



**City Council Meeting Agenda
Tuesday, November 22, 2022
7:00 p.m. – City Council Regular Meeting**

Welcome! The public is strongly encouraged to participate remotely but there is seating at Civic Hall for those who are not able to participate remotely. However, if you are not feeling well, please stay home and take care of yourself.

The public is strongly encouraged to relay concerns and comments to the Council in one of three ways:

- *Email at any time up to **12 p.m. on Monday, November 21st** to claudia.cisneros@mcminnvilleoregon.gov*
- *If appearing via telephone only please sign up prior by **12 p.m. on Monday, November 21st** by emailing the City Recorder at claudia.cisneros@mcminnvilleoregon.gov as the chat function is not available when calling in zoom;*
- *Join the zoom meeting use the raise hand feature in zoom to request to speak, once your turn is up we will announce your name and unmute your mic. **You will need to provide your First and Last name, Address, and contact information (email or phone) to the City.***

*You can live broadcast the City Council Meeting on cable channels Xfinity 11 and 331,
Frontier 29 or webstream here:*

mcm11.org/live

CITY COUNCIL REGULAR MEETING:

You may join online via Zoom Meeting:

<https://mcminnvilleoregon.zoom.us/j/86525429170?pwd=eHJTdXdoSGRFdy8vV2d4TVJJOV3Q4dz09>

Zoom ID: 865 2542 9170

Zoom Password: 627078

Or you can call in and listen via zoom: 1-253- 215- 8782

ID: 865 2542 9170

7:00 PM – REGULAR CITY COUNCIL MEETING – VIA ZOOM AND SEATING AT CIVIC HALL

1. CALL TO ORDER & ROLL CALL

2. INVITATION TO COMMUNITY MEMBERS FOR PUBLIC COMMENT –

The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. The Mayor may limit comments to 3 minutes per person for a total of 30 minutes. The Mayor will read comments emailed to City Recorder and then any citizen participating via Zoom.

3. ADVICE/ INFORMATION ITEMS

- a. Reports from Councilors on Committee & Board Assignments
- b. Department Head Reports

4. ORDINANCE

- a. Consider the second reading of **Ordinance No. 5127**: An Ordinance Extending the Moratorium on the Issuance of Short-Term Rental Permits from an End Date of December 29, 2022 to June 29, 2023.

5. ADJOURNMENT OF REGULAR CITY COUNCIL MEETING

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice: Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made a least 48 hours before the meeting to the City Recorder (503) 435-5702 or Claudia.Cisneros@mcminnvilleoregon.gov.

STAFF REPORT

DATE: November 16, 2022
TO: Mayor and City Councilors
FROM: Heather Richards, Planning Director
SUBJECT: Ordinance No. 5127 – Extension of the Moratorium on Short Term Rental Permits

STRATEGIC PRIORITY & GOAL:



GROWTH & DEVELOPMENT CHARACTER

Guide growth & development strategically, responsively & responsibly to enhance our unique character.

OBJECTIVE/S: Strategically plan for short and long-term growth and development that will create enduring value for the community

Report in Brief:

This is a public hearing and consideration of Ordinance No. 5127, extending the current moratorium on issuing permits for Short Term Rentals by six months from December 29, 2022, to June 29, 2023, to allow for more time to re-evaluate the City's short-term rental codes and permitting process.

Per ORS 197.520(4), no moratorium can be effective for more than 120 days, however, the City can pursue extensions on the moratorium in the future if it holds a public hearing on the proposed extension and adopts findings that:

- *Verify the problem giving rise to the need for a moratorium still exists;*
- *Demonstrates that reasonable progress is being made to alleviate the problem giving rise to the moratorium; and*
- *Sets a specific duration for the renewal of the moratorium. No extension may be for a period longer than six months.*

Background:

ORS 197.520 governs how local governments can declare a moratorium. (Please see Attachment A).

On July 12, 2022, the McMinnville City Council adopted Ordinance No. 5118 establishing a moratorium on the issuance of short-term rental permits from September 1, 2022, to December 29, 2022, with the findings that short-term rentals were impacting housing supply and the quality of life in McMinnville's residential neighborhoods. The City wanted to re-evaluate its code and permitting process in order to protect the city's housing supply and the quality of residential neighborhoods in McMinnville. (See Attachment B - Ordinance No. 5118).

Lodging is represented in many forms in McMinnville. In commercial zones, lodging is an allowed outright use and does not need any permits. Any rooms for short-term stays is considered lodging.

In McMinnville's residential zones (R1, R2, R3, R4 and OR) lodging is allowed in the form of Short-Term Rentals and Resident Occupied Short-Term Rentals. Both Short-Term Rentals and Resident Occupied Short-Term Rentals are only allowed in single-dwelling units. Short Term Rentals (where the whole house is rented out as lodging (defined as less than a thirty-day stay) need to be separated by 200 feet (property line to property line).

However, even with the spacing standard, some neighborhoods, especially those within walking distance of the downtown were seeing a lot of properties that went on the market become short-term rentals, with the interest and permits doubling in quantity in one year.

Discussion:

Per ORS 197.520(4), the City can extend the moratorium by six months if it finds that the conditions which established the moratorium still exist and that the City has made reasonable progress in overcoming those conditions.

ORS 197.520(4)(a) for urban or urbanizable land, the City finds that the following conditions still exist:

- That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas;

Finding: The application of existing zoning ordinance regulations for short-term rentals in residential zones (R1, R2, R3, R4, R5 and OR) are inadequate to prevent irrevocable public harm in McMinnville's neighborhoods due to the amount of increased permitting activity in McMinnville's residential neighborhood over 100% of previous years.

- That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the city, county or special district are not unreasonably restricted by the adoption of the moratorium;

Finding: The moratorium is sufficiently limited to ensure that a needed supply of affected

housing types within the City of McMinnville are not unreasonably restricted by the adoption of the moratorium as short-term rentals are not an identified needed housing type in McMinnville.

- Stating the reasons alternative methods of achieving the objectives of the moratorium are unsatisfactory;

Finding: There is potential for continued negative impacts to residential neighborhoods in McMinnville if short-term rental permits are not suspended during the review of the zoning ordinance regulations for issuing more short-term rental permits in overly saturated residential neighborhoods and for increased conflict between community members and short-term rental owners if a moratorium is not enacted.

- That the city, county or special district has determined that the public harm which would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands, and the overall impact of the moratorium on population distribution; and

Finding: The public harm that could be caused by failure to impose a moratorium outweighs any possible adverse effects on the community, and that the moratorium will not result in an adverse shift in demand for housing, economic development, public facilities and services on buildable lands.

- That the city, county or special district proposing the moratorium has determined that sufficient resources are available to complete the development of needed interim or permanent changes in plans, regulations or procedures within the period of effectiveness of the moratorium.

Finding: The City has sufficient resources available to complete the development of needed interim or permanent changes in plans, regulations or procedures within the period of effectiveness of this moratorium. Evaluation of the code regulations for Short-Term Rentals will be added to the Planning Department's work plan over the next four months.

Per ORS 197.520(4)(b), the City finds that reasonable progress is being made to alleviate the problem giving rise to the moratorium by evidence of the following:

- 1) The Planning Commission has researched what ten other communities do in regards to balancing the needs of short term rentals and housing supply.
- 2) The Planning Commission hosted work sessions on Thursday, September 15, 2022, and October 20, 2022.
- 3) The next work session is scheduled for Thursday, December 15, 2022.
- 4) After the Planning Commission concludes its work sessions, the City will notice and host a public hearing with the Planning Commission and then again with the City Council. This process is anticipated to take approximately 90 – 120 days.

Staff is recommending the following exceptions to the moratorium:

Attachments:

Attachment A: ORS 197.520

Attachment B: Ordinance No. 5118

Attachment C: Ordinance No. 5127

Fiscal Impact:

There is no anticipated direct fiscal impact outside of a potential loss of transient lodging tax for the months of the moratorium on new permits. Loss of revenue would only be for new permits that would have been permitted in that timeframe.

Recommendation:

Staff recommends approval of Ordinance No. 5127 after conducting a public hearing.

I MOVE TO APPROVE ORDINANCE NO. 5127, EXTENDING THE MORATORIUM ON SHORT-TERM RENTAL PERMITS FOR SIX MONTHS FROM DECEMBER 29, 2022 TO JUNE 29, 2023.

ORS 197.520

Manner of Declaring Moratorium

- (1)** No city, county or special district may adopt a moratorium on construction or land development unless it first:

 - (a)** Provides written notice to the Department of Land Conservation and Development at least 45 days prior to the final public hearing to be held to consider the adoption of the moratorium;
 - (b)** Makes written findings justifying the need for the moratorium in the manner provided for in this section; and
 - (c)** Holds a public hearing on the adoption of the moratorium and the findings which support the moratorium.
- (2)** For urban or urbanizable land, a moratorium may be justified by demonstration of a need to prevent a shortage of public facilities which would otherwise occur during the effective period of the moratorium. Such a demonstration shall be based upon reasonably available information, and shall include, but need not be limited to, findings:

 - (a)** Showing the extent of need beyond the estimated capacity of existing public facilities expected to result from new land development, including identification of any public facilities currently operating beyond capacity, and the portion of such capacity already committed to development;
 - (b)** That the moratorium is reasonably limited to those areas of the city, county or special district where a shortage of key public facilities would otherwise occur; and
 - (c)** That the housing and economic development needs of the area affected have been accommodated as much as possible in any program for allocating any remaining public facility capacity.
- (3)** A moratorium not based on a shortage of public facilities under subsection (2) of this section may be justified only by a demonstration of compelling need. Such a demonstration shall be based upon reasonably available information and shall include, but need not be limited to, findings:

 - (a)** For urban or urbanizable land:

 - (A)** That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas;
 - (B)** That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the city, county or special

district are not unreasonably restricted by the adoption of the moratorium;

- (C)** Stating the reasons alternative methods of achieving the objectives of the moratorium are unsatisfactory;
- (D)** That the city, county or special district has determined that the public harm which would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands, and the overall impact of the moratorium on population distribution; and
- (E)** That the city, county or special district proposing the moratorium has determined that sufficient resources are available to complete the development of needed interim or permanent changes in plans, regulations or procedures within the period of effectiveness of the moratorium.

(b) For rural land:

- (A)** That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas;
- (B)** Stating the reasons alternative methods of achieving the objectives of the moratorium are unsatisfactory;
- (C)** That the moratorium is sufficiently limited to ensure that lots or parcels outside the affected geographical areas are not unreasonably restricted by the adoption of the moratorium; and
- (D)** That the city, county or special district proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

(4) No moratorium adopted under subsection (3)(a) of this section shall be effective for a period longer than 120 days, but such a moratorium may be extended provided the city, county or special district adopting the moratorium holds a public hearing on the proposed extension and adopts written findings that:

- (a)** Verify the problem giving rise to the need for a moratorium still exists;
- (b)** Demonstrate that reasonable progress is being made to alleviate the problem giving rise to the moratorium; and
- (c)** Set a specific duration for the renewal of the moratorium. No extension may be for a period longer than six months.

(5) Any city, county or special district considering an extension of a moratorium shall give the department at least 14 days' notice of the time and date of the public hearing on the extension. [1980 c.2 §3; 1991 c.839 §3; 1995 c.463 §3]

ORDINANCE NO. 5118

AN ORDINANCE ESTABLISHING A MORATORIUM ON THE ISSUANCE OF SHORT-TERM RENTAL PERMITS FROM SEPTEMBER 1, 2022 TO DECEMBER 29, 2022.

RECITALS:

WHEREAS, McMinnville is experiencing severe constraints in housing land supply which is leading to a deficit in housing units being built in the community to meet housing demand. With a lack of supply and significant demand, housing prices have escalated exponentially in the past couple of years; and

WHEREAS, At the same time, tourism has increased in McMinnville exponentially as well. Increased housing prices and increased demand for tourism lodging has led to a greater than normal demand on housing to be leveraged as short-term rentals; and

WHEREAS, Residential neighborhoods are experiencing an increasing amount of short term rentals causing residents to become concerned about the quality of life, health, safety and community interaction within the neighborhoods; and

WHEREAS, McMinnville's zoning ordinance currently has a spacing separation of 200' between short term rentals. This has proven to be too much density of short-term rentals in some neighborhoods. The City would like to evaluate the impacts of short-term rentals on residential neighborhoods during the moratorium and recommend solutions for moving forward.

NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

1. That a moratorium on the issuance of Short Term Rental Permits from September 1, 2022 to December 29, 2022 is necessary per the findings in Exhibit A to this Ordinance.
2. That pending complete applications provided by August 1, 2022 will be processed.
3. This Ordinance will take effect 30 days after passage by the City Council.

Passed by the McMinnville City Council this 12th day of July 2022 by the following votes:

Ayes: Geary, Menke, Chenoweth, Payne

Nays: _____

ADL

MAYOR

Approved as to form:

Walter Stewart

City Attorney

Attest:

Claudia Cisneros

City Recorder

EXHIBITS:

- A. Short Term Rental Moratorium Findings

EXHIBIT A to Ordinance No. 5118: FINDINGS FOR SHORT TERM RENTAL MORATORIUM

Per ORS 197.520, the City finds that:

- (1) No city, county or special district may adopt a moratorium on construction or land development unless it first:
 - (a) Provides written notice to the Department of Land Conservation and Development at least 45 days prior to the final public hearing to be held to consider the adoption of the moratorium;

FINDING - SATISFIED: Notice was provided to the Department of Land Conservation and Development on May 27, 2022 for a first evidentiary public hearing on July 12, 2022.

- (b) Makes written findings justifying the need for the moratorium in the manner provided for in this section; and

FINDING - SATISFIED: Exhibit A of Ordinance No. 5188 provides written findings.

- (c) Holds a public hearing on the adoption of the moratorium and the findings which support the moratorium.

FINDING - SATISFIED: A public hearing was conducted on July 12, 2022 and was duly noticed in the local newspaper on July 1 and July 5, 2022.

- (2) For urban or urbanizable land, a moratorium may be justified by demonstration of a need to prevent a shortage of public facilities which would otherwise occur during the effective period of the moratorium. Such a demonstration shall be based upon reasonably available information, and shall include, but need not be limited to, findings:

- (a) Showing the extent of need beyond the estimated capacity of existing public facilities expected to result from new land development, including identification of any public facilities currently operating beyond capacity, and the portion of such capacity already committed to development;
 - (b) That the moratorium is reasonably limited to those areas of the city, county or special district where a shortage of key public facilities would otherwise occur; and

- (D) That the city, county or special district has determined that the public harm which would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands, and the overall impact of the moratorium on population distribution; and

FINDING - SATISFIED: The public harm that could be caused by failure to impose a moratorium outweighs any possible adverse effects on the community, and that the moratorium will not result in an adverse shift in demand for housing, economic development, public facilities and services on buildable lands.

- (E) That the city, county or special district proposing the moratorium has determined that sufficient resources are available to complete the development of needed interim or permanent changes in plans, regulations or procedures within the period of effectiveness of the moratorium.

FINDING - SATISFIED: The City has sufficient resources available to complete the development of needed interim or permanent changes in plans, regulations or procedures within the period of effectiveness of this moratorium. Evaluation of the code regulations for Short-Term Rentals will be added to the Planning Department's work plan over the next four months.

- (b) For rural land:

- (A) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas;
- (B) Stating the reasons alternative methods of achieving the objectives of the moratorium are unsatisfactory;
- (C) That the moratorium is sufficiently limited to ensure that lots or parcels outside the affected geographical areas are not unreasonably restricted by the adoption of the moratorium; and
- (D) That the city, county or special district proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

FINDING - NOT APPLICABLE

- (4) No moratorium adopted under subsection (3)(a) of this section shall be effective for a period longer than 120 days, but such a moratorium may be extended provided the city, county or special district adopting the moratorium holds a public hearing on the proposed extension and adopts written findings that:

ORDINANCE NO. 5127

AN ORDINANCE EXTENDING THE MORATORIUM ON THE ISSUANCE OF SHORT-TERM RENTAL PERMITS FROM AN END DATE OF DECEMBER 29, 2022 TO JUNE 29, 2023.

RECITALS:

WHEREAS, McMinnville is experiencing severe constraints in housing land supply which is leading to a deficit in housing units being built in the community to meet housing demand. With a lack of supply and significant demand, housing prices have escalated exponentially in the past couple of years; and

WHEREAS, At the same time, tourism has increased in McMinnville exponentially as well. Increased housing prices and increased demand for tourism lodging has led to a greater-than-normal demand on housing to be leveraged as short-term rentals; and

WHEREAS, Residential neighborhoods are experiencing an increasing amount of short-term rentals causing residents to become concerned about the quality of life, health, safety, and community interaction within the neighborhoods; and

WHEREAS, McMinnville's zoning ordinance currently has a spacing separation of 200' between short-term rentals. This has proven to be too much density of short-term rentals in some neighborhoods. The City would like to evaluate the impacts of short-term rentals on residential neighborhoods during the moratorium and recommend solutions for moving forward; and

WHEREAS, on July 12, 2022, the McMinnville City Council passed Ordinance No. 5118, establishing a moratorium on the issuance of short-term rental permits from September 1, 2022, to December 29, 2022; and

WHEREAS, McMinnville's Planning Commission has researched best practices in ten other communities and hosted work sessions on September 15, 2022, and October 20, 2022, to evaluate the McMinnville Municipal Code as it pertains to short-term rentals and their negative impact on McMinnville's housing supply and residential neighborhoods; and

WHEREAS, The McMinnville City Council finds that the issues that established the initial moratorium on the issuance of short-term rental permits still exists; and

WHEREAS, McMinnville's Planning Commission needs more time to evaluate the McMinnville Municipal Code to mitigate the negative impact of short-term rentals on McMinnville's housing supply and quality of life in McMinnville's residential neighborhoods; and

WHEREAS, per ORS 197.520(4) the City of McMinnville would like to extend the existing moratorium on the issuance of short-term rental permits for another six months;

NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

1. That the moratorium on the issuance of Short-Term Rental Permits be extended from December 29, 2022 to June 29, 2023, per ORS 197.520(4) and the findings in Exhibit A to this Ordinance.
2. This Ordinance will take effect 30 days after passage by the City Council.

Passed by the McMinnville City Council this 22th day of November 2022 by the following votes:

Ayes: _____

Nays: _____

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

EXHIBITS:

- A. Short Term Rental Moratorium Extension Findings

EXHIBIT A to Ordinance No. 5127: FINDINGS FOR EXTENDING THE SHORT-TERM RENTAL MORATORIUM

Per ORS 197.520, the City finds that:

- (4) No moratorium adopted under subsection (3)(a) of this section shall be effective for a period longer than 120 days, but such a moratorium may be extended provided the city, county or special district adopting the moratorium holds a public hearing on the proposed extension and adopts written findings that:

FINDING – SATISFIED: The initial moratorium established by Ordinance No. 5118 was effective for 120 days from September 1, 2022 – December 29, 2022. The McMinnville City Council considered the adoption of Ordinance No. 5127 extending the moratorium after holding a public hearing on the proposed extension and adopting written findings that satisfy ORS 197.520(4)(a, b and c).

- (a) Verify the problem giving rise to the need for a moratorium still exists;

FINDING – SATISFIED: The initial moratorium established by Ordinance No. 5118 was based on the following findings that still exist:

- *The application of existing zoning ordinance regulations for short-term rentals in residential zones (R1, R2, R3, R4, R5 and OR) are inadequate to prevent irrevocable public harm in McMinnville's neighborhoods due to the amount of increased permitting activity in McMinnville's residential neighborhood over 100% of previous years.*
- *The moratorium is sufficiently limited to ensure that a needed supply of affected housing types within the City of McMinnville are not unreasonably restricted by the adoption of the moratorium as short-term rentals are not an identified needed housing type in McMinnville.*
- *There is potential for continued negative impacts to residential neighborhoods in McMinnville if short-term rental permits are not suspended during the review of the zoning ordinance regulations for issuing more short-term rental permits in overly saturated residential neighborhoods and for increased conflict between community members and short-term rental owners if a moratorium is not enacted.*

- *The public harm that could be caused by failure to impose a moratorium outweighs any possible adverse effects on the community, and that the moratorium will not result in an adverse shift in demand for housing, economic development, public facilities and services on buildable lands.*
- *The City has sufficient resources available to complete the development of needed interim or permanent changes in plans, regulations or procedures within the period of effectiveness of this moratorium as extended. Evaluation of the code regulations for Short-Term Rentals will be added to the Planning Department's work plan over the next four months.*

(b) Demonstrate that reasonable progress is being made to alleviate the problem giving rise to the moratorium; and

FINDING – SATISFIED: *Reasonable progress is being made to alleviate the problem giving rise to the moratorium by evidence of the following:*

- *The McMinnville Planning Commission has researched what ten other communities do in regard to balancing the needs of short-term rentals and housing supply.*
- *The McMinnville Planning Commission hosted work sessions on Thursday, September 15, 2022, and October 20, 2022, to discuss approximately a dozen different code provisions to consider in the McMinnville Municipal Code to balance the mitigate the negative impact of short-term rentals on housing supply and the quality of McMinnville's residential neighborhoods.*
- *The next McMinnville Planning Commission work session is scheduled for Thursday, December 15, 2022.*
- *After the McMinnville Planning Commission work sessions, the City will notice and host a public hearing with the McMinnville Planning Commission to consider any recommended McMinnville Municipal Code amendments and make a recommendation to the City Council for adoption. This process is anticipated to take 90 – 120 days.*

(c) Set a specific duration for the renewal of the moratorium. No extension may be for a period longer than six months.

FINDING – SATISFIED: *Ordinance No. 5127 extends the moratorium from December 29, 2022 to June 29, 2023, a period of six months.*

- (5) Any city, county or special district considering an extension of a moratorium shall give the department at least 14 days' notice of the time and date of

the public hearing on the extension. [1980 c.2 §3; 1991 c.839 §3; 1995 c.463 §3]

FINDING – Notice was provided to the Department of Land Conservation and Development of the public hearing on the extension.

