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**RESOLUTION NO. 2015-04**

**A RESOLUTION APPROVING EXPLANATORY STATEMENTS  
FOR REFERENDUM PETITION COLC-REF 2014-01 (ORDINANCE 2014-23)  
AND REFERENDUM PETITION COLC-REF 2014-02 (ORDINANCE 2014-22)**

WHEREAS, the City of Lincoln City received two referendum petitions to refer Ordinances 2014-22 (VRD land use) and 2014-23 (VRD license) to the voters; and

WHEREAS, the referendum petitions were approved for circulation, and sufficient signatures were collected and verified by the County Elections official; and

WHEREAS, pursuant to Oregon Revised Statutes 250.275, the City Attorney prepared and certified Ballot Titles to the City Elections officer for both petitions, including a Caption, Question and Summary; and

WHEREAS, pursuant to Lincoln City Municipal Code 1.24.050, the City Council is required to submit to the County Elections Official for inclusion in the voter's pamphlet, an impartial, simple and understandable Explanatory Statement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LINCOLN CITY, AS FOLLOWS:

Section 1. The Explanatory Statement for Ordinance 2014-22 [COLC-REF-2014-02] attached hereto as Exhibit A is hereby approved for submission to the County Elections officer for inclusion in the Voters Pamphlet.

Section 2. The Explanatory Statement for Ordinance 2014-23 [COLC-REF-2014-01] attached hereto as Exhibit B is hereby approved for submission to the County Elections officer for inclusion in the Voters Pamphlet.

Section 3. The City Elections Officer is hereby authorized and directed to cause copies of this Resolution and attached Explanatory Statements to be submitted to the Lincoln County Elections Officer in a timely manner as required by law, for inclusion on the May 19, 2015 Lincoln County Voters Pamphlet; the Elections Officer is further authorized to perform all other acts which may be required to submit the measures to the voters.

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Section 4. This Resolution shall take effect immediately on adoption.

PASSED AND ADOPTED by the City Council of the City of Lincoln City this 9<sup>th</sup> day of February, 2015.

  
DON WILLIAMS, MAYOR

ATTEST:

  
CATHY STEERE, CITY RECORDER

## Exhibit A.

**Ordinance 2014-22** was enacted by Council on December 8, 2014 and if passed by the voters will be effective July 1, 2015. This Ordinance creates options for new and existing VRDs.

The City Code currently allows VRDs as a permitted use in commercial zones (GC, RC, TVC, OPD-MSH, OPD-IM, OPD-OF, NPD-NBD, NPD-NBMU and the new VR); however, VRDs are only an accessory use in residential zones (R-1, R-M, R-R, and NPD-NCR). This means VRD use in commercial zones is unlimited but in residential zones VRD use must be "incidental and subordinate to the main use" of the property as the owner's vacation home. [See LCMC 17.80.050.B.(2) and LCMC 17.08. 010]

Over the years, some vacation rentals located within residential zones exceeded an amount of rental use that could be considered "accessory use" and therefore exceeded the limits of the code. The City Council worked over an extended period to seek a balance between the competing demands of VRD owners and full time residents in existing neighborhoods.

Council considered and rejected the request from VRD owners to repeal the existing accessory use limitation. Council retained the accessory use limitation in residential zones because proper enforcement achieves valuable comprehensive plan and zoning code goals to protect existing residential neighborhoods. Also, the division of the City into YES and NO zones as proposed by the Consensus Group created "winners" and "losers". The accessory use limitation applies equally to all residential lands. Everyone with residential zoning is permitted some limited VRD use.

At the December 8, 2014 meeting, Council directed the City Manager and City Attorney to enforce the existing Lincoln City Municipal Code concerning accessory use of VRDs in residential zones. However, Council recognized that the lack of strict enforcement of the accessory use limitation may have put some existing VRD owners at risk because they have come to rely upon higher rental levels to pay their mortgages. Options were created in the Ordinances to ease the burden of enforcement on **Existing VRDs**:

- Owners of existing and new VRDs could ask to rezone their property to the new VR zone where VRD use is unlimited.
- Owners of existing VRDs could take the "safe harbor" settlement (limiting use to 180 rental nights) to avoid any enforcement action.
- Owners of existing VRDs could request quasi-judicial determination of vested rights to rent at higher levels.

Ordinance 2014-22 will also give an owner of a home in a residential zone who wishes to apply for a **New VRD** two options:

- They can take advantage of an expedited application process, skip the land use process and go directly to licensing, provided they agree to limit VRD rentals to 30 or fewer nights each year.
- They can apply for a VRD land use approval and license under the existing accessory use provisions and demonstrate that the number of nights sought is incidental and subordinate to the main use as the owner's vacation home.

For more information visit the City's website at [www.lincolncity.org](http://www.lincolncity.org) under Current News.

## Exhibit B

The City Council recently passed several ordinances that pertain to vacation rentals (VRDs) including **Ordinance 2014-23** making amendments to LCMC Chapter 5.14 concerning VRD license standards. Ordinance 2014-23 makes adjustments to the VRD license process to match changes made in City zoning through Ordinances 2014-21 (Creating a new Vacation Rental [VR] zone) & 2014-22 (Options and Alternatives for new and existing VRDs). The ordinance also makes several changes to clarify and reorganize requirements. If the Ordinance is passed by referendum, changes take effect on July 1, 2015. VRD Safety standards adopted in 2014 are already in effect and are not altered by the referendum. For full explanations of the ordinances please examine the Summary, FAQs, Findings of Fact and the full text of the Ordinances posted on the City's website at [www.lincolncity.org](http://www.lincolncity.org) under Current News.

As amended, Ordinance 2014-23 recognizes changes made in land use ordinances 2014-21 and 2014-22. For example:

2014-23 recognizes that there are different types of VRD licenses based on zoning. Under the revised ordinance the City will issue a Commercial VRD License to VRDs located in the following commercial and mixed use zones: GC, RC, TVC, OPD-MSH, OPD-IM, OPD-OF, NPD-NBD, NBD-NBMU and the newly created VR zone. A commercial license has no limitation on the number of nights a VRD may be rented per year. 2014-21 (creating the new VR zone) is not subject to referendum and is currently available for property owners to request (including owners in Roads End).

In Roads End, where city zoning code has not yet been applied, a special license will be issued recognizing zoning has not been applied.

In residential zones (R-1, R-R, R-M, and NPD-NCR zones), the City will issue either an Accessory Use license or a Special License. There are two types of Accessory license: (1) The new Expedited license - where the applicant agrees to limit VRD use to 30 nights per year (and avoids the land use process) or (2) an Accessory License - where the applicant obtains a land use approval authorizing a specific number of VRD rental nights as incidental and subordinate to the owner's own use.

Existing VRDs owners have the option to obtain a Special License with an "Administrative Allowance" settlement. This is a "safe harbor" license where existing owners agree not to rent more than 180 nights per year until transfer of the VRD and in exchange the City will not bring an accessory use enforcement action. Existing VRD owners will also be able to apply for a special license with the option to apply a quasi-judicial vested rights or nonconforming use determination to prove rights to rent more than 180 nights per year. Only VRDs that have signed settlements are immune from land use and municipal court enforcement actions concerning accessory use.

Other important highlights of 2014-23 include increased penalties and minimum penalties for unauthorized/unlicensed vacation rental use (new \$500 minimum). Lesser offenses are identified and assigned penalties. Landscape requirements are reduced. Record keeping is increased.