

CHAPTER 5.06 SHORT-TERM RENTALS

§ 5.06.010. Purpose and scope.

- A. This chapter provides reasonable and necessary licensing regulations for the short-term rental of a residential dwelling unit in order to:
1. Ensure the safety, welfare and convenience of renters, owners and neighboring property owners and the public;
 2. Balance the livability of the city with the rights of property owners to use their property as they choose;
 3. Recognize the need to regulate short-term rentals within neighborhoods to mitigate adverse impacts on the neighborhood, including noise, trash, parking and traffic, while recognizing the benefits of short-term rentals in providing recreation and employment opportunities;
 4. Help maintain the city's housing supply for residential use; and
 5. Protect the character of the city's neighborhoods by limiting the number and concentration of full-time short-term rentals in residential zones.
- B. The city finds that the short-term rental of dwelling units may be incompatible with surrounding residential uses. Therefore, special regulation of short-term rentals is necessary to ensure the activity will be compatible with surrounding residential uses and will not materially alter the neighborhoods in which they are located.
- C. This chapter provides an administrative framework for licensing and operation of a short-term rental. A short-term rental license authorizes the licensee to operate a short-term rental in accordance with this chapter. The city may terminate a operating license if the standards of this chapter are not met during the term of the license.
- D. The regulations of this code are not intended to authorize any activity other than the short-term rental of a residential dwelling unit or the violation of any other law or regulation.
- E. The regulations in this chapter are not land use regulations and do not implement the city's comprehensive land use plan.
- (Ord. 587, 7/16/2024)

§ 5.06.020. Definitions.

"Applicant" means the owner of a residential dwelling unit who applies to the city for a short-term rental license.

"Authorized agent" means a property management company or other person who is designated in writing by the applicant to act on the applicant's behalf. The authorized agent may or may not be the designated representative for purposes of contact for complaints.

"City manager" means the city manager or person designated by the city manager.

"License" means a valid permit issued by the city that allows the owner to operate a property as short-term rental.

"Licensee" means the owner of a property for which the city has issued a short-term rental operating license.

"Owner" means the natural person who owns and holds legal title to the property as shown on the county property tax assessment roll, a trust created by the person for the person's benefit, or a legal entity in which the person is the controlling owner. An "owner" must use the property as the person's primary residence.

"Property" means the lot or parcel that contains the residential dwelling unit that is used as a short-term rental, whether a single-family dwelling, multi-family structure, or accessory dwelling.

"Short-term rental" means a residential dwelling unit that is rented for consideration on less than a month-to-month basis. "Short-term rental" does not include a residential dwelling unit that is rented on a month-to-month basis, or a non-residential property.

"Sleeping area" means a bedroom or other space within the dwelling unit that is designed and intended for sleeping. "Sleeping area" does not include a fold-out couch, cot or other temporary sleeping accommodations, including things such as a tent, recreational vehicle, or yurt.

"Transfer" means the sale, lease, devise, transfer or other conveyance of a possessory interest in the property to a person or entity other than the licensee.
(Ord. 587, 7/16/2024)

§ 5.06.030. Annual license required; transfer prohibited.

- A. A person may not advertise, offer, operate, rent, or otherwise make available or allow another person to make a residential dwelling unit available for occupancy or use a short-term rental without a valid short-term rental license issued by the city. To "advertise" or "offer" includes through any media, whether written, electronic, web-based, digital, mobile or otherwise.
- B. A short-term rental license is personal to the owner and may not be transferred or assigned. If the property is sold or otherwise transferred to a person other than the owner, the license immediately expires and the property may not be used as a short-term rental unless and until the new owner obtains a valid license under this chapter.

(Ord. 587, 7/16/2024)

§ 5.06.040. License application.

- A. An application to operate a property as a short-term rental must be submitted to the city on a form provided by the city. The application must include at least the following information:
 - 1. The owner's name, address and contact information.
 - 2. Information that demonstrates the property is the owner's primary residence, which may include:
 - a. Driver's license;
 - b. Voter registration card;

- c. Federal tax return.
 - 3. Name and contact information for the authorized agent. The authorized agent shall serve as the owner's agent when the owner is out of town or otherwise unavailable.
 - 4. The number of sleeping areas in the property that will be used for short-term rental.
 - 5. The listing numbers or website addresses where the property is advertised as a short-term rental (such as the VRBO/Airbnb/rental website number, account number, URL, etc.).
 - 6. Proof of weekly garbage service.
 - 7. Proof of parking consistent with the requirements of Happy Valley Municipal Code Section 5.06.060(A)(3).
 - 8. A statement that the short-term rental of the property is not prohibited by any applicable conditions, covenants and restrictions ("CC&Rs") or other contractual obligation.
 - 9. Other information as the city may require.
 - B. The application must include a license fee as determined by the city council by resolution.
 - C. If an application does not include all required materials, the application will be considered incomplete and the city will notify the applicant and explain the missing information. If the applicant provides the missing information within 30 calendar days of the date of the notice, the application will be reviewed. If the applicant does not provide the required information, the application will be deemed withdrawn and the city may refund all or a portion of the application fee.
- (Ord. 587, 7/16/2024)

§ 5.06.050. License term and renewal.

The license term shall be July 1st to June 30th, renewable annually upon notice from the city. If a license is allowed to expire, the property may not be used as a short-term rental until a new license is issued.

(Ord. 587, 7/16/2024)

§ 5.06.060. Operating standards; restrictions; transient lodging tax.

A. Operating standards:

- 1. At all times, the owner must ensure that the property complies with all fire and life safety standards (fire extinguishers, smoke alarms, carbon monoxide detectors, safety egress, etc.) that apply to residential structures.
- 2. The property must be served by weekly garbage collection service.
- 3. The property must have not less than one off-street parking space for each sleeping area.
- 4. The maximum occupancy is two persons per sleeping area, plus two people. People less than two years old are not counted.

5. The property shall comply with the nuisance requirements in HVMC Chapter 8.08 and Chapter 9.07, including the noise standards in HVMC Section 8.08.310.
- B. A property may not be advertised or used as a short-term rental unless the owner has a current, valid business license issued by the city under HVMC Chapter 5.04.
- C. The owner shall maintain current contact information for both the owner and the owner's authorized representative with city public safety staff. The property shall include a sign that clearly displays the owner's name and a working phone number, or the name and phone number of the authorized representative. The sign must be a minimum size of 12"x12" and not more than 18"x18", and must be visually accessible by the public from the street. Visually accessible means information in a format and size that shall be readable by a person standing in the public area viewing the sign on the property.
- D. A property may not be used for events where the anticipated attendance is more than five people in addition to the occupancy limit. Examples of prohibited events include, but are not limited to, weddings, rehearsal dinners, conferences or corporate retreats, and receptions.
- E. Transient Lodging Tax. The applicant for a short-term rental license shall declare that the owner will comply with HVMC Chapter 3.30 (Transient Lodging Tax). If the application for a license does not include the declaration, the city will not issue the license. If the city determines that the owner of an existing license is not in compliance with HVMC Chapter 3.30, the license may be suspended or revoked, or may be denied upon renewal, until such time as the noncompliance is resolved to city's satisfaction. Compliance includes, but is not limited to, reporting requirements or a failure to collect or remit the required transient room taxes. The owner must collect and remit to the city the transient lodging tax pursuant to HVMC Chapter 3.30.
- F. The owner shall maintain adequate garbage service at all times. The garbage must fit inside a secure container from the franchised waste disposal service company serving the property. Garbage service must be at a level commensurate with the garbage generated at the dwelling, but not less than weekly when the short-term rental is being rented. The owner shall notify all guests of the garbage service and requirements for the dwelling.

(Ord. 587, 7/16/2024)

§ 5.06.070. Complaint procedure; enforcement.

- A. A person who operates a short-term rental without a license issued under HVMC Section 5.06.030. Violation of this section may result in a fine not to exceed \$500.00 per occurrence. Each day the violation exists is a separate occurrence.
- B. A complaint related to the condition, operation or conduct of occupants of a licensed short-term rental must first be made to the owner or authorized agent using the contact information described in HVMC Section 5.06.060(C).
- C. If the complainant and owner are unable to resolve the complaint, the person may file a complaint with the city public safety department. The public safety department shall investigate the complaint and, if substantiated, shall issue a warning letter to the owner that describes the nature and extent of the violation(s). The city will revoke the license for any

property that incurs three or more warning letters within twelve consecutive months. A property for which the license is revoked may not receive a new license for a period of 18 months from the date of the revocation.

- D. An owner whose license is terminated under this section may appeal the termination to the city manager in writing. The city manager will review the termination based on the evidence that was available to the public safety department when it issued the warning letters. The city manager shall issue a final decision on the appeal within 30 days of the date the appeal is received. The city manager's decision may be appealed to the circuit court in the manner provided in ORS 34.010 to 34.102.
(Ord. 587, 7/16/2024)