



# 2022 Short Term Rental (STR) Code Amendments

## How did we get here?

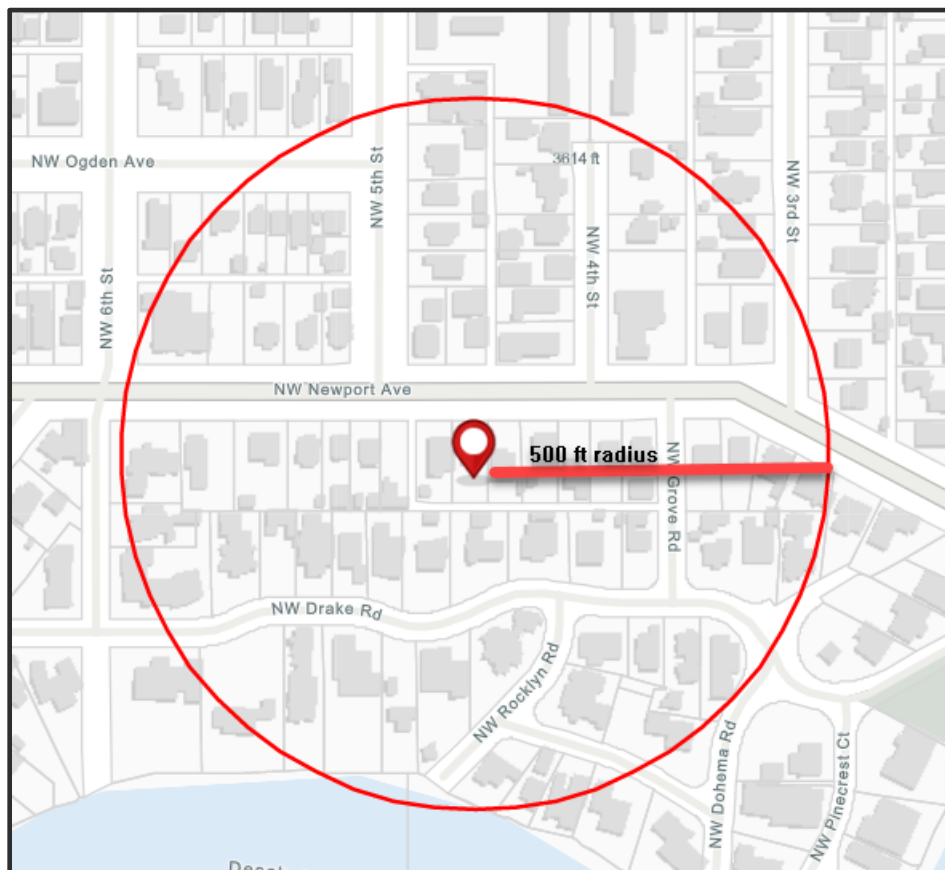
- **December 2021** | The Bend City Council was approached by concerned citizens about the impact of STRs on Bend's housing inventory. Council asked staff to gather qualitative data from STR property owners & provide a general STR program update as it related to housing inventory.
- **March 2022** | Staff presented STR property owner survey results & a general STR program update to Councilors. Council directed staff to come back with information about the following:
  - o Increased Density Buffer Scenarios
  - o Long-term Rental Option & Proof of Use Waiver
  - o Proactive Enforcement Model (currently complaint-driven enforcement model)
  - o Increased Fees for Increased Services (possible addition of a Code Enforcement Officer)
- **May 2022** | Staff presented increased concentration limit/density buffer scenarios as well as information about long-term rental possibilities, more-proactive enforcement and costs for increased enforcement efforts.
  - o City Council directed staff to bring back code amendments to the development and municipal codes for the 500 ft. concentration limit/density buffer and a long-term rental option for STR licensees.
- **Bend Planning Commission** – [www.bendoregon.gov/committees](http://www.bendoregon.gov/committees)
  - o **August 22, 2022** | Staff presented development code amendments at the work session.
  - o **September 12, 2022** | Public hearing for development code amendments.
- **Bend City Council** – [www.bendoregon.gov/council](http://www.bendoregon.gov/council)
  - o **October 5, 2022** | Staff presented the first reading of development and municipal code amendments at this public hearing.
  - o **October 19, 2022** | Second reading of amendments and adoption.
- **November 18, 2022** | Code amendments go into effect this date. Type-II whole-house STR applications received on this day and going forward will be subject to the updated code requirements.



## What are the code amendments?

- **Bend Development Code 3.6.500 | Regulates land use permitting of properties for STR use:**

1. Section E: Increases the concentration limit from its current distance of 250 feet to 500 feet. This means that for Type II whole-house permit applications for properties located in RL, RS, RM, RH, & MR outside of the Old Mill District boundary, there shall be at least 500 feet of separation between properties permitted as whole-house STRs. The 500 feet of separation is measured radially from the property boundary (see diagram below). This separation includes all properties that are wholly or partially within that radius. If one property within 500 feet of the property is an approved whole-house STR, then the property could not be approved as a new Type-II whole-house rental.



2. Section K: Adds a long-term rental exemption to the “Abandonment of Use” portion of the code and points to the municipal code updates in Bend Code Chapter 7.16 that regulates STR licensing.

- **Bend Code Chapter 7.16.070 | Regulates the licensing for properties for STR use:**

1. Section B: Adds a long-term exemption option to the proof of use requirement. This means that if the licensee provides proof of a long-term residential lease of 12 months or greater, drafted in compliance with the Oregon Residential Landlord and Tenant Act, they will not have to prove use of the property as a STR for their license to be renewed. This exemption may be utilized by

licensees for up to three license renewal applications. Licensees must then revert to the proof of use requirement for annual renewal of the operating license.

\*To view the current codes, visit [www.bendoregon.gov/citycodes](http://www.bendoregon.gov/citycodes)

### **Who will be impacted?**

#### **- 500 ft. Concentration Limit:**

- This will be applied to all Type-II whole-house STR permit applications that are received on or after November 18, 2022.
- All properties currently holding a Type-II whole-house STR permit that was applied for after rule changes on April 15, 2015 may be impacted by the new concentration limit upon sale of the property. This means that if a property that has a Type-II permit sells on or after November 18, 2022 and there is at least one other whole-house rental within the new 500 ft. concentration limit, then the new owners of the property would not be eligible to apply for their own Type-II whole-house STR permit. **\*See attached table of existing types of permits/licenses\***

#### **- Long-term Rental Exemption:**

- This will be applied to all STR Operating Licensees and they may begin to take advantage of it when they renew their license on or after November 18, 2022.

### **Anything else to be aware of?**

#### **- 2021 Development Code Changes 3.6.500 A.2. | One STR Dwelling per Property**

- A permit is required for each dwelling unit that is allowed to be a short-term rental even if located on the same legal lot. Applications submitted after November 4, 2021, located in the RL, RS, RM, RH, and MR outside of the Old Mill District boundary that include more than one dwelling unit on a property (e.g., ADUs, duplexes, triplexes, quadplexes, multi-unit, cottages, etc.) can only have one unit permitted as a short-term rental.

#### **- Who was/is impacted by the code amendments from 2021?**

- Properties with multiple STR dwellings on one property that are currently holding a STR permit that was applied for after rule changes on April 15, 2015 may be impacted upon sale of the property. If there is more than one STR on a property and the property sells, the new owner will only be able to apply for one STR permit for one dwelling (per 2021 code amendments) and must also meet the new 500 ft. concentration limit/density buffer, if the home sale occurs on or after November 18, 2022.

#### **- What is the Old Mill District (OMD) Boundary? See next page**

- **Red** shading indicates properties outside of the OMD boundary that are subject to the aforementioned development code changes.





**Table of existing STR permit types that are currently in use as of August 30, 2022**

Permit Type	Vacation Home Rental Type I	Vacation Room Rental Type I	Whole House STR Type II	Infrequent STR Type I	Infrequent + Owner Occupied STR Type I	Owner Occupied Room STR Type I	Permit Exempt Properties
<b>Definitions</b>	Whole house permits applied for prior to 4/15/15 rule changes	Room rental permits applied for prior to 4/15/15 rule changes	Whole house permits applied for post 4/15/15 rule changes	Whole house permits for use of no more than 30 days/yr in no more than 4 rental periods annually. Applied for post 4/15/15 rule changes	Combination of the two uses in one permit. Applied for post 4/15/15 rule changes	Up to two rooms used for rental activity while owner is occupying the residence. Applied for post 4/15/15 rule changes	Mt. Bachelor Village, Courtyards at Broken Top & Deschutes Landing
<b>Points of Interest</b>	<p>Not subject to 500 ft. density buffer</p> <p>Runs with the land – Stays active upon sale of the property to new owners, so long as new owners apply for their own license within 60 days of home sale date.</p> <p>Remits Room Tax</p>	<p>Not subject to 500 ft. density buffer</p> <p>Runs with the land – Stays active upon sale of the property to new owners, so long as new owners apply for their own license within 60 days of home sale date.</p> <p>Remits Room Tax</p>	<p>Subject to 500 ft. density buffer</p> <p>Terminates upon property sale. Sellers/buyers typically use the void/authorize in escrow process.</p> <p>Remits Room Tax</p>	<p>Not subject to 500 ft. density buffer</p> <p>Terminates upon property sale</p> <p>Room Tax Exempt</p>	<p>Not subject to 500 ft. density buffer</p> <p>Terminates upon property sale</p> <p>Remits Room Tax on room rental use only</p>	<p>Not subject to 500 ft. density buffer</p> <p>Terminates upon property sale</p> <p>Remits Room Tax</p>	<p>Not subject to 500 ft. density buffer</p> <p>All licenses terminate upon property sale</p> <p>Remits Room Tax</p>