



CITY OF MANZANITA

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COUNCIL WORK SESSION

Zoom Video Conference
<https://ci.manzanita.or.us>

AGENDA

January 15, 2025
02:00 PM Pacific Time

Video Meeting: Council will hold this meeting through video conference. The public may watch live on the [City's Website: ci.manzanita.or.us/broadcast](https://ci.manzanita.or.us/broadcast)

or by joining the Zoom meeting:

<https://us02web.zoom.us/j/88516939978?pwd=NmiUwVNZ4AgnRBzrzZDcP7eXI0sv4b.1>

Meeting ID: 885 1693 9978

Passcode: 471754

Call in number: +1 253 215 8782

If you would like to submit written testimony to the City Council on items included on the agenda, please send your comments to cityhall@ci.manzanita.or.us and indicate the agenda item and date of meeting.

Note: Agenda item times are estimates and are subject to change.

- 1. CALL TO ORDER (2:00)**
Kathryn Stock, Mayor
- 2. SHORT-TERM RENTAL POLICY DISCUSSION**
Cheryl Ogburn, Short-Term Rental Committee Chair
Leila Aman, City Manager
- 3. ADJOURN (4:00)**
Kathryn Stock, Mayor

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

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Short-Term Rental Committee

July 2024

SCOPE of our task *and the mission of the STR Committee*

The primary focus of the Short-Term Rental Committee (STR) is to research and propose potential policy that manages growth, while securing the long-term livability and well-being of our community. We recognize and have prioritized the necessity to balance the financial impact of STRs with maintaining our community's livability and neighborly village atmosphere.

BACKGROUND

Manzanita was one of the first towns on the Oregon coast to create vacation rental regulations. Since 1995, the city has managed STR licenses using a percentage-based system that allows license totals of up to 17.5% of housing stock in residential neighborhoods.

As the popularity and use of STRs grew, the capping process generally remained unchanged. The sole trigger and control for growth in the local STR population has always been the number of Manzanita houses.

In 2021, the STR Workgroup suggested to the Council a comprehensive rewrite of Ordinance 10-3, which governs short-term rentals. These changes were adopted by the Council and took effect in September 2021. (see attached).

Since implementing the percentage-based policy in 1995 the total number of households in the city has grown to approximately 1460 homes in 2024. As of May 30, 2024, there were 262 licensed STRs in the city of Manzanita.

In April 2022 the city council implemented a three-year partial freeze on STR license growth pending an in-depth citizen committee review of STR management practices and growth policies for our city. The partial freeze was set at 230 licensed STRs in residential zones R-2, R-3, and SR-R, but did not apply to the 32 licenses in the uncapped neighborhoods (C1, LC, and R4). The current STR population of 262 represents 17.8% of total houses.

Our community has been vocal on the topic of STRs. Citizens have voiced concerns that Manzanita is too STR-dependent, or that too many local STRs negatively impact their overall livability and well-being while others have stated that STR visitors add vibrancy to the town, or offer a needed income stream.

Manzanita is no longer a sleepy town. Housing has doubled since 1990 and homes are getting larger. We have several large developments in progress with more on the horizon. A policy to manage the number and proximity of STRs needs to address this change. We have offered three options that all manage citywide growth and one easy-to-use measurement to address density.

PROPOSAL

After meeting with community members, conducting a community livability survey, and much research into STR management practices in neighboring communities we are suggesting that the council consider adopting a two-step STR license management system with mandatory periodic progress assessments:

- Step One: Establish a process for **citywide regulation** of STR licenses.
- Step two: Establish a process for **neighborhood density regulation** with proximity standards for all residential zones.

The Committee suggests that the above plan incorporates the following components :

- **Existing STR licenses would not be taken away.** All reductions in STR licenses would occur through attrition.
- **STR Growth control regulations would apply citywide**, expanding to all neighborhoods and building code zones. 7 in 10 residents who responded to the 2023 STR survey supported this change. This policy does not reflect a material change in percentages since the current city-wide number of licenses is at 17.8% (262 STRs).
- **The citywide growth control policy and the density/proximity policy would be implemented simultaneously.**
- **The proximity measurement will be a new tool to manage excess STR growth in our neighborhoods**, block by block. Over time, the proximity measurement will positively affect streets currently impacted by a high number of STRs. 77% of full-time residents who responded to the 2023 STR survey supported a new density/proximity control.
- **STR license growth continues in commercial zones** without proximity standards(C1/LC) as long as these numbers do not exceed the new citywide STR license growth regulation.

The majority of all respondents to the 2023 STR Survey, which garnered almost 600 responses, indicated a desire to address neighborhood density. Members of the community, STR Committee, and Council have identified density as a key contributor to livability. Though density has many facets, we decided to focus on the concept of STR proximity, and the use of a proximity measurement to manage neighborhood density and proactively preserve livability.

For decades, our current STR ordinance did not address neighborhood density, or a control over total STRs in the city. The ordinance was applied to 4 of the 6 building code zones to distinguish between standard residential neighborhoods and higher traffic areas. Commercial (C-1) zones and High-Density Residential (R-4) zones were excluded from the original city cap counts.

PART 1: CITY-WIDE REGULATION (STR Growth Controls):

To regulate total STR licenses in the city, we are suggesting that the council consider one of three control options listed below. While we suggest review periods, we recognize that the Council has the option of conducting a review at any time based on circumstances.

All of the following, including pros and cons, are simply considerations that we discussed if this policy was chosen and for this point in time.

- Option A (Percentage-Based Growth - (modified status quo): An Increase based on 17 ½% of total houses with no STR numerical ceiling: Keep the percentage at the same number as in Ordinance 95-4 except that STR licenses in the previously excluded zones would be included in the count. We recommend a mandatory review when the number of new STR licenses grows by 10.
- Option B (Fixed Number Cap): Limit STR Licenses to a fixed cap. Our suggested number is 275 licenses.
- Option C (Incremental Growth): The Committee suggested that the number of STR licenses increase by two per year with no STR numerical ceiling. We recommend a mandatory Council review with community feedback when the licenses have increased by 10.

All of these options rely on a single citywide growth control so there is no need for the city staff to conduct monthly calculations or tracking of “grandfathered” licenses, vs. commercial licenses vs. residential licenses. We believe that a citywide growth control is clear and consistent and therefore becomes much easier to explain to the general public and to potential STR license applicants.

A) Percentage-based [modified Status Quo]

Implementation cost: continued monitoring steps for the review process

Pros	Cons
STR Revenue keeps pace with housing growth	Not addressing survey responses of too many STRs (FT - 48%, PT - 29%)
No immediate STR license ceiling (revenue)	No immediate STR license ceiling (liveability)
Less change to current budget projections	STR licenses driven by development, not city
	STR totals and traffic grow at the fastest pace of 3 plans
	Requires monthly calculation of 17.5% STR limit
	Has been a difficult plan to explain to public
	The City would need a policy revision to 95-4 to change “dwelling units” as the criteria to the 17.5% so that new apartments would not cause immediate growth in STR licenses.
	If the City experiences rapid growth in housing stock, mandatory Council reviews could happen often.
	Growth in STR totals is no longer allowed in all local coastal cities with more than 50 STR licenses.

B) Fixed License Ceiling

This would fix the number of STR licenses at 275 in Manzanita.

Implementation cost: Costs reduced; less monitoring time needed. Fewer questions from the public.

Benefits	Drawbacks
This plan has a fixed number ceiling that will end growth of STR licenses. Survey results show for full-timers, 263 STRs was appropriate for 41% and “too many” for 48% of surveyed residents.	The 275 number may be reached immediately
Generates more revenue to the City budget in the first 5 years.	Lower revenue growth in the long term
Addresses the community’s livability concerns	Funding sources needed for future infrastructure
Less uncertainty in city budget projections	
STR population controlled by city	
No exponential growth in STRs from new development, apartments	
Consistent with other coastal towns & counties	
Simplicity and transparency, easy to explain & track	
Growth control calculations are no longer required by city staff.	

C) Incremental Growth

The number of STR licenses would increase by two per year. There would be a mandatory Council review when the licenses have increased by 10.

Implementation cost: Costs reduced, less monitoring time needed. Fewer questions from the public.

Benefits	Drawbacks
Slightly slower, controlled growth than our current ordinance	Slightly slower, controlled growth than our current ordinance
Less impact on livability than the percentage plan, but more than a fixed ceiling.	All coastal cities with more than 50 STR licenses no longer allow growth in STR totals.
Consistent STR growth simplifies city budget projections	
No surprise jumps from new development, apartments	
STR growth is controlled by the city	
Simplicity and transparency, easy to explain & track	

PART 2: NEIGHBORHOOD DENSITY PLAN (Local proximity tool):

The committee suggests a proximity measurement for new STR license applicants as the most effective, affordable, and user-friendly tool to monitor neighborhood STR density levels. If the applicant meets the proximity/density standards the license will be approved. If the applicant does not meet the proximity criteria the license will be denied. This process is used by several coastal towns to manage STR density in their communities.

This new step expands Manzanita's current neighborhood process not as much to correct a current issue for most residents, but to proactively manage future scenarios of STR concentrations in any one catchment area.. Using the metric of five STRs in a 100' catchment area, there are currently only four STR concentrations over the suggested limit in the affected areas.

Proximity Measurement Process:

- The process applies to each new STR applicant based on the number of STRs within a 100-foot radius of the applicant. The potential STR is the center of the 100-foot radius and is counted in the STR total.
- C1 (Commercial) or LC (limited Commercial) zones are not subject to the proximity measurement process. This allows larger growth of STRs in commercial zones as long as the City's STR license total remains below citywide growth controls.
- Down the road, a more advanced city map is also available that requires a monthly update by the software developer, or another interested party, to load the County's radius technology, which allows for a proximity measurement from a single "all in one STR map" for any STR applicant in Manzanita.

Density is a complex concept because the word means many things to many people. Based on community discussions and survey results, "density" could mean proximity of STRs in a certain area, the number of people (and dogs) occupying a given STR, flows of car traffic and pedestrians, volume or locations of parked cars, levels of STR usage, or number of days an STR is rented. The impact of density might rise on streets with dead ends or limited traffic egress. As such, it requires further study.

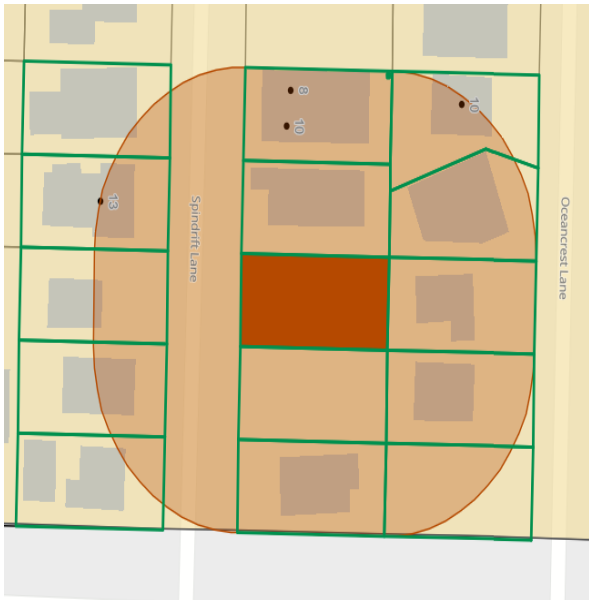
The proximity measurement tool can be implemented upon Council request using:

- 1) The Tillamook County GIS map, and 2a) The list of STR license addresses on the city website, or 2b) the GIS technology developed by Brian Sindt that shows the 262 existing STRs on the city map.

Max Halverson, our code enforcement officer, uses this mapping system on his phone to locate short-term rentals in the city as part of his enforcement duties.

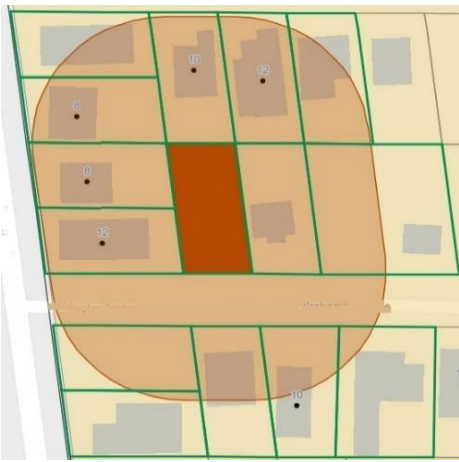
Examples:

- A) "Approved" (1-5 STRs):** An STR license is granted if there will be 5 or fewer STRs (including the new applicant) within a 100-foot radius **and** the total STRs in the city are below the citywide growth control.
- B) "Not Approved" License (more than 5 STRs):** An STR license would be denied if there are more than 5 STRs in the 100-foot radius (including the new applicant).
- C) Unique Streets:** The 100-foot radius and 5 STR limit would still apply when considering potential STRs that are beachfront, next to unincorporated areas, or located next to the State Park.



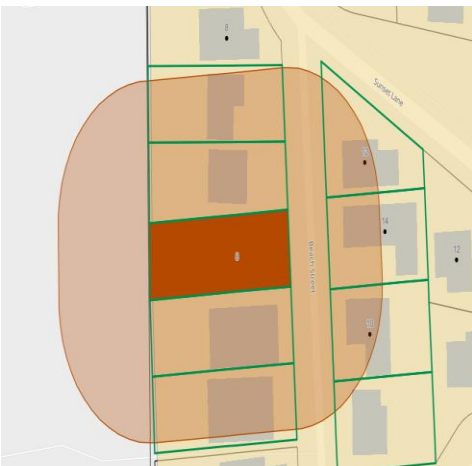
A)

“Approved” (1-5 STRs): An STR license is granted if there will be 5 or fewer STRs (including the new applicant) within a 100-foot radius **and** the total STRs in the city are below the citywide growth control.



B)

“Not Approved” License (more than 5 STRs): An STR license would be denied if there are more than 5 STRs in the 100-foot radius (including the new applicant).



C)

Unique Streets: The 100-foot radius and 5 STR limit would still apply when considering potential STRs that are beachfront, next to unincorporated areas, or located next to the State Park.

IMMEDIATE ORDINANCE 10-3 CORRECTIONS:

- Change language in the ordinance to ensure an STR sign is **readable** from the street.
- Change the dark-sky paragraph to reflect the new city-wide ordinance.

OTHER FUTURE TOPICS for the committee:

The committee intends to explore other density issues further in the fall/winter. The number of people in each house is another potential area impacting density and livability. Other considerations are to put a limit on the number of days a year a home is rented or to put an upper limit on the number of occupants.

Another consideration is to let the 10-3 changes and code enforcement officer have at least one or two summers of experience before suggesting additional policies.

- Look at same-partner multiple license loophole. (If a home is owned by an LLC or trust, and the partner is not listed on the deed documents, a couple can own two STR homes.)
- Revisit fines/violations regarding renter pets, responsible parties, etc.
- Number of violations triggering revocation

- **Other Considerations:**

UGBs:

The Manzanita Urban Growth Boundary STR licenses are controlled by County ordinance. If and when a UGB is annexed into the city, it would be wise to have a process for absorbing those STRs into the city program. There were 41 County STR licenses in the Manzanita UGBs in 2023. The Committee would like to address this at a later date.

STR Policy Report Volume II - January 2025

Introduction

STR Policy Report Volume II is the companion document to the STR Policy Report presented to the Manzanita City Council in July 2024. This report provides additional policy context, ideas, and background information regarding the management of STRs and the considerations of both their positive and negative impacts on livability.

Volume II (this addendum to the July 2024 report) - is organized into three sections:

- **Timeline and Review**
- **High Occupancy Homes: A Proximity Policy Addendum**
 - This section includes context and ideas for additional policies related to the previously outlined STR Proximity Policy presented to the Council in July 2024).
- **STR Occupancy: Regulation, Limits, and Additional Considerations**
 - This section provides an overview of considerations for STR Occupancy-related policies.

Timeline

In 1995, the City adopted a percentage-based growth control policy to manage the number of licensed STRs in Manzanita. This policy is implemented through Ordinance 95-4, which limits the number of STRs to 17.5% of the total housing stock within Manzanita's City limits. This percentage-based limit did not include Commercial (C-1, LC) and High-Density Residential (R-4) zones.

In April 2022, the City Council implemented a three-year partial freeze on STR license growth pending an in-depth citizen committee review of STR management practices and growth policies for the City. The partial freeze was set at 230 licensed STRs in capped zones and did not apply to the 32 licensed STRs in uncapped zones (C1, LC, and R4).

In March of 2023, the Committee put out a survey to full-time and part-time residents, and to STR owners. We received almost 600 responses. The survey was specifically aimed at gathering feedback on the impact of short-term rentals on the community's livability. The responses and sentiments became an integral part of our discussions and helped inform policy recommendations.

In July 10, 2024 – The Short-Term Rental Committee presented three growth control options to regulate total short-term rental (STR) licenses in the City and a density/proximity measurement tool for new STR license applicants. The City Council requested that the STR Committee come back with a proposal for occupancy limits with consideration of occupancy policies of neighboring jurisdictions. They also suggested that the Committee consider the implications of high-occupancy homes within proximity catchment (halo) areas.

August 14, 2024 – In response to the July request by the Council, the committee reported that they looked at the maximum occupancy of all STRs under the City's current occupancy policy of two per bedroom plus four additional people and presented policy aimed at limiting the number of occupants to two per bedroom plus

two, with a maximum of 14 people. Included in the report were examples of other city's STR occupancy standards. City Council requested that further research be done on neighboring jurisdictions that have implemented occupancy policies and have data from those cities' staffs on the results of those policies.

In response to the Council's request to look at options within the proximity policies, the Committee looked at either (1) creating a classification for five-plus bedroom homes, or (2) establishing a maximum number of occupants within each catchment area.

Review

The STR Policy Report presented to the City Council in July 2024 included a number of considerations and ideas for developing STR-related policies. These were structured around a proposed Core STR Policy:

The City shall, through the regulated licensing of STRs maintain a quantity of STRs that supports neighborhood and community character and livability, and supplies a necessary level of revenue as determined by the City.

Under the proposed Core STR Policy, a supporting set of **Growth Control Policies** (Percentage-based growth, fixed number cap, and incremental growth) aim to manage STR-related impacts City-wide.

The July 2024 STR Policy Report also included ideas for **Density/Proximity Policies**. These are intended to address impacts that occur at a neighborhood or street level.

The parking, traffic, and noise generated by STR occupants also impact homes directly adjacent to or near a licensed STR. High-occupancy STRs can make these impacts especially challenging to manage. The STR **Occupancy-related Policy** considerations and ideas in this report are focused on addressing these "next-door" impacts.

Of note, the previously outlined Growth Control Policies are structured around objective considerations, while the Density/Proximity Policy and Occupancy Policy are more value-driven and directly respond to public opinion as evidenced by the 2023 STR Livability Survey. 77% of full-time respondents said yes to the question "Would you be in favor of proximity/density limits to STR homes". Comments indicated that the density of STR homes and the number of occupants impacted neighborhood livability. The final wording, however, was also derived from objective data gathered by assessing the effect on neighborhood catchment areas, and by surveying other jurisdiction practices.

These last two policies are also more proactive. The proximity policy as proposed would affect less than 5 current catchment areas. However, it would establish a standard for the future that reflects the survey respondent's desires and the STR Committee's mission to maintain our community's livability. The Occupancy policy actually reflects current practice for most STR homes.

The STR Committee approached the three elements as a framework: City-wide (growth control), narrowing to neighborhoods (proximity), and lastly to individual houses (occupancy).

Summary of Growth Control Options-

The detailed considerations for each option are discussed in the July STR executive summary.

- Option A (Percentage-Based Growth -modified status quo): An Increase based on 17 ½% of total houses with no STR numerical ceiling: Keep the percentage at the same number as in Ordinance 95-4 except that STR licenses in the previously excluded zones would be included in the count. We recommend a mandatory review when the number of new STR licenses grows by 10.
- Option B (Fixed Number Cap): Limit STR Licenses to a fixed cap. Our suggested number is 275 licenses.
- Option C (Incremental Growth): The Committee suggested that the number of STR licenses increase by two per year with no STR numerical ceiling. We recommend a mandatory Council review with community feedback when the licenses have increased by 10.

High Occupancy Homes: Proximity Policy Addendum-

Proximity Measurement Process as presented to the Council in July 2024:

- The proposed proximity policy is in direct response to the survey respondents' desire to regulate density and proximity in Manzanita neighborhoods.
- The process applies to each new STR applicant based on the number of STRs within a 100-foot catchment area of the applicant. The potential STR is the center of the 100-foot catchment area and is counted in the STR total.
- C1 (Commercial) or LC (limited Commercial) zones are not subject to the proximity measurement process. This allows larger growth of STRs in commercial zones as long as the City's STR license total remains below citywide growth controls.
- Down the road, a more advanced city map is would also be available that requires a monthly update by the software developer, or another interested party, to load the County's radius technology, which allows for a proximity measurement from a single "all in one STR map" for any STR applicant in Manzanita.

In addition to the Proximity Policy recommended in the STR Committee Policy Report, the following section outlines the need, considerations, and policy options for homes with five or more bedrooms (High Occupancy Homes) in calculating the number of STRs per a given area (e.g., 100' catchment area).

Typically, high-occupancy STRs amplify the negative livable impacts for those living in close proximity due to increased parking, traffic, and noise. They also present safety challenges described by fire and safety representatives. These impacts are felt directly at both the neighborhood level and by those living adjacent to an STR.

There is currently no City policy that defines high-occupancy STRs or accounts for the impacts of high-occupancy STRs at a neighborhood or street level.

Policy Considerations:

The following is an overview of key considerations in developing a high-occupancy STR designation as it relates to the recommended STR Proximity Policy:

- The current average permitted occupancy limit is 9.6 occupants per STR. STRs that are permitted to house a number of occupants in excess of the current average (five or more bedrooms) are considered high-occupancy.
- As noted in the STR Occupancy Policy section of this report, the STR Committee recommends that the maximum number of STR occupants be limited to 14 and that the calculation of occupants be reduced to two per bedroom, plus two additional occupants. Using this approach, a six-bedroom home would allow for the maximum recommended limit (14 occupants).
- There are currently (Oct. 2024) 15 STRs that have five or more bedrooms. Of those, there are ten STRs that have five bedrooms, four STRs that have six bedrooms, and one STR that has seven bedrooms (see Table 1).
- The Proximity Policy as outlined in the July 2024 STR Policy Report does not differentiate high-occupancy STRs from other STRs. If the high-occupancy homes are counted as one STR, four of the 15 catchment areas would not allow for additional STRs. Two of those areas would exceed the threshold (see Table 1).
- In a modified policy, where high-occupancy STRs count as two STRs in the Proximity Policy calculation, there are six catchment areas that would not allow for any additional STRs. Four of those areas would exceed the threshold (see Table 1).
- Nine catchment areas would still allow for growth in the modified policy.

Table 1: Analysis of Current HOH Catchment Areas:

# of Occupants Currently Permitted (2 per Sleeping Area, + 4)	# of STRs in 100' Catchment Area	# of Addt'l STRs allowed in 100' Catchment Area (HOHs count as 1 STR)	# of Addt'l STRs allowed in 100' Catchment Area (HOHs count as 2 STRs)
18	3	2	1
16	7	-2	-3
16	2	3	2
16	2	3	2
16	5	0	-1
14	3	2	1
14	4	1	0
14	4	1	0
14	2	3	2
14	3	2	1
14	6	-1	-2
14	3	2	1
14	5	0	-1
14	1	4	3
14	3	2	1
# of STRs Below Catchment Area Limit		11	9
# of STRs At Catchment Area Limit		2	2
# of STRs Exceeding Catchment Area Limit		2	4

High-Occupancy Home STRs: Proximity Tool Analysis

In the July 2024 Manzanita City Council Work Session, the STR Committee was asked to consider the following additional options within the Proximity Policy:

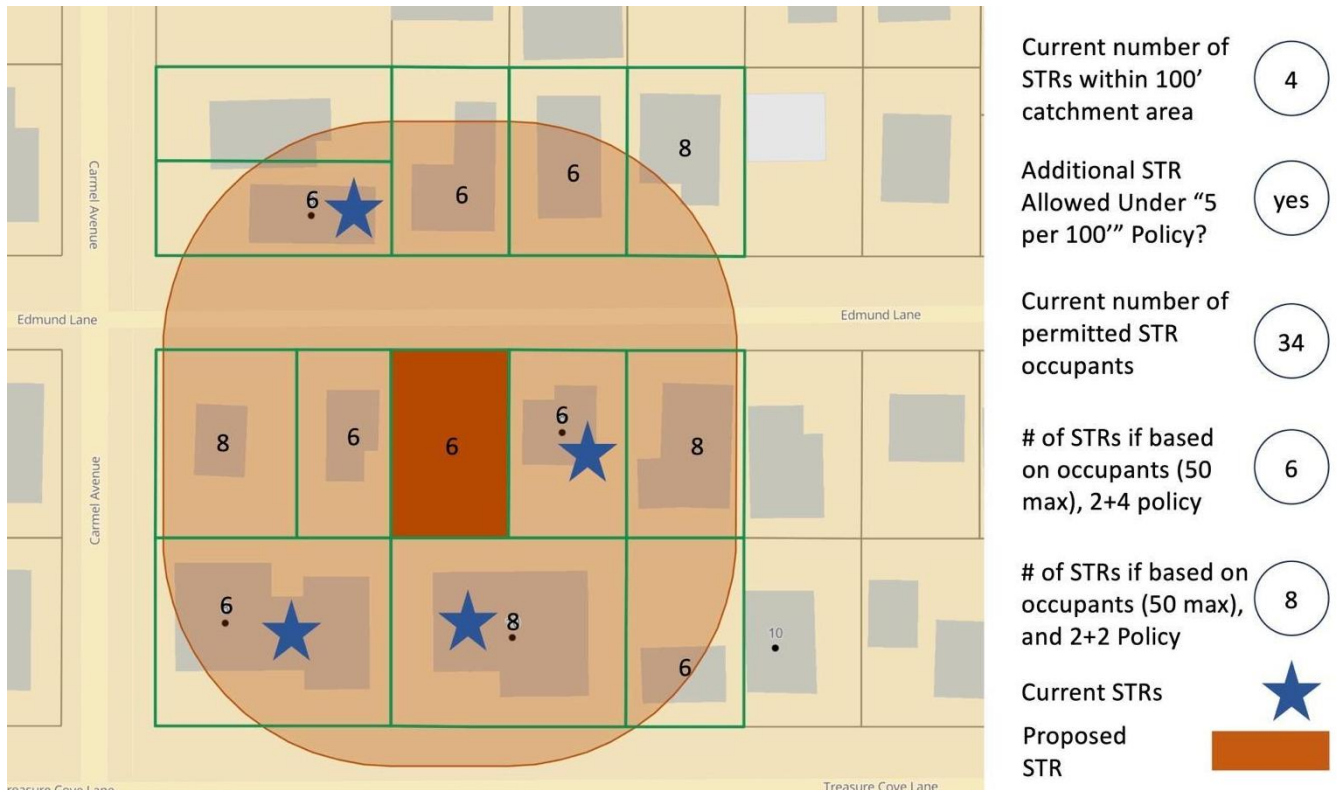
- **Option 1:** Count high-occupancy STRs as two STRs when calculating the number of STRs per catchment area (e.g., 5 STRs per 100' catchment area).
- **Option 2:** Instead of, or in addition to, a five STR-cap per catchment area, there could be a cap on the number of occupants per catchment area (e.g., no more than 50 occupants per 100' catchment area).

Using the STR Proximity Tool, the STR Advisory Committee conducted a high-level analysis of these two policy options. In this example (see Figure 1), a 100' catchment area was applied to a sample home to determine if it would be allowed to become an STR per the recommended STR Proximity Policy. The following are key findings from this analysis:

- There were four other currently licensed STRs within the 100' catchment area.
- Using the STR Proximity Policy methodology, the home could be permitted as an STR.
- If this home were designated a High-Occupancy Home STR, it would not be allowed.
- Limiting the number of STRs to five per 100' catchment area resulted in an aggregate number of 34 occupants.
- Using an occupant limit of 50 occupants per 100' catchment area could result in up to eight permitted STRs in this scenario.
- An occupant-based STR Proximity Policy may result in a higher number of STRs in some catchment areas, and lower in others. If higher, it doesn't achieve a balanced mix of housing.
- Code enforcement of an occupant-based STR Proximity Policy (option#2) would be a logistical challenge for city staff in application and enforcement. For example, developing and maintaining a process for a waiting list where a two-bedroom home may jump ahead of a three-bedroom; or the question of whether an owner could block off a room, puts a subjective onus on the city staff. In a simple home-based calculation, it is easy to determine if an additional STR is allowed in a catchment area.

- An STR-based Proximity Policy (e.g., five STRs/100' catchment area) helps achieve a balanced mix of housing (e.g., long-term tenants, 2nd homes, and STRs) consistently.

Figure 1



Policy Context and Recommendations

Need: To present a policy to manage the number of high-occupancy STRs to achieve a balanced mix of housing at the neighborhood level (e.g., long-term tenants, 2nd homes, and STRs).

Objectives:

Through the regulated licensing of STRs, the City would formally designate and account for high-occupancy STRs when implementing the STR Proximity Policy. Policy outcomes should:

- Achieve a balanced mix of housing (long-term tenants, 2nd homes, STRs, etc.), and
- Consider the impact on the livability of HOH (high-occupancy homes) within the proposed proximity catchment areas. (i.e. should HOH have a weighted value in the calculation?).

Policy Recommendations:

- STRs having five or more bedrooms (sleeping areas) are to be considered high-occupancy.
- High Occupancy Homes should be counted as two STRs when implementing the STR Proximity Policy (calculating the # of STRs per 100' catchment area)
- The Proximity Policy should not consider the number of permitted occupants per catchment area (Option 2: 50 occupants per 100' catchment area).

STR Occupancy: Regulation, Limits, and Additional Considerations

Occupancy limits were a key topic discussed as the STR Committee developed growth controls and proximity measurements. At the request of the Council, the Committee has revisited occupancy ideas and conducted follow-up research. The following section is the result of this work.

Background

In the 2023 STR Livability Survey, respondents indicated that congestion (parking, traffic) and noise were key issues impacting the livability of our community. The number of occupants is directly tied to these issues. The STR Committee recognizes that City-wide parking and traffic policies are beyond the scope of the Committee. However, lower occupancy limits will help address these issues. If and when the City forms new policies relating to street parking, a member of the STR Committee should be involved in the discussion.

Policy Considerations

The following is an overview of key considerations in developing STR occupancy-related policy recommendations:

- While some Manzanita STRs have a maximum occupancy of 14 or more people, most are less. The current average occupancy limit is 9.6.
- The average household size in Manzanita for full-time residents is 1.85 persons, lower than Oregon's average of 2.44, and the national average of 3.13.
- Local fire and safety representatives have indicated that, from a fire safety standpoint:
 - Homeowner and long-term rental occupancy guidelines recommend a limit of 2 people per bedroom, plus 1.
 - The number of vehicles parked at a house or on the street can be a barrier in an emergency response situation.
- There is a correlation between number of occupants and number of bedrooms. Reducing the maximum occupancy will lower the number of cars. This is especially important for narrow streets.
- Under the current ordinance, an STR permitting 14 or more occupants would require a 5-bedroom house or larger. Attendees of the City's Conversations with Councilors have expressed a preference not to have larger STRs that affect Manzanita's character and these high-occupancy STRs operate more like small inns than private houses.
- Most industry reservation software does not distinguish between children and adults. There is no way to calculate occupancy based on age (for instance, 2 per bedroom plus 3 children under 12).
- New construction has been trending larger by square footage. Smaller homes are being replaced by bigger homes. This increases the number of potential occupants. An updated STR Occupancy policy can be proactive in addressing this issue now.
- The number of City-licensed STRs currently allowing 14 or more occupants is fifteen homes (see Table 2). As of October 2024, the breakdown of homes by maximum occupancy is as follows:

Table 2

Maximum # of Occupants Permitted	Current Occurrence of this Maximum Amongst STRs		Maximum # of Occupants Permitted	Current Occurrence of this Maximum Amongst STRs
3	1		11	1
4	9		12	47
6	16		13	2
8	59		14	10
9	1		16	4
10	105		18	1

The STR Committee conducted an informal survey of advertisements for Manzanita STRs, comparing allowed occupancy (2 per bedroom plus 4) with advertised occupancy (see Table 3). As noted in Table 3, most STRs currently advertise under the maximum occupancy.

Table 3

	Number of STRs Surveyed	Under Max	At Max	Percent Under
Meredith	39	32	7	82%
Vacasa	30	22	8	73%
Sunset to Sunset	10	10	0	100%
Self-managed	18	16	2	89%

Peer Jurisdictions Policy Review:

The following is an overview of jurisdictions and their STR-related policy, which have an STR occupancy limit.

- **Tillamook:** The maximum nighttime occupancy for a short-term rental shall be limited to **two (2) persons per bedroom plus two (2) additional persons.**
 - Regardless of the number of bedrooms, the **maximum nighttime occupancy of an STR shall not exceed 10 (ten) persons plus three (3) children aged twelve (12) and under.**
 - The owner of an Estate Home (**5+ bedrooms**) shall be exempt from subsection (B) of this section and is allowed a **maximum nighttime occupancy of up to fourteen (14) persons plus up to three (3) children, age 12 or under, to occupy the short-term rental.**
- **Seaside:** The occupancy of an STR is calculated by multiplying the number of **bedrooms by 3 persons** over the age of three. The building official has determined that STRs will not be granted an occupancy of more than 10 persons unless the STR is equipped with a fire suppression sprinkler system.
 - The Seaside Planning Commission has determined that **in no event will an occupancy of more than 12 persons** be granted, regardless of the number of bedrooms.
- **Bend:** The maximum occupancy for the dwelling shall be **two persons per bedroom plus two additional persons.** For example, a two-bedroom dwelling would have a maximum occupancy of six

persons. For owner-occupied short-term rentals, the occupancy shall be two persons per rented bedroom, in addition to the long-term residents of the dwelling.

- **Palm Springs:** The Owner shall limit overnight occupancy of the Vacation Rental unit to a specific number of occupants, with the maximum number of occupants as no more than **two (2) persons per bedroom** within each Vacation Rental unit and a **maximum of no more than eight (8) persons total** within the Vacation Rental unit, except that Owner may allow up to two (2) minor children, age 12 or under, to occupy the Vacation Rental in addition to the maximum number of occupants otherwise provided in this Subsection.

The Owner of an **Estate Home may have up to a maximum of twelve (12) guests** and up to two (2) minors aged twelve (12) and under.

The following is a summary of informational interviews conducted by the STR Advisory Committee (2024) to the impact of occupancy limits.

Seaside: City staff reported that they enforced a new limit of 12 in July 2024 and therefore have little data as to the effect. Staff also indicated that the change was driven by complaints of “party houses”. The City’s rationale was to curtail “party houses” while allowing STR rental ownership as a means to pay a mortgage or subsidize a part-time vacation home rather than operated as a business venture. Of note, the City does not have a code enforcement officer, rather the building inspector responds to complaints.

Bend: City staff indicated that their STR occupancy limit has been in place since 2015 and that the City had not tracked impacts to this change. Staff did note that the limit was due to fire safety concerns. The City’s Code Enforcement Officer monitors websites for compliance.

Palm Springs: The City limits STR occupants to two per bedroom, with an overall maximum of 12. This has been in place since 2017. The City also caps the density of STRs to 20% of neighborhood homes. The City’s Code Enforcement Officer stated that the change in ordinance (occupancy/density) was aimed to limit car parking and traffic and diminishing the number of parties. Staff noted that, while homeowners may occasionally have parties, each booked STR stay could host a party or large event, resulting in a much higher number of potential disruptions to neighbors. Staff did not receive “much push-back from STR owners”, and noted that no STR owner voiced any concerns about this policy when the City’s STR committee recently met again.

STR Owners/Managers and STR Management Companies: Those operating in Manzanita have indicated that:

- Their pricing is not adjusted based on the number of occupants booked. As an example, if a home has a maximum occupancy of 10 people it could rent to one person or up to 10, and the price per night would not change.
- Due to the complexities of dynamic pricing tools, it is exceedingly difficult to parse out whether a reduction of total occupancy impacts overall pricing.
- The majority of current STRs already list below maximum permitted occupancy (confirmed data found in Table 2), indicating that there will not be a significant drop in TLT revenue with this change.
- Proximity to the beach, town, and restaurants, and STR attributes (hot tubs, decks, number of bathrooms) are more important considerations for renters than the maximum permitted number of occupants.

Policy Context and Recommendations

Need: A policy to manage the number of occupants within any given STR in a way that maintains community character, and mitigates impacts to livability.

Objective:

The City would, through the regulated licensing of STRs, manage the number of occupants permitted to stay in an STR in a way that supports neighborhood and community character and mitigates impacts on livability.

Policy outcomes would include:

- A reduction in the number of STR occupants within each catchment area.
- A reduction of STR-related vehicle traffic.
- A reduction in the number of STR-related noise and parking complaints.
- An increase in positive community sentiment regarding livability impacts.
- An application of STR-related policy consistent with nearby jurisdictions.
- A maximum number of occupants permitted to stay in an STR, regardless of number of sleeping areas (bedrooms), which considers that:
 - Using the current City website data, the average number of occupants allowed per STR is 9.6 persons; and
 - If the occupancy limit changes to two plus two, with an upper limit of 14, the average would change to 7.7 people.

Policy Recommendations:

- **The maximum number of occupants permitted to stay in an STR should include all occupants (children and adults), infants up to age two excluded.**
- **The maximum number of occupants permitted to stay in an STR should not exceed a total of two occupants per bedroom (sleeping area), plus two.**
- **The STR Committee recommends that the maximum number of occupants permitted to stay in an STR, regardless of number of bedrooms, should be 14.**
- **The STR Committee recommends that any policy that restricts the number of occupants below the current level takes effect at the next license renewal after adoption (the end of July). Existing reservations made prior to policy adoption should be honored.**