



**City of Florence Council
Work Session**

In Person & Videoconference
 Florence City Hall
 250 Hwy 101
 Florence, OR 97439
 541-997-3437
www.ci.florence.or.us

- Meeting materials including information on each agenda item are published at least 24 hours prior to the meeting, and can be found of the City of Florence website at www.ci.florence.or.us/council.
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June 13, 2024

WORK SESSION AGENDA

9:15 a.m.

Councilors:

Rob Ward, Mayor
 Sally Wantz, Council President Bill Meyer, Council Vice-President
 Jo Beaudreau, Councilor Robert Carp, Councilor

With 48-hour prior notice, an interpreter and/or TTY: 541-997-3437, can be provided for the hearing impaired.
 Meeting is wheelchair accessible.

In addition to attending in person, members of the public can listen and view the meeting through the 'GoToWebinar' platform at the following link:

<https://attendee.gotowebinar.com/register/383353964872103520>

CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE

9:15 a.m.

1. WORK SESSION DISCUSSION TOPICS

The City Council will be reviewing and discussing research and application materials related to implementation of a short-term rental registration program

COUNCIL CALENDAR		
<i>All meetings are held in person with a virtual option unless otherwise indicated</i>		
Date	Time	Description
July 1, 2024	5:30 p.m.	City Council Meeting
July 8, 2024	6:00 p.m.	City Council Work Session
July 10, 2024	5:30 p.m.	City Council Work Session
July 15, 2024	5:30 p.m.	City Council Meeting
July 25, 2024	8:30 a.m.	City Council Work Session

PUBLIC MEETINGS PROCEDURES

The June 13, 2024 City Council Work Session will be in person at City Hall.

Expressing Views to the City Council: Work Sessions do not allow time for general public comments (written or verbal). Public Comment periods are provided at City Council regular sessions which are generally held on the 1st and 3rd Mondays of each month beginning at 5:30 p.m. For the latest City Council meeting calendar, visit the City of Florence website at <https://www.ci.florence.or.us/calendar>.

For more information on the City of Florence's Public Meeting Policies, visit the City of Florence website at <https://www.ci.florence.or.us/council/rules-procedure>.



CITY OF FLORENCE COMMUNITY DEVELOPMENT

Memorandum:

To: City of Florence City Council
From: Clare Kurth, Associate Planner
Meeting Date: June 13, 2024
Subject: Short-Term Rental City Council Work Session

INTRODUCTION

The purpose of this work session is to provide an overview of the 2023-2025 Work Plan Task to evaluate and update short-term rental (STR) policies to ensure adequate workforce housing supply. Work done to evaluate amending Florence City Code (FCC) includes a sub-committee of the Housing Implementation Plan (HIP) Stakeholder Advisory Team, a public survey conducted as part of HIP, Planning Commission work sessions on [March 28, 2023](#) and [January 9, 2024](#) and a Planning Commission sub-committee that resulted in a recommendation list. Significant work and research have been done on this item. This memo is intended as an overview of the work done and to provide the City Council with background information to inform a discussion on the work to date, program registration materials, and next steps.

Next steps could include additional work sessions with the City Council, joint work session with the City Council and the Planning Commission, scheduling an initiation hearing, or a combination of these options. The goal of this work session is to continue work towards adopting city code to regulate business operations of STRs under "Title 3 - Business Regulations" and later adopt city code to regulate location and site development characteristics under FCC Title 10 – Zoning Regulations. Updates to FCC Title 3 will likely include adding a business license classification to FCC 3-1 for STRs and creating a dedicated business license chapter.

The following three sections provide: 1. an overview of STR topic related to the workplan and existing code; 2. an overview of the attachments to this memo; 3. next steps and discussion.

FLORENCE WORK PLAN AND CITY CODES: SHORT TERM RENTALS

The importance of amending the residential code to regulate short-term rentals to ensure Florence has an adequate housing supply is evident. The task has been on the City of Florence Work Plan since 2019 in line with other housing code amendments. The STR task is one of the remaining code work elements from the HIP process. The following objectives and tasks were included in the workplans:

2023-2025 and 2021-2023 City of Florence Work Plan	
Housing Efforts & Initiatives: Development Regulations (pg. 11)	
Objective	Residential Code Updates, Phase 2 – Short Term Rentals, transitional, RV/MFH parks, special needs housing, emergency housing.
Task	Evaluate and amend short term rental policies to ensure adequate housing supply for workforce
2019-2021 City of Florence Work Plan	
Housing Efforts & Initiatives: Development Regulations (pg. 1)	
Objective 4	Evaluate and amend short term rental policies to ensure adequate housing supply for workforce.

The City currently does not have much code language for the use and operation of STRs. STRs are mentioned just five times in the code. FCC Title 3 Business Regulations, Chapter 7: Transient Lodging Tax includes definitions of STR and STR housing platforms. FCC Title 10 Zoning Regulations, Chapter 2: General Zoning Provisions includes a reference under “dwellings”. The only other mention of STRs in Title 10 is that accessory dwelling units (ADUs) are prohibited from use as a STR.

Florence City Code Title 3: Business Regulations	
FCC 3-7: Transient Lodging Tax	
FCC 3-7-1 Definitions	
Short-Term Rental	A house, duplex, multi-plex, apartment, condominium, houseboat, trailer or other residential dwelling unit where a person rents a guest bedroom or the entire residential dwelling unit for transient lodging occupancy. Generally, a short-term rental is zoned residential or has a building occupancy that only allows for residential use.
Short-Term Rental Hosting Platform	A business or other person that facilitates the retail sale of transient lodging by connecting occupants with transient lodging providers, either online or in any other manner. Short-term rental hosting platforms are transient lodging intermediaries.
FCC 3-7-4: Short-Term Rental Hosting Platform Fees	A hosting platform for short-term rentals may collect a fee for booking services in connection with short-term rentals only when those short-term rentals are lawfully registered as operators with the city and possess a certificate of authority at the time the short-term rental is occupied.
Florence City Code Title 10: Zoning Regulations	
FCC 10-2: General Zoning Provisions	
FCC 10-2-13: Definitions	
Dwelling	A building or portion thereof which is occupied in whole or in part as a residence, either permanently or temporarily by one or more households; but excluding lodging intended to accommodate visitors and recreation, such as the Coast Village, hotels, motels, short term rentals and tourist courts; with permanent provision for living, sleeping, eating, food preparation, and sanitation. Each household unit within a dwelling has

	occupancy for eight or fewer bedrooms. Dwellings include both buildings constructed on-site, pre-fabricated dwellings and manufactured homes.
FCC 10-10: Residential Districts	
FCC 10-10-6: ADUs	
FCC 10-10-6-C	Accessory Dwelling Units shall not be used for Short Term Rentals

ATTACHMENTS

Below is a brief explanation of each of the four attachments to this document that have been used to guide recommendations and information presented during this work session.

Attachment 1: Housing & Economic Opportunities Project (HEOP) One Page

This is a one-page document highlighting the housing needs assessment in Florence and offering a brief overview of the Economic Opportunities Analysis and Housing Needs Analysis adopted in 2018. This document is a brief overview of [The White Paper](#) that was produced by MIG and APG consultants for the HIP project.

Attachment 2: Planning Commission Sub-Committee Recommendations

The Planning Commission had a work session on March 28, 2023 to discuss STR work related to the HIP project. As a result of this work session, three Planning Commissioners formed a sub-committee. During the March 2023 work session Planning Commissioners reviewed many examples of application forms, building and inspection checklist forms, and good neighbor guidelines. The Planning Commission sub-committee narrowed the recommendations down to the following three documents and discussed them at the at Planning Commission work session on January 9, 2024:

- City of Newport Short-Term Rental Codes for [business licensing](#) and [land use](#)
- [Cannon Beach Application Form](#)
- [Seaside Good Neighbor Guidelines](#)

There are dozens of examples, but this work session will focus on these three documents and adapting them to be the best fit for Florence.

Attachment 3: Short-Term Rental Final Recommendation to HIP SAT

A letter drafted by the STR Sub-Committee and was distributed to the HIP SAT on March 1, 2023. This letter served as a summary of recommendations offered at the previous HIP SAT meeting and final recommendation for the City to continue with a long-term committee to continue the sub-committee efforts and assist Florence in adapting as trends and circumstances change. There was a previous [recommendation letter](#) to the HIP Advisory Team dated November 10, 2022 that is included in the December 5, 2022 joint City Council and Planning Commission work session meeting (pg. 97 of 262).

The recommendation used in both letters to the HIP included information gathered from the [STR survey](#) (pg. 141- 150 of 262). The survey question related the STRs were the product of the STR sub-committee.

NEXT STEPS & DISCUSSION

Significant work has been done researching STRs over the last 2 years and consideration for a best fit for the City of Florence.

City Council's next steps on this Work Plan item could include one or more of the following:

- Direct staff to initiate STR business licensing code updates through a public hearing
 - Public hearing; possible adoption by the City Council
- Subsequent work session(s) if work is needed on a specific aspect of the code (licensing, penalties);
 - City Council or a joint work session with Planning Commission
- Offer a special meeting to receive feedback from the public on the topic

Staff's next steps for this Work Plan Item may include:

- Finalizing STR application packet:
 - Finalizing application packet- forms and educational materials
 - Researching fees needed to recoup expenses for staff processing, safety inspection, and technology
- Draft update to FCC 3-1 to Include another business license classification (FCC 3-7 definitions if needed).
- Preparing other materials and public communications for a work session, hearing, or special meeting.

ITEMS ATTACHED:

- **Attachment 1:** Housing & Economic Opportunities Project (HEOP) One Page
- **Attachment 2:** Planning Commission Sub-Committee Recommendations
- **Attachment 3:** Short-Term Rental Final Recommendation to HIP SAT

Housing & Economic Opportunities Project (HEOP)



City of Florence
A City in Motion

PROJECT BACKGROUND:

In 2018, the City of Florence adopted the Economic Opportunities Analysis (EOA) and Housing Needs Analysis (HNA). As part of that process, the City and its consultant identified the need for housing based on the economic opportunities available and projected in Florence. Additionally the project evaluated a number of housing recommendations to meet the City future housing needs.

1,664 New Dwellings

Housing Needed Over the Next 20 Years

THE NET NEW HOUSING NEED IS EXPECTED TO CONSIST OF:

- 764 Owner-Occupied Dwellings
- 597 Renter-Occupied Dwellings
- 263 Short-Term Rental Units

231 Acres

Required Land Area to accommodate the level of Housing Development required for Florence’s projected growth

The Buildable Lands Inventory (BLI) findings, which was done in conjunction with the HNA, indicate that the **existing amount of vacant and developable land (338 acres) within the Florence Urban Growth Boundary is generally sufficient** to accommodate the planned 20-year housing needs and employment growth forecasts, **even under the highest growth scenarios.**

The EOA recommends goals and policies that focuses on obtaining the most positive job growth which plans for **1,286 net new jobs** over the next twenty years.

WHAT IS THE ECONOMIC OPPORTUNITIES ANALYSIS & HOUSING NEEDS ANALYSIS?

The Florence Economic Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) are intended to serve as a basis for the City to explore and document new information regarding the City’s buildable land inventory (BLI), population and employment trends, and development policies and objectives aimed at strengthening the local economy and providing adequate land to handle the next 20 years of growth. The final project was adopted by the Florence City Council in November 2018.

THE PLANNED NET NEW HOUSING MIX OVER THE NEXT 20 YEARS SHOULD CONSIST OF:

- 858 single-family detached homes
- 145 manufactured housing units
- 265 townhomes / duplexes
- 354 multi-family housing units
- 40 +/- special needs housing

8,947

2018 Florence Population

12,554

*Estimated Florence Population in 20 years;
Average 0.9% Growth Rate*

For more information about the Florence Economic Opportunities Analysis or the Housing Needs Analysis, or to read the full report, please visit the City of Florence project webpage: www.ci.florence.or.us/node/7781

Questions? Contact the City of Florence Economic Development office: EconomicDevelopment@ci.florence.or.us

Attachment 2

Florence Short Term Rentals

How many STR's are currently in Florence? Can we track them in terms of occupancy, revenue, etc? How were these STR's approved?

We should either cap the total number of STR's or agree on a percentage based on total number of dwelling units in the City.

Revoke a permit for a STR that has 3 or more annual complaints.
Collect a transient room tax.

Restrict occupancy.

Require a local contact with a physical address.

Require annual fire and health inspections.

Do not allow STR's in homes that already have an occupied ADU.

Permit conditionally

Should we do an overlay zone and grandfather existing STR's?

Prohibit the approval of an ADU on properties that have STR's.

I like Cannon Beach's policies and procedures.

I like Seaside's Good Neighborhood Policy.

I like what McMinnville does with the mapping of all short term rentals.

February 23, 2023

HIP SAT Committee;

The Short-Term Rental (STR) Sub-Committee began meeting July 2022 gathering and evaluating data, interviewing experts, evaluating survey results, and have provided HIP SAT potential ideas for STR policies and regulations in the City of Florence. The general consensus of the sub-committee is the recommendations and summary provided to the HIP SAT at the November 10th, 2022 meeting has met or exceeded the expectations, directions, and responsibilities given to the sub-committee. All members of the committee believe further work and ongoing review would be worthwhile. We now recommend the City create a long-term STR Committee to support these efforts, provide additional research and analysis, and allow for adaptation as needed.

To summarize previous recommendations from the STR Sub-committee:

- A definition should be adopted by the City
 - Should be broad enough to include entire properties and a portion that is be rented for less than 30 days.
 - Should also be specific enough to exclude commercial motels, hotels, camp grounds, bed and breakfast.
- Inspections of the property should be required to ensure safe conditions of the property.
 - Annual inspections were determined to be unnecessary.
 - Every five years was suggested as being too long between inspections.
- “Good Neighbor Guidelines” should be established and posted on site.
- The general consensus is additional information is needed to determine if STR’s should be limited beyond the 2022 public survey and the City’s 2018 Housing Needs Analysis and Economic Opportunity Analysis.
 - Licensing could provide this information.
 - The sub-committee does not recommend limiting STR to certain zones or districts in town
 - Also not supported in survey results
 - Recommend a buffer around Siuslaw Schools because of potential increased traffic
- Business Licenses and permitting should be required
 - Fines should be large enough to deter operating without proper licensing and permit
 - Permitting and licensing fees should be adequate to cover costs for processing
 - Fees should be adequate to cover regulating the property for code compliance and complaints as needed

Final tasks to consider in preparation for a work session with Planning Commission and/or City Council:

- Adapting current City Business License and/or Land Use Application to be used for STRs
- Finalize recommended items for pre-rental safety inspection
- Finalize recommendation for Good Neighbor Guidelines to be posted in the rental unit.

The STR Sub-Committee has put many hours into this project and we are at a place to turn it over the HIP SAT and City Staff to determine whether they (1) want to complete any additional STR work on their own, or, (2) want to form a new committee which will fulfill additional directives. Some, but not all, of the current members of the current STR committee have the time capability and are willing to serve on a newly called committee. It has been a pleasure serving the City in this capacity.

Regards,

Short-Term Rental Sub-Committee

Colin Morgan	Andrew Miller
Ron Moore	Janelle Morgan
Bob Teter	Clare Kurth