

ORDER NO. 8421

CDCA-005-23: SHORT TERM RENTALS

AN ORDER RECOMMENDING APPROVAL OF AMENDMENTS TO SECTIONS OF THE HILLSBORO COMMUNITY DEVELOPMENT CODE NO. 6094, AS AMENDED, TO DEFINE SHORT TERM RENTALS AND ESTABLISH APPROVAL CRITERIA AND REVIEW PROCEDURES FOR PARTIAL-DWELLING AND FULL-DWELLING SHORT TERM RENTALS.

WHEREAS, Community Development Code Ordinance No. 6094 (CDC) was adopted by the City Council on August 5, 2014 and took effect on September 4, 2014; and

WHEREAS, Planning Division staff has committed to updating the CDC through the omnibus amendment process on a regular basis to maintain it as current and to resolve issues as they arise; and

WHEREAS, Planning Division staff, having worked with the CDC since September 4, 2014, has identified a number of sections where the current CDC language ought to be clarified or amended to meet the intent of the regulation, to follow or improve current procedures, or to align with state and regional regulations; and

WHEREAS, the Planning Commission initiated the amendments on September 27, 2023 through the approval of Order No. 8416 to consider amending the CDC for those purposes; and,

WHEREAS, on October 25, 2023, the Planning Commission held a public hearing to consider the proposed amendments and received staff reports, draft code sections, and public testimony; and,

WHEREAS, the Planning Commission finds that the proposed amendments are “desirable, appropriate and proper” and hereby recommend City Council approval of the proposed amendments to the CDC based on the supporting findings attached hereto as Exhibit B.

THE CITY OF HILLSBORO PLANNING COMMISSION ORDERS AS FOLLOWS:

Section 1. Pursuant to CDC Section 12.80.140, the Planning Commission hereby recommends amendments to the CDC, as shown in Exhibit A attached to this Order.

Section 2. This Planning Commission’s recommendation to the City Council is based upon the findings attached as Exhibit B to this Order.

Section 3. This Order shall take effect immediately upon approval.

Approved this 25th day of October, 2023.

Anne Thrall-Nash, President

ATTEST: _____
Secretary

Exhibit A

CDCA-005-23 Short Term Rentals

Draft Amendment Language

Explanatory comments not included in amendments

shown in *[bracketed italic gray highlight]*.

[No changes to Sections 12.01.100 through 12.01.430]

SUBCHAPTER 12.01 GENERAL PROVISIONS

12.01.500 Definitions.

As used in this Code, the following words, terms and phrases are defined as shown in this section. Terms defined in this section are shown in *italic typeface* where they occur in other definitions.

[No changes to Abbreviated Environmental Report through Setback]

Short Term Rental (STR). The offering of space or of one or more bedrooms (and any use of common area) in a dwelling unit for transient residential purposes to serve paying guests for periods of 30 days or less. An STR includes both partial-dwelling rental, where the owner or operator remains on site, and full-dwelling rental, where the owner does not remain on site. Standards for STRs are included in Section 12.40.230.

[No changes to Significant Natural Resource Area (SNRA) through Yard, Side]

SUBCHAPTER 12.10 USE CATEGORIES

[No changes to Sections 12.10.100 through 12.10.200]

12.10.210 Commercial Lodging.

- A. Characteristics. Commercial Lodging includes **both privately-owned and -operated and** commercially-owned and -operated overnight accommodations where tenancy is typically arranged on a daily, weekly, or monthly basis, and for which transient lodging tax should be paid.
- B. Examples of Uses.
- Bed and breakfast inns
 - **Short-term Rentals (STRs)**
 - Hotels and motels
 - Executive suite hotels

- Extended stay hotels or suites

C. Examples of Accessory Uses.

- Banquet, ballroom and conference center facilities
- Lobbies
- Offices
- Parking for customers and employees
- Restaurant and bars
- Support retail activities
- Indoor or outdoor recreation facilities for use by customers only

D. Exceptions.

1. Emergency Shelters as defined in Section [12.01.500](#) are classified as community services.

[No changes to Sections 12.10.215 through 12.10.560]

SUBCHAPTER 12.21 SINGLE DETACHED AND MIDDLE HOUSING RESIDENTIAL ZONES

[No changes to Sections 12.21.010 through 12.21.120]

12.21.130 Uses.

Table 12.21.130-1 lists the Permitted, Conditionally Permitted, Limited, and Not Permitted Uses in the R-10 zone.

Table 12.21.130-1:

Use Categories in the R-10 Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.21.120-1.
Group Living	L/N	Permitted for persons with disabilities with Director’s Interpretation of Reasonable Accommodation only (see Section 12.80.050); all other uses Not Permitted.
Residential Services	N	

Use	Status	Clarifications
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	<u>L</u> /C/N	Full-dwelling STRs subject to additional standards in Section 12.40.230. Bed and breakfast inns permitted with Conditional Use approval and subject to additional standards in Section 12.40.130 . All other uses Not Permitted.
Retail Products and Services	C/N	Minor assembly facilities permitted with Conditional Use approval subject to additional standards in Section 12.40.210 . All other uses Not Permitted.
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval subject to additional standards in Section 12.40.210 . All other uses Not Permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards Not Permitted.
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.21.140 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#).
- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#).
- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.
- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.
- I. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.

[No changes to Sections 12.21.150 through 12.21.220]

12.21.230 Uses.

Table 12.21.230-1 lists the permitted, conditionally permitted, limited, and not permitted uses in the R-8.5 zone.

Table 12.21.230-1:

Use Categories in the R-8.5 Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.21.220-1.
Group Living	L/N	Permitted for persons with disabilities with Director’s Interpretation of Reasonable Accommodation (see Section 12.80.050); all other uses not permitted.
Residential Service	N	
Residential Business	N	
Commercial Use Categories – Only Categories Listed Below Permitted		
Commercial Lodging	L/C/N	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230.</u> Bed and breakfast inns permitted with Conditional Use approval and subject to additional standards in Section 12.40.130 . All other uses not permitted.
Retail Products and Services	C/N	Minor assembly facilities permitted with Conditional Use approval and subject to Special Use standards in Section 12.40.210 . All other uses not permitted.
Industrial Use Categories – Not Permitted		
Institutional Use Categories		
Colleges and Universities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .

Use	Status	Clarifications
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards not permitted.
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.21.240 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#).
- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.100](#).
- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.
- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.

- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.

I. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.

[No changes to Sections 12.21.250 through 12.21.320]

12.21.330 Uses.

Table 12.21.330-1 lists the Permitted, Conditionally Permitted, Limited, and Not Permitted Uses in the R-7 zone.

Table 12.21.330-1:

Use Categories in the R-7 Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.21.320-1.
Group Living	L/N	Permitted for persons with disabilities with Director’s Interpretation of Reasonable Accommodation (see Section 12.80.050); all other uses Not Permitted.
Residential Services	N	
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	<u>L</u> /C/N	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230.</u> Bed and breakfast inns permitted with Conditional Use approval and subject to additional standards in Section 12.40.130 . All other uses Not Permitted.
Retail Products and Services	C/N	Minor assembly facilities permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses Not Permitted.
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.

Use	Status	Clarifications
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses Not Permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards Not Permitted.
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.21.340 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#).
- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#).
- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.

- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.
- I. **Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.**

[No changes to Sections 12.21.350 through 12.21.420]

12.21.430 Uses.

Table 12.21.430-1 lists the Permitted, Conditionally Permitted, Limited, and Not Permitted Uses in the R-6 zone.

Table 12.21.430-1:

Use Categories in the R-6 Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.21.420-1.
Group Living	L/N	Permitted for persons with disabilities with Director’s Interpretation of Reasonable Accommodation (see Section 12.80.050); all other uses Not Permitted.
Residential Services	N	
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	<u>L</u> /C/N	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230.</u> Bed and breakfast inns permitted with Conditional Use approval and subject to additional standards in Section 12.40.130 . All other uses Not Permitted.

Use	Status	Clarifications
Retail Products and Services	C/N	Minor assembly facilities permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses Not Permitted.
Industrial Use Categories – Not Permitted		
Institutional Use Categories		
Colleges and Universities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses Not Permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards Not Permitted.
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.21.440 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#).
- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#).

- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.
- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.
- I. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.**

[No changes to Sections 12.21.450 through 12.21.520]

12.21.530 Uses.

Table 12.21.530-1 lists the Permitted, Conditionally Permitted, Limited, and Not Permitted Uses in the R-4.5 zone.

Table 12.21.530-1:

Use Categories in the R-4.5 Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.21.520-1.
Group Living	L/N	Permitted for persons with disabilities with Director’s Interpretation of Reasonable Accommodation (see Section 12.80.050); all other uses Not Permitted.
Residential Services	N	

Use	Status	Clarifications
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	L/C/N	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230.</u> Bed and breakfast inns permitted with Conditional Use approval and subject to additional standards in Section 12.40.130 ; all other uses Not Permitted.
Retail Products and Services	C/N	Minor assembly facilities permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses Not Permitted.
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, or temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses Not Permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards Not Permitted.
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.21.540 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#).
- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#).
- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.
- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.
- I. **Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.**

[No changes to Sections 12.21.550 through 12.21.620]

12.21.630 Uses.

Table 12.21.630-1 lists the permitted, conditionally permitted, limited, and not permitted uses in the SCR-LD zone.

Table 12.21.630-1:

Use Categories in the SCR-LD Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.21.620-1.
Group Living	L/N	Permitted for persons with disabilities with Director’s Interpretation of Reasonable Accommodation (see Section 12.80.050); all other uses not permitted.
Residential Services	N	
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	<u>L</u> /C/N	Full-dwelling STRs subject to additional standards in Section 12.40.230. Bed and breakfast inns permitted with Conditional Use approval and subject to additional standards in Section 12.40.130 . All other uses not permitted.
Retail Products and Services	C/N	Minor assembly facilities permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	N	
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.

Use	Status	Clarifications
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards not permitted.
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.21.640 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#).
- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#).
- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.
- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.

I. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.

[No changes to Sections 12.21.650 through 12.21.720]

12.21.730 Uses.

Table 12.21.730-1 lists the permitted, conditionally permitted, limited, and not permitted uses in the SCR-OTC zone.

Table 12.21.730-1:

Use Categories in the SCR-OTC Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.21.720-1.
Group Living	L/N	Permitted for persons with disabilities with Director’s Interpretation of Reasonable Accommodation (see Section 12.80.050); all other uses not permitted.
Residential Services	N	
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	<u>L</u> /C/N	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230.</u> Bed and breakfast inns permitted with Conditional Use approval on lots abutting NE Alder St between NE 68th Ave and NE Century Blvd and subject to additional standards in Section 12.40.130 . All other uses not permitted.
Eating and Drinking Establishments	L	Small-scale eating and drinking establishment uses permitted on lots abutting NE Alder St between NE 68th Ave and NE Century Blvd.
Office	L	Small-scale office uses permitted on lots abutting NE Alder St between NE 68th Ave and NE Century Blvd. Psilocybin facilities permitted, subject to additional standards in Section 12.40.215 .
Retail Products and Services	C/L/N	Small-scale retail products and services uses permitted on lots abutting NE Alder St between NE 68th Ave and NE Century Blvd. Minor assembly facilities permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.

Use	Status	Clarifications
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	N	
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, or temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Schools	C	Permitted with Conditional Use approval subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards not permitted.
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.21.740 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#), and to the requirements of the Orenco Plan District under Subchapter [12.62](#).
- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#). All accessory structures are subject to the architectural requirements of the Orenco Plan District under Section [12.62.400](#).
- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.
- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.
- I. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.**

[No changes to Sections 12.21.750 through 12.21.820]

12.21.830 Uses.

Table 12.21.830-1 lists uses permitted, conditionally permitted, limited or not permitted in the SCR-DNC zone.

Table 12.21.830-1:

Use Categories in the SCR-DNC Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.21.820-1.
Group Living	L/N	Group living permitted up to 15 residents; residential facilities permitted; all other uses not permitted.
Residential Services	L/N	
Residential Business	C/L	Residential businesses permitted with Conditional Use approval in certain areas and subject to additional standards in Subsection 12.61.700.G.
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	<u>L</u> /C/N	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230.</u> Bed and breakfast inns with not more than 5 bedroom units permitted with Conditional Use approval and subject to additional standards in Section 12.40.130 . All other uses not permitted.
Eating and Drinking Establishments	L	Permitted in mixed-use buildings in the Arterial Exception Area on N 1st Ave; see special provisions in Subsection 12.61.700.H.
Office	L	Permitted in mixed-use buildings in the Arterial Exception Area on N 1st Ave; see special provisions in Subsection 12.61.700.H. Psilocybin facilities permitted, subject to additional standards in Section 12.40.215 .
Retail Products and Services	L/N	Permitted in mixed-use buildings in the Arterial Exception Area on N 1st Ave; see special provisions in Subsection 12.61.700.H. Minor assembly facilities permitted with Conditional Use approval, and subject to additional standards in Section 12.40.210 . Retail sales of marijuana not permitted.
Institutional Use Categories		
Colleges and Universities	N	
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.

Use	Status	Clarifications
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	N	
Surface Alternative Transportation Facilities	N	
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.21.840 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#), and to the requirements of the Downtown Plan District under Subchapter [12.61](#).
- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#). All accessory structures are subject to the architectural requirements of the Downtown Plan District under Section [12.61.800](#).
- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.

- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.
- I. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.

[No changes to Sections 12.21.850 through 12.21.8700]

SUBCHAPTER 12.22 MULTI-DWELLING RESIDENTIAL ZONES

[No changes to Sections 12.22.100 through 12.22.120]

12.22.130 Uses.

Table 12.22.130-1 lists the permitted, conditionally permitted, limited, or not permitted uses in the MR-1 zone.

Table 12.22.130-1:

Use Categories in the MR-1 Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.22.120-1.
Group Living	P	
Residential Services	P/L	Residential services not exceeding maximum density permitted. Residential services exceeding maximum density permitted only with PUD approval.
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	L/C/N	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230.</u> Bed and breakfast inns permitted with Conditional Use approval and subject to additional

Use	Status	Clarifications
		standards in Section 12.40.130 . All other uses not permitted.
Retail Products and Services	C/N	Minor assembly facilities permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	C	Permitted with Conditional Use approval.
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards not permitted.
Telecommunication Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.22.140 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#).

- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are per-mitted subject to additional requirements in Section [12.40.104](#).
- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.
- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.
- I. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.**

[No changes to Sections 12.22.150 through 12.22.220]

12.22.230 Uses.

Table 12.22.230-1 lists uses permitted, conditionally permitted, limited, or not permitted in the MR-2 zone.

Table 12.22.230-1:

Use Categories in the MR-2 Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.22.220-1.
Group Living	P	

Use	Status	Clarifications
Residential Services	P/L	Residential services not exceeding maximum density permitted. Residential services exceeding maximum density permitted only with PUD approval.
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	L/C/N	Full-dwelling STRs subject to additional standards in Section 12.40.230. Bed and breakfast inns permitted with Conditional Use approval and subject to additional standards in Section 12.40.130 . All other uses not permitted.
Eating and Drinking Establishments	L/N	Mobile businesses permitted pursuant to Municipal Code Title 5; all other uses not permitted.
Retail Products and Services	C/N	Minor assembly facilities permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	C	Permitted with Conditional Use approval.
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards not permitted.
Telecommunication Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .

Use	Status	Clarifications
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.22.240 Accessory Uses Permitted by Right.

- A. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#).
- B. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- C. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process.
- D. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted; and certified or registered residential homes as defined in ORS 443 are also permitted.
- E. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- F. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.

H. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.

[No changes to Sections 12.22.250 through 12.22.320]

12.22.330 Uses.

Table 12.22.330-1 lists uses Permitted, Conditionally Permitted, Limited, or Not Permitted in the MR-3 zone.

Table 12.22.330-1:

Use Categories in the MR-3 Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.22.320-1.
Group Living	P	
Residential Services	P/L	Residential services not exceeding maximum density permitted. Residential services exceeding maximum density permitted only with PUD approval.
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	L/C/N	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230.</u> Bed and breakfast inns permitted with Conditional Use approval and subject to additional standards in Section 12.40.130 . All other uses not permitted.
Eating and Drinking Establishments	L/N	Mobile businesses permitted pursuant to Municipal Code Title 5, all other uses not permitted.
Retail Products and Services	C/N	Minor assembly facilities permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Community Services	L/C	Emergency shelters are permitted subject to additional standards in

Use	Status	Clarifications
		Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	C	Permitted with Conditional Use approval.
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards not permitted.
Telecommunication Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.22.340 Accessory Uses Permitted by Right.

- A. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#).
- B. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).

- C. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process.
- D. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted, and certified or registered residential homes as defined in ORS 443 are also permitted.
- E. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- F. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.
- H. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.**

[No changes to Sections 12.22.350 through 12.22.420]

12.22.430 Uses.

Table 12.22.430-1 lists uses permitted, conditionally permitted, limited, or not permitted in the SCR-MD zone.

Table 12.22.430-1:

Use Categories in the SCR-MD Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.22.420-1.
Group Living	P	
Residential Services	P/L	Residential services not exceeding maximum density permitted. Residential services exceeding maximum density permitted only with PUD approval.
Residential Business	C/L	Residential Businesses permitted with Conditional Use approval in the Downtown Plan District and subject to additional standards in Subsection 12.61.600.B.
Commercial Use Categories - Only Categories Listed Below Permitted		

Use	Status	Clarifications
Eating and Drinking Establishments	L	Minor assembly facilities permitted with Conditional Use approval and subject to public assembly facility standards in Section 12.40.210 . Retail sales of marijuana not permitted. Psilocybin facilities not permitted. See Section 12.22.450 for all other commercial uses.
Office	L	
Retail Products and Services	L/C/N	
<u>Commercial Lodging</u>	<u>L</u>	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230. All other uses not permitted.</u>
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	N	
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses not permitted.
Schools	C	Permitted with Conditional Use approval and subject to public assembly regulations in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards not permitted.
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.22.440 Accessory Uses Permitted by Right.

- A. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined in Section [12.01.500](#), and are permitted when accessory to single detached dwellings or townhouses subject to additional requirements in Section [12.40.100](#).
- B. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#).
- C. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- D. Community Recreation Facilities and Community Buildings. Community recreation facilities and community buildings used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process. When accessory to cottage clusters, community buildings are subject to additional requirements in Subsection 12.50.715.E.9.
- E. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted, and certified or registered residential homes as defined in ORS 443 are also permitted.
- F. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- H. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.
- I. **Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.**

[No changes to Sections 12.22.450 through 12.22.520]

12.22.530 Uses.

Table 12.22.530-1 lists uses Permitted, Conditionally Permitted, Limited, or Not Permitted in the SCR-HD zone.

Table 12.22.530-1:

Use Categories in the SCR-HD Zone

Use	Status	Clarifications
Residential Use Categories		
Household Living	P	See Housing Types Table 12.22.520-1.
Group Living	P	
Residential Services	P/L	Residential Services not exceeding maximum density permitted. Residential Services exceeding maximum density permitted only with PUD approval.
Residential Business	N	
Commercial Use Categories - Only Categories Listed Below Permitted		
Commercial Lodging	L/C	<u>Full-dwelling STRs subject to additional standards in Section 12.40.230.</u> Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Commercial Recreation	C/N	Indoor recreation facilities permitted with Conditional Use approval; outdoor recreational facilities Not Permitted.
Eating and Drinking Establishments	L	Minor assembly facilities permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . Retail sales of marijuana Not Permitted. Psilocybin facilities not permitted. See Section 12.22.550 for other commercial uses.
Office	L	
Retail Products and Services	L/C/N	
Industrial Use Categories - Not Permitted		
Institutional Use Categories		
Colleges and Universities	N	
Community Services	L/C	Emergency shelters are permitted subject to additional standards in Section 12.40.107 ; all other uses permitted with Conditional Use approval.
Detention Facilities	N	
Hospitals	N	
Major Assembly Facilities	C/N	Religious institutions such as churches, synagogues, mosques, and temples permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 . All other uses Not Permitted.

Use	Status	Clarifications
Schools	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.210 .
Infrastructure and Utilities Use Categories		
Aviation Uses	N	
Parks and Open Space	C	Permitted with Conditional Use approval. Cemeteries subject to additional standards in Section 12.40.140 .
Public Safety Facilities	C	Permitted with Conditional Use approval.
Surface Alternative Transportation Facilities	P/C/N	Transit facilities permitted. Park-and-ride facilities permitted with Conditional Use approval. Storage and maintenance yards Not Permitted.
Telecommunications Facilities	C	Permitted with Conditional Use approval and subject to additional standards in Section 12.40.240 .
Utility Facilities	C	With no equipment storage, permitted with Conditional Use approval and subject to additional standards in Section 12.40.260 .

(P) Permitted (C) Conditional (L) Limited (N) Not Permitted

12.22.540 Accessory Uses Permitted by Right.

- A. Accessory Structures. Accessory structures are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.104](#).
- B. Home Occupations. Home occupations are defined in Section [12.01.500](#), and are permitted subject to additional requirements in Section [12.40.170](#).
- C. Community Recreation Facilities and Community Buildings. Community recreation facilities used solely by residents of a specific neighborhood or development are permitted when approved as an amenity of that neighborhood or development during the development process.
- D. Certified or Registered Family Child Care Homes and Residential Homes. Certified or registered family child care homes as defined in ORS 329A are permitted, and certified or registered residential homes as defined in ORS 443 are also permitted.
- E. Household Energy Production Facilities. Household energy production facilities are defined in Section [12.01.500](#), and are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- F. Amateur or “Ham” Radio Facilities. Amateur or “ham” radio facilities are permitted subject to issuance of necessary and appropriate Federal, State and local permits.
- G. Horticultural Activities. Horticultural activities are defined in Section [12.01.500](#), and are permitted, excluding commercial buildings or structures.

I. Partial-dwelling STRs are permitted subject to additional requirements in Section 12.40.230.

[No changes to Sections 12.22.550 through 12.22.580]

SUBCHAPTER 12.40 SPECIAL USE STANDARDS

[No changes to Sections 12.40.010 through 12.40.220]

[No changes to Section 12.40.130, Bed and Breakfast Inns. This Section is included here only as a reference.]

12.40.130 Bed and Breakfast Inns.

- A. Characteristics. Bed and breakfast inn is defined in Section [12.01.500](#). Bedroom units in a bed and breakfast inn typically do not contain individual cooking facilities. The lodging price at a bed and breakfast inn typically includes the price of a morning meal available only to guests of the inn. Additional rooms or structures may be added onto the original building or site provided the total number of lodging units remains at 5 or less.
- B. Approvals Required. Bed and breakfast inns in residential zones must be approved as conditional uses under Section [12.80.020](#). Bed and breakfast inns in any zone are subject to review and approval under Section [12.80.040](#).
- C. Standards. Bed and breakfast inns permitted as conditional uses in residential zones must comply with the following standards:
1. The site to be used as a bed and breakfast inn must contain a dwelling unit having been occupied as a residence for at least 5 years prior to the date of conditional use application submittal;
 2. The site of the bed and breakfast inn must contain a dwelling unit occupied as the primary residence of the person or persons identified as the bed and breakfast operator(s). Primary residence is defined as the operator's permanent residence of record as substantiated by official documents such as driver's license or tax forms;
 3. Commercial assembly events, such as weddings, meetings, receptions, or other gatherings for direct or indirect compensation, shall not be held at the inn;
 4. No more than an average of 5 customer vehicles may access the premises on a daily basis;
 5. No more than an average of 2 business related deliveries per day is allowed. Business deliveries shall not restrict pedestrian or vehicular circulation on adjoining public streets and sidewalks;
 6. No more than 1 person who is not a principal resident of the site containing the bed and breakfast inn can be engaged in the operation of the bed and breakfast inn at any one time;

7. A parking plan with the following elements shall be included in the Conditional Use application or the Development Review application:
 - a. On-site parking including the minimum required off-street parking for the residential use and 1 off-street parking space for each inn bedroom;
 - b. Location of all parking on an all-weather surface within site boundaries, including the driveway leading to the garage/carport vehicle entrance. One parking space may be allowed adjacent to the driveway, in front of the side yard adjacent to the garage/carport, with evidence of written permission from the owner of the property adjacent to the additional space. If no garage/carport is present, then parking shall be designed to minimize its appearance from the street and its impact to adjacent residents, and to maintain a residential appearance for the site; and
 - c. Provision of a solid fence or wall, together with landscaping, to buffer surrounding residents from the adverse effects of headlights and noise from guest or employee vehicles. (Ord. 6401 § 1, 2022; Ord. 6322 § 1, 2019)

12.40.230 Short Term Rentals

A. Characteristics. Short Term Rentals (STRs) are defined in Section 12.01.500.

B. Approvals Required:

1. Partial-dwelling STRs are subject to approval pursuant to Section 12.80.126.

2. Full-dwelling STRs are subject to approval pursuant to Section 12.80.040.

C. Standards for Partial-dwelling STRs.

1. The dwelling used for a Partial-dwelling STR must be the primary residence of the property owner. Primary residence is defined as the owner's permanent residence of record as substantiated by official documents such as tax forms.

2. The owner of the Partial-dwelling STR must reside on the same property as the Partial-dwelling STR, either in the main dwelling or in a separate dwelling on the same property.

3. The STR may not be used for events or gatherings of people invited to the STR for the primary purpose of socializing or participating in a ceremonial or business activity such as parties, weddings, reunions or company retreats.

4. Only one rental at a time at the dwelling is permitted.

5. The owner of the Partial-dwelling STR must maintain a valid Business License from the City of Hillsboro.

6. Tents, trailers, Recreational Vehicles, yurts and other spaces not considered permanent Housing Types may not be rented as Partial-dwelling STRs.

D. Standards for Full-dwelling STRs.

1. The owner of a Full-dwelling STR may only operate or hold ownership interest in one Full-dwelling STR in Hillsboro city limits. Property ownership is substantiated by tax forms.

2. The STR may not be used for events or gatherings of people invited to the STR for the primary purpose of socializing or participating in a ceremonial or business activity such as parties, weddings, reunions or company retreats.

3. One off-street parking space per two bedrooms is required. If there are an odd number of bedrooms, the parking requirement is rounded up pursuant to Section 12.01.400.

5. If there are multiple dwellings on the same property, only one dwelling can be rented at a time.

6. The owner of the Full-dwelling STR must maintain a valid Business License from the City of Hillsboro.

7. Tents, trailers, Recreational Vehicles, yurts and other spaces not considered permanent Housing Types may not be rented as Full-dwelling STRs.

8. In the SCR-OTC zone, Full-dwelling STRs are permitted only on lots abutting NE Alder Street between NE 68th Avenue and NE Century Boulevard.

[No changes to Sections 12.40.240 through 12.40.270]

SUBCHAPTER 12.80 APPLICATIONS

[No changes to Sections 12.80.005 through 12.80.030]

12.80.040 Development Review.

A. Purposes. The purposes of the Development Review (DR) approval process are to:

1. Encourage site planning in advance of construction;
2. Protect lives and property from potential adverse impacts of development;
3. Consider natural or man-made hazards which may impose limitations on development;
4. Conserve the City's natural beauty and visual character and minimize adverse impacts of development on the natural environment as much as is reasonably practicable;
5. Assure that development is supported with necessary public facilities and services;

6. Ensure that structures and other improvements are properly related to their sites and to surrounding sites and structures; and
7. Implement the City's Comprehensive Plan and land use regulations with respect to development standards and policies.

B. Applicability. Approval of a Development Review application is required in all of the following circumstances:

1. New development in any zone excluding the exemptions listed in Subsection D below;
2. Whenever an application, which would have otherwise been subject to Zoning Review in accordance with Section [12.80.170](#), includes one or more Adjustments;
3. Alteration, expansion, or new construction of any structure (except accessory dwelling units and residential accessory structures) in the SCR-DNC or SCR-OTC zones;
4. Manufactured dwelling projects;
5. Major site alterations on sites where construction is not anticipated for 30 days or more following grading;
6. Marijuana facilities;
7. Psilocybin facilities; ~~and~~
8. Full-dwelling Short Term Rentals (STRs); and
9. Any other development project for which Development Review is required as a condition of approval of another land use approval or permit.

C. Optional Applicability. At the applicant's discretion, an application for any development type not listed in Subsection B above may be submitted for processing in compliance with the requirements of this section.

D. Exemptions. The activities, development and construction projects listed below are exempt from Development Review approval, but are subject to all other applicable provisions of this Code, and may be subject to Zoning Review under Section [12.80.170](#):

1. Middle housing and single detached dwellings in the MR-1, SCR-LD, or SCR-MD zones or any R zone when no Adjustments to residential design and development standards are requested;
2. Accessory dwelling units and residential accessory structures in any zone when no Adjustments to residential design and development standards are requested;

3. Horticultural uses not involving buildings;
 4. Minor site alterations as defined in Section [12.01.500](#);
 5. Expansion of existing multi-dwelling residential, commercial, or mixed-use buildings which increases existing floor area by less than 10% or where the expansion is not visible from a public right-of-way or an adjacent residential zone;
 6. Expansion of existing industrial buildings which increases existing floor area by less than 15% or where the expansion is not visible from a public right-of-way or an adjacent residential zone;
 7. Alteration of up to and including 10% or 500 square feet, whichever is less, of the façade of any multi-dwelling, commercial, mixed-use, industrial or institutional building or where the façade is not visible from a public right-of-way;
 8. Manufactured dwellings on individual lots where allowed under Subchapters [12.21](#) through [12.26](#);
 9. Interior remodeling of an existing building or structure (also called tenant improvements) or building alterations required to meet ADA or Oregon Residential Specialty Code or Oregon Structural Specialty Code requirements as applicable;
 10. Certified or registered family child care or licensed residential senior care home;
 11. Home Occupation Permits;
 12. Maintenance of a building, structure, or site consistent with previous approvals;
 13. Temporary structures associated with temporary uses;
 14. Accessory structures not requiring a building permit and not subject to other provisions of this Code (such as accessory structures in the SCR-OTC or SCR-DNC zones);
 15. Commercial or industrial equipment or accessory structures that are screened from view from the public rights-of-way by structure or natural grade;
 16. Construction, alteration, or maintenance of public infrastructure including streets, traffic control devices, drainage ways, sanitary and storm sewers, stormwater quality facilities, water lines, electrical power or gas distribution lines, or telephone or television cable systems; and
 17. Enlargement, expansion, or replacement of residential non-conforming uses and structures in the Jackson East-North Sub-Area of the I-S Industrial Sanctuary zone where allowed under Subchapter [12.30](#).
- E. Procedure. Development Review applications are subject to the Type II procedure as described in Section [12.70.040](#), unless any of the following circumstances apply:

1. The applicant chooses to submit an application for a Type III procedure;
2. The Development Review application is submitted concurrent with a Type III primary application which includes a Type III Adjustment; or
3. The Type III process is required for Development Review by the Review Authority as a condition of approval on a previous or related land use approval.

F. Submittal Requirements. Type II application submittal requirements are set forth in Section [12.70.040](#) and more specific submittal requirements are provided on application forms and checklists as authorized in Section [12.70.110](#). At a minimum, an application for Development Review shall include the following:

1. An application form signed by the property owner or owner's representative and the applicant or applicant's representative;
2. Full payment of the application fee, based on the fee schedule in effect on the date of submittal;
3. Plans and descriptions including the following:
 - a. Existing Conditions Plan,
 - b. Site Development Plan, including vehicular and pedestrian connectivity within and adjacent to the site,
 - c. Grading and Erosion Control Plan,
 - d. Landscape Plan,
 - e. Exterior Lighting Plan,
 - f. Waste and Recycling Facilities Plan,
 - g. Architectural Elevations,
 - h. Exterior materials board and color palette, unless alternative submittal materials have been approved by the Review Authority,
 - i. Floor plans, and
 - j. Descriptions of materials to be used on proposed structures;
4. Narrative. A narrative clearly describing the project and addressing compliance with all approval criteria and applicable standards;

5. Site Activity Statement. For commercial or industrial developments, a written statement identifying:
 - a. The nature of the proposed use,
 - b. The planned number of shifts and the maximum number of employees per shift,
 - c. Plans for treatment and disposal of industrial wastes, and
 - d. Mitigation plans for traffic, noise, glare, air pollution, fire, or safety hazards;
6. Transportation Studies. Technical reports as authorized by Sections [12.70.200](#) through [12.70.230](#), may also be required based on the specific location and anticipated impacts of the Development Review proposal. The Planning Director shall make every reasonable effort to identify submittal requirements for technical reports at the pre-application conference.
- G. Concurrent Applications for Minor Adjustments. A request for a Minor Adjustment to any numeric development standard excluding residential density may be consolidated with and processed concurrently with a Development Review application in accordance with Section [12.80.154](#). The Minor Adjustment process cannot be used to vary or take an exception from the standards listed in Subsection 12.80.150.C.
- H. Approval Criteria. To approve an application for Development Review, the Review Authority shall make findings of fact based on evidence provided that the following criteria are satisfied:
 1. The proposal complies with all of the development standards of the base zone, unless a minor adjustment has been approved concurrently with the Development Review application;
 2. The proposal complies with any applicable provisions of Subchapter [12.27](#);
 3. The proposal complies with any applicable provisions of Subchapter [12.40](#);
 4. The proposal complies with the applicable development standards in Subchapter [12.50](#);
 5. The proposal complies with any applicable plan district standards in Subchapter [12.60](#);
 6. The proposal meets all existing conditions of approval for the site or use, as required by prior land use decision(s), as applicable;
 7. Additional Criteria for Non-Residential Applications. (including the non-residential portion of a mixed-use development):
 - a. The transportation system can safely and adequately accommodate the proposed development,

- b. Parking areas and entrance-exit points are designed to facilitate on-site vehicular circulation and pedestrian safety and avoid congestion on public streets,
 - c. Any special features of the site (such as topography, hazards, vegetation, significant natural and cultural resources, etc.) have been integrated into the site development plan,
 - d. The design and operating characteristics of the proposed development are reasonably compatible with surrounding development and land uses, and
 - e. Negative impacts of the development have been sufficiently minimized or mitigated.
- I. Conditions of Approval. Pursuant to Section [12.70.120](#), the Review Authority may impose conditions on the approval of a Development Review application to ensure compliance with the approval criteria.
- J. Appeal of a Decision. Refer to Section [12.70.180](#).
- K. Expiration of a Decision. Refer to Section [12.70.140](#).
- L. Extension of a Decision. Refer to Section [12.70.150](#).

[No changes to Sections 12.80.050 through 12.80.122]

12.80.126 Partial-Dwelling STR.

A. Purpose. The purpose of a Partial-dwelling STR is to allow residents an opportunity to rent a portion of their dwelling to paying guests for 30 days or less, while establishing criteria and standards to ensure that the rental activity is subordinate to the residential use, and is in appearance and operation neither detrimental nor disruptive to neighboring properties and residents.

B. Procedure. Partial-dwelling STR applications are subject to the Type I procedure as described in Section [12.70.030](#).

C. Submittal Requirements. Type I application submittal requirements are set forth in Section [12.70.030](#) and more specific submittal requirements are provided on application forms and checklists as authorized in Section [12.70.110](#). At a minimum, a Partial-dwelling STR application shall include the following:

- 1. An application form signed by the property owner or owner's representative;**
- 2. Payment in full of the appropriate application fee, based on the fee schedule in effect on the date of submittal;**

3. A scaled plot plan of the proposed Partial-dwelling STR site, and a floor plan of any dwelling to be used by the owner or guests during a rental; and

4. A narrative addressing compliance with the approval criteria and special use standards in Section 12.40.230.

5. Proof of property ownership.

D. Approval Criteria. In order to approve a Partial-dwelling STR, the Review Authority shall make findings of fact, based on evidence provided, that the following criteria are satisfied:

1. The zoning of the subject property lists Short Term Rentals as an allowed use;

2. The proposal complies with the standards for Partial-dwelling STRs in Section 12.40.170 Special Uses.

E. Conditions of Approval. The Review Authority may impose conditions on approval of a Partial-dwelling STR to ensure compliance with the approval criteria.

F. Appeal of a Decision. Refer to Section 12.70.180.

G. Expiration of a Decision. Refer to Section 12.70.140.

H. Extension of a Decision. Refer to Section 12.70.150.

I. Invalidation of a Decision. Approval of a Partial-dwelling STR permit is site-specific to the property and the original applicant. If an applicant moves, the Partial-dwelling STR permit becomes invalid unless a new permit is approved for the subsequent owner of the property.

J. Revocation of a Decision. A business license for a permitted Partial-dwelling STR is subject to revocation at any time by the City Council for cause pursuant to Municipal Code Subchapter 5.04 under the following circumstances:

1. There is a violation of any provision of this Code;

2. There is a violation of any term or condition of any applicable permit;

3. Failure to pay the City business license fee when due.

K. Waiting Period for Re-Application. When a business license for a Partial-dwelling STR is revoked due to violation of the standards of this section, or any condition of approval attached to the permit, a minimum period of 60 days shall elapse before another application for a Partial-dwelling STR permit on the subject property will be considered.

[No changes from 12.80.130 through 12.80.180]

Exhibit B
Findings of Fact
Case File CDCA-005-23 Short Term Rentals

I. BACKGROUND INFORMATION AND SITE DESCRIPTION

These findings and conclusions are associated with Case File CDCA-005-23 Short Term Rentals, legislative text amendments to the Community Development Code (CDC), Ordinance No. 6094, as amended. These text amendments address establish approval criteria and review procedures for partial-dwelling and full-dwelling Short Term Rentals (STRs).

The proposed text amendments would affect the following subchapters of the CDC:

- 12.01 General Provisions;
- 12.10 Use Categories;
- 12.21 Single Detached and Middle Housing Residential Zones
- 12.22 Multi-Dwelling Residential Zones;
- 12.40 Special Use Standards;
- 12.80 Applications.

II. PROCEDURAL REQUIREMENTS

The proposed amendments were initiated through approval of the Planning Commission Order No. 8416 on September 27, 2023. A public hearing was held on October 25, 2023. Notice of the public hearing was published in the October 5, 2023 and October 25, 2023 editions of the Forest Grove News Times and Hillsboro Tribune, both newspapers of general circulation as required in CDC Section 12.70.060.

III. APPLICABLE APPROVAL CRITERIA

CDC Section 12.80.140.D specifies the approval criteria for a proposed text amendment. The applicable criteria are as follows:

D. Approval Criteria. In order to approve a Text Amendment application, the Review Authority shall make findings of fact, based on evidence provided, that the following criteria are satisfied:

1. The CDCA addresses an issue or issues of concern on a variety of properties or conditions, and is not intended to resolve a property-specific or condition-specific situation;

Finding: This CDCA will affect property in the twelve Single Detached and Middle Housing Residential Zones and Multi-Dwelling Residential Zones. This criterion is met.

2. *The CDCA is consistent with relevant goals and policies of the Hillsboro Comprehensive Plan, any applicable Community Plans, and with the provisions of this Code;*

Finding: There are no Community Plans applicable to these amendments; this portion of the criterion is not applicable.

As described in the Procedural Requirements section of these findings, the proposed amendments were initiated by the Planning Commission; notice was provided to the Department of Land Conservation and Development (DLCD) and to the public, and a public hearing was held to receive testimony. The procedural requirements of CDC Section 12.70.060 have therefore been met.

Relevant Hillsboro Comprehensive Plan Policies

Policy ED 5.8 Innovation economy. Plan for new and innovative economic trends, such as the sharing economy. [The Comprehensive Plan defines the sharing economy as “An economic model in which individuals borrow, rent or trade goods, services, space, and/or other resources from each other, typically via the internet.”

Finding: The proposed amendments address the sharing of residential space on a short-term basis. While STRs are not a new phenomenon, and STRs are not specifically noted in the CDC, data illustrates that over 160 STRs are currently offered in Hillsboro. The proposed amendments define STRs and provide approval criteria for both partial-dwelling rentals and full-dwelling rentals.

Policy H 3.8 Reduce Negative Impacts. Mitigate the impact of close proximity traffic, noise, odor, lack of privacy, and negative visual aesthetics through compatible site and building design.

Finding: The proposed CDC amendments codify approval criteria for both partial-dwelling rentals and full-dwelling rentals of residential space. The approval criteria include standards to limit the impact of these commercial uses to existing neighborhoods. This includes standards to (1) limit the number of rentals that can occur at one time on a property; (2) require that the property owner reside on the same property as a partial-dwelling rental; (3) prohibit parties, weddings and other commercial gatherings at any STR; (4) limit a property owner to offering only one full-dwelling STR in Hillsboro.

The proposed amendments are consistent with the intent of these policies. This criterion is met.

3. *The CDCA is consistent with relevant provisions of the Metro Urban Growth Management Functional Plan;*

Finding: The Metro Urban Growth Management Functional Plan includes sections on Housing Capacity (Title 1) and Housing Choice (Title 7). The proposed STR amendments do not affect residential density or housing choice in Hillsboro. This criterion is met.

4. *The CDCA is consistent with relevant provisions of the Statewide Planning Goals, the Oregon Administrative Rules (OAR), and State statutes.*

Finding: Oregon Revised Statutes (ORS) 197.610 – 197.651 and Oregon Administrative Rule (OAR) 660-018 list requirements for “Post-Acknowledgement [Plan] Amendments,” also known as PAPAs. Their requirements are reflected in CDC Section 12.70.060 regarding the Type IV process, and Section 12.80.140 Text Amendment applications. As described earlier, the amendments meet the internal procedural requirements of the CDC and therefore meet these state regulations. This criterion is met.

5. *The CDCA is deemed by the Review Authority to be desirable, appropriate and proper.*

Finding: The proposed amendments are desirable in that they reflect needed modifications to relevant code language related to Short Term Rentals to allow for effective implementation of the regulations. The amendments are appropriate in that they are consistent with the purpose statement for Text Amendments (CDC Section 12.80.140.A): “Such amendments are necessary to reflect changing community conditions, needs, and desires, to fulfill regional obligations, and to address changes in state law”. The amendments are proper in that they are consistent with, align with, and will assist with implementing the goals and policies of the Comprehensive Plan by maintaining up to date procedures and regulations to implement the Comprehensive Plan. For the reasons stated above the amendments are desirable, appropriate, and proper and therefore, this criterion is met.

IV. TESTIMONY FROM PARTIES

As of the writing of this report, staff has received one piece of written testimony regarding the proposed STR amendments. Michele Gila, Director of Realtor Advocacy for Portland Metropolitan Association of Realtors (PMAR), notes that PMAR supports limiting STR opportunities to property owners only, and supports the two-level structure for STR permitting. PMAR does not support the limitation that a property owner can only operate one STR in the Hillsboro city limits. PMAR’s comments are attached to the staff report as Exhibit E.

V. ADDITIONAL MATERIALS CITED BY REFERENCE AND INCLUDED BY REFERENCE IN FINDINGS

The Staff Report dated October 18, 2023 was available seven days prior to the public hearing in compliance with State law and the CDC. The staff report and attachments are included as findings to the decision.



City of Hillsboro – Short Term Rental Affordability Impacts

DATE September 5, 2023
 TO City of Hillsboro
 FROM Brendan Buckley, Johnson Economics
 Matt Hastie, MIG

INTRODUCTION

As part of the City’s Housing Needs Analysis (HNA) process, the City of Hillsboro is evaluating the potential impact of short-term rental (STR) housing on current and future rental housing availability and affordability in Hillsboro. City staff have identified this as an issue of concern during the last several years, given visitation to the City by workers at local companies in the high-tech semiconductor industry and others, as well as visitation to local activities and events throughout the City.

This memo discusses the potential impacts of the growth of STR units on housing affordability in general, and in Hillsboro specifically. The focus is on impacts to housing affordability for long-term residents of the community who must find housing to rent or own in the local market. This analysis uses assumptions and methodology drawn from third-party studies to estimate the local impact.

This memo also provides an overview of common STR regulations in practice in Oregon through an evaluation of case studies. The information presented includes how jurisdictions regulate STRs through land use regulations, licensing programs, and operational restrictions. The memorandum concludes with action items and considerations that can inform local discussion regarding appropriate STR regulations for the City of Hillsboro.

CONTENTS

- Introduction.....1
- I. Executive Summary2
- II. Impacts on Affordability of Housing3
 - How Do STRs Impact Housing Affordability?.....3
 - Studies of STR Impacts on Housing Affordability4
 - STR Statistics in Hillsboro and Comparison Markets5
 - Quantifying STR Impacts in Hillsboro7
- III. Short Term Rental Regulations.....9
 - Common Regulatory Approaches.....9
 - Potential Future Requirements13
- Sources15

Short Term Rental Affordability Impacts

I. EXECUTIVE SUMMARY

The following is a summary of the key findings and discussion presented in this white paper.

- There are two theoretical mechanisms by which the growth in STR activity can impact housing affordability. Conversion refers to when a unit of housing is converted from long-term housing to the short-term rental pool, reducing the overall long-term inventory. Bid price escalation refers to a market in which STR operation has become the most profitable use for a property and can bid higher for for-sale properties.
- Studies attempting to measure STR impacts on affordability are limited but do find that STR activity increases rents and home prices to some extent. The STR impact is just one, usually minority, component of all of the factors that contribute to price growth.
- The identified impacts of STRs are not evenly distributed, with popular towns and/or individual neighborhoods with the greatest density of STRs experiencing the greatest impacts on affordability.
- Hillsboro currently has an estimated 173 active listings, of which 74% are listings for whole homes, and 26% for sharing rentals.
- The roughly 175 active listings represent roughly 0.8% of Hillsboro's rental housing stock, and 0.4% of the total housing stock. This is a lower share than other comparison cities in the Metro area.
- A prior STR white paper prepared by the City of Hillsboro estimated 168 unique listings as of Spring 2019. The current estimated 173 listings represents growth of just 3% in the number of listings since 2019.
- Applying assumptions from one academic study, this analysis estimates that STR activity has contributed to less than 1% of rental growth and home price growth since 2019.
- Other broader market factors such as low interest rates following the 2008/9 financial crisis, population growth and COVID migration, low housing production and low sale inventory, are responsible for the vast majority of the observed increase in that time.
- At the recent estimated rate of growth, it is unlikely that STRs are contributing significantly to the increase in rents and home prices in Hillsboro.
- Many Oregon communities now regulate STRs. The issue is most acute in some Coastal and resort communities, and many of these have led the way in regulating STRs. Common approaches are discussed in the final section of this paper. Most Metro area communities have fewer regulations on STRs than resort communities, but there are some regional examples as discussed in this paper.

II. IMPACTS ON AFFORDABILITY OF HOUSING

HOW DO STRs IMPACT HOUSING AFFORDABILITY?

There are two main mechanisms in which the proliferation of STRs can theoretically impact the cost of housing for long-term renters and home buyers (Lee, 2016)¹. The first and most commonly understood mechanism is “conversion” of an available local housing unit in the community from a full-time rental or homeownership opportunity to a dedicated STR.

- 1) Conversion:** When a housing unit is converted to an STR, it can remove a unit from the rental or ownership pool available to full-time residents of the community. (This applies to STRs in which the whole home is rented, and it is not the primary residence of the property owner. When a host resides on site or rents their primary residence while away temporarily, it does not remove a unit of housing from the long-term supply.)

The conversion of what was previously a unit occupied full-time reduces the local housing supply. If we assume demand remains unchanged, the expected result would be an increase in price for the remaining, scarcer units. Newly built housing units may also be purchased by investors for STR conversion, meaning that these units never join the full-time housing market.

Conversion should have a greater impact on long-term rental housing. Much long-term rental housing is already owned by investors who seek to generate income from rentals. If the prospective income from operating an STR is greater than the estimated monthly return from a long-term tenant, the owner may be incentivized to convert an existing rental unit. Other considerations might be weighed into this decision such as predictability and trust in long-term tenants, personal relationships, and ease of compliance with STR rules vs. landlord/tenant laws.

The impact of a single conversion in a sizable city is infinitesimal, but the cumulative impact in a strong STR market (such as a resort town) could be increasingly large. The impact of conversion should be greater in markets with constraints on readily adding new supply to meet demand which applies to most communities in the Metro area.

- 2) Bid Price Escalation:** The second market mechanism through which the proliferation of STRs can impact housing affordability is perhaps less widely understood but can be more pernicious in popular STR markets. Put simply, when operating an STR provides a high enough return to an investor in comparison to a full-time, year-round rental, or as a home-owning opportunity, the investor may be willing to pay more than a full-time resident would pay (in the absence of an STR market). In other words, the property becomes more valuable as an STR business, than as a full-time home.

¹ See source list at end of this memo.

Short Term Rental Affordability Impacts

In this scenario, full-time residents looking to buy a home are bidding against what is in effect a business enterprise, using a different set of financial calculations. The highest bid is not necessarily based on fundamentals from the pre-STR era, such as local income levels, population growth, and size of the buyer pool. Home buyers must ultimately pay the going price for housing, and therefore if STR investors are willing to bid higher for housing units, buyers must meet the higher price.

Similarly, investors looking to purchase a property to rent to long-term tenants may find themselves outbid by STR investors. The long-term landlord must bid higher to buy the property, which will likely translate into higher rents for the eventual long-term tenant.

In this way, price competition with what is essentially a commercial use may raise overall market pricing for both rentals and ownership housing. This impact would not be expected to be evenly distributed across a city's housing market. Certain neighborhoods with high amenities for visitors, or in key locations such as near a large employer, would be expected to be stronger locations for operating an STR, and market impacts will be higher in these areas, as discussed more below.

STUDIES OF STR IMPACTS ON HOUSING AFFORDABILITY

There are a limited number of studies that try to quantify the impact of STRs on housing affordability. Most of these studies were completed since 2016 and agree on basic findings. (See detailed source list at the end of this paper).

- The presence and growth of STRs in a housing market does have an impact on rents and home prices, contributing to the escalation of both at a modest rate. One study estimated that “a 1% increase in Airbnb listings leads to a 0.018% increase in rents and a 0.026% increase in house prices” and estimated that this effect accounted for roughly one-fifth of rent growth and one-seventh of house price growth in their area of study (Barron et al., 2020; see also Horn et al., 2017).
- Multiple studies confirm that the assumed conversion effect is real, with STRs at least partially cannibalizing the long-term rental supply (Li et al., 2021; see also Barron et. al., 2020).
- The identified impacts of STRs are not evenly distributed, with popular towns and/or individual neighborhoods with the greatest density of STRs experiencing the greatest impacts on affordability. Cities where Airbnb is more popular experience greater price increases and larger rental supply reductions. One study found that affordability impacts were stronger in zip codes with a lower ownership rate “consistent with non-owner-occupiers being more likely to reallocate their homes from the long- to short-term rental market” (Barron et al., 2020).
- “Professional” STR operators, or those who own more than one STR in a given community compete directly with single-property STRs. These professionals typically make up a small share of all hosts, but nonetheless may operate half or more of the STRs in a given destination (Horn et al., 2017). A study of several cities (including Portland) that have attempted to limit the number

Short Term Rental Affordability Impacts

of STRs that a host can operate in the city found that this policy can mitigate the impact on affordability for both long-term renters and home buyers in the area (Chen et al., 2019).

STR STATISTICS IN HILLSBORO AND COMPARISON MARKETS

This analysis relied on data from AirDNA to provide estimates of STR listings, pricing, and occupancy in Hillsboro and a sample of comparison markets in the Metro area, and in resort communities for contrast.

Statistics are presented in Figure 1 on the following page. Data are subject to regular fluctuation, so should be taken as rough estimates.

- Hillsboro currently has an estimated 173 active listings, of which 74% are listings for whole homes, and 26% for room sharing rentals.
- The roughly 175 active listings represent an estimated 0.8% of Hillsboro’s rental housing stock, and 0.4% of the total housing stock.
- The roughly 128 whole house listings represent roughly 0.6% of Hillsboro’s rental stock, and 0.3% of the total.
- STRs represent a smaller share of the local rental stock than in other Metro cities, where STRs make up an estimated 1.2% to 2.2% of the rental stock.
- A prior STR white paper prepared by the City of Hillsboro estimated 168 unique listings as of Spring 2019. The current estimated 173 listings represents growth of 3% in the number of listings since 2019.
- Mapping provided by Host Compliance and AirDNA indicate that listings are dispersed over much of the city with some greater concentration in the Orenco Station, Amberglen, and downtown areas.
- At 74% the share of “whole home” rentals in Hillsboro is lower than those found in the other Metro cities.
- In contrast, examples of the types of Oregon “resort towns” feature much higher numbers of STRs as a share of the total rental pool, from 14% in Hood River to 150% in Sisters/Black Butte. (In other words, there are more STR listings than actual long term rental units available in the area.) STRs in the resort communities are more likely to be whole home rentals and can charge a higher daily average rate.
- In contrast to resort communities, STR activity in Hillsboro appears to be more limited, and may be more associated with business stays or family visits than pure vacation activity.

Short Term Rental Affordability Impacts

FIGURE 1: SHORT TERM RENTAL STATISTICS, HILLSBORO AND COMPARISON MARKETS (2023)

CITY	Active STR Listings	Whole Home Listings	Whole Home %	Total Renter HH	STR as % of Rentals	Total Hsg. Units	STR as % of Total	Total Vacancy	Avg. Daily Rate (& fees)	Occ. Rate (last 12 mo.)
<u>Metro Communities</u>										
Hillsboro ¹	173	128	74%	20,900	0.8%	43,000	0.4%	4.8%	\$156	69%
Beaverton	340	255	75%	20,413	1.7%	41,900	0.8%	5.1%	\$180	71%
Tigard	99	81	82%	8,363	1.2%	22,850	0.4%	4.5%	\$145	76%
Portland	2,943	2,413	82%	133,600	2.2%	303,500	1.0%	6.6%	\$146	76%
Vancouver, WA	537	435	81%	40,300	1.3%	86,000	0.6%	4.8%	\$175	68%
<u>Resort Communities</u>										
Cannon Beach	202	180	89%	400	50.5%	2,500	8.1%	69.8%	\$301	89%
Seaside	924	841	91%	2,000	46.2%	5,100	18.1%	33.3%	\$287	67%
Hood River	236	201	85%	1,693	13.9%	3,921	6.0%	12.5%	\$341	61%
Sisters (& Black Butte)	448	421	94%	300	149.3%	1,700	26.4%	19.2%	\$327	57%
Bend (and Sunriver area)	3,900	3,705	95%	15,500	25.2%	43,600	8.9%	7.8%	\$254	60%

Source: Host Compliance, AirDNA, US Census

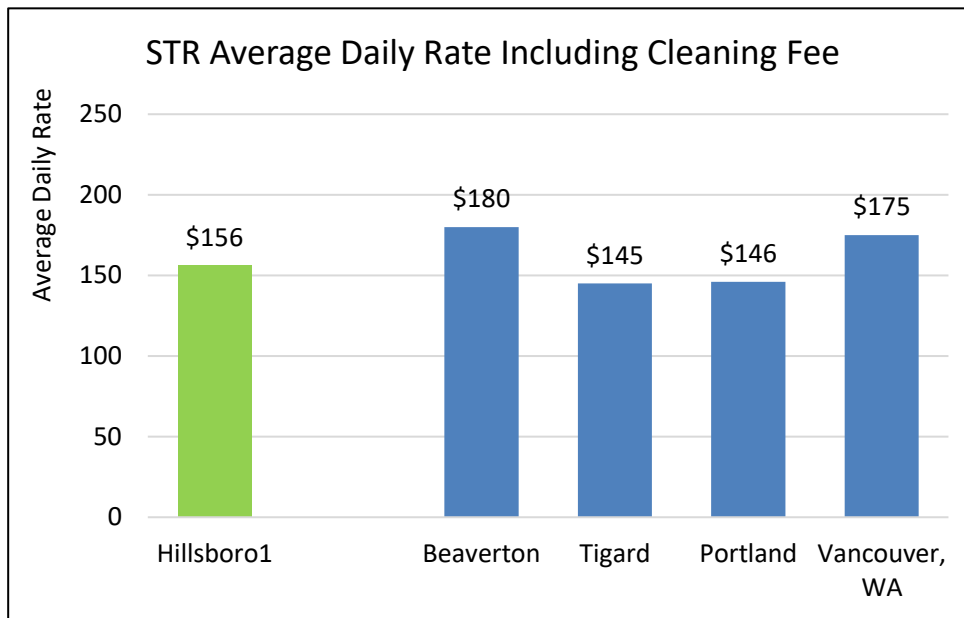
¹The estimated total number of listings in Hillsboro, share of whole home rentals, and median nightly rate comes from data prepared by Host Compliance for the City in April of 2023. Estimates of the number of households and renters comes from the US Census. All other data comes from AirDNA which provides similar data via their website for the other jurisdictions.

* AirDNA presents data by zipcode that approximate City boundaries. This analysis attempted to narrow down STR listing counts to the city boundaries for cities in the Metro area to the extent possible. Estimates for external resort community markets were not reduced to city boundaries.

Short Term Rental Affordability Impacts

- Hillsboro features the a comparable average daily rental rate to Portland and Tigard, and somewhat lower rate than Beaverton or Vancouver (Figure 2).
- The median monthly revenue in Hillsboro is \$2,300, but this is before deductions for cleaning and other expenses for high-turnover units. Nevertheless, this amount of revenue is higher than the average monthly rent levels for even large rental units in Hillsboro, which may create a potential incentive to convert units from long-term to short-term rental.

FIGURE 2: SHORT TERM RENTAL AVERAGE DAILY RATE, HILLSBORO AND METRO COMPARISONS (2023)



Source: Host Compliance and AirDNA

QUANTIFYING STR IMPACTS IN HILLSBORO

The studies reviewed for this analysis provided some estimates of quantified impacts of STR activity on housing affordability. The most direct study used hedonic analysis to estimate that “a 1% increase in Airbnb listings leads to a 0.018% increase in rents and a 0.026% increase in house prices” (Barron et al., 2020). For this analysis, this metric was applied to Hillsboro to give a possible indicator of the order-of-magnitude impact of local STR growth.

While these growth factors may seem small, in periods of strong growth in the STR market, they may amount to significant cost increases to residents. For instance, the City’s 2019 white paper provided a snapshot of data from Home Compliance that estimated that listings grew by 70% between 2017 and 2018.

Short Term Rental Affordability Impacts

Additional data on listings from that white paper (2019), and this analysis (2023) indicates that the growth in listings has moderated since that time. The number of listings is estimated to have grown just 3% in that time (from 168 to 173).

Figure 3 summarizes the estimated impact in Hillsboro applying the factors found in the study to the growth in listings between 2019 and 2023.

FIGURE 3: ESTIMATED IMPACT OF GROWTH IN STR LISTINGS ON AFFORDABILITY IN HILLSBORO (2019 – 2023)

	2019	2023	Growth ('19-'23)		STR Listing Growth ('19-'23)	Price Growth per 1%	Est. Growth Attributed to STR	% of Total Growth ('19-'23)
Avg. Monthly Rent:	\$1,400	\$2,000	\$600	43%	3.0%	0.018%	\$0.76	0.1%
Med. Sale Price:	\$395,000	\$535,000	\$140,000	35%	3.0%	0.026%	\$308	0.2%

Source: AirDNA, Multifamily NW, RMLS, Johnson Economics, Barron et al., 2020.

- In this time period, the average rent in Hillsboro is estimated to have grown by roughly \$600 or 43%.
- The median home sale price rose by \$140,000 or 35%.
- Applying the assumption derived from the Barron hedonic study of the amount of price growth attributable to STR activity, the increase in monthly rent over this time was \$1/month or \$12/year. This is well under 1% of the total estimated increase in average monthly rent over that time (\$600).
- Home prices show a similar effect, with STR activity accounting for an additional \$310 in price over this period, or just 0.2% of the total growth in median sale price of \$140,000.
- The results of using this methodology indicate that in Hillsboro STR growth has played a minor role in rent and price increases in recent years, accounting for 1% to 1.5% of the increase. The relatively modest number of listings in Hillsboro relative to the total housing stock is likely one factor that mitigates the impact on citywide affordability.
- Other broader market factors such as a long period of low interest rates following the 2008/9 financial crisis, population growth and COVID migration, low housing production and low sale inventory, are responsible for the vast majority of the observed increase in that time.

This methodology applies the results of one study and should be taken as a rough guide to STR impacts. It indicates that STR activity in Hillsboro likely has a modest but real impact on housing cost increases for renters and buyers. The level of impact from conversion and bid price escalation are likely muted due to

Short Term Rental Affordability Impacts

the low number of STR listings relative to the total housing supply. If STR activity continues to grow, it can be expected to account for a growing share of overall rent and price increases.

III. SHORT TERM RENTAL REGULATIONS

Many communities in Oregon have implemented local regulations for STRs. In many cases, these communities are heavily dependent on tourism and are located on the Oregon coast, or in other recreation-dependent areas of the state. These resort communities differ from Hillsboro in the extent of tourism and short-term rental use. Many have found the need to address STRs through regulation more pressing as this activity impacts the local housing market and livability for residents.

As a result, we also have included information in the memo from a previous, broader survey of short-term rental regulation in communities throughout Oregon and other states. We also have included information about how several closer potential peer communities to Hillsboro address STRs (Tigard, Beaverton, Portland, and Vancouver, WA). Most of these communities feature less proactive regulation in comparison to resort communities.

For those communities that do regulate, common approaches include limitations on the number and location of STRs and, once approved, policies for their operation. Licensing and operational requirements are typically found in municipal codes; land use permit requirements are in local development codes or zoning ordinances.

COMMON REGULATORY APPROACHES

In a Short Term Rentals White Paper prepared by City of Hillsboro staff, the City notes efforts by the City of Portland and other jurisdictions to regulate STRs. Based on that survey of 37 cities, City staff found that eight (8) of those communities prohibit STRs, 11 allow them but do not regulate them, and 18 regulate them in some way. The memo summarizes information gathered from those 18 communities and their approaches to regulating STRs. Some of that information has been integrated into this memo but more detailed information about the cities surveyed by City of Hillsboro staff can be found in that memo.

Table 1 provides a summary of regulations from the case studies conducted by MIG; Attachment A provides additional information on each jurisdiction's requirements. The case studies are intended to be informative and illustrate the common short-term rental regulations in those communities. Also informing this work is academic research from University of Oregon (UO), which provided additional context for existing practices and STR recommendations for Oregon jurisdictions.²

² DiNatale et al., "Short-term rentals in small cities in Oregon: Impacts and regulations", 2018. <https://www.eugene-or.gov/DocumentCenter/View/52935/UO-STR-Research-project-summary> and "Assessing and Responding to Short-Term Rentals in Oregon," 2017, https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/22520/DiNatale_final_project_2017.pdf?sequence=3&isAllowed=y

Short Term Rental Affordability Impacts

From this research, common regulations for STRs include, but are not limited to:

- **Adopt an official definition of “short-term rental.”** Some jurisdictions adopt an official definition of the use that is distinct from longer-term residential leases. Some jurisdictions have a subset of definitions under the short-term rental umbrella. For example, Newport’s definition includes has three different types of STRs: home shares (owner rents a room in the dwelling unit where they reside), bed & breakfast establishments (owner or manager lives on the premises), and vacation rental dwellings (entire unit is rented). City staff also recommended establishing a definition for STRs in their white paper.
- **Limit STRs to certain zones or geographies.** Some jurisdictions use local zoning to place geographical limits on where STRs can be permitted. Commonly, STRs are permitted differently in residential zones in comparison to commercial or mixed-use zones. Some jurisdictions, such as Newport and Lincoln City, prohibit STRs in the lowest density zones and/or certain planned developments; others consider STRs as commercial uses that are permitted only conditionally in residential zones. The cities of Tigard, OR and Vancouver, WA prohibit short-term rentals (or any commercial lodging) in all residential zones.
- **Limit the number permitted.** Jurisdictions have chosen to limit the number of STRs permitted, either city-wide or in certain areas. For example, both Lincoln City and Gerhart have a cap on the number of STRs licensed in their cities. Other jurisdictions limit STRs through saturation rates. Saturation rates prohibit STR within a certain distance of other existing STRs (used in Bandon), or are based on an established percentage of lots in a zone that can be STRs (the Lincoln City approach). The UO Study suggests creating restrictions on STRs if they account for more than 4% of the housing stock in a jurisdiction. No identified Metro-area jurisdictions explicitly limit the number of STR units permitted.
- **Identify an appropriate land use permitting process.** If STRs are limited through the land use permitting and regulation process, the City will need to determine what process is used. The City identified the following three options in its white paper. Choosing a preferred option will depend on a variety of factors, including the level of public notice desired, the extent of staff time and capacity available for review of STR applications, and whether the City wants to create and implement a tiered approach to regulating STRs, among other factors.
 - Develop a Type II process for permitting STRs: the Type II process requires mailed notice and opportunity for appeal. The initial decision is made by staff and the appeal is heard by the PZHB. The Development Review fees are generally much less than the fees for a Conditional Use permit because they are based on project valuation (\$315 for a project valued up to \$5,000), but the process can be lengthy due to required noticing and potential appeals.
 - Develop a Type I (Administrative) process for permitting STRs; this would be similar to a Home Occupation permit, which is usually issued over-the-counter if clear and objective standards are

Short Term Rental Affordability Impacts

shown to be met.

- Develop a hybrid process for STRs, with private short-term room rentals STRs processed as a Type I permit and entire home rental STRs processed as a Type II permit.
- **Establish operational standards.** Operational standards set expectations for how the activity should be conducted and properly maintained and can mitigate livability and nuisance concerns regarding STRs. Case study jurisdictions reviewed by MIG and those reviewed by City staff have a variety of regulations related to operations including:
 - Maximum occupancy requirements
 - Parking requirements
 - Landscaping requirements
 - Waste collection requirements
 - Requiring an owner or contact to be local
 - Signage requirement for dwelling/unit number
 - Life/safety inspections to ensure safety requirements such as fire alarms, railings, pool safety, etc. is met
 - Quiet hours
 - Displaying tsunami evacuation information

A UO study recommends creating provisions that revoke STR license or permits for properties that receive more than 5 nuisance complaints in a year. Newport has policies that revokes the permit after 3 complaints.

- **Require licensing.** Most jurisdictions that regulate STRs require that a license be obtained in order to legally operate an STR. This is also the case with most of the jurisdictions surveyed by City staff. The licensing programs are used to periodically check and maintain the STR licenses; many have annual renewal requirements. Licensing requirements ensure regulatory consistency within a jurisdiction and provide an opportunity to educate STR owners about operations requirements. In Lincoln City, the license is the second step of permitting a STR after land use approval.
- **Collect taxes (Transient Room Tax) and assess penalty fees.** It is common for fees to be assessed to help fund administration and enforcement of the local STR program. A 2017 study found that the average fee in participating Oregon jurisdictions was \$498 (see Figure 4). The City of Vancouver collects a 4% lodging tax, including from short-term rentals. In addition, eight of the communities surveyed by City staff codify payment of the Transient Lodging Tax (TLT).

Short Term Rental Affordability Impacts

FIGURE 4: FREQUENCY FOR FEE AND TAX RATES

Fee Rate Frequency		Tax Rate Frequency	
Mean	\$ 498	Mean	7.4%
Median	\$ 358	Median	7.5%
Standard Deviation	\$ 554	Standard Deviation	2.3%
Range	\$ 2,150	Range	8.6%
Min	\$ 50	Min	1.8%
Max	\$ 2,200	Max	10.4%

Source: Responding to Short-Term Rentals in Oregon Survey, y-Q20 and y- Q21, 2017.

Other Notable Regulations

The following STR requirements from a range of Oregon cities may be useful to consider for application in Hillsboro.

- Tigard: The City does not allow any commercial lodging, including STRs in any residential zone. They do allow for commercial lodging in most commercial zones. Beyond those requirements, the City does not have any program for licensing, tracking, or regulating STRs.
- Beaverton: The City does not have any program for licensing, tracking, or regulating STRs. The City noted STR regulation as a potential issue to address in its current Housing Production Strategy Report. Similar to Hillsboro, the recommended evaluation process includes assessing the nature and scope of STRs’ impacts on long-term rental housing affordability and supply, and then evaluating different approaches to regulating STRs, if needed.
- Vancouver, WA: Similar to Tigard, the City does not allow any commercial lodging, including STRs in any residential zone. The City also charges a four percent (4%) lodging tax on STRs. Beyond those requirements, the City does not have any program for licensing, tracking, or regulating STRs.
- Portland: The City of Portland requires registration and licensing of STRs. They require that the individual or family renting the STR live on the property for at least 270 days of the year. The City only allows rental for less than 30 days during a year. For multi-dwelling structures, only one unit may be used as an STR or 25% of the units, whichever is greater.
- McMinnville: Has a saturation rate regulation based on proximity; STRs are not allowed on properties within 200 feet of another (existing) STR.
- Eugene: Requires all STRs to register annually with the City. A Transient Room Tax of 4.5% applies to all STRs.
- Yachats: As of 2020, the City has a lottery system for new STR permits, with a process for being included on a waitlist.
- Coos Bay: New STR regulations in Coos Bay were adopted in January 2022. Key features include a

Short Term Rental Affordability Impacts

300’ distance requirement between STR locations (STRs where owner/operator does not live on the site). An STR Permit requires notification to neighbors within 300 feet of the proposed site and must include contact information for STR’s owner/operator.³

POTENTIAL FUTURE REQUIREMENTS

Regulations described in this memorandum are intended to provide context and “real world” examples from other Oregon jurisdictions that regulate STRs. This work does not suggest a recommended approach for Hillsboro, but rather is provided to inform community discussion.

Community leaders and interested citizens will need to take the next steps to identify which measures are appropriate for Hillsboro, given the desired balance between permitting STRs and mitigating potential negative neighborhood or community impacts. The community will need to identify those issues that are of greatest concern, then choose appropriate measures to address those concerns.

In determining appropriate requirements and establishing a program for STRs, the community may wish to consider the following.

FIGURE 5: POLICY QUESTIONS TO GUIDE COMMUNITY CONVERSATIONS

Potential Actions	Additional Considerations
<p>Limiting the Number of STRs. <i>Does the City want to set a limit on number of STRs permitted in Hillsboro? What are the implications (positive and negative) of implementing a limit?</i></p>	<ul style="list-style-type: none"> • Is the limitation a city-wide limitation or focused on specific area(s)? • What is the maximum number of STRs permitted at one time? What will this number be based on? • Of the maximum number, how many are permitted at the outset of the program? Are existing STRs grandfathered into the program? • After the start of the program, how do new permits become available and accessed (e.g., waitlist and/or lottery system)?
<p>Limiting on location of STRs. <i>Should STRs be permitted throughout the City or limited to specific zones?</i></p>	<ul style="list-style-type: none"> • Should STRs be allowed outright, or conditionally through a land use permitting process? • What land use approval process should STRs be subject to if any?
<p>Regulating operations. <i>Should the City adopt operational regulations (e.g., occupancy limits, parking minimums, quiet hours) for STRs to reduce potential neighborhood impacts/nuisance complaints?</i></p>	<ul style="list-style-type: none"> • Does the City wish to establish regulations for the following? <ul style="list-style-type: none"> • Maximum occupancy limits • Minimum parking • Minimum landscaping • Waste collection requirements • Dwelling/unit number display size

³ Source: <http://coosbay.org/archive/news-entry/council-adopts-short-term-vacation-rental-and-homestay-regulations>

Short Term Rental Affordability Impacts

Potential Actions	Additional Considerations
<p><i>What are the most common nuisance issues that currently exist with STRs in Hillsboro?</i></p>	<ul style="list-style-type: none"> • Life and safety inspections (e.g., proper fire alarms, railings to code) • Display/sharing tsunami evacuation information • Quiet hours • Should the City establish a way to revoke STR licenses or permits when there are too many complaints related to operational standards? How many is too many? • Should a local contact who can handle immediate concerns be required for each STR? What is the role of the local contact at the time of complaint? Do neighboring properties receive the local contact’s information? If so, how is that information shared, through a mailed notice or STR inventory on City’s website?

As the questions above are explored, and before deciding on all of the programmatic, operational, and code requirements related to STRs, the City may benefit from discussing specific implementation items with staff and leaders from other jurisdictions. A next step could include contacting other jurisdictions to discuss “on the ground” knowledge and local implementation challenges related to STR regulations, permits, and licensing programs.

Short Term Rental Affordability Impacts

SOURCES

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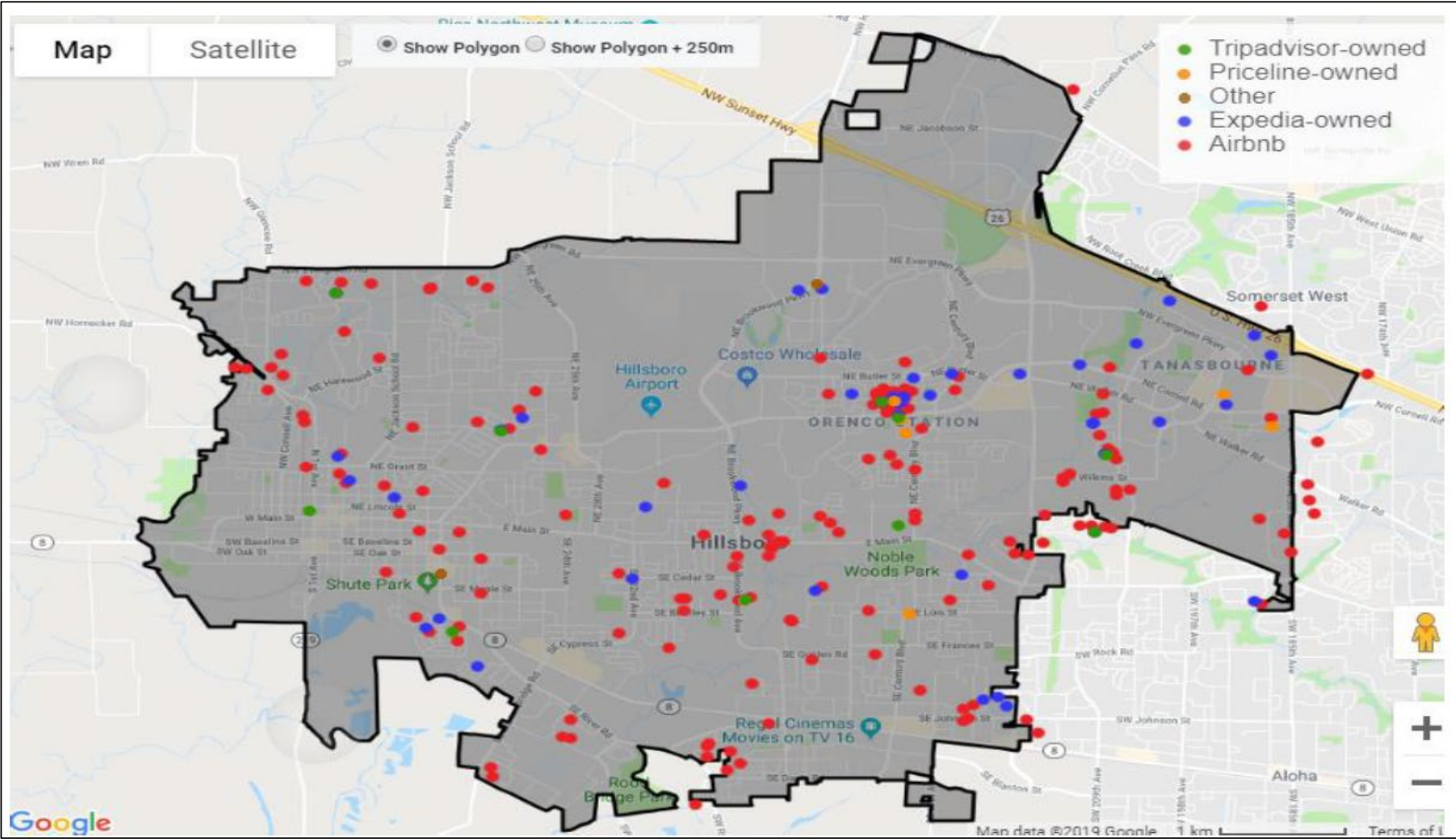
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STRs Identified by Host Compliance – April 2019*

Exhibit D



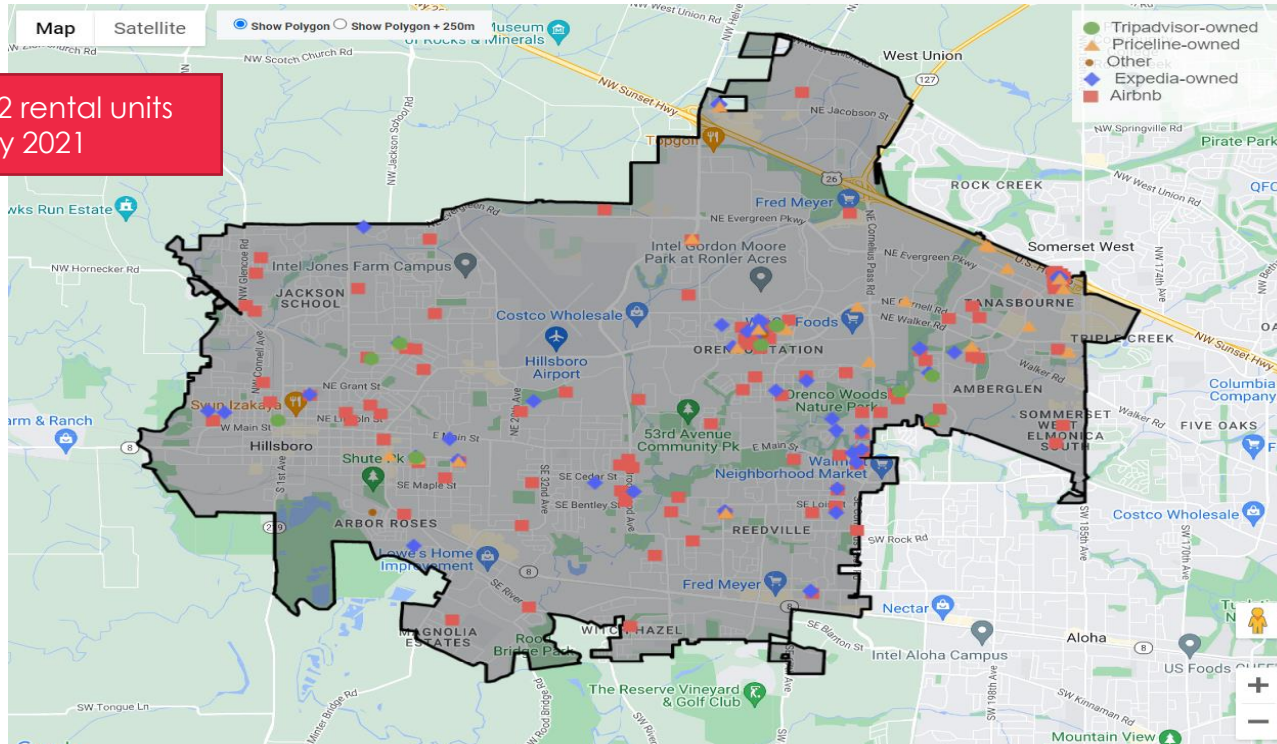
Attachment D

*For privacy reasons, the dots on this map are generalized and do not identify an exact address.

...and in Hillsboro we have identified 259 listings, representing 173 unique rental units*

Short-term rentals in Hillsboro as of April 2023

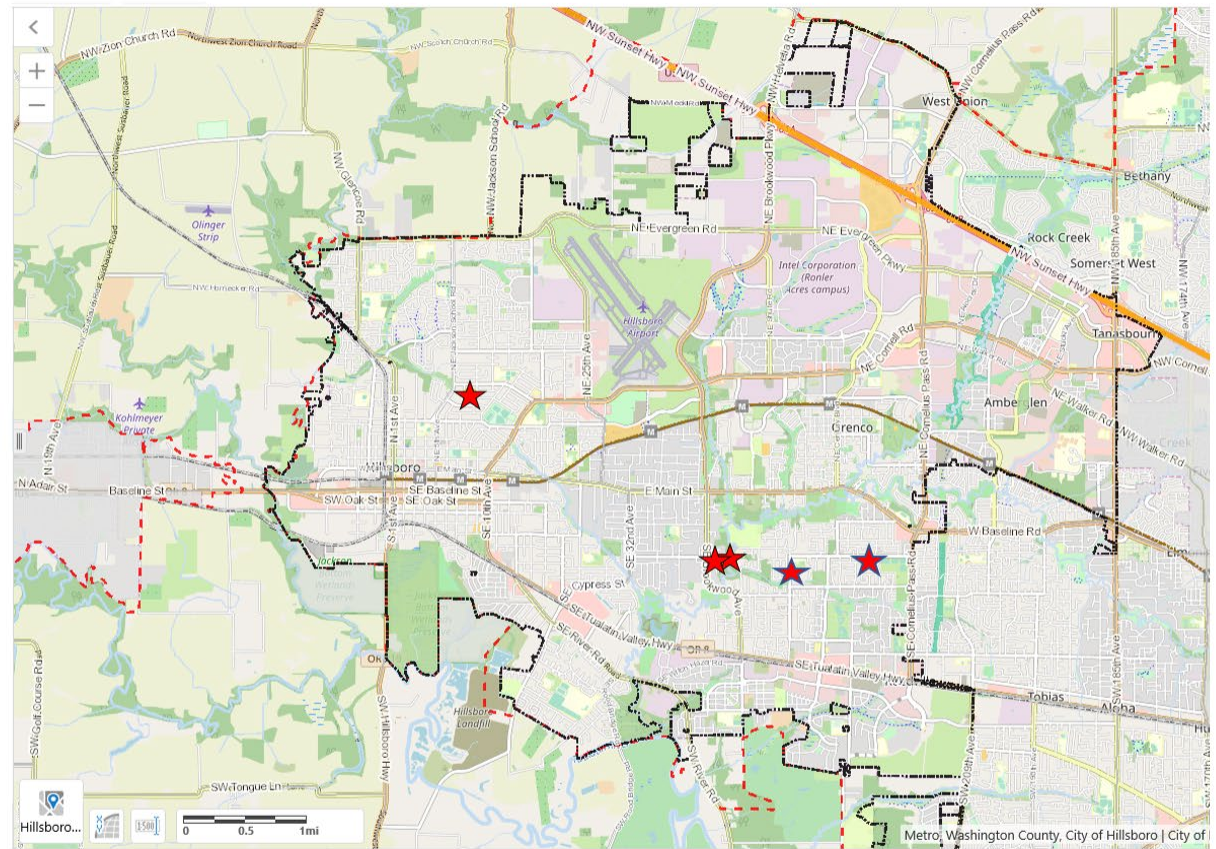
Up from 122 rental units in July 2021



* Granicus Host Compliance's pricing is based on the count of listings and rental units that would need to be analyzed and monitored for compliance. In terms of listings, this number is 282 as we will expand our search area by several hundred yards beyond the borders of Hillsboro to capture all relevant listings. Source: Granicus Host Compliance Proprietary Data

Permitted STRs (April 2023)

★ Permitted (Legal) STRs



*For privacy reasons, the dots on this map are generalized and do not identify an exact address.



October 16, 2023

Mayor Steve Callaway
Council President Anthony Martin
Councilor Olivia Alcaire
Councilor Rick Van Beveren
Councilor Beach Pace
Councilor Gina Sanchez Roletto
Councilor Kipperlyn Sinclair

Dear Mayor Callaway, Council President Martin, Councilors, and Staff,

I am writing on behalf of the Portland Metropolitan Association of Realtors® (PMAR) to express our views and concerns regarding the upcoming discussion surrounding Short-Term Rentals (STR) in Hillsboro. We are deeply invested in the real estate community in this region and have a genuine interest in the outcome of this important issue.

PMAR has reviewed the proposed requirements related to STR registration and would like to begin by stating our strong support for the stipulation that only owners can register a Short-Term Rental property. This provision ensures a direct and accountable relationship between property owners and the City, enhancing transparency and the quality of these accommodations while also protecting the rights of the owner to decide how their property is used.

Additionally, we are supportive of the idea of having two levels of permits for STRs, with less restrictions for those where the owner resides on-site. This approach recognizes the differences between various types of STR operations and provides a more nuanced regulatory framework.

However, we must express our opposition to the proposed limitation on owners to own only one full-dwelling Short-Term Rental property within Hillsboro city limits. While we appreciate the need for some level of regulation, we firmly believe that this particular restriction is unwarranted. According to data from a Hillsboro staff report dated September 5, 2023, the number of STRs in Hillsboro has increased by only five listings from 168 to 173 since 2019 without this specific regulation. This data suggests that the current situation does not require such a stringent constraint on property owners. We believe in protecting the rights of property owners and their ability to utilize their private properties as they see fit. Unnecessarily restricting the number of STRs an owner can operate may hinder their ability to make the most of their investments.

Furthermore, it is essential to consider the administrative aspect of implementing these regulations. Any new regulation requires monitoring, enforcement, and the allocation of staff time and resources. In this case, the proposed limitation on full-dwelling STRs does not seem justified, and implementing and monitoring it will impose additional costs and bureaucracy on the city. This is especially concerning when the current situation does not demonstrate a significant problem that necessitates this level of intervention.

We urge the Hillsboro City Council to remove the proposed limitation on the number of full-dwelling STRs an owner can operate before moving forward with the proposed Short-Term Rental regulations.

Thank you for your time and attention to this important issue.



Michele Gila
Director of Realtor® Advocacy