

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: Geary, Menke, Peralta, Garvin

Nays: Chenoweth



MAYOR

Approved as to form:



City Attorney

Attest:



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.