

ORDINANCE NO. NS - 2455

AN ORDINANCE AMENDING BEND MUNICIPAL CODE 7.16.070, SHORT-TERM RENTALS, CRITERIA FOR APPROVAL OF AN OPERATING LICENSE AND OPERATING LICENSE RENEWAL

Findings:

- A. In 2014, the Bend City Council responded to concerns by community members, neighborhood associations, homeowner associations, property managers and the tourism industry to consider issues surrounding the increasing number of vacation home rentals in Bend, and to balance neighborhood livability with private property rights and our tourism economy. The City developed a comprehensive Short-Term Rentals (STR) program in 2015, after an extensive and public task force process (comprised of opponents and proponents of STRs), as well as continued community interest and input at the Planning Commission and City Council. The City also looked at the policy approaches of many cities, both in Oregon and other states (including percentages, caps, lotteries, a complete ban/phasing out or amortization of STRs, etc.). The City considered impacts on neighborhoods and the tourism industry, housing, the existing code at the time, and a myriad of competing concerns.
- B. On April 15, 2015, the Council voted to adopt a new regulatory approach for permitting and licensing all STRs. A STR is any dwelling unit or portion of a dwelling unit rented fewer than 30 consecutive days per tenant. This term includes whole-house rentals, as well as the rental of up to 2 individual rooms in a house while the owner is present. To address the impact of STRs on neighborhoods, Council also adopted a strict operating license program, including a requirement that licensed properties be used at least one night as a short-term rental in order for licensees to renew their operating licenses annually. This use is proven by the remittance of room taxes and/or submission of another proof of rental activity (e.g. rental receipt or contract).
- C. On March 2, 2022, Council received an update on the City's STR program and also reviewed results from a STR property owners survey, which had a 44% response rate (338 out of 752 STR owners participated). Based on the survey results, property owners identified barriers to using their properties as long-term rentals, including limiting their personal use of the property, cost/revenue impacts and tenant issues/property damage. They were supportive of incentives to renting their properties long term, including waiving the proof of use requirement to keep the STR operating license from becoming void, in Bend Municipal Code Chapter 7.16.070. After discussion, the Council was interested in looking at options for incentivizing property owners to convert their STRs into long-term rentals.

D. On May 18, 2022, the Council held a work session and reviewed different options for incentivizing long-term rentals amongst active STR licensees. The Council was supportive of proposing an exemption to BMC 7.16.070, Criteria for Approval of an Operating License and Operating License Renewal, for a long-term lease of 12 consecutive months or longer. In addition to the proposed amendments to the Bend Municipal Code, amendments to Bend Development Code 3.6.500.K, Abandonment of Use will be presented in a separate ordinance concurrently for consistency.

Based on these findings, THE CITY OF BEND ORDAINS AS FOLLOWS:

Section 1. The Bend Municipal Code is amended as depicted in attachment Exhibit A.

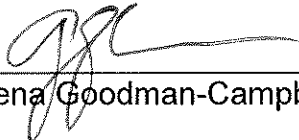
First Reading: October 5, 2022

Second reading and adoption by roll call vote: October 19, 2022

YES: Mayor Gena Goodman-Campbell
Mayor Pro Tem Anthony Broadman
Councilor Melanie Kebler
Councilor Mo Mitchell

NO: none

ABSTAIN: Councilor Stephen Sehgal



Gena Goodman-Campbell, Mayor

Attest:



Robyn Christie, City Recorder

Approved as to form:



Mary A. Winters, City Attorney

Exhibit A
Bend Municipal Code Update
Prepared by: Licensing Division
August 18, 2022

Note:

Text in underlined typeface is proposed to be added

Text in ~~striketrough~~ typeface is proposed to be deleted.

***Indicates where text from the existing code has been omitted because it will remain unchanged.

Staff comments are ***bold and italicized***

Bend Municipal Code

Chapter 7.16.070 Criteria for Approval of an Operating License and Operating License Renewal.

B. To receive approval, an applicant must demonstrate that all approval criteria listed below have been satisfied:

1. *Proof of Use.* The owner must ~~shall~~ demonstrate that the property has been rented at least once in the prior 12 months, for the first license and every year upon renewal, as demonstrated by one or more of the following: a room tax remittance form, a rental contract with the tenant, rental receipts, or other documentation satisfactory to the City (subject to the hardship exception in subsection (B)(2) of this section). ~~During the first year of this licensing program, the exception to this requirement is for permits issued between July 3 and September 1, 2015, uses that did not formerly require a permit, or nonconforming uses permitted after September 2, 2014, which may not have a year of potential use to demonstrate. Such owners shall demonstrate use upon the next annual renewal.~~ Information provided by the owner under BC Chapter 12.05, Room Tax, must ~~shall~~ be kept confidential to the extent allowed or required by law.

a. A long-term rental exemption from this section may be granted if the property owner/licensee provides proof of a residential lease of 12 months or greater, drafted in compliance with the Oregon Residential Landlord and Tenant Act. This exemption may be utilized by owners/licensees for up to three license renewal applications. Owners/licensees must then revert to the proof of use requirement for annual renewal of the operating license.
