

**CITY OF MILWAUKIE  
PLANNING COMMISSION  
MINUTES  
Milwaukie City Hall  
10722 SE Main Street  
Tuesday, February 9, 2016  
6:30 PM**

**COMMISSIONERS PRESENT**

Sine Adams, Chair  
Shaun Lowcock, Vice Chair  
Shane Abma  
Shannah Anderson  
Adam Argo  
Scott Barbur  
Greg Hemer

**STAFF PRESENT**

Denny Egner, Planning Director  
Tim Ramis, City Attorney

**1.0 Call to Order – Procedural Matters\***

**Chair Adams** called the meeting to order at 6:30 p.m. and read the conduct of meeting format into the record.

***Note:** The information presented constitutes summarized minutes only. The meeting video is available by clicking the Video link at <http://www.milwaukieoregon.gov/meetings>.*

**2.0 Planning Commission Minutes**

2.1 June 23, 2015

**It was moved by Commissioner Hemer and seconded by Vice Chair Lowcock to approve the June 23, 2015 Planning Commission minutes as presented. The motion passed unanimously.**

**3.0 Information Items**

**Denny Egner, Planning Director**, announced that Li Alligood would be leaving the City to work for Otak. The City had advertised for her position, and would be two months without full staff.

**Vice Chair Lowcock** noted the Milwaukie Police's presence related to the school lockdown the previous week and encouraged everyone to acknowledge local police officers' service.

**4.0 Audience Participation** –This is an opportunity for the public to comment on any item not on the agenda. There was none.

**5.0 Public Hearings**

5.1 Summary: Short-term Rentals Code Amendments  
Applicant/Owner: City of Milwaukie  
File: ZA-2015-003  
Staff: Denny Egner

**Chair Adams** called the hearing to order and read the conduct of legislative hearing format into the record.

**Mr. Egner** presented the staff report via PowerPoint, noting the amendments were proposed as if the General and Neighborhood Mixed Use Zones approved in December were in effect. He noted the key issues remaining for the Commission's consideration and addressed clarifying questions regarding existing parking requirements, the administration of lodging operator licenses, zoning, and home occupation enforcement. A request to continue the hearing had been received as well as a letter from Housing Land Advocates challenging the findings as they related to Goal 10 Housing. He supported the requested continuance and noted it would allow staff to develop better findings to address the challenge.

**Chair Adams** called for public testimony.

**Julie Olson** was in support of the amendments. Short-term and vacation renters were a boon to Milwaukie. Airbnb renters did not cause a parking problem were more respectful, whereas long-term renters had numerous cars, destroyed property, and created noise disturbances. Her neighbor was glad she only wanted to do Airbnb. She believed short-term rentals, B&Bs, and vacation rental should be permitted uses; the conditional process would result in her wasting three more months before being able to start renting short-term again. Being in the CL zone, she could currently only have one rental every 30 days. She responded to several questions from the Commission about her property and parking availability. She clarified she wanted to rent more often than once every 30 days and not be limited on the home occupation due to her travel schedule.

**James Knight** elaborated on the key issues included in the letter he sent to the Commission months ago, but not included in the meeting packet. Having attended many meetings in Portland about short-term rentals, he maintained that with no hotels in Milwaukie, short-term rentals would ensure visitors stay and spend money in Milwaukie instead of going to Portland.

- Short-term rentals provide extra income to property owners; some would be in foreclosure if they were unable to use their property for short-term rental. Short-term renters came from all over the world, enabling a cultural/social interaction which was also beneficial.
- He was amazed the City initiated this entire Code amendment process based on two parking complaints; it seemed biased. He described the complaint involving his property which was not legitimate, and questioned the legitimacy of the other. There are always people who will complain.
- Limiting rentals to a single party was unnecessary. Portland limited the number of parties to two or three and did not regulate parking, which was working fine.
- He questioned the 270-day rule, which would preclude him renting his home during his extended trips abroad for training or teaching, and possibly prevent him from going. The rule allowed only three months for owners to be able to go and do anything.
- He questioned the difference between a short-term rental and the 30-day limit, which was arbitrary. As an Airbnb, everything unsafe or unsatisfactory is reported, which did not occur with short-term rentals. Airbnbs should not be confused with B&Bs because no meals are typically prepared.
- Making the Code more difficult would cause short-rentals to move to the unincorporated areas and Milwaukie would lose that revenue.
- He addressed several questions from the Commission about his parking Code violation, Airbnbs versus VRBOs, and whether the rentals were owner occupied.

**Ms. Olsen** agreed- if parking was the problem why did it take two years to make decisions that were obvious. She reiterated view that renters cause more parking problems than Airbnb clients.

**Mr. Egner** clarified the differences between short-term and vacation rentals and addressed further clarifying questions from the Commission about existing and proposed parking requirements, as well as the City's mandates for building and fire code inspections related to home occupations.

**The Commission** discussed whether to separate vacation rentals from the proposed Code package in response to the letter received about Goal 10 compliance. Following a lengthy discussion which resulted in the reversal of a straw poll, the Commission consented to retain vacation rentals in the proposed amendments as presented. **Mr. Egner** added he would contact Housing Land Advocates for further clarification.

**Chair Adams** reminded that the hearing would remain open and further public comment could be provided at the continued hearing.

**It was moved by Commissioner Hemer and seconded by Commissioner Argo to continue the public hearing for ZA-2015-003 to February 23, 2016. The motion passed unanimously.**

**6.0 Worksession Items** – There were none.

**7.0 Planning Department Other Business/Updates**

**Mr. Egner** noted interim update pages had been distributed for the Planning Commission's notebooks.

**8.0 Planning Commission Discussion Items**

**Commissioner Hemer** stated he attended a meeting on the parkway, which would be a closed off roadway through Milwaukie for pedestrians and bicycles without vehicle traffic and with stops along the way. Sponsorships and volunteers were needed; anyone interested could contact Mitch Nieman at the City for more information.

**Chair Adams** announced the first of five Urban Renewal Advisory Committee meetings would be held February 17<sup>th</sup> at the Public Safety Building. Everyone was welcome to attend.

**9.0 Forecast for Future Meetings:**

- |                   |                                                                   |
|-------------------|-------------------------------------------------------------------|
| February 23, 2016 | 1. Public Hearing: MLP-2015-006/VR-2015-007 Rockwood St Partition |
| March 8, 2016     | 1. Public Hearing: MLP-2015-004 55 <sup>th</sup> Ave Partition    |

Meeting adjourned at approximately 8:28 p.m.

Respectfully submitted,

Alicia Martin, Administrative Specialist II



Shane Abma, Chair  
for Sine Adams, Chair



**AGENDA  
REVISED**

**MILWAUKIE PLANNING COMMISSION  
Tuesday, February 9, 2016, 6:30 PM**

**MILWAUKIE CITY HALL  
10722 SE MAIN STREET**

- 1.0 Call to Order - Procedural Matters**
- 2.0 Planning Commission Minutes** – Motion Needed
  - 2.1 June 23, 2015** ~~(sent under separate cover)~~
- 3.0 Information Items**
- 4.0 Audience Participation** – This is an opportunity for the public to comment on any item not on the agenda
- 5.0 Public Hearings** – Public hearings will follow the procedure listed on reverse
  - 5.1 Summary: Short-term Rentals Code Amendments  
Applicant: City of Milwaukie  
File: ZA-2015-003  
Staff: Denny Egner
- 6.0 Worksession Items**
- 7.0 Planning Department Other Business/Updates**
  - 7.1 PC Notebook Interim Update Pages
- 8.0 Planning Commission Discussion Items** – This is an opportunity for comment or discussion for items not on the agenda.
- 9.0 Forecast for Future Meetings:**
  - February 23, 2016 1. Public Hearing: MLP-2015-006/VR-2015-007 Rockwood St Partition
  - March 8, 2016 1. Public Hearing: MLP-2015-004 55<sup>th</sup> Ave Partition

### Milwaukie Planning Commission Statement

The Planning Commission serves as an advisory body to, and a resource for, the City Council in land use matters. In this capacity, the mission of the Planning Commission is to articulate the Community's values and commitment to socially and environmentally responsible uses of its resources as reflected in the Comprehensive Plan

1. **PROCEDURAL MATTERS.** If you wish to speak at this meeting, please fill out a yellow card and give to planning staff. Please turn off all personal communication devices during meeting. For background information on agenda items, call the Planning Department at 503-786-7600 or email [planning@ci.milwaukie.or.us](mailto:planning@ci.milwaukie.or.us). Thank You.
2. **PLANNING COMMISSION MINUTES.** Approved PC Minutes can be found on the City website at [www.cityofmilwaukie.org](http://www.cityofmilwaukie.org)
3. **CITY COUNCIL MINUTES** City Council Minutes can be found on the City website at [www.cityofmilwaukie.org](http://www.cityofmilwaukie.org)
4. **FORECAST FOR FUTURE MEETING.** These items are tentatively scheduled, but may be rescheduled prior to the meeting date. Please contact staff with any questions you may have.
5. **TIME LIMIT POLICY.** The Commission intends to end each meeting by 10:00pm. The Planning Commission will pause discussion of agenda items at 9:45pm to discuss whether to continue the agenda item to a future date or finish the agenda item.

#### **Public Hearing Procedure**

Those who wish to testify should come to the front podium, state his or her name and address for the record, and remain at the podium until the Chairperson has asked if there are any questions from the Commissioners.

1. **STAFF REPORT.** Each hearing starts with a brief review of the staff report by staff. The report lists the criteria for the land use action being considered, as well as a recommended decision with reasons for that recommendation.
2. **CORRESPONDENCE.** Staff will report any verbal or written correspondence that has been received since the Commission was presented with its meeting packet.
3. **APPLICANT'S PRESENTATION.**
4. **PUBLIC TESTIMONY IN SUPPORT.** Testimony from those in favor of the application.
5. **NEUTRAL PUBLIC TESTIMONY.** Comments or questions from interested persons who are neither in favor of nor opposed to the application.
6. **PUBLIC TESTIMONY IN OPPOSITION.** Testimony from those in opposition to the application.
7. **QUESTIONS FROM COMMISSIONERS.** The commission will have the opportunity to ask for clarification from staff, the applicant, or those who have already testified.
8. **REBUTTAL TESTIMONY FROM APPLICANT.** After all public testimony, the commission will take rebuttal testimony from the applicant.
9. **CLOSING OF PUBLIC HEARING.** The Chairperson will close the public portion of the hearing. The Commission will then enter into deliberation. From this point in the hearing the Commission will not receive any additional testimony from the audience, but may ask questions of anyone who has testified.
10. **COMMISSION DISCUSSION AND ACTION.** It is the Commission's intention to make a decision this evening on each issue on the agenda. Planning Commission decisions may be appealed to the City Council. If you wish to appeal a decision, please contact the Planning Department for information on the procedures and fees involved.
11. **MEETING CONTINUANCE.** Prior to the close of the first public hearing, *any person* may request an opportunity to present additional information at another time. If there is such a request, the Planning Commission will either continue the public hearing to a date certain, or leave the record open for at least seven days for additional written evidence, argument, or testimony. The Planning Commission may ask the applicant to consider granting an extension of the 120-day time period for making a decision if a delay in making a decision could impact the ability of the City to take final action on the application, including resolution of all local appeals.

*The City of Milwaukie will make reasonable accommodation for people with disabilities. Please notify us no less than five (5) business days prior to the meeting.*

#### **Milwaukie Planning Commission:**

Sine Adams, Chair  
Shaun Lowcock, Vice Chair  
Shane Abma  
Shannah Anderson  
Adam Argo  
Scott Barbur  
Greg Hemer

#### **Planning Department Staff:**

Denny Egner, Planning Director  
Li Alligood, Senior Planner  
Brett Kelter, Associate Planner  
Vera Kolias, Associate Planner  
Alicia Martin, Administrative Specialist II

**CITY OF MILWAUKIE  
PLANNING COMMISSION  
MINUTES**

**Milwaukie City Hall  
10722 SE Main Street  
TUESDAY, June 23, 2015  
6:30 PM**

**COMMISSIONERS PRESENT**

Shaun Lowcock, Vice Chair  
Shannah Anderson  
Scott Barbur  
Greg Hemer

**STAFF PRESENT**

Denny Egner, Planning Director  
Brett Kelter, Associate Planner  
Peter Watts, City Attorney

**COMMISSIONERS ABSENT**

Sine Bone, Chair

**1.0 Call to Order – Procedural Matters\***

**Vice Chair Lowcock** called the meeting to order at 6:30 p.m. and read the conduct of meeting format into the record.

***Note:** The information presented constitutes summarized minutes only. The meeting video is available by clicking the Video link at <http://www.ci.milwaukie.or.us/meetings>.*

**2.0 Planning Commission Minutes**

2.1 February 10, 2015

**It was moved by Commissioner Hemer and seconded by Commissioner Anderson to approve the February 10, 2015 Planning Commission minutes as presented. The motion passed unanimously.**

2.2 February 24, 2015

**It was moved by Commissioner Hemer and seconded by Commissioner Anderson to approve the February 24, 2015 Planning Commission minutes as presented. The motion passed unanimously.**

**3.0 Information Items**

There were no information items.

**4.0 Audience Participation** –This is an opportunity for the public to comment on any item not on the agenda. There was none.

**5.0 Public Hearings**

5.1 Summary: Spring Park Natural Area Restoration Phase II  
Applicant/Owner: North Clackamas Parks and Recreation District/City of  
Milwaukie  
Address: 1880 SE Sparrow St  
File: CSU-2015-004, NR-2015-002, WG-2015-002  
Staff: Brett Kelter

**Vice Chair Lowcock** called the hearing to order and read the conduct of quasi-judicial hearing format into the record.

**Brett Kelter, Associate Planner**, presented the staff report via PowerPoint. He oriented the Planning Commission to the properties involved. The Master Plan for the park was adopted in 2006, and Phase I of the "mini park" was constructed between 2008 and 2010. Phase II involved restoration of the natural area which included trail realignment, stabilization and enhancement of the stream bank, creating an overlook area, native vegetation plantings, and an interpretive sign installed at the trailhead. He displayed photos of the existing conditions and described the proposed changes.

The key issue was around parking. Parking was noted in the master plan to be reevaluated at this time. Currently, there was not a desire to expand the current parking lot into the park area, and the assumption was that most access to the park would be through the neighborhood via bicycle or by foot.

**Mr. Kelter** reviewed the approval criteria, staff recommendation, and the decision-making options.

**Commissioner Hemer** asked if the City had done a trip count to the park, and if the improvements were intended to increase the traffic into the neighborhood.

- **Mr. Kelter** responded that the changes were not expanding the facilities in the park, like providing additional amenities. The goal was focused on preserving the natural areas and establishing sturdier pathways, etc.

**Vice Chair Lowcock** called for the applicant's testimony.

**Tonia Burns, North Clackamas Parks and Recreation District (NCPRD), and Mitch Neiman, City of Milwaukie**, presented as the applicants.

**Ms. Burns** noted the history and previous master planning efforts for Spring Park. The 2006 Spring Park Master Plan highlighted the steps in the phases, and the Trailhead Pocket Park was constructed in 2010. NCPRD had worked with the Island Station Neighborhood District Association (NDA) on activities like trash pickup, weed control, and plantings since 2009. They also worked with a stakeholder group to develop the Natural Area Management Plan in 2014 to create detailed information based on the actions from the 2006 Master Plan. She explained the accomplishments to date, outreach, steps in progress, and permits and grants involved. A number of the grants had been extended due to delayed completion of the project.

**Ms. Burns** reviewed the proposed upgrades to the park. She noted that the area involved sensitive habitat types for the region and many of the grantors were very interested in supporting the project. She noted the project schedule.

The applicant answered questions from the Commission:

- There was a fence along a portion of the southern border of the park but not near the river. Hedgerows were being planted along that edge of the park.
- The park would be closed for a block of time during the heavier portions of work.
- The primary goal of this phase of the project was natural area enhancement and to sustainability reroute and upgrade the trail and outlook to help with long term maintenance of the site and enhance habitat.

- Due to the gradual controlling of nonnative species and plantings of native species over time and the quality of reconstruction of the site, heavy ongoing maintenance and monitoring was assumed to be minimal.
- Flooding was not a concern unless it was a major flood event. The terrain tended to slow high water.

**Vice Chair Lowcock** called for public testimony.

In Support:

**Chris Fryfield, 735 SW St Clair Ave, Apt 508, Portland, 97205**, was speaking on behalf of the North Clackamas Urban Watershed Council (NCUWC) which was partnering with NCPRD on this project. The group worked on small-scale restoration projects and saw a lot of potential with this site both for fish and wetlands habitat.

**Lisa Batey, 11912 SE 19<sup>th</sup> Ave**, had been working on this park for 12 years. She explained the conditions the park was once in, walled-in with blackberries and unsafe. The NDA worked to remove blackberries, and had worked with the former Community Services Director on the master plan and the pocket park. She commended Ms. Burns on her work with this project. She did not believe the improvements would increase traffic.

In Opposition:

**Cliff Kohut, 12104 SE 21<sup>st</sup> Ave**, believed the project, along with light rail, would attract crime. The NDA had voted against the original park before Ms. Batey's involvement.

**Vice Chair Lowcock** closed public testimony.

### **Planning Commission Deliberation:**

**Commissioner Hemer** clarified his questions about parking. Since the purpose of the enhancements was not focused on increasing activity, it was reasonable for parking to not be addressed or increased.

**Denny Egner, Planning Director**, suggested that, rather than conditioning this application to address parking, the Commission could propose a separate request to Council for this issue to be addressed in the future.

**Commissioner Hemer and Commissioner Barbur seconded to approve applications CSU-2015-004, NR-2015-002, WG-2015-002, for Spring Park Phase II with the recommended findings and conditions as presented. The motion passed unanimously.**

**Commissioner Hemer** asked staff to request, on behalf of the Commission, that Council and NCPRD work toward completing Phase II to address parking at the park.

## **6.0 Worksession Items**

- 6.1 Summary: Land Use Training Agenda Review  
 Staff: Denny Egner



**Mr. Egner** noted there was a training scheduled with Tim Ramis, City Attorney, regarding land use process and procedures scheduled for July 28<sup>th</sup>. He brought the proposed agenda for the Commission's review and asked if there were other items that should be included in the training.

**Peter Watts, City Attorney**, gave some examples of other areas that may be of concern or to focus, such as bias toward a project, etc.

**Mr. Enger** noted that it was important for the Commission to understand the process and the implications of findings and conditions for land use and legislative applications. With the improved economy and light rail, he believed activity would continue to increase.

## **7.0 Planning Department Other Business/Updates**

**Mr. Egner** noted that the meeting minutes would move toward an action minutes model and the record would rely on the video.

**Mr. Watts** confirmed that state and the Land Use Board of Appeals (LUBA) were now recognizing the video as the official record.

## **8.0 Planning Commission Discussion Items**

**Commission Hemer** asked if it was possible to get a summary of changes made by the Council on legislative applications that were reviewed by the Commission.

**Mr. Egner** agreed that updates would be a good idea.

## **9.0 Forecast for Future Meetings:**

- |               |                                                                                   |
|---------------|-----------------------------------------------------------------------------------|
| July 14, 2015 | 1. Public Hearing: CPA-2015-001 MFM Central Milwaukie Plan and Code Amendments #5 |
|               | 2. Worksession: PC Ethics Training Session                                        |
| July 28, 2015 | 1. Public Hearing: WG-2015-001 Riverway Ln Addition                               |
|               | 2. Worksession: Land Use Training                                                 |
|               | 3. Worksession: MFM Neighborhood Main Streets Code Amendments #1                  |

Meeting adjourned at approximately 8:02 p.m.

Respectfully submitted,

Alicia Martin, Administrative Specialist II

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Sine Bone, Chair



# MILWAUKIE

*Dogwood City of the West*

**To:** Planning Commission

**From:** Dennis Egner, Planning Director

**Date:** February 2, 2016, for February 9, 2016, Public Hearing

**Subject:** File: ZA-2015-003  
 Applicant: City of Milwaukie  
 Owners/Addresses/Taxlots: Citywide - multiple owners  
 NDA: Citywide – multiple NDAs

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## ACTION REQUESTED

Recommend approval of application ZA-2015-003 and recommended Findings of Approval found in Attachment 1 Exhibit A. This action would recommend City Council approval of zoning ordinance text amendments for short-term rentals, vacation rentals, bed and breakfasts, and related changes.

## BACKGROUND INFORMATION

### A. History of Prior Actions and Discussions

- **January 12, 2016:** A worksession was held with the Planning Commission so that they could be introduced to the draft code language that would be discussed at the February 9, 2016 public hearing. Two key issues identified at the meeting included the use of accessory dwelling units for short-term rental purposes and parking.
- **October 13, 2015:** The Planning Commission held a worksession on the topic and provided general guidance for development of an initial set of draft code amendments.
- **September 23, 2015:** Staff held a worksession with owners/operators of local short-term rental businesses and Neighborhood District Association (NDA) representatives. The meeting was attended by ten local owners/operators and two representatives from NDAs.
- **July 23, 2015:** The City Council held a study session to discuss the sharing economy and provide staff with direction regarding program development and regulation. The Council directed staff to move forward with a process to provide greater flexibility for short-term rentals.

- **February 17, 2015:** During the Community Development Update at the Council meeting on February 17, 2015, the Planning Director noted that staff was developing an interim approach to allow short-term rentals in single family zones provided that a room was only rented once per month. This approach was in response to concerns about code enforcement on a number of short-term rental operations following a complaint about an Airbnb rental in a single family neighborhood.
- **February 7, 2015:** The City Council held a goal setting forum at City Hall on February 7, 2015. Among the 228 comments received at the forum were several that addressed the sharing economy and opportunities for short-term rentals. Council members expressed interest in the subject but did not prioritize it during further discussion of goals.

## **B. What are short-term rentals?**

Short-Term Rentals are housing units and rooms that are rented out for periods less than 30 days in length. There are two types of short-term rentals:

- Hosted – where the primary occupants are present during the rental;
- Unhosted – where the primary occupants vacate the unit during the rental period.

Vacation rental are similar to short-term rentals but are unhosted with no primary occupants. A short-term rental (whether hosted or unhosted) is generally considered to be an accessory use to a primary residence. A vacation rental is a primary use and is more commercial in nature.

Short-term rental operators typically rely on services such as Airbnb and Vacation Rentals by Owner (VRBO) to rent rooms and houses.

Short-term rental operators may or may not offer services similar to a typical bed and breakfast. Most bed and breakfast operators live in the house with the rental rooms and offer breakfast with a night's lodging.

## **C. Proposal**

The proposal would amend the text of the zoning ordinance to allow short-term rentals in residential areas as a home occupation (rentals for less than 30 consecutive days) provided the house is occupied by an owner or primary occupant for no less than 270 days per year. A key limitation is that the housing unit could only be rented to a single party at any given time. Unhosted rentals would be allowed for up to 95 days per year. The owner/occupant would be required to obtain an annual Lodging Operators License to operate within the City. The license process would include an application fee and an inspection to verify that the sleeping rooms meet minimum building code requirements.

As a home occupation, the short-term rental would be expected to maintain the outward appearance of a residence and present no perceptible impacts on the surrounding neighborhood. Failure to maintain the residential character of the property would result in revocation of the license by the City.

Bed and breakfasts are a form of commercial lodging where hosts rent out one or more rooms to one or more parties on any given day. The proposal would make bed and breakfasts a conditional use in low density residential zones. Today they are prohibited.

Vacation rentals are unhosted short-term rentals where the owner or primary occupant is absent for more than 270 days per year. The proposal would make vacation rentals a conditional use in residential districts and the DMU zone.

Hotels and motels are common forms of commercial lodging but there are none located within the Milwaukie city limits. The proposal would continue to allow hotels and motels in commercial and mixed use zones but would prohibit hotels and motels in all residential zones except the R1-B zone where it would remain a conditional use. Today, hotels and motels are permitted as conditional uses in the R-1 and R-2 high density residential zones. In the C-L zone and the C-G zone, hotels and motels are currently allowed as "High Impact Commercial Businesses" through the conditional use process. The changes would allow these uses outright in the C-G zone and clarify that they are conditional uses in the C-L zone.

Boarding houses are a form of residential lodging where rooms in a building are provided for lodging in exchange for compensation. Boarding house operators may provide meals to lodgers. Boarding houses are not occupied as a single-family unit and are subject to capacity requirements of the UBC. No substantive change is proposed for boarding houses.

| Use                          | Use Type - Residential or Commercial | Number of guest parties allowed | Owner/full-time operator present                    | Proposed Process in Residential Zones          |
|------------------------------|--------------------------------------|---------------------------------|-----------------------------------------------------|------------------------------------------------|
| Short-term Rental - Hosted   | Residential                          | 1                               | Y                                                   | Home Occupation with Lodging Operators License |
| Short-term Rental - Unhosted | Residential                          | 1                               | N - but use is limited to 95 days per calendar year | Home Occupation with Lodging Operators License |
| Bed and Breakfast            | Commercial                           | Multiple                        | Y                                                   | Conditional Use                                |
| Vacation Rental              | Commercial                           | 1                               | N                                                   | Conditional Use                                |
| Hotel/Motel                  | Commercial                           | Multiple                        | Y                                                   | Not allowed – except for the R1-B zone         |
| Boarding House               | Residential                          | Multiple                        | Y                                                   | CU in medium and high density zones            |

The proposal includes new home occupation standards for short-term rentals. These include operational limitations on the number of days per year that a unit can be rented and the number of parties that can occupy a dwelling at a given time. In addition, the proposed standards require one additional off-street parking space for a property that has a short-term rental except in the Downtown Mixed Use (DMU) zone.

In response to questions raised by the Commission at the January 12, 2016 worksession, the proposal now clearly allows the use of properties with accessory dwelling units for

short-term rental purposes. The proposal would require the owner to occupy one of the units on the property for no less than 270 days per year.

## KEY ISSUES

### Summary

Staff has identified the following key issues for the Commission's deliberation. Aspects of the proposal not listed below are addressed in the Findings (see Attachment 1 – Exhibit A) and generally require less analysis and discretion by the Commission.

- A. Does the proposed amendment balance the apparent demand for short-term rental lodging opportunities in the community with adequate protection against negative impacts on neighbors? Do the proposed home occupation standards adequately address potential impacts?
- B. Except in the DMU zone, the proposal would require that one additional off-street parking space be required for properties offering a short-term rental. Given that off-street parking standards prohibit required parking to be located in a yard area (such as in the front yard driveway between the garage door and the property line), is this a standard that effectively eliminates the opportunity for short-term rentals for most applicants?
- C. Is it appropriate to make bed and breakfasts a conditional use in low density residential zones?
- D. Hotels and motels (and by interpretation other forms of commercial lodging) are currently allowed as conditional uses in the C-G zone. Is it appropriated to permit these uses outright in the C-G zone?
- E. Currently hotels and motels are conditional uses in the C-L zone as high impact use businesses. Is it appropriate to add flexibility so that bed and breakfasts become a permitted use in the C-L zone while continuing to maintain the conditional use process for hotels and motels?
- F. The proposal makes vacation rentals a conditional use in the DMU zone but in other commercial and mixed use zones, vacation rentals are proposed to be permitted uses. Should vacation rentals be a conditional use in all commercial and mixed use zones?

## CONCLUSION/RECOMMENDATION

### A. Staff recommendation to the Planning Commission is as follows:

- 1. Amend the proposal to eliminate the requirement for an additional off-street parking space for short-term rentals.
- 2. Amend the proposal to make vacation rentals a conditional use in all zones.
- 3. Recommend approval of the proposed Zoning Ordinance text amendments for short-term rentals, bed and breakfasts, and related changes.
- 4. Recommend adoption of the attached recommended Findings of Approval.

## CODE AUTHORITY AND DECISION-MAKING PROCESS

The proposal is subject to the following provisions of the Milwaukie Municipal Code (MMC).

- MMC Section 19.902 Amendments to Maps and Ordinances
- MMC Section 19.1008 Type V Review

This application is subject to Type V review, which requires the Planning Commission to consider whether the applicant has demonstrated compliance with the code sections shown above and forward a recommendation to City Council.

The Commission has four decision-making options as follows:

- A. Recommend that City Council approve the proposed text amendment as presented in Attachment 1.
- B. Recommend that City Council approve the proposed text amendment with modifications to the materials in Attachment 1.
- C. Recommend that City Council not approve the proposed text amendments.
- D. Continue the hearing.

The application is a legislative action and is not subject to the 120-day clock.

## COMMENTS

Notice of the proposed changes was given to the following agencies and persons: Milwaukie's Neighborhood District Associations, Metro, the Department of Land Conservation and Development, and the following City of Milwaukie departments: Engineering, Finance, and Police. Notice was also posted at City Hall, Ledding Library, and the Johnson Creek Facility.

## ATTACHMENTS

Attachments are provided as indicated by the checked boxes. All material is available for viewing upon request.

|                                                                             | PC<br>Packet                        | Public<br>Copies                    | E-<br>Packet                        |
|-----------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 1. Draft Ordinance                                                          | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Exhibit A. Recommended Findings in Support of Approval                      | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Exhibit B. Proposed Zoning Text Amendments<br>(Underline/Strikeout Version) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Exhibit C. Proposed Zoning Text Amendments (Clean<br>Version)               | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Letter/Testimony from Cid Blase                                          | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Key:

PC Packet = paper materials provided to Planning Commission 7 days prior to the hearing.

Public Copies = paper copies of the packet available for review at City facilities and at the Planning Commission meeting.

E-Packet = packet materials available online at <http://www.milwaukieoregon.gov/planning/planning-commission-142>.

**CITY OF MILWAUKIE***"Dogwood City of the West"***Ordinance No.**

**An ordinance of the City Council of the City of Milwaukie, Oregon to amend Title 19 Zoning to allow and regulate short-term rentals, vacation rentals, bed and breakfasts, and make related changes associated with commercial lodging uses. (File #ZA-2015-003).**

**WHEREAS**, there currently are no authorized commercial lodging facilities in Milwaukie and it is in the public interest to provide more opportunities for lodging;

**WHEREAS**, community members have expressed a desire for the City to provide greater flexibility and opportunities so that homes can be used for short-term rentals, vacation rentals, and bed and breakfasts;

**WHEREAS**, on September 23, 2015, the planning staff held a worksession with owners/operators of local short-term rental businesses and Neighborhood District Association leaders to discuss the topic of short-term rentals;

**WHEREAS**, the Planning Commission held works sessions on October 13, 2015, and January 12, 2016, to develop and refine a draft proposal for short-term rentals, vacation rentals, bed and breakfasts, and related changes;

**WHEREAS**, the Planning Commission held a duly advertised public hearing on the amendments on February 9, 2016, with notice provided per the requirements of the Milwaukie Municipal Code and the Oregon Revised Statutes, and recommended approval; and

**WHEREAS**, the City Council held a duly advertised public hearing with notice provided per the requirements of the Milwaukie Municipal Code and the Oregon Revised Statutes;

**Now, Therefore, the City of Milwaukie does ordain as follows:**

Section 1. Findings. Findings of fact in support of the proposed amendments to Title 19 are attached as Exhibit A.

Section 2. Amendments. Title 19 Zoning is amended as described in Exhibit B (strikeout/underline version) and Exhibit C (clean version).

Read the first time on \_\_\_\_\_, and moved to second reading by \_\_\_\_\_ vote of the City Council.

Read the second time and adopted by the City Council on \_\_\_\_\_.

Signed by the Mayor on \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
Mark Gamba, Mayor

APPROVED AS TO FORM:  
Jordan Ramis PC

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney



**Recommended Findings in Support of Approval**  
**File ZA-2015-003, Zone Text Amendment for Short Term Rentals, Vacation**  
**Rentals, Bed and Breakfasts, and Related Changes**

Sections of the Milwaukie Municipal Code not addressed in these findings are found to be inapplicable to the decision regarding this application.

1. The applicant, the Milwaukie Planning Director, has applied for a zoning ordinance text amendment (File ZA-2015-003) to generally provide greater flexibility in the code for short term rentals and for various forms of commercial lodging. The amendments add and revise definitions (MMC 19.201), make changes to base zones to specify where short term rentals and commercial lodging uses are permitted, add new home occupation standards for short term rentals (MMC 19.507.5), and allow guest houses to be used as short term rentals (MMC 19.503.1).
2. The proposed amendments make the following changes to base zone requirements:

| Uses Allowed by Base Zone                                                                                                                                                                                                                                                                                                                         |                   |                  |                   |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|-------------------|--------------------|
| Base Zone                                                                                                                                                                                                                                                                                                                                         | Short Term Rental | Vacation Rental  | Bed and Breakfast | Hotel and Motel    |
| Low Density Residential                                                                                                                                                                                                                                                                                                                           |                   |                  |                   |                    |
| ▪ R-10, R-7, R-5                                                                                                                                                                                                                                                                                                                                  | P<br>(adds use)   | CU<br>(adds use) | CU<br>(adds use)  | N<br>(no change)   |
| Medium Density Residential                                                                                                                                                                                                                                                                                                                        |                   |                  |                   |                    |
| ▪ R-3, R-2.5,                                                                                                                                                                                                                                                                                                                                     | P<br>(adds use)   | CU<br>(adds use) | CU<br>(no change) | N<br>(no change)   |
| ▪ R-2, R-1,                                                                                                                                                                                                                                                                                                                                       | P<br>(adds use)   | CU<br>(adds use) | CU<br>(no change) | N<br>(removes use) |
| ▪ R-1-B                                                                                                                                                                                                                                                                                                                                           | P<br>(adds use)   | CU<br>(adds use) | CU<br>(no change) | CU<br>(no change)  |
| Mixed Use Zones                                                                                                                                                                                                                                                                                                                                   |                   |                  |                   |                    |
| ▪ GMU and NMU                                                                                                                                                                                                                                                                                                                                     | P<br>(adds use)   | P<br>(adds use)  | P<br>(no change)  | P<br>(no change)   |
| ▪ DMU                                                                                                                                                                                                                                                                                                                                             | P<br>(adds use)   | CU<br>(adds use) | P<br>(no change)  | P<br>(no change)   |
| Commercial Zones                                                                                                                                                                                                                                                                                                                                  |                   |                  |                   |                    |
| ▪ C-L                                                                                                                                                                                                                                                                                                                                             | P<br>(adds use)   | P<br>(adds use)  | P<br>(from CU)    | CU<br>(no change)  |
| ▪ C-G                                                                                                                                                                                                                                                                                                                                             | P<br>(adds use)   | P<br>(adds use)  | P<br>(from CU)    | P<br>(from CU)     |
| <b>Key:</b><br>P – Permitted Outright; CU – Conditional Use; N – Not Permitted/Prohibited;<br>Adds Use – New permitted use to be added; Removes Use – Existing permitted use to be prohibited; No change – amendments make no change to existing use status; From CU – Expands permitted uses with a change from conditional use to permitted use |                   |                  |                   |                    |

3. The proposal is subject to the following provisions of the Milwaukie Municipal Code (MMC):
  - MMC Section 19.902 Amendments to Maps and Ordinances
  - MMC Section 19.1000 Review Procedures
4. The application has been processed and public notice provided in accordance with MMC Section 19.1008 Type V Review. A public hearing before the Planning Commission was held on February 9, 2016 as required by law.
5. MMC Chapter 19.1000 establishes the initiation and review requirements for land use applications. These requirements have been met as follows.
  - a. MMC Subsection 19.1001.6 requires that Type V applications be initiated by the Milwaukie City Council, Planning Commission, Planning Director, or any individual.

The amendment is proposed by the City of Milwaukie and was initiated by the City Planning Director.
  - b. MMC Section 19.1008 establishes requirements for Type V review.
    - (1) MMC Subsection 19.1008.3.A.1 requires opportunity for public comment and review. Opportunity for public comment and review has been provided. Public notice in the form of email to the Neighborhood District Associations, posted notices, and information on the City website have publicized the Planning Commission's hearing on the proposed amendment to encourage comment by any interested party.
    - (2) MMC Subsection 19.1008.3.A.2 requires notice of public hearing on a Type V Review to be posted on the City website and at City facilities that are open to the public. A notice of the Planning Commission's February 9, 2016, hearing was posted at City Hall, the Ledding Library, and the City's Johnson Creek Building Offices on January 8, 2016.
    - (3) MMC Subsection 19.1008.3.A.2 requires notice be sent to individual property owners if the proposal affects a discrete geographic area. The Planning Director has determined that the proposal affects a large geographic area. Notice to individual property owners was not provided.
    - (4) MMC Subsection 19.1008.3.B and C require notice of a Type V application to be sent to Metro 45 days prior to the first evidentiary hearing and to the Department of Land Conservation and Development 35 days prior to the first evidentiary hearing. This notice was sent to both Metro and DLCD on December 17, 2015.
    - (5) MMC Subsection 19.1008.3.D requires notice to property owners if, in the Planning Director's opinion, the application would affect the permissible uses of land for those property owners. Given that the proposal will generally expand the range of uses permitted rather than place limits on existing permitted uses, no Measure 56 notices were sent.
    - (6) MMC Subsection 19.1008.4 and 5 establish the review authority and process for review of a Type V application. The Planning Commission held a duly advertised public hearing on February 9, 2016, and passed a motion recommending that the City Council approve the zoning ordinance text amendment. The City Council held a duly advertised public hearing on \_\_\_\_\_ 2016, and approved the text amendment.

## 6. MMC Section 19.902 Amendments to Maps and Ordinances

- a. MMC 19.902.5.A establishes the review process for zoning text amendments.

The code states that changes to Title 19 shall be subject to Type V review per MMC 19.1008.

- b. MMC 19.902.5.B establishes five criteria (listed below) for approval of changes to the zoning ordinance text. The City finds that the approval criteria have been met for the reasons listed below each of the criterion.

- (1) The proposed amendment is consistent with other provisions of the Milwaukie Municipal Code.

*The proposed code amendment creates opportunities for lodging in the community. The amendments allow the use of dwelling units for short term rental purposes provided home occupation standards are met. The amendments also allow bed and breakfasts and vacation rentals in low density areas through the conditional use process. Other amendments are intended to eliminate code conflicts and clarify requirements for other commercial lodging uses. The changes have been carefully crafted to not conflict with any provision of the Milwaukie Municipal Code. All other code provisions can operate and be enforced with this change.*

- (2) The proposed amendment is consistent with the goals and policies of the Comprehensive Plan.

*Only the goals, objectives, and policies of Comprehensive Plan that are listed below are found to be relevant to the proposed text amendment.*

Relevant goals, objectives, and policies include:

Residential Land Use and Housing Element:

- Objective #4 – Neighborhood Conservation states:

*To maximize the opportunities to preserve, enhance and reinforce the identity and pride of existing well-defined neighborhoods in order to encourage the long-term maintenance of the City's housing stock.*

- Objective #4 – Policy #5 states:

*Within Low Density areas, new projects will maintain a single family building bulk, scale and height when abutting existing single family areas, or when abutting a street where existing single family houses face the project.*

Economic Base and Industrial/Commercial Land Use Element:

- Objective #2 – Employment Opportunity states:

*To continue to support a wide range of employment opportunities for Milwaukie citizens.*

- Objective #2 – Policy #4 states:

*The City will support home occupations (income-producing activities in the home) as long as these activities do not detract from the residential character of the area.*

- Objective #6 – Commercial Land Use states:

*To encourage new commercial uses to locate within designated commercial areas of the City, in order to take maximum advantage of existing access and public facilities serving these areas.*

Neighborhood Element:

- The Neighborhood Element Goal Statement reads:  
*To preserve and reinforce the stability and diversity of the City's neighborhoods in order to attract and retain long-term residents and ensure the City's residential quality and livability.*
- Objective #1 Neighborhood Character reads:  
*To maintain the residential character of designated neighborhood areas.*
- Objective #1 - Policy 2 reads:  
*Improve standards for home occupations to ensure that adequate parking and other compatibility measures are provided.*

The relevant goals, objectives, and policies are satisfied for the following reasons:

*There are no specific Comprehensive Plan policies or objectives that provide clear guidance regarding whether a newly recognized use such as short-term rentals should be permitted in a given zone. Rather, the policies and objectives speak generally about maintaining the residential character of existing neighborhoods and opportunities for employment and home occupations.*

*The proposed text amendment provides a community benefit by allowing establishment of short-term rentals as an accessory use through the home occupation process. Allowing short term rentals creates opportunities for residents to operate a home business and provide a needed service for visitors to Milwaukie and the region. Home occupation standards require that the dwelling maintain a residential character and not have a negative impact on surrounding properties. Similarly, the proposal would amend the code to allow bed and breakfasts and vacation rentals to locate in residential zones through the conditional use process. The conditional use process is designed to minimize impacts to the neighborhood and ensure that the use is appropriate for the site.*

*In addition, the proposal recognizes that it is inappropriate to allow the potential for more intense commercial transient lodging such as hotels and motels to locate in any district that is primarily residential including the R-1 and R-2 high density districts.*

*For these reasons the proposal is consistent with the following goals, objectives, and policies:*

Residential Land Use and Housing Element:

- Objective #4 – Neighborhood Conservation
- Objective #4 – Policy #5

Economic Base and Industrial/Commercial Land Use Element:

- Objective #2 – Employment Opportunity

- *Objective #2 – Policy #4*

*Neighborhood Element:*

- *The Neighborhood Element Goal Statement*
- *Objective #1 Neighborhood Character*
- *Objective #1 - Policy #2*

*The proposed amendments also make adjustments to the General Commercial (C-G) and Limited Commercial (C-L) zones by clarifying which types of commercial lodging are appropriate as outright permitted uses and which type should be only permitted through the conditional use process. The proposal allows more the intense uses (hotels, motels, and vacation rentals) as outright permitted uses only in the C-G zone – which is one of the City's most permissive commercial zones. The only commercial lodging allowed outright in the C-L zone would be bed and breakfast uses. These changes are consistent with the following objectives from the Economic Base and Industrial/Commercial Land Use Element of the Comprehensive Plan (Objective #2 – Employment Opportunity and Objective #6 – Commercial Land Use states) for the following reasons:*

- *Commercial lodging uses provide opportunities for employment; and*
- *The proposal results in these uses being located in commercial districts where they can take advantage of existing access and public facilities.*

- (3) *The proposed amendment is consistent with the Metro Urban Growth Management Functional Plan and relevant regional policies.*

*The proposed amendments were sent to Metro for comment. Metro did not identify any inconsistencies with the Metro Urban Growth Management Functional Plan or relevant regional policies.*

- (4) *The proposed amendment is consistent with relevant State statutes and administrative rules, including the Statewide Planning Goals and Transportation Planning Rule.*

*The proposed amendments were sent to the Department of Land Conservation and Development (DLCD) for comment. DLCD did not identify any inconsistencies with relevant State statutes or administrative rules.*

*The proposed amendments do not trigger review under any state statutes or administrative rules. The changes affect commercial lodging requirements in the City and provide opportunities for individuals to provide short term rentals on residential properties within the community. Vacation rentals and bed and breakfast facilities will be allowed through the conditional use process. Demand for these types of facilities is expected to be limited and will have little or no impact on housing supply. The conditional use process provides a means of ensuring that the bed and breakfasts and vacation rentals do not proliferate to the point of having a negative effect on the community.*

*The amendments are found to be consistent with the Transportation Planning Rule for the following reason. The proposed text amendment does not impact the transportation system given that any development resulting from the proposed amendments are small in scale and demand is limited. The primary nature of the*

*changes proposed will allow scattered single family homes in the community to operate as short term rentals through the home occupation process. Under current code language, these properties have the opportunity to be used for home occupations that could conceivably generate higher levels of traffic than what would be expected as a short term rental. Nothing in the code prevents personal service use as a home occupation. These types of uses generally involve numerous trips to and from a business location on a daily basis. Given that home occupations are allowed today, the proposal does not create the opportunity for any more vehicle trips than are currently allowed.*

- (5) The proposed amendment is consistent with relevant federal regulations.

*Relevant federal regulations are those that address land use, the environment, or development in the context of local government planning. Typically, regulations such as those set forth under the following acts may be relevant to a local government land use process: the Americans with Disabilities Act, the Clean Air Act, the Clean Water Act, the Endangered Species Act, the Fair Housing Act, the National Environmental Policy Act, the Religious Land Use and Institutionalized Persons Act, and the Resource Conservation and Recovery Act. None of these acts include regulations that impact the subject proposal or that cannot be met through normal permitting procedures. Therefore the proposal is found to be consistent with federal regulations that are relevant to local government planning.*

## Underline/Strikeout Amendments

### Zoning Ordinance

*These amendments are based on the adoption of the **Central Milwaukie** and **Neighborhood Main Streets** amendments, which were adopted by Council on December 15, 2015, and will be effective on February 13, 2016.*

#### CHAPTER 19.200 DEFINITIONS AND MEASUREMENTS

##### 19.201 DEFINITIONS

"Bed and breakfast" means a hosted form of commercial lodging within a residence. It is similar to a short-term rental, but where on any given evening, lodging rooms may be rented to more than one party. Generally, some food service is provided with lodging.

"Boarding, lodging, or rooming-house" means a building or portion thereof without separate housekeeping facilities to be occupied, or which is occupied primarily, by persons paying consideration for sleeping purposes where meals may or may not be provided, and which is not occupied as a single-family unit. Lodging capacity is subject to provisions of the Uniform Building Code.

"Hotel" means a commercial building or portion thereof designed or used for occupancy of transient individuals who are lodged with or without meals, and in which no provision is usually made for cooking in any individual room or suite.

~~"Motel or tourist court"~~ means 1 or more commercial buildings designed or used as temporary living quarters for transients.

"Rooming house." See "boarding house."

"Vacation rental" means a housing unit that is rented out to a single party for a period of less than 30 days in length where there are no primary occupants or where the residents who occupy the unit do so for less than 270 days per year. A vacation rental is considered a form of commercial lodging. It is a primary use and is more commercial in nature than a short-term rental.

##### Residential Uses and Structures:

"Short-term rental" means a housing unit, an accessory dwelling unit, or a room (or rooms) within a housing unit that is rented out to a single party for a period of less than 30 days in length (for multiple party rentals, see "bed and breakfast"). A short-term rental is an accessory use to a primary residence allowed as a home occupation where the residence must be occupied by the owner or operator for no less than 270 days per year. A short-term rental may be hosted (where the primary occupants are present during the rental) or unhosted (where the primary occupants vacate the unit or site during the rental period). Short-term rental operators may offer meals to lodgers.

## Proposed Code Amendment

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### CHAPTER 19.300 BASE ZONES

#### 19.301 LOW DENSITY RESIDENTIAL ZONES

##### 19.301.2 Allowed Uses in Low Density Residential Zones

| Table 19.301.2<br>Low Density Residential Uses |           |           |           |                                                 |
|------------------------------------------------|-----------|-----------|-----------|-------------------------------------------------|
| Use                                            | R-10      | R-7       | R-5       | Standards/Additional Provisions                 |
| <b>Commercial Uses</b>                         |           |           |           |                                                 |
| Bed and breakfast or<br>Vacation rental        | <u>CU</u> | <u>CU</u> | <u>CU</u> | <u>Section 19.905 Conditional Uses</u>          |
| <b>Accessory and Other Uses</b>                |           |           |           |                                                 |
| Short-term rental                              | <u>P</u>  | <u>P</u>  | <u>P</u>  | <u>Section 19.507 Home Occupation Standards</u> |

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#### 19.302 MEDIUM AND HIGH DENSITY RESIDENTIAL ZONES

##### 19.302.2 Allowed Uses in Medium and High Density Residential Zones

| Table 19.302.2<br>Medium and High Density Residential Uses Allowed |          |          |             |             |          |                                                     |
|--------------------------------------------------------------------|----------|----------|-------------|-------------|----------|-----------------------------------------------------|
| Use                                                                | R-3      | R-2.5    | R-2         | R-1         | R-1-B    | Standards/<br>Additional Provisions                 |
| <b>Residential Uses</b>                                            |          |          |             |             |          |                                                     |
| Boarding, lodging,<br>and rooming house                            | CU       | CU       | CU          | CU          | CU       | <u>Section 19.905 Conditional<br/>Uses</u>          |
| <b>Commercial Uses</b>                                             |          |          |             |             |          |                                                     |
| Hotel or motel                                                     | N        | N        | <u>CU N</u> | <u>CU N</u> | CU       | <u>Section 19.905 Conditional<br/>Uses</u>          |
| Bed and breakfast or<br>vacation rental                            | CU       | CU       | CU          | CU          | CU       | <u>Section 19.905 Conditional<br/>Uses</u>          |
| <b>Accessory and Other Uses</b>                                    |          |          |             |             |          |                                                     |
| Short-term rental                                                  | <u>P</u> | <u>P</u> | <u>P</u>    | <u>P</u>    | <u>P</u> | <u>Section 19.507 Home<br/>Occupation Standards</u> |

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## Proposed Code Amendment

**19.303 COMMERCIAL MIXED-USE ZONES****19.303.2 Uses**

| <b>Table 19.303.2<br/>Uses Allowed in Commercial Mixed-Use Zones</b>                                                                                                                                                                                                                                                                                                                                                          |               |               |                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|-------------------------------------------------|
| <b>Uses and Use Categories</b>                                                                                                                                                                                                                                                                                                                                                                                                | <b>GMU</b>    | <b>NMU</b>    | <b>Standards/Additional Provisions</b>          |
| <b>Residential</b>                                                                                                                                                                                                                                                                                                                                                                                                            |               |               |                                                 |
| <u>Boarding house</u>                                                                                                                                                                                                                                                                                                                                                                                                         | <u>CU</u>     | <u>CU</u>     | <u>Section 19.905 Conditional Uses</u>          |
| <b>Commercial</b>                                                                                                                                                                                                                                                                                                                                                                                                             |               |               |                                                 |
| Commercial lodging<br>Commercial lodging includes for-profit residential facilities where tenancy is typically less than one month.<br>Examples include hotels, motels, <u>vacation rentals</u> , and bed-and-breakfast establishments. Does not include senior and retirement housing.                                                                                                                                       | P             | P             |                                                 |
| <del>Boarding, lodging, or rooming house</del><br>Boarding, lodging, or rooming house generally means a private home where lodgers rent one or more rooms for one or more nights, and sometimes for extended periods of weeks, months, and years. The common parts of the house are maintained, and some services, such as laundry and cleaning, may be supplied.<br>Examples include boarding house and cooperative housing. | <del>CU</del> | <del>CU</del> | <del>Section 19.905 Conditional Uses</del>      |
| <b>Accessory and Other</b>                                                                                                                                                                                                                                                                                                                                                                                                    |               |               |                                                 |
| <u>Short-term rentals</u>                                                                                                                                                                                                                                                                                                                                                                                                     | <u>P</u>      | <u>P</u>      | <u>Section 19.507 Home Occupation Standards</u> |

## Proposed Code Amendment

### 19.304 DOWNTOWN ZONES

#### 19.304.2 Uses

| Table 19.304.2<br>Downtown Zones—Uses                                                                                                                                                                                                                                                                                                                                                                                                  |             |          |                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------|--------------------------------------------------------------------|
| Uses and Use Categories                                                                                                                                                                                                                                                                                                                                                                                                                | DMU         | OS       | Standards/<br>Additional Provisions                                |
| <b>Residential</b>                                                                                                                                                                                                                                                                                                                                                                                                                     |             |          |                                                                    |
| <u>Boarding house</u>                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>CU</u>   | <u>N</u> | <b>Section 19.905 Conditional Uses</b>                             |
| <b>Commercial</b>                                                                                                                                                                                                                                                                                                                                                                                                                      |             |          |                                                                    |
| Commercial lodging<br><br>Commercial lodging includes for-profit residential facilities where tenancy is typically less than 1 month.<br><br>Examples include hotels, motels, <u>vacation rentals</u> , and bed-and-breakfast establishments. Does not include senior and retirement housing.                                                                                                                                          | <u>P/CU</u> | <u>N</u> | <b>Section 19.905 Conditional Uses (for vacation rentals only)</b> |
| <del>Boarding, lodging, or rooming house</del><br><del>Generally means a private home where lodgers rent one or more rooms for one or more nights, and sometimes for extended periods of weeks, months, and years. The common parts of the house are maintained, and some services, such as laundry and cleaning, may be supplied. They normally provide “bed and board,” that is, at least some meals as well as accommodation.</del> | <u>CU</u>   | <u>N</u> | <b>Section 19.905 Conditional Uses</b>                             |
| <b>Accessory and Other</b>                                                                                                                                                                                                                                                                                                                                                                                                             |             |          |                                                                    |
| <u>Short-term rentals</u>                                                                                                                                                                                                                                                                                                                                                                                                              | <u>P</u>    | <u>P</u> | <b>Section 19.507 Home Occupation Standards</b>                    |

### 19.306 LIMITED COMMERCIAL ZONE C-L

In a C-L Zone the following regulations shall apply:

#### 19.306.1 Uses Permitted Outright

In a C-L Zone the following uses and their accessory uses are permitted outright:

G. Bed and breakfast;

H. Vacation rental;

I. Short-term rental when associated with a legally permitted dwelling unit;

H-J. Any other use similar to the above and not listed elsewhere.

**19.306.2 Conditional Uses Permitted**

In a C-L Zone the following conditional uses and their accessory uses are permitted subject to the provisions of Section 19.905:

N. Hotels and motels;

NO. Any other use similar to the above and not listed elsewhere.

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**19.307 GENERAL COMMERCIAL ZONE C-G**

In a C-G Zone the following regulations shall apply:

**19.307.1 Uses Permitted Outright**

In a C-G Zone the following uses and their accessory uses are permitted outright:

Z. Hotels, motels, vacation rentals, and bed and breakfasts;

AA. Short-term rentals when associated with a legally permitted dwelling unit;

Z. AB. Any other use similar to the above and not listed elsewhere.

---

**19.307.2 Conditional Uses Permitted**

In a C-G Zone the following conditional uses and their accessory uses are permitted subject to the provisions of Section 19.905:

G. High-impact commercial businesses, except adult entertainment businesses; hotels and motels are permitted uses (see Subsection 19.307.1.Z);

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**19.503 ACCESSORY USES****19.503.1 General Provisions**

Accessory uses shall comply with all requirements for the principal use except where specifically modified by this chapter and shall comply with the following limitations:

- A. A guesthouse without kitchen facilities may be maintained accessory to a dwelling and may be used as a short-term rental, provided that the guesthouse is not occupied for more than 4 months in a calendar year. A detached accessory dwelling unit approved per Subsection 19.910.1 is not considered a guesthouse.
- 

**19.507 HOME OCCUPATION STANDARDS****19.507.5 Special Provisions for Specific Uses**

Short-term Rentals. A short-term rental is an accessory use to a primary residence and allowed as a home occupation provided the following provisions are met:

- A. The residence must be occupied by the owner or a primary operator for not less than 270 days per year.

## Proposed Code Amendment

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- B. Unhosted rentals (where the primary occupants vacate the unit or site during the rental period) are limited to no more than 95 days per year.
  - C. If a dwelling on a property with an accessory dwelling unit is being used for short-term rental purposes, either the primary residence or the accessory dwelling unit must be occupied by the property owner for not less than 270 days per year.
  - D. A property in a low-density residential zone or any property with a duplex is limited to having 1 short-term rental operating at any given time period.
  - E. At any given time, no more than 1 rental party (i.e. under 1 reservation) shall occupy a dwelling unit used for short-term rental purposes.
  - F. Building code and fire code standards must be met.
  - G. In addition to any other required parking, 1 off-street parking space must be available for the short-term rental. Short-term rentals in the Downtown Mixed Use (DMU) Zone are exempt from this provision.
  - H. A lodging operator's license must be obtained from the City. The license will verify that all provisions have been satisfied. The license may be revoked if the owner or operator fails to comply with these provisions or any other home occupation standards.
- 

## CHAPTER 19.600 OFF STREET PARKING AND LOADING

### 19.605 VEHICLE PARKING QUALITY REQUIREMENTS

#### 19.605.1 Minimum and Maximum Requirements

| Table 19.605.1<br>Minimum To Maximum Off-Street Parking Requirements |                                                                                                                                                            |                    |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Use                                                                  | Minimum Required                                                                                                                                           | Maximum Allowed    |
| <b>A. Residential Uses</b>                                           |                                                                                                                                                            |                    |
| 5. <u>Short-term rental</u>                                          | <u>1 space in addition to the minimum number of spaces required for the dwelling. Short-term rentals in the DMU Zone are exempt from this requirement.</u> | <u>No maximum.</u> |

## Underline/Strikeout Amendments

### Zoning Ordinance

*These amendments are based on the adoption of the **Central Milwaukie and Neighborhood Main Streets** amendments, which were adopted by Council on December 15, 2015, and will be effective on February 13, 2016.*

#### CHAPTER 19.200 DEFINITIONS AND MEASUREMENTS

##### 19.201 DEFINITIONS

"Bed and breakfast" means a hosted form of commercial lodging within a residence. It is similar to a short-term rental, but where on any given evening, lodging rooms may be rented to more than one party. Generally, some food service is provided with lodging.

"Boarding house" means a building or portion thereof without separate housekeeping facilities to be occupied, or which is occupied primarily, by persons paying consideration for sleeping purposes where meals may or may not be provided, and which is not occupied as a single-family unit. Lodging capacity is subject to provisions of the Uniform Building Code.

"Hotel" means a commercial building or portion thereof designed or used for occupancy of transient individuals who are lodged with or without meals, and in which no provision is usually made for cooking in any individual room or suite.

"Motel" means 1 or more commercial buildings designed or used as temporary living quarters for transients.

"Rooming house." See "boarding house."

"Vacation rental" means a housing unit that is rented out to a single party for a period of less than 30 days in length where there are no primary occupants or where the residents who occupy the unit do so for less than 270 days per year. A vacation rental is considered a form of commercial lodging. It is a primary use and is more commercial in nature than a short-term rental.

##### Residential Uses and Structures:

"Short-term rental" means a housing unit, an accessory dwelling unit, or a room (or rooms) within a housing unit that is rented out to a single party for a period of less than 30 days in length (for multiple party rentals, see "bed and breakfast"). A short-term rental is an accessory use to a primary residence allowed as a home occupation where the residence must be occupied by the owner or operator for no less than 270 days per year. A short-term rental may be hosted (where the primary occupants are present during the rental) or unhosted (where the primary occupants vacate the unit or site during the rental period). Short-term rental operators may offer meals to lodgers.

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### CHAPTER 19.300 BASE ZONES

#### 19.301 LOW DENSITY RESIDENTIAL ZONES

##### 19.301.2 Allowed Uses in Low Density Residential Zones

| Table 19.301.2<br>Low Density Residential Uses |      |     |     |                                          |
|------------------------------------------------|------|-----|-----|------------------------------------------|
| Use                                            | R-10 | R-7 | R-5 | Standards/Additional Provisions          |
| <b>Commercial Uses</b>                         |      |     |     |                                          |
| Bed and breakfast or Vacation rental           | CU   | CU  | CU  | Section 19.905 Conditional Uses          |
| <b>Accessory and Other Uses</b>                |      |     |     |                                          |
| Short-term rental                              | P    | P   | P   | Section 19.507 Home Occupation Standards |

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#### 19.302 MEDIUM AND HIGH DENSITY RESIDENTIAL ZONES

##### 19.302.2 Allowed Uses in Medium and High Density Residential Zones

| Table 19.302.2<br>Medium and High Density Residential Uses Allowed |     |       |     |     |       |                                          |
|--------------------------------------------------------------------|-----|-------|-----|-----|-------|------------------------------------------|
| Use                                                                | R-3 | R-2.5 | R-2 | R-1 | R-1-B | Standards/<br>Additional Provisions      |
| <b>Residential Uses</b>                                            |     |       |     |     |       |                                          |
| Boarding                                                           | CU  | CU    | CU  | CU  | CU    | Section 19.905 Conditional Uses          |
| <b>Commercial Uses</b>                                             |     |       |     |     |       |                                          |
| Hotel or motel                                                     | N   | N     | N   | N   | CU    | Section 19.905 Conditional Uses          |
| Bed and breakfast or vacation rental                               | CU  | CU    | CU  | CU  | CU    | Section 19.905 Conditional Uses          |
| <b>Accessory and Other Uses</b>                                    |     |       |     |     |       |                                          |
| Short-term rental                                                  | P   | P     | P   | P   | P     | Section 19.507 Home Occupation Standards |

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**19.303 COMMERCIAL MIXED-USE ZONES****19.303.2 Uses**

| <b>Table 19.303.2<br/>Uses Allowed in Commercial Mixed-Use Zones</b>                                                                                                                                                                                                            |            |            |                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|-------------------------------------------------|
| <b>Uses and Use Categories</b>                                                                                                                                                                                                                                                  | <b>GMU</b> | <b>NMU</b> | <b>Standards/Additional Provisions</b>          |
| <b>Residential</b>                                                                                                                                                                                                                                                              |            |            |                                                 |
| Boarding house                                                                                                                                                                                                                                                                  | CU         | CU         | <b>Section 19.905</b> Conditional Uses          |
| <b>Commercial</b>                                                                                                                                                                                                                                                               |            |            |                                                 |
| Commercial lodging<br>Commercial lodging includes for-profit residential facilities where tenancy is typically less than one month.<br>Examples include hotels, motels, vacation rentals, and bed and breakfast establishments. Does not include senior and retirement housing. | P          | P          |                                                 |
| <b>Accessory and Other</b>                                                                                                                                                                                                                                                      |            |            |                                                 |
| Short-term rentals                                                                                                                                                                                                                                                              | P          | P          | <b>Section 19.507</b> Home Occupation Standards |

**19.304 DOWNTOWN ZONES****19.304.2 Uses**

| <b>Table 19.304.2<br/>Downtown Zones—Uses</b>                                                                                                                                                                                                                                 |            |           |                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|--------------------------------------------------------------------|
| <b>Uses and Use Categories</b>                                                                                                                                                                                                                                                | <b>DMU</b> | <b>OS</b> | <b>Standards/<br/>Additional Provisions</b>                        |
| <b>Residential</b>                                                                                                                                                                                                                                                            |            |           |                                                                    |
| Boarding house                                                                                                                                                                                                                                                                | CU         | N         | <b>Section 19.905</b> Conditional Uses                             |
| <b>Commercial</b>                                                                                                                                                                                                                                                             |            |           |                                                                    |
| Commercial lodging<br>Commercial lodging includes for-profit residential facilities where tenancy is typically less than 1 month.<br>Examples include hotels, motels, vacation rentals, and bed-and-breakfast establishments. Does not include senior and retirement housing. | P/CU       | N         | <b>Section 19.905</b> Conditional Uses (for vacation rentals only) |
| <b>Accessory and Other</b>                                                                                                                                                                                                                                                    |            |           |                                                                    |
| Short-term rentals                                                                                                                                                                                                                                                            | P          | P         | <b>Section 19.507</b> Home Occupation Standards                    |

## **Proposed Code Amendment**

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### **19.306 LIMITED COMMERCIAL ZONE C-L**

In a C-L Zone the following regulations shall apply:

#### **19.306.1 Uses Permitted Outright**

In a C-L Zone the following uses and their accessory uses are permitted outright:

- G. Bed and breakfast;
  - H. Vacation rental;
  - I. Short-term rental when associated with a legally permitted dwelling unit;
  - J. Any other use similar to the above and not listed elsewhere.
- 

#### **19.306.2 Conditional Uses Permitted**

In a C-L Zone the following conditional uses and their accessory uses are permitted subject to the provisions of Section 19.905:

- N. Hotels and motels;
  - O. Any other use similar to the above and not listed elsewhere.
- 

### **19.307 GENERAL COMMERCIAL ZONE C-G**

In a C-G Zone the following regulations shall apply:

#### **19.307.1 Uses Permitted Outright**

In a C-G Zone the following uses and their accessory uses are permitted outright:

- Z. Hotels, motels, vacation rentals, and bed and breakfasts;
  - AA. Short-term rentals when associated with a legally permitted dwelling unit;
  - AB. Any other use similar to the above and not listed elsewhere.
- 

#### **19.307.2 Conditional Uses Permitted**

In a C-G Zone the following conditional uses and their accessory uses are permitted subject to the provisions of Section 19.905:

- G. High-impact commercial businesses, except adult entertainment businesses; hotels and motels are permitted uses (see Subsection 19.307.1.Z);
- 

### **19.503 ACCESSORY USES**

#### **19.503.1 General Provisions**

Accessory uses shall comply with all requirements for the principal use except where specifically modified by this chapter and shall comply with the following limitations:

- A. A guesthouse without kitchen facilities may be maintained accessory to a dwelling and may be used as a short-term rental, provided that the guesthouse is not occupied for more than



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4 months in a calendar year. A detached accessory dwelling unit approved per Subsection 19.910.1 is not considered a guesthouse.

### 19.507 HOME OCCUPATION STANDARDS

#### 19.507.5 Special Provisions for Specific Uses

Short-term Rentals. A short-term rental is an accessory use to a primary residence and allowed as a home occupation provided the following provisions are met:

- A. The residence must be occupied by the owner or a primary operator for not less than 270 days per year.
- B. Unhosted rentals (where the primary occupants vacate the unit or site during the rental period) are limited to no more than 95 days per year.
- C. If a dwelling on a property with an accessory dwelling unit is being used for short-term rental purposes, either the primary residence or the accessory dwelling unit must be occupied by the property owner for not less than 270 days per year.
- D. A property in a low-density residential zone or any property with a duplex is limited to having 1 short-term rental operating at any given time period.
- E. At any given time, no more than 1 rental party (i.e. under 1 reservation) shall occupy a dwelling unit used for short-term rental purposes.
- F. Building code and fire code standards must be met.
- G. In addition to any other required parking, 1 off-street parking space must be available for the short-term rental. Short-term rentals in the Downtown Mixed Use (DMU) Zone are exempt from this provision.
- H. A lodging operator's license must be obtained from the City. The license will verify that all provisions have been satisfied. The license may be revoked if the owner or operator fails to comply with these provisions or any other home occupation standards.

## CHAPTER 19.600 OFF STREET PARKING AND LOADING

### 19.605 VEHICLE PARKING QUALITY REQUIREMENTS

#### 19.605.1 Minimum and Maximum Requirements

| Table 19.605.1<br>Minimum To Maximum Off-Street Parking Requirements |                                                                                                                                                     |                 |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Use                                                                  | Minimum Required                                                                                                                                    | Maximum Allowed |
| <b>A. Residential Uses</b>                                           |                                                                                                                                                     |                 |
| 5. Short-term rental                                                 | 1 space in addition to the minimum number of spaces required for the dwelling. Short-term rentals in the DMU Zone are exempt from this requirement. | No maximum.     |

Dear Milwaukie Planning Commission,

Thank you for taking the necessary steps to make Milwaukie competitive in the TriMet area. As you know, we have no visitors' lodging within Milwaukie and yet we seek, as a city, to entice businesses to house themselves within our city limits. Also, the theme for Clackamas County tourism is: "linger longer" shop, eat and recreate. During their visit, business people and tourists need a place to lodge in our area. Short-Term Rentals are the answer to this shortage.

I would like to point out that a short term visitor is an advantage to a neighborhood. A larger home that may hold unsupervised, monthly renters/housemates comes with all the baggage that renters may bring; many extra cars on the streets, loud parties, unsupervised use of the property and no investment in the neighborhood. Short-term rentals have the home owner on site, the visitors are usually gone all day so any extra cars leave early and return late, and the property is well maintained to be attractive to all parties. Advantages to local businesses are obvious; the more visitors the more opportunities for customers. Visitors can walk from short-term rentals to local stores and restaurants. They can spend money in Milwaukie!

The plan that has been put together by our Planning Department looks pretty good. I do have one major concern; it is in section 19.507.5F. 19.507 Home Occupation Standards is included below. Nowhere does it mention the need for additional parking for any other home occupation. A person may run a beauty parlor out of their home, with customers come and going all day, but they do not need a parking space. The proposed section 19.507.5 Special Provisions for Specific Users contains item F. In addition to any other parking, 1 off-street parking space must be available for the short-term rental. Short-term rentals in Downtown Mixed Use (DMU) zone are exempt from this provision.

I would like to see this item struck from the proposal. I have been told that code requires a home to have a legal space 20 feet off of the road right of way. Most homes do not even have that for the owner; their space is actually in their garage. In order to comply for item F one might have to add another driveway and pave over part of the lawn. This would then probably not meet the item: Maintain the residential character of the building and premises. I do not think this would look very appealing to the neighborhoods or the property. Rather apply 19.507.4 an enforcement action; this could be applied if the street parking becomes an issue, as is the case for all other home occupations.

Please strike 19.507.5 F, concerning an additional parking space.

It has been my pleasure running (what is now termed) a short-term rental off and on in 2015. We have met interesting tourists from all over the world, hosted grandparents who wanted a quiet space away from family, and housed business people with assignments in the Milwaukie area. Our close proximity to downtown Milwaukie made it

easy for them to walk to dinner and take in the new waterfront park. Our guests were thrilled to have a place to lodge close to their desired destinations and to stay out of the traffic. Please pass the proposed code, with the removal of 19.507.5 F, so that we can start bringing more guests to our fabulous city, Milwaukie.

Sincerely and with Gratitude,

Cindy Blase

2021 SE Sparrow St.  
Milwaukie, OR 97222

#### 19.507 HOME OCCUPATION STANDARDS

It is the intent of these regulations to support and encourage home occupations but at the same time protect the residential character of the City's residential neighborhoods. A home occupation shall be allowed as an accessory use to all residential uses permitted by right, subject to the following restrictions. Home occupation businesses, which are not clearly accessory and incidental to the residential use, are prohibited. All activities permitted under this section must be consistent with this section.

##### 19.507.1 Home Occupation Use Standards

Home occupation uses are allowed by right; however, they are subject to limitations to ensure compatibility with residential uses. A home occupation shall:

- A. Be incidental and accessory to the residential use of the property.
- B. Maintain the residential character of the building and premises.
- C. Not have the outward appearance of a business.
- D. Not detract from the residential character of the neighborhood.
- E. Be owned and operated by an occupant of the dwelling.

##### 19.507.2 Prohibitions and Use Restrictions

- A. Outside display or storage of merchandise, materials, or equipment on the premises or any adjacent right-of-way is prohibited.
- B. Noise, odor, smoke, gases, vibration, heat, or glare that is detectable beyond the limits of the property is prohibited.
- C. In the case of on-premises instruction, no more than 5 enrollees shall be present at the same time.
- D. Motor vehicle, boat, or trailer repair is prohibited as a home occupation.
- E. Only 1 home occupation is allowed per residence, except that 2 may be permitted provided no employees not residing in the home are engaged in the conduct of any business activity on the premises.

##### 19.507.3 Permitted Signage

Only 1 sign is permitted on any property with an approved home occupation. The sign shall not exceed 4 sq ft in area, shall not be illuminated, shall not exceed 3 ft in height, and shall not be located within the public right-of-way. Signs located within the public right-of-way may be removed by the City without prior notice.

#### 19.507.4 Enforcement

Home occupations are allowed when consistent with provisions of this section. The following may be considered in any enforcement action against a home occupation for failure to comply with Subsection 19.507.1 of this section:

- A. Number of on-site employees who are not members of the family residing on the premises.
- B. Use of the home to distribute or receive goods.
- C. Use of the premises for parking of customer, client, or employee vehicles, and the location and number of parking spaces.
- D. The use of public streets for parking or storage.
- E. The time of day that home occupation activities may take place.
- F. Equipment or material storage, including vehicles and trailers.
- G. Noise, light, fumes, exhaust, and similar impacts. (Ord. 2025 § 2, 2011)