



# Short-Term Rentals

July 8, 2019

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*The City finds that transient occupancy of dwelling units constitutes a visitor oriented commercial use in the City's residential areas. In order to maintain the residential character and livability of its neighborhoods and to prevent the adverse effects of the transient occupancy of dwelling units on residential neighborhoods, it is necessary to limit and regulate the transient occupancy of dwelling units. (Comprehensive Plan, Housing policy 8)*

*The purpose of this chapter is to protect the character of the city's residential neighborhoods by limiting and regulating the short-term rental of dwelling units. The city permits three categories of short-term rentals. The three categories are: lifetime unlimited permits, five-year unlimited permits and fourteen-day permits. (Zoning Ordinance, section 17.77.010)*



## Short-Term Rentals

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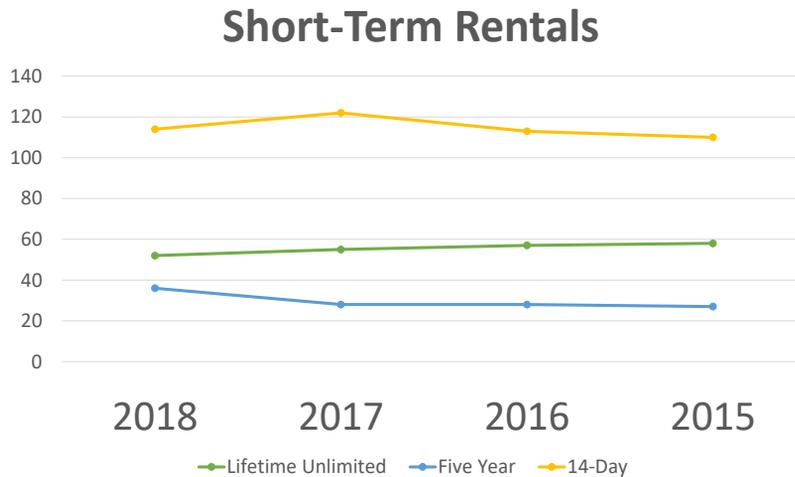
## Issues & Concerns

- Understanding & administration of 14-Day permitting
- Unlimited rentals & intensity of use
- Violations & Penalties
- Zone-based restrictions
- Density restrictions
- Geographic restrictions
- Cap on permits
- Frequency and duration restrictions
- Alignment with fire code...and other ordinances
- Off-street parking



## Short-Term Rentals

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## Context

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**The Numbers: Cannon Beach STRs** (as of July 2019)

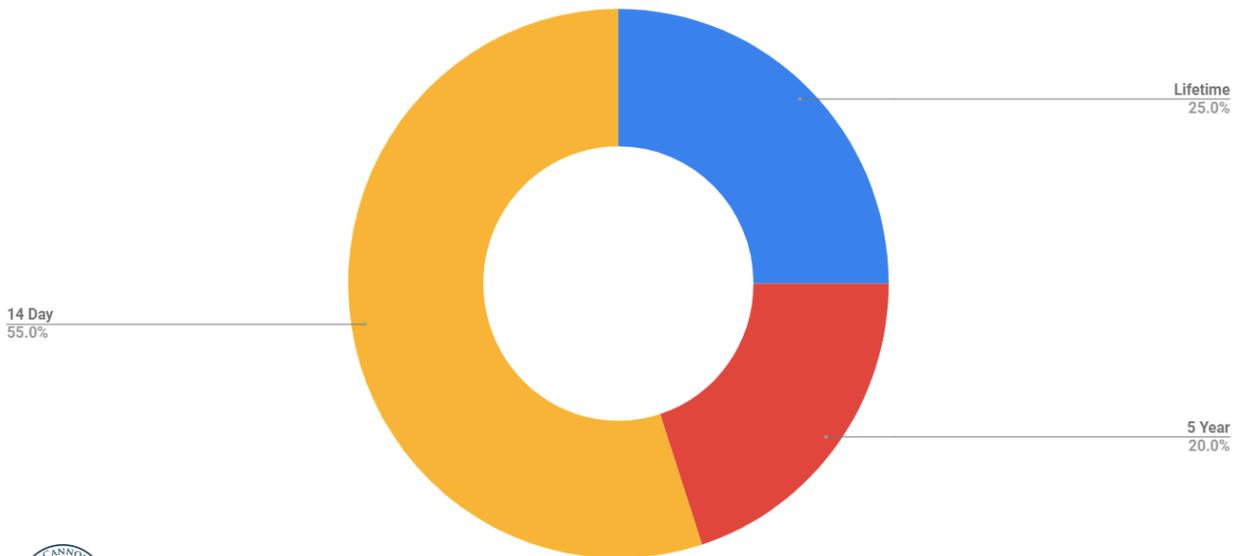
- 50 = Lifetime Unlimited Permits
- 40 = Five-Year Lottery Permits
- 110 = 14-Day Permits
- 200 = Total Permits



## Context

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### Cannon Beach Short-Term Rentals



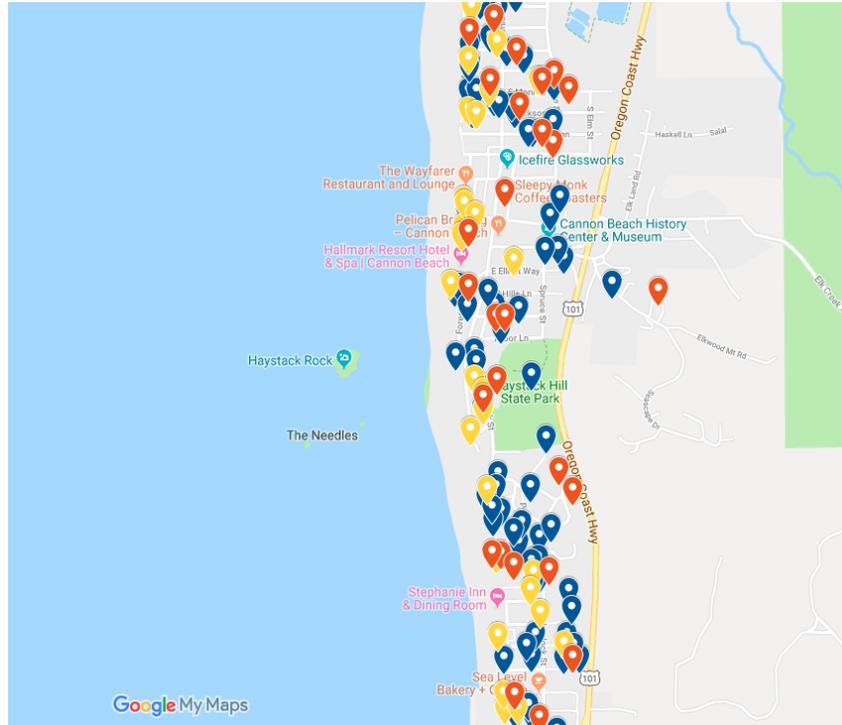
## Context

STR City Data 2018

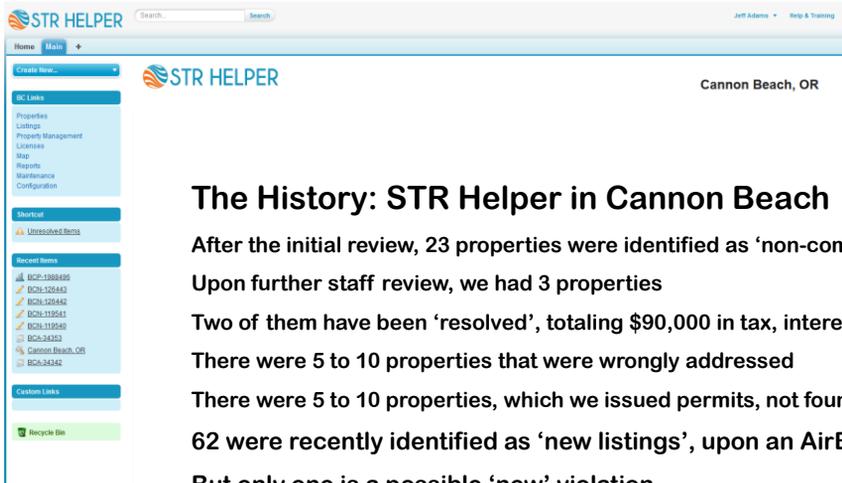
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## Context



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### The History: STR Helper in Cannon Beach

After the initial review, 23 properties were identified as 'non-compliant'

Upon further staff review, we had 3 properties

Two of them have been 'resolved', totaling \$90,000 in tax, interest & penalties

There were 5 to 10 properties that were wrongly addressed

There were 5 to 10 properties, which we issued permits, not found by STR helper

62 were recently identified as 'new listings', upon an AirBnB scrape

But only one is a possible 'new' violation

Of the 94 14-day rentals audited this year, just 7 have violations



## Context

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**STR HELPER** Cannon Beach, OR

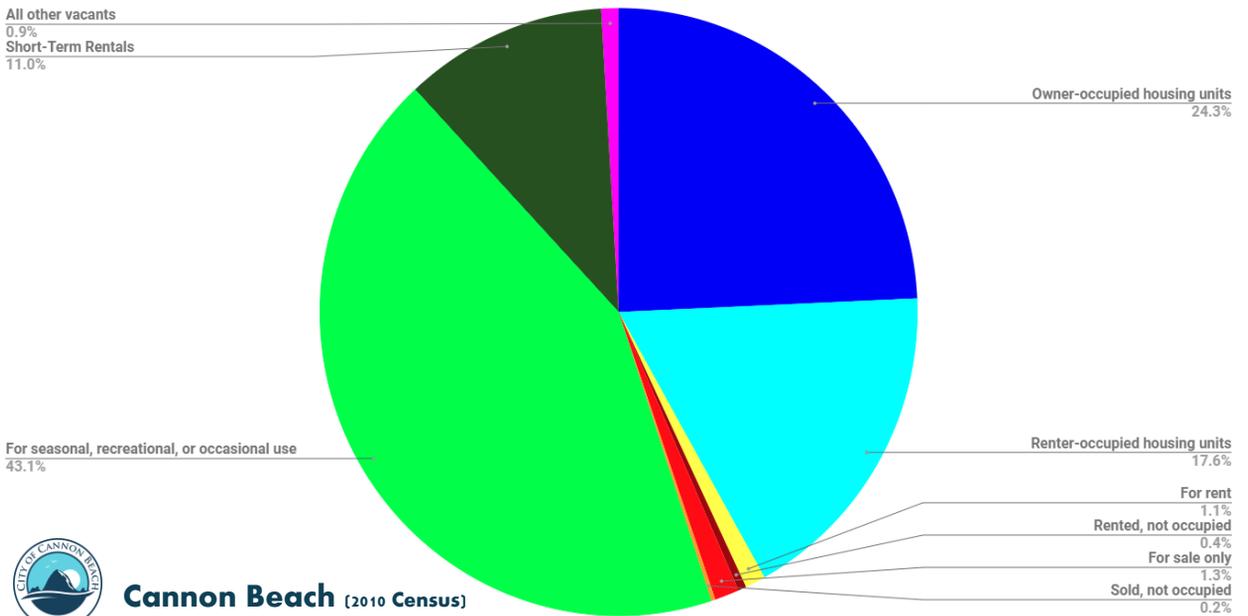
**The Context: Housing in Cannon Beach (2010 US Census)**

- 1,812 = Housing Units in Cannon Beach
- 759 = Occupied
- 1,053 = Vacant
- 20 = For Rent
- 8 = Rented, not occupied
- 24 = For Sale only
- 4 = Sold, not occupied
- 980 = For seasonal, recreational, or occasional use
- 17 = All other vacants



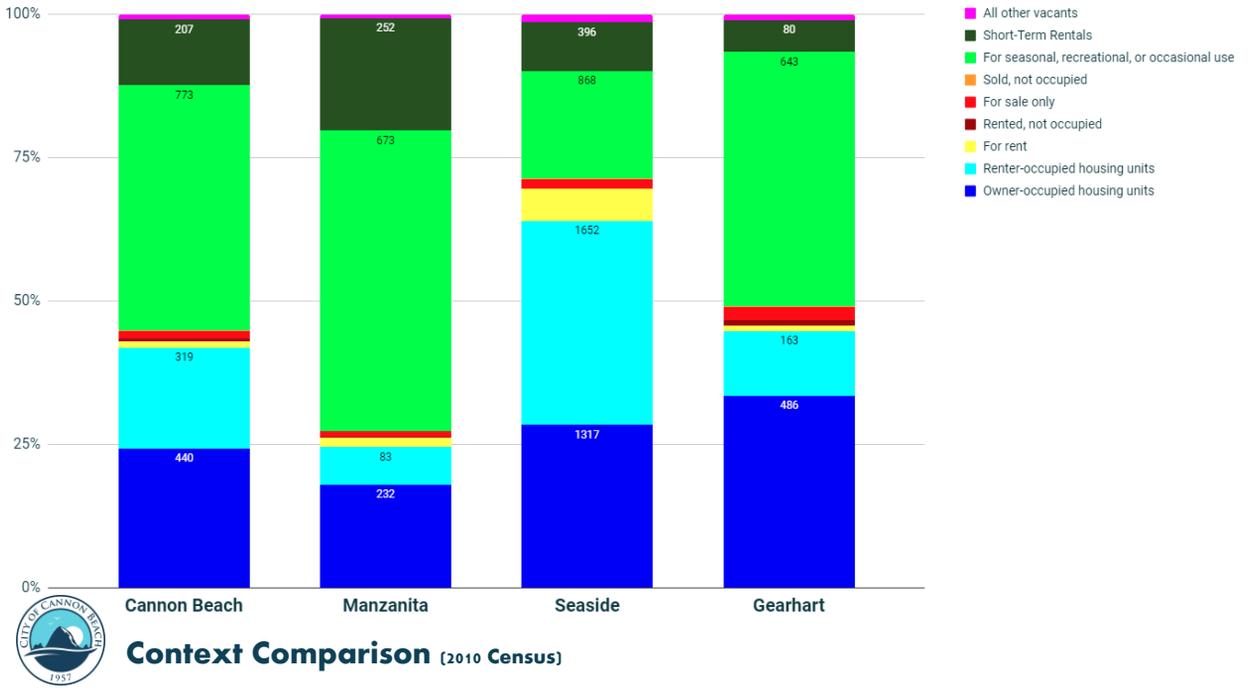
## Context

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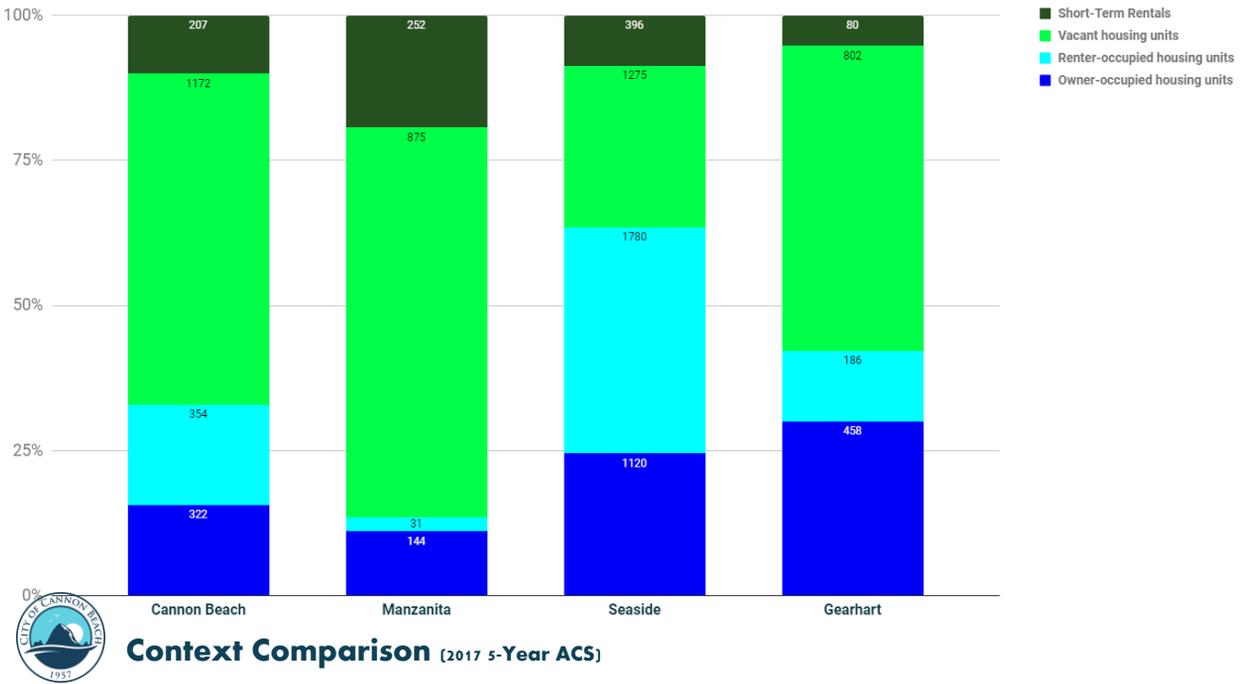


## Cannon Beach (2010 Census)

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**The Math** (14-day, Lifetime & 5-year rentals in Cannon Beach)

	2018	Totals	LT	5YR	14D
Avg reservations per unit per year		20.4	32.6	32.7	11.6
Avg nights rented per unit per year		88.1	128.7	126.4	60.7
Average length of stay		4.3	4.0	3.9	5.2
Total number of nights rented		16913	6306	4172	6435
Total number of reservations		3909	1596	1080	1233

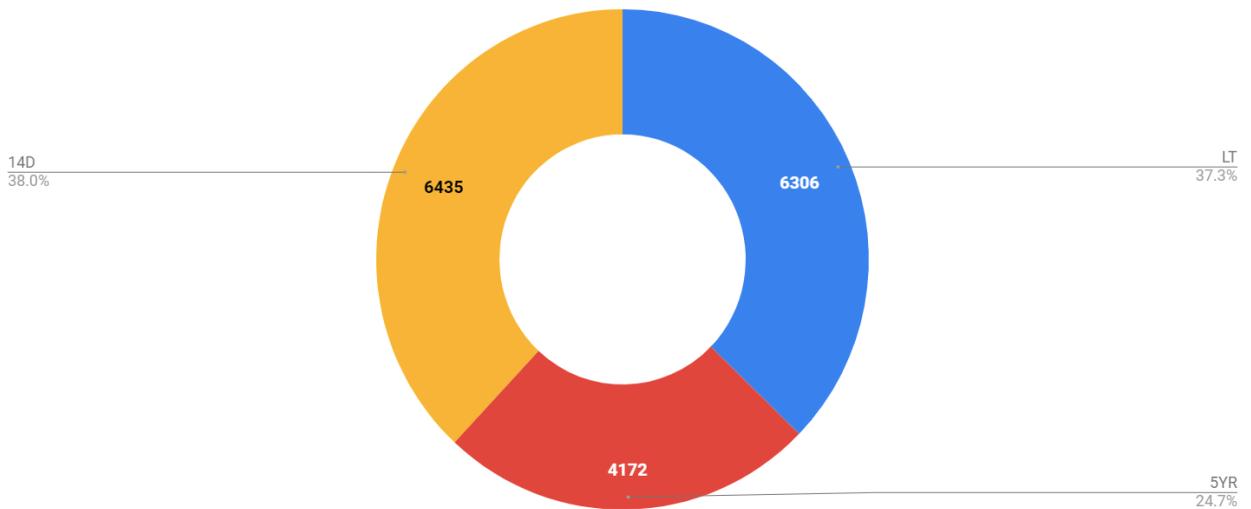
STR City Data 2018



## Context

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Total Nights by Rental Type

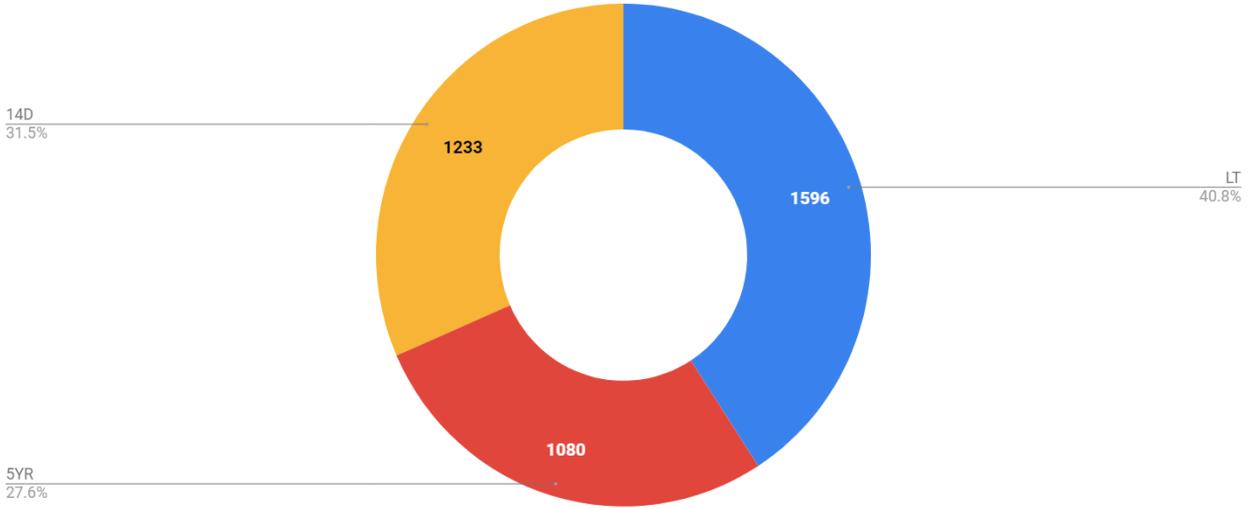


## Context

STR City Data 2018

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Total Reservations by Rental Type

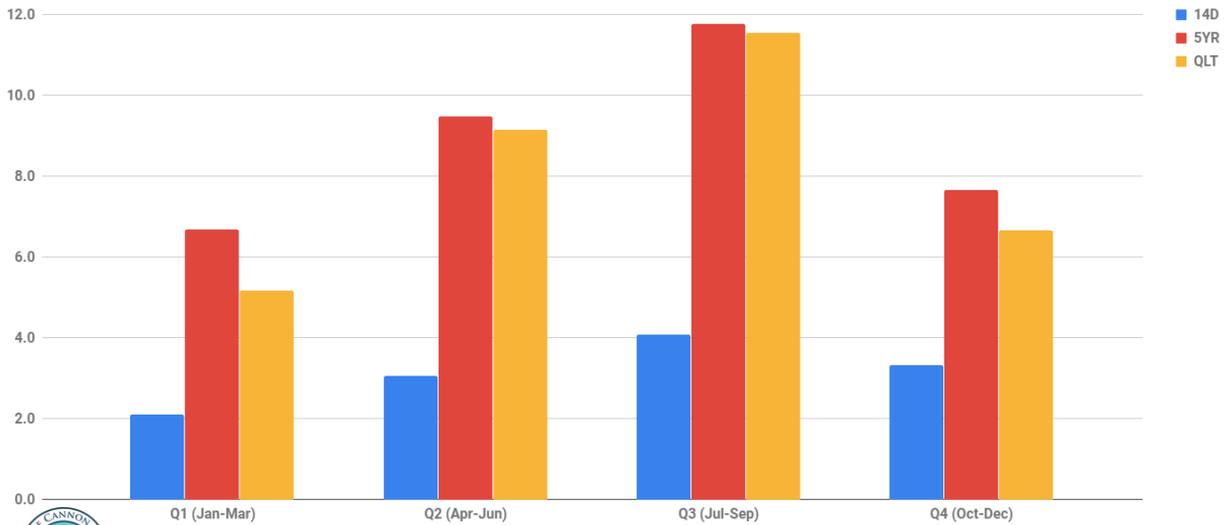


Context

STR City Data 2018

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Reservations per Quarter

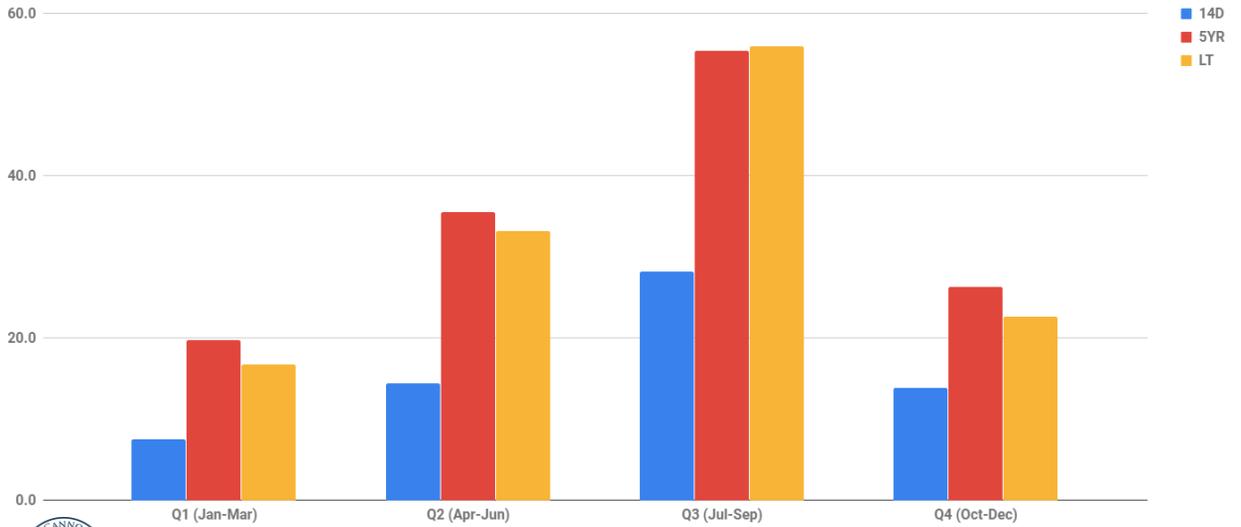


Context

STR City Data 2018

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Nights Rented per Quarter

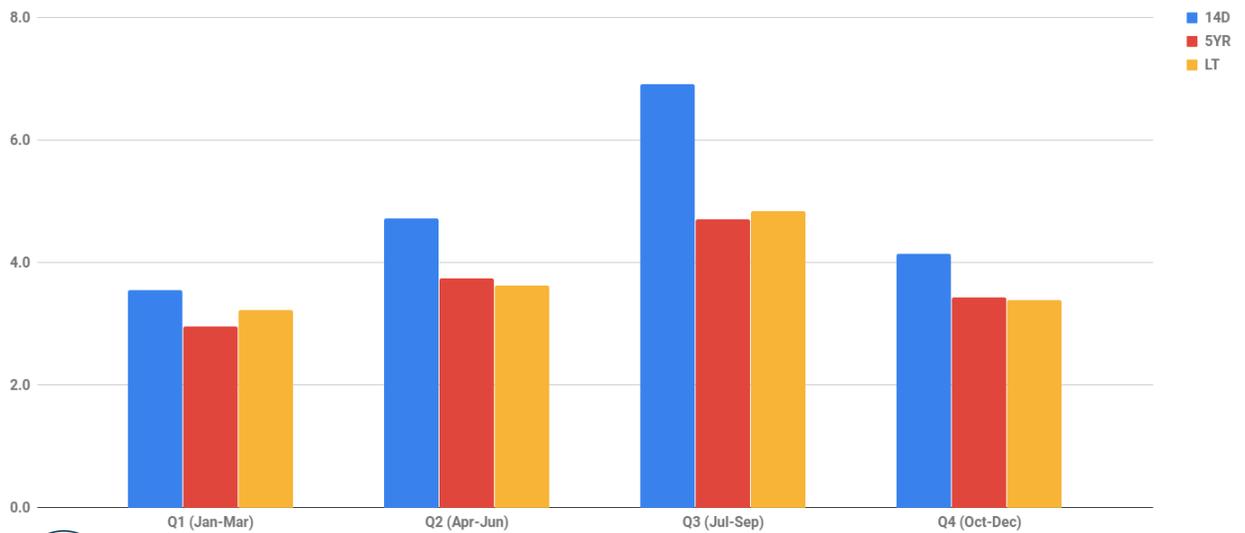


**Context**

STR City Data 2018

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Length of Stay

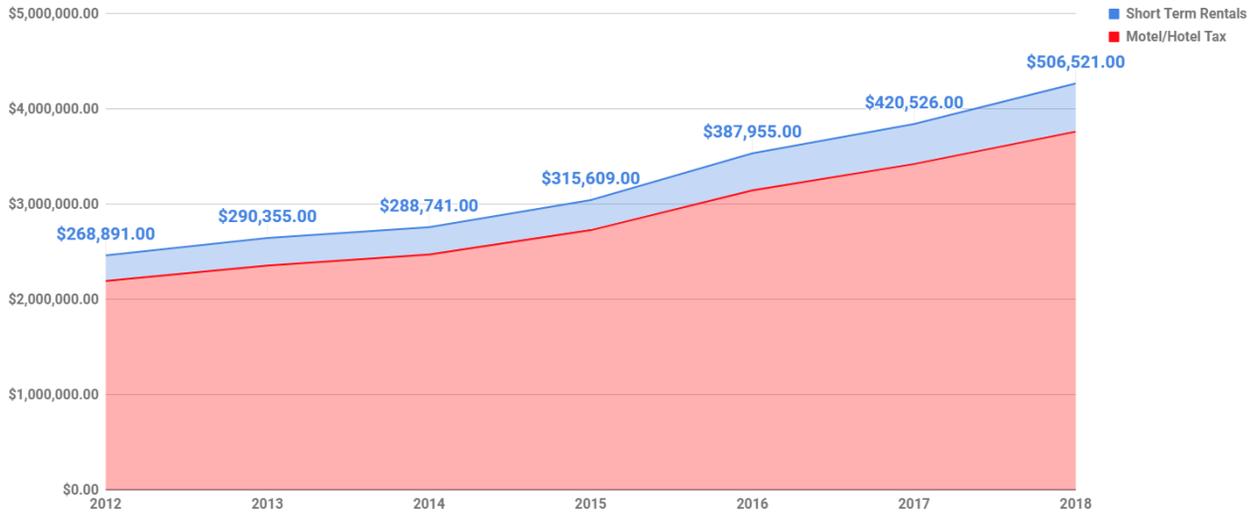


**Context**

STR City Data 2018

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## Motel/Hotel Tax and Short Term Rentals



## Context

STR City Data 2018

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**STR HELPER** Cannon Beach, OR

**PC Recommendations:**

- Award no more five-year permits and end the five-year permit program by allowing current five-year permits to expire. **Approval, conditioned upon the suspension of any new five-year permits, for a term of two years, while the City gathers data on rentals, rental violations and the fiscal impact of rentals.**
- Change the restriction that allows one occupancy group per fourteen days – the “14-day rule” – to instead allow two occupancy groups per month. **Denial.**
- At the owner’s option, allow a self-managed short-term rental unit to defer penalties by changing to professional management. **Approval.**



## Context

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**17.77.100 Violations and penalties.**

A. The following conduct shall constitute a violation for which the penalties specified below may be imposed. Note that each day of a violation is considered a separate violation for the purposes of the sanctions below.

1. The owner has failed to comply with any of the standards listed in this chapter; or
2. The owner has failed to pay the transient room tax and/or file a transient room tax return as

required by Municipal Code, Chapter 3.12.

B. Penalties. For violations of this chapter, the following penalties will be imposed:

1. For the first violation within a twenty-four-month period, the penalty shall be a warning notice.
2. For the second violation within a twenty-four-month period, the penalty shall be a suspension of the permit for thirty days.

3. For the third violation within a twenty-four-month period, the penalty shall be a suspension of the permit for ninety days.

4. For the fourth violation within a twenty-four-month period, the penalty shall be a revocation of the permit.

C. Notice. The city shall notify the permit holder and local representative in writing of any penalties imposed under this chapter.

1. The City may seek injunction or other equitable relief in court to enjoin any violation of this Ordinance and may recover the costs of such actions. The City may seek such criminal or civil penalties as are authorized by Oregon law. Each day of violation may be considered a separate violation. Each violation may result in a fine of up to \$500.

2. After the revocation of a permit, or after the enforcement taken under 17.92.020 of the general provisions of 17.77.030 for renting without a license, where a penalty is awarded under the provisions of 17.94.010, the owner(s) will be prohibited from participation in the Short-Term Rental program for two years from the time of the revocation or penalty.



## Proposed Technical Change

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**Thoughts?  
Questions?**

adams@ci.cannon-beach.or.us | City of Cannon Beach | Community Development Department

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