ORDINANCE NO. 2037

An Ordinance amending Hood River Municipal Code Title 17 (Zoning), Chapter 17.04 (Supplementary Provisions) Section 17.04.115 (Hosted Homeshares and Vacation Home Rentals) to revise the 60-day period in which a property owner with a valid Nonconforming Short-Term Rental claim must apply for a Short Term Rental Operating License under HRMC Chapter 5.

The Hood River City Council adopts the following findings:

WHEREAS, the City of Hood River adopted a comprehensive set of regulations for Hosted Homeshares and Vacation Home Rentals (collectively "Short-term Rentals" or "STRs") by Ordinance No. 2026, which became effective on October 12, 2016, and was codified in part in Title 17 (Zoning), Chapter 04 (Supplementary Provisions) of the Hood River Municipal Code ("HRMC"); and

WHEREAS, as part of those regulations, the City recognized the nonconforming status of STRs that were lawfully established and were in existence at the time of enactment of the new regulations and could demonstrate a particular level of nonconforming use; and

WHEREAS, Hood River Municipal Code HRMC §17.04.115(D), provides in pertinent part the following standards by which the owner of a lawful preexisting STR can demonstrate entitlement to a particular level (number of nights) of nonconforming use in their STR:

- "...any hosted homeshare or vacation home rental lawfully established and actually in existence prior to the effective date of this 2016 ordinance may continue as a legal nonconforming use..."
- "A hosted homeshare or vacation home rental in the R-1, R-2 and R-3 zones shall be deemed to be lawfully established and actually in existence if, at any time between January 1, 2013 and the effective date of this 2016 ordinance all of the following occurred:
 - "a. The home was actually used as a hosted homeshare or vacation home rental as defined in HRMC 17.01.060;
 - "b. The owner obtained from the City a Certificate of Authority to Collect Transient Room Tax; and
 - "c. The owner actually paid a Hotel Tax to the City pursuant to HRMC Chapter 5.09."

WHEREAS, HRMC §17.04.115(D)(4) provides a process by which an operator of a nonconforming STR may apply for acknowledgement of that status, but also requires that anyone wishing to do so apply for a Short Term Rental Operating License under HRMC Chapter 5 within 60 days of the October 12, 2016 effective date of Ordinance 2026; and

WHEREAS, Chapter 17.05.020 Nonconforming Use of the HRMC allows a vested right to continue as long as it is not discontinued, for any reason, for more than twelve (12)

consecutive months. Vacation home rentals in the R-1, R-2 and R-3 Zones became non-conforming on October 12, 2016 with the passage of Ordinance 2026and should be allowed to vest within that 12 month period; and

WHEREAS, the Department of Land Conservation and Development was given the required 35 day notification; the Planning Commission held a public hearing on May 1, 2017 and City Council held a duly noticed public hearing at its regular meeting on May 8, 2017 to consider an amendment to HRMC §17.04.115(D) (4) that would eliminate the 60-day period for applying for a Short Term Rental Operation License, as illustrated in Exhibit A, which incorporated herein by this reference. At which time, the Council accepted public testimony for and against this amendment to HRMC §17.04.115(D) (4).

NOW THEREFORE, the City Council for the City of Hood River ordains as follows:

- **Section 1.** <u>Incorporation of Recitals:</u> The foregoing recitals are adopted and incorporated herein by this reference and made a part hereof as findings in support of the City Council's action taken herein.
- Section 2. <u>Amendment.</u> Title 17 (Zoning), Chapter 17.04 (Supplementary Provisions) Section 17.04.115(D)(4) (Hosted Homeshares and Vacation Home Rentals) of the Hood River Municipal Code shall be amended to read as follows:
 - "17.04.115 Hosted Homeshares and Vacation Home Rentals Dwelling units may be used as hosted homeshares or vacation home rentals in the Urban Low Density Residential Zone (R-1), Urban Standard Density Residential (R-2), Urban High Density Residential Zone (R-3), Office/Residential Zone (C-1), and General Commercial Zone (C-2)."

* * *

"4. In addition to proving the elements of a nonconforming hosted homeshare or vacation home rental as described in subsection D2 of this section, to maintain that status, the owner shall apply for and obtain a Short Term Rental Operating License under HRMC Chapter 5.0910 within 60days-12 months of the effective date of this 2016 Ordinance 2026, which is October 13, 2017 and maintain in good standing that License for the remaining duration of the amortization periods provided in this section. Failure to acquire and execute a valid permit within the timeframe shall be deemed a discontinuance of that use. Failure to maintain the Short Term Rental Operating License in good standing for the remaining duration of the amortization periods shall result in the immediate termination of any nonconforming use status the home may otherwise have had by operation of law and without the need for any action by the City. The non-conforming use status provided for herein does not transfer with title to the property."

Section 3. Severability. If any provision, paragraph, word, section, or article of this Ordinance is invalidated in whole or in part by any court of competent jurisdiction or LUBA, the remaining provisions, paragraphs, words, sections and chapters shall not be affected and shall continue in full force and effect.

READ FOR THE FIRST TIME on May 22, 2017.

READ FOR THE SECOND TIME and adopted on the 30th day after its adoption.

Paul Blackburn, Mayor

ATTEST:

APPROVED AS TO FORM:

Daniel Kearns, City Attorney