

**CITY OF ROCKAWAY BEACH, OREGON
ORDINANCE NO. 2024-01**

**AN ORDINANCE AMENDING CITY OF ROCKAWAY BEACH CODE OF
ORDINANCES CHAPTER 113 RELATED TO SHORT-TERM RENTALS**

RECITALS:

1. The City Council is concerned for the health and welfare of the residents of Rockaway Beach and find that short-term vacation rentals can impact residents' enjoyment of the City and their property.
2. The City Council is also concerned with the health and welfare of visitors to the City that may stay in a private home acting as a short-term vacation rental.
3. In 2022, the City Council adopted Rockaway Beach Code Chapter 113 to balance the interests of neighbors, vacationers, and vacation rental owners. After working under the new regulations for the past year, the City Council finds that updates are needed to continue to strike the correct balance amongst the various interests.
4. Short-term rentals and the impacts of short-term rentals are major concerns for jurisdictions all over Oregon, and particularly along the Oregon coast. Tillamook County recently enacted license caps for short-term rentals in unincorporated areas of the County. Relatedly, Oregon is also suffering through a documented and significant housing shortage that the City Council finds is exacerbated in coastal communities with significant inventories of short-term rentals.
5. To address the interests of the community, including vacationers, property owners, and neighbors, and to address the need for workforce housing in our community, the City Council wishes to implement a cap on the total number of short-term licenses within the City to better ensure the long-term livability for both residents and vacationers.

Now, therefore, the City of Rockaway Beach ordains as follows:

Section 1. The City of Rockaway Beach Code of Ordinances Section 113.02 is hereby amended, in total, as follows:

§ 113.02 Short-Term Rental License Application and Application Procedures.

(A) Eligibility to apply for license. A property owner who holds title or a recorded land sale contract to a property with a dwelling unit may apply for a short-term rental license. A license application shall not be accepted or processed until fines related to any violation of the city code related to the subject property are paid in full. A license application shall not be accepted or processed until all corrective actions related to any violation of the city code related to the subject property are completed to the city's satisfaction. No person shall occupy, use, operate or manage, or offer or negotiate to use, lease or rent, a dwelling unit for short-term rental unless issued a short-term rental license by the city.

(B) Application. An application packet for a short-term rental license shall be completed and submitted to the city by the owner of the dwelling unit on forms provided by the city. If the dwelling unit is owned by a corporation or other entity, legal documentation, acceptable to the city, detailing the names of all persons with any ownership interest in the entity shall be submitted with the application. At the time of application, an application fee as determined by resolution of the City Council shall be paid to the city. Incomplete application packets shall not be accepted or processed. After one resubmittal, all additional resubmittals for the same property shall require payment of additional application fees. Failure of the owner to supply complete information for the short-term rental application process within 30 days of the initial application submission shall result in the expiration of the application. Applicants can request in writing for a one-time only 30-day extension after receiving communication of an incomplete application.

(C) Separate licenses. Each dwelling unit shall have a separate short-term rental license. More than one license may be issued for dwelling units on a single property. The short-term rental license is issued to the owner and may be transferred with the sale or conveyance of the property. All short-term rental license holders must report to the city any change of ownership of their short-term rental, in whatever form, before the transfer of ownership. New owners must notify the City of change of ownership within 30 days of closing to effect a short-term license transfer.

(D) License renewals. All short-term rental licenses must apply for renewal annually for the period of one year from July 1 of the current year to June 30 of the following year. If an owner seeks renewal, the license will remain valid during the pendency of the renewal process. Renewals will be issued so long as all requirements in this chapter continue to be met, a renewal application is submitted, and applicable fees are paid. If the owner is out of compliance with the provisions of this chapter or other city code regulation or requirement related to the licensed property, the city will not renew the license and the property shall no longer be used as a short-term rental. A license shall not be renewed if fines related to a violation of this chapter or transient lodging taxes related to the licensed property are outstanding. A license shall not be renewed until all corrective actions related to any violation of the city code related to the licensed property are completed to the city's satisfaction.

(E) Number of licenses available. The City Council shall establish the total number of licenses available by Council resolution. Except for licenses that may be granted to owners under §113.02(F) or §113.02(H), the City will not issue more licenses than the total number of licenses established by the City Council.

For license renewals each year, priority will be given to existing licenses seeking renewal, so long as a complete renewal application and payment is received by the City by July 31, or the next business day if July 31 falls on a day City Hall is closed. After July 31, if existing licenses are below the total number of licenses established by the City Council, new applications will be accepted from the new license waiting list.

(F) License availability exception. Notwithstanding the number of licenses established under §113.02(E), an owner of a dwelling unit may obtain a short-term rental license under the following conditions: (1) the applicant was under contract to purchase the dwelling unit before the effective date of the 2024 amendments to §113.02; (2) the applicant took ownership of the dwelling unit within 180 days after the effective date of the 2024 amendments to §113.02; and (3) the applicant applies for a short-term rental license for the dwelling unit within 270 days after the effective date of the 2024 amendments to §113.02. In addition to a standard application

packet for a short-term rental license, an application submitted under this subsection shall also include copies of the following materials related to the dwelling unit: (1) the property purchase contract executed prior to the effective date of the 2024 amendments to §113.02; and (2) the recorded deed or land sale contract conveying the dwelling unit to the applicant executed within six months after the effective date of the 2024 amendments to §113.02. An eligible owner that submits a complete application meeting the requirements of §113.02(B) and §113.02(F) may obtain a short-term rental license without regard to the number of licenses available under §113.02(E). Licenses issued under §113.02(F) shall not count against the number of licenses established by §113.02(E) and the owner issued a license under §113.02(F) may renew the license in subsequent consecutive years. Failing to timely renew a license in any one year will forfeit the ongoing renewal preference.

(G) New license waiting list. Once the total number of allowed licenses have been issued by the City, the City will maintain a waiting list for those owners wishing to obtain a license. An owner of property may submit a waiting list request form with the City.

The City will develop a form for this purpose, requesting basic information from the owner, including but not limited to the property address, the owner's name, and the owner's contact information. It is each owner's responsibility to maintain correct information on file with the City while on the waiting list.

The City will time stamp each complete waiting list request form submitted to mark the date and time a complete form was received by the City. The order of owners on the waiting list will be set by the chronological order of the time stamp on each owner's completed waiting list request form. The City Council may establish a fee by resolution for submitting a waiting list request. The City Manager may develop policies for maintaining the waiting list. Positions on the waiting list are personal to an owner and non-transferrable.

When the number of issued licenses falls below the total number of licenses allowed, owners on the waiting list will be contacted in the order in which their completed waiting list request forms were received. When contacted at the contact information provided by the owner, the owner will have ten business days to submit a complete license application. Failure to submit a complete application within ten business days will forfeit the owner's opportunity to submit an application, remove the owner from the waiting list, and cause the City to move to the next owner on the waiting list.

(H) Under-construction waiting list. Notwithstanding the new license waiting list, the City will also maintain a waiting list for residential properties under-construction. If, pursuant to a valid building permit issued on or before March 29, 2024, an owner is actively constructing a residential structure that the owner intends to use as a short-term rental, the owner may submit a provisional application with the City and be placed on a waiting list created by the City for such provision applications. The City will time stamp each complete provisional application submitted to mark the date and time a complete provisional application was received by the City. It is each owner's responsibility to maintain correct information on file with the City while on the waiting list. The City Council may establish a fee by resolution for submitting a provisional application. The City Manager may develop policies for maintaining the under-construction waiting list. Positions on the under-construction waiting list are personal to an owner and non-transferrable.

Once issued a certificate of occupancy, an owner on the under-construction waiting list may contact the City in writing and submit a complete short-term rental license application. Failing to contact the City within thirty (30) days after obtaining a certificate of occupancy will void the provisional application and the owner will be removed from the under-construction waiting list. Once a short-term rental license application is submitted and deemed complete, notwithstanding the license cap established by §113.02(E), the City will issue the owner a license. Licenses issued to owners on the under-construction wait list may be renewed in subsequent consecutive years notwithstanding the license cap established by §113.02(E). Failing to timely renew a license in any one year will forfeit the ongoing renewal preference.

An owner on the under-construction waiting list must obtain a certificate of occupancy for the applicable property and must submit a complete short-term rental license application and pay the application fee by March 29, 2026. After March 29, 2026, the under-construction waiting list will lapse and any remaining owners on the list will be transferred to the new license waiting list according to the time their provisional application was received by the City.

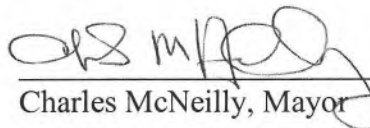
Section 2. Severability Clause. A determination of invalidity or unconstitutionality by a court of competent jurisdiction of any clause, sentence, paragraph, section, or part of this ordinance shall not affect the validity of the remaining parts to this ordinance.

Section 3. Effective Date. Pursuant to the Rockaway Beach City Charter, this ordinance shall become effective on the thirtieth day after its adoption.

1st reading by the Rockaway Beach City Council January 10, 2024.

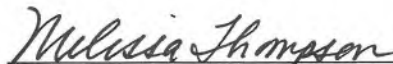
2nd reading by the Rockaway Beach City Council February 14, 2024.

Adopted and Approved by the Rockaway Beach City Council February 14, 2024.


Charles McNeilly, Mayor

City Council	Aye/Nay
Mary McGinnis	x /
Tom Martine (Excused)	-----
Kristine Hayes (Recused)	-----
Alesia Franken	x /
Penny Cheek	x /

Attest:


Melissa Thompson, City Recorder