 9 | 15% |
| STRs would have some minor effects, but none that concern me | 6 | 10% |
| STRs would have mostly positive effects (please describe) | 16 | 26.6% |
| STRs would have both positive and negative effects (please describe) | 11 | 18.3% |
| STRs would have mostly negative effects (please describe) | 15 | 25% |

Evergreen Responses based on whether used STR previously, with open answers assigned

| EVERGREEN: ALL RESPONDENTS (40) – Open Responses Categorized and Added | | |
|---|------------|----------|
| | Raw | % |
| I don't know | 3 | 7.5% |
| STRs would have no effect on my neighborhood | 7 | 17.5% |
| STRs would have some minor effects, but none that concern me | 9 | 22.5% |
| STRs would have mostly positive effects (please describe) | 3 | 7.5% |
| STRs would have both positive and negative effects (please describe) | 4 | 10% |
| STRs would have mostly negative effects (please describe) | 14 | 35% |

| EVERGREEN: RESPONDENT HAS NEVER USED AN STR (9) – Open Responses Categorized and Added | | |
|---|------------|----------|
| | Raw | % |
| I don't know | 1 | 11% |
| STRs would have no effect on my neighborhood | 0 | 0% |
| STRs would have some minor effects, but none that concern me | 0 | 0% |
| STRs would have mostly positive effects (please describe) | 0 | 0% |
| STRs would have both positive and negative effects (please describe) | 1 | 11% |
| STRs would have mostly negative effects (please describe) | 7 | 77.7% |

| EVERGREEN: RESPONDENT USED AN STR (31) – Open Responses Categorized and Added | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 2 | 6.4% |
| STRs would have no effect on my neighborhood | 7 | 22.5% |
| STRs would have some minor effects, but none that concern me | 9 | 29% |
| STRs would have mostly positive effects (please describe) | 3 | 9.6% |
| STRs would have both positive and negative effects (please describe) | 3 | 9.6% |
| STRs would have mostly negative effects (please describe) | 7 | 22.5% |

Bryant Responses based on whether used STR previously, with open answers assigned

| BRYANT: ALL RESPONDENTS (49) – Open Responses Categorized and Added | | |
|--|------------|----------|
| | Raw | % |
| I don't know | 3 | 7.5% |
| STRs would have no effect on my neighborhood | 7 | 17.5% |
| STRs would have some minor effects, but none that concern me | 9 | 22.5% |
| STRs would have mostly positive effects (please describe) | 3 | 7.5% |
| STRs would have both positive and negative effects (please describe) | 4 | 10% |
| STRs would have mostly negative effects (please describe) | 14 | 35% |

| BRYANT: RESPONDENT HAS NEVER USED AN STR (14) – Open Responses Categorized and Added | | |
|---|------------|----------|
| | Raw | % |
| I don't know | 0 | 0% |
| STRs would have no effect on my neighborhood | 0 | 0% |
| STRs would have some minor effects, but none that concern me | 2 | 14.2% |
| STRs would have mostly positive effects (please describe) | 0 | 0% |
| STRs would have both positive and negative effects (please describe) | 3 | 21.4% |
| STRs would have mostly negative effects (please describe) | 9 | 64.2% |

| BRYANT: RESPONDENT USED AN STR (35) – Open Responses Categorized and Added | | |
|---|------------|----------|
| | Raw | % |
| I don't know | 3 | 8.5% |
| STRs would have no effect on my neighborhood | 4 | 11.4% |
| STRs would have some minor effects, but none that concern me | 3 | 8.5% |
| STRs would have mostly positive effects (please describe) | 7 | 20% |
| STRs would have both positive and negative effects (please describe) | 5 | 14.2% |
| STRs would have mostly negative effects (please describe) | 13 | 37% |

MEMORANDUM

October 23, 2018

To: Leslie Hamilton, Senior Planner, City of Lake Oswego

From: Mark Rockwell

Ref: Short Term Rentals

Leslie,

I am responding to your invitation to share my “take-aways” from our recent community-wide survey on Short Term Rentals. I will also include recommendations for the draft ordinance that the Planning Commission will be preparing for review and action by the City Council, along with concluding remarks.

Community-wide Survey:

1 - Strong community response:

The fact that the survey had the largest participation of any similar community-wide questionnaire, speaks to the following:

- (a) The survey was well publicized.
- (b) There was participation from neighborhoods throughout the City.
- (c) The on-line format was easy for a wide number of residents to participate.
- (d) The thirty-day survey period helped to facilitate a strong response.
- (e) “Short Term Rentals” is a topic that has significant interest in Lake Oswego.

2 - High percentage of locals have stayed in a short-term rental: (Questions 7 & 8)

In May 2016, Pew Research Center conducted a national study regarding Short Term Rentals and Home-sharing services. At that time, **24% of individuals**, who had an education and economic profile similar to residents in Lake Oswego, had stayed in a short-term rental.

The fact that **75% of survey respondents** indicated they regularly stay in a short-term rental (some as many as three to five times per year), is a higher than typical “adoption rate” of STR’s, and it suggests that Lake Oswego residents are more accepting of STR’s than national norms.

3 - Respondents’ view regarding impact of STR’s on their neighborhood: (Question 10)

The percentage of individuals who felt STR’s would have a primarily negative impact on their neighborhood was approximately **42% of respondents**. This is almost identical to the negative response to Question 14, where **42.4% of respondents** indicated that STR’s **should not** be allowed in Lake Oswego.

4 - Types of housing to be permitted for STRs: (Question 11)

When asked “If STRs were allowed in residential areas” what type of housing should be approved, the **largest “negative” response** (“Strongly disagree and Somewhat Disagree”) was **“Entire single-family homes”** for a combined negative of 52.13%. This likely reflects people’s concerns that if entire homes could be rented as STR’s, this would lead to (a) unsupervised party houses, noise, and parking problems, and (b) it could also have an adverse impact on “affordable housing” by potentially shifting long term “work force” rentals to more lucrative STR’s.

The housing types that received the **most positive responses** (“Strongly Agree and Somewhat Agree), and correspondingly the smallest negative scores, were **“Portions of any home, but not the entire home”** (positive 55.9% / negative 42.08%) and **Separate guest house or accessory dwelling unit (ADU)** (positive 65.06% / negative 35.89%) I read this to indicate that respondents probably anticipate these types of STRs would be better supervised, would have less noise and fewer parking problems, and would not have an adverse impact on affordable housing.

5 - Geographical areas for STR’s: (Question 12)

When the question was asked “If STR’s were allowed in residential areas, in what geographical areas should they be allowed?” **roughly half of the respondents indicated they would be okay with STR’s “anywhere”**. A much smaller percentage, **31.97% said STR’s should be limited** to particular areas. Interestingly, this is lower than the 42% of respondents who said they do not want STR’s to be allowed in Lake Oswego.

6 - Concerns with STR’s: (Question 13)

There were 766 responses to Question 13 that covered a variety of concerns. However, there was a repetitive theme regarding (a) the noise and parking problems respondents anticipated, particularly if unsupervised houses become STR’s, and (b) the concern that if entire houses are converted to STR’s (instead of remaining as long-term rentals) that would have an adverse impact on affordable housing in our community.

A majority of the concerns expressed by respondents were based on what they anticipate might happen if STR’s were permitted in Lake Oswego, and for the most part their comments did not reflect a history of actual problems in Lake Oswego. Most of those who took the survey were probably unaware that during the past eight years, there have been approximately 50,000 STR “guest nights” with almost zero problems. If the draft STR proposed by the Planning Commission **limits STR’s to an owner’s primary residence**, a majority of the concerns expressed in the survey will be alleviated.

7 - Should the City allow STR’s on a trial basis: (Question 14)

This is the most definitive, and arguably the single most important question in the survey. A clear majority of respondents, **53.24% provided positive responses**, with 42.4% opposed to allowing STR’s. Of the 53.24% in favor, 21.08% said no sunset date should be imposed, and 32.16% indicated that STR’s should be allowed for a trial period but with a defined sunset date. I anticipate that had respondents had been given a scenario under which STR’s were to be restricted to an owner’s primary residence (“Home-sharing”), the number favoring this type of limited STR (owner supervised) may have exceeded 60%.

“Social Model” vs “Business Model”:

1 - STR’s can be divided into two types, which have been referred to as the **“Social Model”** and the **“Business Model”**. I recommend Lake Oswego limit STR’s to the **“Social Model”**.

2 - The **“Social Model”** is **“Home-sharing”**, which is **limited to an owner’s primary residence**. Hosts can only rent the home they primarily occupy, which is to also be their legal address of record. This typically entails renting one or two bedrooms, a granny apartment, an ADU on the property, or potentially the entire house when the owner leaves to go on vacation. Under the **“Social Model”** the income that a host receives serves to **offset a portion of the utilities, maintenance, and property taxes**. Nearly all Lake Oswego’s hosts operate within the **“Social Model”**. While the income earned is typically modest, nevertheless, in many cases it is a major factor in helping to make the host’s home affordable.

Because the owners are typically on site (and they are understandably cautious about who they will rent their home to if they go away on vacation) the **“Social Model”** eliminates most, if not all, of the concerns respondents expressed with regard to noisy parties, parking issues that could result from large groups renting an entire house, and the fear that allowing STR’s could adversely affect the availability of affordable housing in Lake Oswego.

3 - The **“Business Model”** is where an individual or corporation makes a business investment in houses, condominiums, and apartments for the **specific purpose of operating a for profit business based on short term rentals**. The properties in the **“Business Model”** are not **“owner occupied”** and are thus largely unsupervised. By its nature, this model represents a greater potential for noise, parties, and parking problems that can result when a property is rented to a large group. It could also alter the availability of affordable housing if long term rentals were converted to STR’s. For these reasons, I do not recommend that Lake Oswego approve the Business Model

Recommendations For A Draft STR Ordinance:

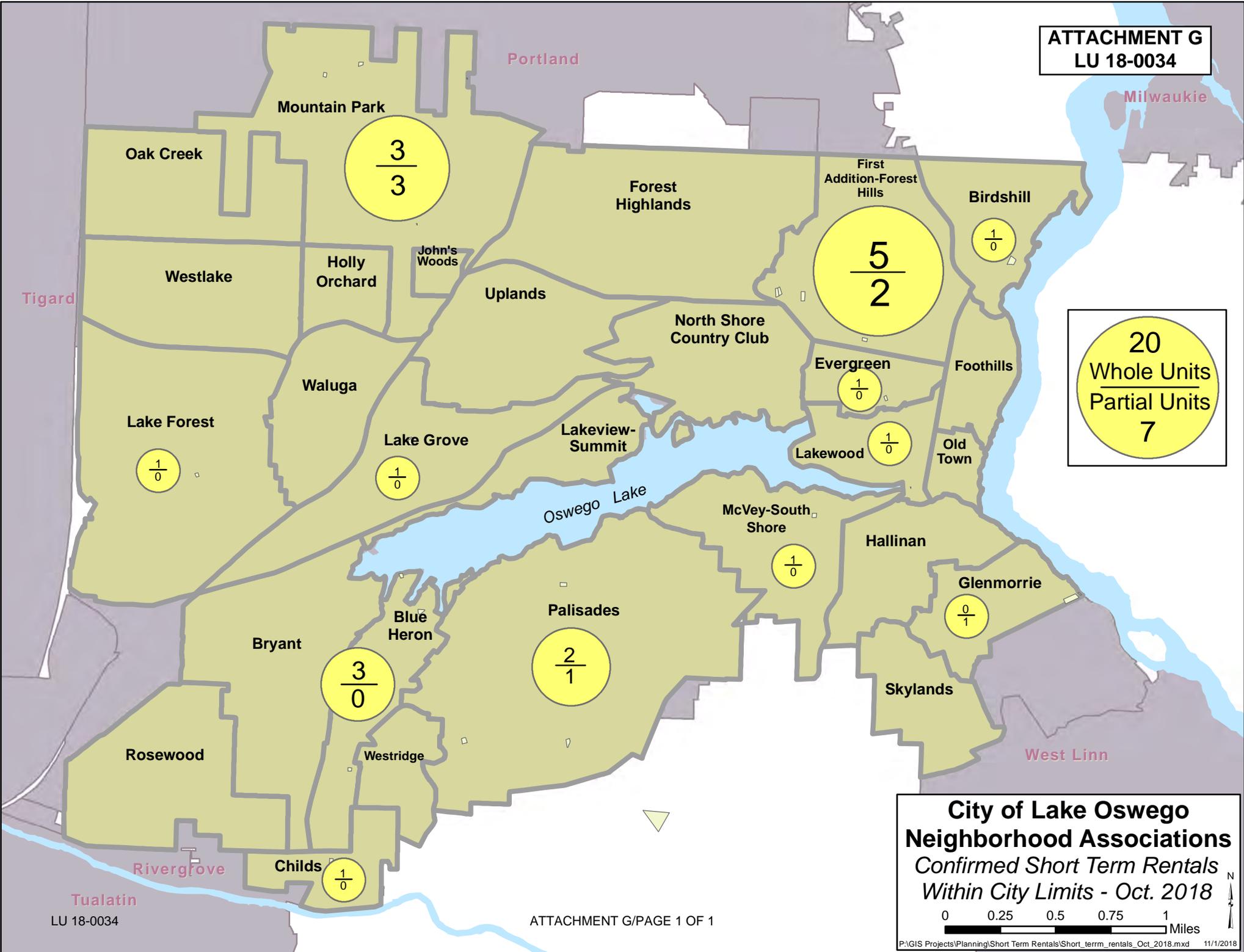
1. STR’s to be limited to the **“Social Model”** - Home-sharing in a host’s primary residence.
2. Home-sharing to be licensed as an **“In Home Business”**, subject to provisions of the existing Lake Oswego in-home business ordinance.
3. No weddings, parties, or events permitted.
4. The number of guests per rental to be limited to a maximum of 6, or a nuclear family.
5. Applicants to demonstrate during the licensing process (a) the ability to provide on-site guest parking, or (b) the availability of sufficient on-street parking to readily accommodate guest parking without adversely impacting parking in the neighborhood.
6. To include an annual STR license fee that in aggregate will offset the City’s cost to administer the STR program.
7. The host license number issued by the City to be included on the host’s AirBnB, or other online platform web listing.
8. STR’s to pay the same percentage lodging tax as hotels.

Concluding Comments:

During the past nearly eight years, guest nights in Lake Oswego have continued to grow, eclipsing nearly 50,000 guest nights with no significant problems, and our local restaurants and shops benefit from almost \$3,000,000 in added revenue per year.

Guests to Lake Oswego are primarily mature adults -- averaging 42 years of age, 2.5 individuals per group, staying 4.7 nights. Our hosts are responsible citizens, most of whom are longtime residents of Lake Oswego. Many are woman over 60-years of age who are able to retain ownership of their homes by creating additional income through home-sharing.

An ordinance that limits short term rentals to home-sharing will minimize community objections, and it will be good for our guests, hosts, local businesses, and our community at large.



20
Whole Units

Partial Units
7

City of Lake Oswego
Neighborhood Associations
Confirmed Short Term Rentals
Within City Limits - Oct. 2018

0 0.25 0.5 0.75 1 Miles

From: [Siegel, Scot](#)
To: "Tim Hartfield"
Cc: [Hamilton, Leslie](#); [McCaleb, Iris](#)
Subject: RE: STR
Date: Monday, August 13, 2018 10:25:41 AM

Dear Ms. Hartfield,

Thank you for your letter, which I am forwarding to Leslie Hamilton, Senior Planner. Leslie is leading this work for the City and will share your comment with the Planning Commission. The Commission presently is only exploring the idea of legalizing and regulating short term rentals. Once a formal proposal is made public hearings will be scheduled and notices sent to interested parties such as yourself. Your comment below is appreciated, though it is important to remain involved through the hearings process and testify during that process, as well.

Sincerely,

Scot Siegel

Planning & Building Services Director
[City of Lake Oswego](#)
PO Box 369
Lake Oswego, OR 97034
tel: 503.699.7474



From: Tim Hartfield [mailto:breadsurf88@gmail.com]
Sent: Monday, August 13, 2018 10:20 AM
To: Siegel, Scot <ssiegel@ci.oswego.or.us>
Subject: STR

Hello,

My name is Jane Hartfield. My husband and I have been home owners in First Addition for 32 years. We are recently retired small business owners. Without a pension, we had counted on renting our home as a STR from time to time to supplement our income so we would be able to keep our home and live near our children and grandchildren. This is our only home and it is very important to us! It seems that there has been alot of discussion about the pros and cons of allowing whole house rentals vs partial. Our home would not work as a partial house rental. Our only option is a whole house one. It seems there is alot of "fear" surrounding allowing this option. Party houses, parking, strangers in the neighborhood, etc. First, we would screen all propective renters carefully to make sure the possibilty of renting to party people woud not happen. Second, there would be strict oversight by ourselves and the property

manager with concrete rules in place. Airbnb also is a platform that uses reviews that allow owners to research prospective renters.

In the past number of years how many complaints have surfaced during a time of no oversight or regulation? There is no way I would rent my only home, that I live in almost all the time, to a renter that I had no confidence that they would follow my rules and respect my property. There are more problems with people who rent long term! When you rent a house or an apartment long term, there are basically no rules! Three house down from us, there is a rental that is basically a party house from time to time. Trash and women's underwear in the alley. Cars everywhere, loud music! There is no way that would happen with almost all STR's. It seems to me that there is alot of "what ifs" fueling the discussions that have no basis in real life. For the most part, you have a group of smart, organized, community minded hosts (that live in a neighborhood and are mindful of their neighbors) who just want to make some extra income with the property they own and live in. I urge you to look past the fears and negative attitudes and consider those who need to rent their homes as STR's.

Thanks,

Jane Hartfield

From: shannon <shannon.a.clark@comcast.net>
Sent: Friday, August 31, 2018 7:29 PM
To: Hamilton, Leslie
Subject: Short-term rentals

Good evening Ms. Hamilton,

I came to this page looking for the link for the survey?...was not able to locate.

I just want to add my opinion/thoughts on LO's consideration of Short-term Rentals. I'll be brief. ☺

This. Is. A. Very. Bad. Idea.

My friends & family who live in Un-Incorporated RiverGrove have had nothing but frustrations & troubles. They've even gone to Clackamas County to alleviate some of their nightmares from Short-term rentals. The County amended a few things, but not enough concerning its residents.

My sister who lives in Multnomah County(Cedar Hills) can attest to it being a nightmare with an Airbnb across her street. Parties, speeding, transients coming & going. Neighborhood property damage also mysterious dents in cars. Limited parking used by large groups coming/staying(Clackamas County allows up to 15 people...so a neighborhood street can have 15 extra vehicles). Garbage. Unkept yards.

Most, like the house across the street from my sister is owned by a property group that is located in another state. No hearing ear on the other end for complaints. By the time she's filed a complaint about the problem tenant(s), they're long gone & the new ones are on the way. Like I said, no recourse.

I don't see The City of LO handling it any better. I've lived in LO since 1993(my husband who is 50, has lived here since moving from Hawaii since he was 6). Why do I say this? We've lived in our current LO home for 15 years, Two years ago the house next door to us was sold to a wonderful family. However, they purchased it to primarily run a daycare. I live in a small court/cul de sac of 10 homes with almost no extra parking. It's been a complete daily frustration of speeding parents who are running late. We have small children who walk to the bus stop on Lakeview who have almost been hit several times since their walk to the bus stop corresponds with parents dropping off babies. I feel like I'm in a live action video game every time I pull out of my driveway for busy, distracted parents pulling out next door. That's only when they aren't parked in front of my driveway blocking my private driveway. I have had to put signs on my garbage cans to politely ask them to not block them because every week they park in front of my garbage cans blocking them. So, when I come home noticing yet again my garbage cans haven't been emptied. I've confronted the parents & they always say, "I'm so sorry! I was just in side for a minute dropping/picking up my child." Allied Waste has told me that they will be having to start charging me a \$26.- return trip fee/ per can because they couldn't access my cans because of cars blocking them. So, since there are only vague guidelines for in-home residential businesses I definitely don't see any good for Short-term rentals.....

In my abroad travels I've used Short-term rentals, so, I can say not all guests are problematic. However, I grew up in inner city San Francisco, a bustling city. When purchasing where I wanted to live I chose a suburban neighborhood-a neighborhood full of neighbors who actually live in their homes, where friendships grow.

Life is sometimes full of frustrations...why would LO add more of them to its residents.

Neighbors make up neighborhoods.....

Thanks for your time,
Shannon Clark

Sent from my iPad

Suzanne Chickholm
1280 Chandler Road
Lake Oswego, OR 97034

Lake Oswego City Council
380 — "A" Avenue
Lake Oswego, OR
97034

September 4, 2018

Dear Mayor Stuebaker and
Council,

Regarding the short-term
rentals, I'm opposed because
our homes are zoned R. I do
not want parking problems,
particularly on garbage pick-
up days and travelers with
their pets and poop! (??) Truly!

Why is there such a concerted
effort by letter-writers to
the Lake Oswego Review?
Money? Residents may have

company visit, motor homes
and all. zoning laws help us
get along and be neighborly.

The brow-beating of our council
is not neighborly.

We did not purchase our
home in a business district
and hope you respect the
zoning rules.

Sincerely,
Suzanne Chickholm
503-636-3054



Mister Rogers

From: Jan Goodwin <janmichele13@gmail.com>
Sent: Sunday, September 2, 2018 10:38 AM
To: Hamilton, Leslie
Subject: Short term rentals

Hi Leslie,

So glad this is coming up for review. Perhaps an on line opportunity for neighbors to weigh in could contribute to more feedback.

My husband and I occupy a home near Millennium Park, and have considered short term rentals now that we are retired.

WE HAVE COMPLETELY CHANGED OUR MINDS

Our neighbor at 400 Lake Bay Court is advertising on VBRO for nightly rental.

Despite admonishment, she advertises lake easement rights, (which is in violation of our membership rules). Several of her guests have been quite noisy, and those that arrive with dogs, leave them in the yard to bark incessantly. On one occasion the police were called by neighbors.

This neighbor has been most resistant to the complaints of her neighbors, and we are frustrated by the lack of any enforcement opportunity. Why is she permitted to operate a nightly rental and run this ad when the moratorium speaks of a 30 day term only?

Please discuss a viable enforcement policy while considering moving forward. My neighbors and I are concerned that we just have to put up with it until Planning reaches a decision.

Thank you for your consideration,

Jan Goodwin

From: Dillinger, Barbara
Sent: Monday, September 10, 2018 11:15 AM
To: Hamilton, Leslie
Subject: FW: Short-term rental survey inadequate

From: claudia reed [mailto:claudiamiriamreed@gmail.com]
Sent: Friday, September 07, 2018 4:25 PM
To: Dillinger, Barbara
Subject: Short-term rental survey inadequate

Your survey asks repeatedly, in one form or another, whether or not people want short-term rentals in their neighborhoods.

I and most people I've spoken with would answer that it all depends on how such rentals are regulated. I have no problem, for example, with home owners in my condo complex (Kingsgate Park) renting out their units while on vacation, even extended vacations, up to four times a year. I also have no problem with someone renting a room within their unit to a friend or family member needing a place to stay for a up to a month. But I would not want a someone to purchase a unit for the sole purpose of securing income from endless short-term rentals.

Please consider revising your survey to address the difference in response you would receive if you presented various regulatory options.

Thank you for your time,

Claudia Reed
58 Galen Street
Lake Oswego

From: Kim Beeler <kim@beelermarketing.com>
Sent: Monday, September 17, 2018 4:26 PM
To: Hamilton, Leslie
Subject: Comments in regards to short-term rentals

Dear Leslie

As a long-time resident of the city, I'm completely against the approval of short-term rentals (i.e. AirB&Bs) in Lake Oswego. I think it will lead to unapproved people using the lake, which is likely already happening with the unapproved rentals happening now. I think the city, which apparently needs more money in the budget for affording wonderful attributes like the municipal golf course, should increase the fine and number of fines given to those unlawfully renting their homes and give it to the golf course. We all know that renters don't care about our homes, lake, city, in the same way we residents do. I can look for stats on that fact (renters and how they treat rental property) if you think it would be helpful for the city officials as they discuss and consider this topic.

Thank you,

Kim Beeler

16400 Westview Dr., Lake Oswego, OR 97034

<http://www.ci.oswego.or.us/planning/short-term-rentals>

Kim Beeler, Owner

Mobile: (503) 908-0808

www.beelermarketing.com



From: Dillinger, Barbara
Sent: Monday, October 1, 2018 3:43 PM
To: Hamilton, Leslie
Subject: FW: LO STR Survey

From: Mona Johnson [mailto:monaljohnson@yahoo.com]
Sent: Monday, October 01, 2018 3:41 PM
To: Dillinger, Barbara
Subject: LO STR Survey

Hello,

I was unable to complete survey before it closed. I would like to share that a neighbor has STR and it really has changed our community climate. Our cul de sac is family oriented but the STR has multiple cars coming and going on a daily basis. They are loud and smoke pot in the driveway and street. Additionally, relations with this neighbor have not been good due to STR issues. I'm also concerned that the City is not collecting related taxes. I have used STR in other cities but don't anymore due to safety issues. For example, in two STRs I had to replace the fire alarm batteries myself. I am not in favor of STRs.

Thank you for considering my feedback.

Best,
Mona

From: MARK MOCHON <mochon0662@comcast.net>
Sent: Tuesday, October 2, 2018 4:26 PM
To: Hamilton, Leslie
Subject: Short Term Rentals

Hi Leslie.

Looks like I just missed the deadline for the STR survey. The kind woman at the Planning Dept. desk suggested that I just email you.

I have a "Mother-in-law" apartment in the home I have lived in for over 20 years. It has its own separate entrance. I am contemplating the prospect of making it a short term rental if the city decides to allow it.

I also have a STR in Manzanita, Oregon which I have owned for about 10 years. With conscientious property management I have never had a bad experience - either to the property or involving the neighbors. I have found that this is a wonderful way for out of town people to visit an appealing area without the rigid stuffiness of staying in a hotel. Obviously, these visitors will be spending money as they visit.

Lake Oswego is a beautiful place and this would be a wonderful way to show off our special town.

Please feel free to contact me if you have any questions or comments.

Mark and Myra