

#### MEMORANDUM

то:	Deschutes County Board of Commissioners
FROM:	Tanya Saltzman, AICP, Senior Planner
DATE:	February 21, 2024
SUBJECT:	Work Session – RVs as Rental Dwellings

Staff seeks Board of County Commissioners (Board) direction concerning next steps for legislative text amendments to allow recreational vehicles (RVs) as rental dwellings (File No. 247-23-000700-TA), given that the Planning Commission did not recommend approval. Options include holding a public hearing, delaying a public hearing (either to a date certain or indefinitely), or other.

#### I. PROCEDURAL BACKGROUND

Staff submitted a Post-Acknowledgement Plan Amendment (PAPA) notice to the Department of Land Conservation and Development (DLCD) on October 4, 2023. Staff presented information on the proposed amendments at a Planning Commission work session on October 12, 2023.<sup>1</sup> The Planning Commission held an initial public hearing on November 9, 2023,<sup>2</sup> which was continued to December 14, 2023.<sup>3</sup> At that time, the hearing was closed, and the written record was held open until December 28 at 4:00 p.m. The Planning Commission began deliberating on January 11, 2023<sup>4</sup> and elected to continue the discussion to January 23 to form a complete recommendation to forward to the Board.

After deliberating, the Planning Commission voted to **not** recommend adoption by the Board. In addition, the Planning Commission chose to provide recommendations concerning the draft amendments in the event that the Board chooses to move forward with adoption. A summary of the Planning Commission's complete recommendations is included in Attachment 1.

The record, which contains all memoranda, notices, and written testimony received, is available at the following website: <u>www.deschutes.org/rvamendments</u> Attached to this memorandum are the following:

- Planning Commission Process and Recommendation (Attachment 1)
- Proposed Text Amendments and Findings (Attachment 2)
- SB 1013 (Attachment 3)

<sup>&</sup>lt;sup>1</sup> <u>https://www.deschutes.org/bc-pc/page/planning-commission-41</u>

<sup>&</sup>lt;sup>2</sup> <u>https://www.deschutes.org/bc-pc/page/planning-commission-40</u>

<sup>&</sup>lt;sup>3</sup> <u>https://www.deschutes.org/bc-pc/page/planning-commission-43</u>

<sup>&</sup>lt;sup>4</sup> <u>https://www.deschutes.org/bc-pc/page/planning-commission-44</u>

#### II. OVERVIEW OF AMENDMENTS

The Oregon Legislature adopted SB 1013 into law on July 23, 2023; the law became effective January 1, 2024. SB 1013 authorizes a county to allow an owner of a lot or parcel in a rural area to site on the property one RV that is used for residential purposes and is subject to a residential rental agreement and additional criteria outlined below. SB 1013 does not obligate a county to allow RVs as rental dwellings. SB 1013 shares some criteria with recent rural accessory dwelling unit (ADU) legislation in SB 391, such as the requirement to provide sewage disposal, and differs in other ways—for instance, no fire hardening requirements are written into SB 1013.

SB 1013 only authorizes RVs as rental dwellings in "rural areas." For the purposes of SB 1013, a rural area has two definitions: either an area zoned for rural residential use as defined in ORS 215.501, or land that is within the urban growth boundary (UGB) of a metropolitan service district, but not within the jurisdiction of any city, and zoned for residential use. Deschutes County's jurisdiction only includes lands outside of UGBs, so only the first component of the definition applies. Areas zoned for rural residential use are defined by ORS 215.501 to mean "land that is not located inside a UGB as defined in ORS 195.060 (Definitions) and that is subject to an acknowledged exception to a statewide land use planning goal relating to farmland or forestland and planned and zoned by the county to allow residential use as a primary use." The applicable zoning designations in Deschutes County for these lands are Multiple Use Agricultural (MUA-10), Rural Residential (RR-10), Suburban Low Density Residential (SR 2.5), Urban Area Reserve (UAR-10), and Westside Transect Zone (WTZ).

In addition to only applying to lands recognized as rural residential exception areas, SB 1013 also contains minimum criteria that must be met for a lot or parcel to qualify for an RV as a rental dwelling. As noted above, SB 1013 shares some similarities with SB 391, which allows for rural ADUs. In certain cases, the proposed amendments echo components of the zoning code developed in Deschutes County for rural ADUs. Lastly, the proposed amendments also contain additional criteria not included in SB 1013, for reasons of safety as well as compatibility.

Table 1 provides a summary of each provision of the amendments that are required by SB 1013.

Торіс	SB 1013 Requirements	Comment
Single Family Dwelling	SB 1013 Section 2(2)(b) requires one single- family dwelling that is occupied as the primary residence to be located on the lot or parcel.	DCC 18.116.095(D)(1)(a) and DCC 19.92.170(A)(1)(a) are consistent with SB 1013.
Urban Reserve Area	SB 1013 Section 2(2)(a) requires that the lot or parcel is not located within an area designated as an urban reserve as defined in ORS 195.137.	DCC 18.116.095(D)(1)(b) and DCC 19.92.170(A)(1)(b) are consistent with SB 1013.
Vacation Occupancy	SB 1013 Section 2(2)(d) prevents an RV allowed in this law from being used for vacation occupancy as defined in ORS 90.100 or other short-term uses.	DCC 18.116.095(E) and DCC 19.92.170(A)(3) are consistent with SB 1013. Both require a restrictive covenant be recorded to ensure compliance.

#### Table 1 – SB 1013 Requirements

Торіс	SB 1013 Requirements	Comment
Other Dwelling Units	SB 1013 Section 2(2)(c) requires that there are no other dwelling units on the property and no portion of the single-family dwelling is rented as a residential tenancy.	DCC 18.116.095(D)(1)(d) and DCC 19.92.170(A)(1)(d) are consistent with SB 1013.
RV Ownership	SB 1013 Section 2(2)(e) requires the RV to be owned or leased by the tenant.	DCC 18.116.095(D)(2)(b) and DCC 19.92.170(A)(2)(b) are consistent with SB 1013. The RV may either be owned by the tenant or leased by the tenant from the property owner.
Essential Services	<ul> <li>SB 1013 Section 2(2)(f) requires that the property owner provides essential services to the RV space, as defined in ORS 90.100(13)(b).</li> <li>ORS 90.100(13)(b) defines "essential services" as:</li> <li>"For a tenancy consisting of rental space for a manufactured dwelling, floating home or recreational vehicle owned by the tenant or that is otherwise subject to ORS 90.505 (Definitions for ORS 90.505 to 90.850) to 90.850 (Owner affidavit certifying compliance with requirements for sale of facility):</li> <li>(A) Sewage disposal, water supply, electrical supply and, if required by applicable law, any drainage system; and</li> <li>(B) Any other service or habitability obligation imposed by the rental agreement or ORS 90.730 (Landlord duty to maintain rented space, vacant spaces and common areas in habitable condition), the lack or violation of which creates a serious threat to the tenant's health, safety or property or makes the rented space unfit for occupancy."</li> </ul>	DCC 18.116.095(D)(1)(f) and DCC 19.92.170(A)(1)(f) are consistent with SB 1013. In addition, these sections require the water supply to be frost protected and for a "Will Serve" letter to be provided if the recreational vehicle is to be served by any water source other than an onsite domestic well.

Торіс	SB 1013 Requirements	Comment
Reasonable appearance, repair, inspection, or siting standards	SB 1013 Section 2(3)(d) allows counties to require that the RV complies with any reasonable appearance, repair, inspection, or siting standards adopted by the county.	<ul> <li>DCC 18.116.095(D) and DCC</li> <li>19.92.170(A) contain the following appearance, repair, inspection, or siting standards developed at the local level:</li> <li>DCC 18.116.095(D)(1)(c) and DCC</li> <li>19.92.170(A)(1)(c) require the lot area to be at least one acre in size.</li> <li>DCC 18.116.095(D)(2)(c) and DCC</li> <li>19.92.170(A)(2)(c) require that the recreational vehicle include an operable toilet and sink.</li> <li>DCC 18.116.095(D)(1)(h) and DCC</li> <li>19.92.170(A)(1)(h) require that if the recreational vehicle is located within a structure, the structure must be entirely open on two or more sides.</li> <li>DCC 18.116.095(D)(1)(e) and DCC</li> <li>19.92.170(A)(1)(e) require that the recreational vehicle maintains a setback of at least 10 feet from the primary residence.</li> <li>DCC 18.116.095(D)(1)(g) and DCC</li> <li>19.92.170(A)(1)(g) require that the recreational vehicle maintains a setback of at least 10 feet from the primary residence.</li> <li>DCC 18.116.095(D)(1)(g) requires that for properties located within the Wildlife Area Combining Zone, recreational vehicles are considered a structure and therefore must comply with the siting standards in 18.88.060(B).</li> </ul>

Using the baseline eligibility criteria of SB 1013 plus the 1-acre minimum lot size criteria suggested by staff, approximately 12,410 properties meet the zoning requirement, are at least one acre in size, and already have a single-family dwelling on the property. An additional 2,909 properties are currently vacant but meet the other baseline criteria.

# III. ADDITIONAL OPTIONS FOR CONSIDERATION

SB 1013 provides the following additional options for counties, which were deemed not necessary by the Planning Commission based on public testimony received.

# SB 1013 Section 2(3) allows counties these options to require from the property owner:

- Register the use with the county.
- Limit the amount of payments that the property owner may accept from the tenant under ORS 90.140 to those reasonably necessary to cover the owner's costs or losses.

#### <u>Ramada Requirement</u>

Staff did not include a ramada as a requirement in the initial amendments. In retrospect, it should have. RVs are regulated by the Department of Motor Vehicles and not the Oregon Residential Specialty Code. Since they are not designed as permanent structures, if the Board proceeds with the text amendment, staff recommends a ramada for all RVs used as a rental dwelling. This will increase the cost of a project and will require some additional staff time to develop code language that enables feasible implementation across CDD divisions. However, requiring a ramada ensures the public living in an RV is protected from snow accumulation that could, over time, undermine the integrity of the vehicle.

### IV. RESOURCE LIMITATIONS

The Community Development Department (CDD) is experiencing structural and operational vulnerabilities. Implementing SB 1013 will require coordination throughout the entire department. CDD must update its website so the public can understand eligibility criteria and the application process, develop workflows, customize its computer software to take in fees and submittals, and train its staff to disseminate onsite, land use, and building code requirements. As customer inquiries and pre-application requests occur, staff expend significant time ensuring the public makes an informed decision. Quite often, this level of customer service does not lead directly to development permits and corresponding revenue for CDD. All the divisions, except for Building Safety, lost staff this fiscal year, creating significant limitations in managing our day-to-day responsibilities let alone taking on additional tasks.

### V. NEXT STEPS

Given the Planning Commission's recommendation that the Board not approve the proposed amendments, staff requests Board direction. Options include:

- 1. Conduct a public hearing.
- 2. Postpone the public hearing indefinitely.
- 3. Withdraw the text amendment.
- 4. Other.

### <u>Attachments:</u>

- 1. Planning Commission Process and Recommendation Summary
- 2. Proposed Text Amendments and Findings
- 3. SB 1013

#### Attachment 1

#### PLANNING COMMISSION PROCESS AND RECOMMENDATION

#### A. Overview of Testimony

A summary of testimony received is as follows. Note that many people provided both written testimony and verbal testimony; both are captured in the below counts and as such the total number of individuals providing testimony is likely slightly less than the sum of the written and verbal testimony.

- Written testimony (received between October 4 and December 28): 36 comments received (some individuals provided more than one comment)
- Public hearing verbal testimony (November 9 and December 12): 23 individuals

#### B. Dominant Themes

Below is a general summary of the dominant themes that emerged in the testimony received—both written and oral.

#### Themes in support:

**Provides additional housing options.** This sentiment was the most repeated amongst supporters. Allowing RVs as rental dwellings would provide a means for less expensive housing for those who are unable to afford the rent on a larger home. This in turn could allow people to remain in the county who otherwise might be forced out by the housing market. Several commenters noted that their own experiences of living in an RV/tiny home RV allowed them to live in a smaller footprint while allowing them to save up to buy a traditional home several years later.

**Financial opportunities for property owners.** By allowing property owners to become landlords, this provides a potential supplementary income.

**Gives opportunity for those living illegally in RVs to do it legally.** Commenters noted that there are currently many people using RVs as permanent residences illegally—the proposed amendments would provide a means for them to comply with the law, allowing for more certainty for themselves as well as the surrounding community.

#### Other comments from supporters:

- Request smaller minimum acreage than one acre to allow for more opportunities for this type of housing—suggestions mostly ranged from half an acre to just under one acre to allow for numerous properties that are 0.97-0.99 acres
- Request to minimize requirements for permits/parking pads in order to reduce as many barriers as possible
- Clarifications/explanations concerning tiny houses as RVs with respect to Oregon DMV titling
- Provided explanations of options for winterization of RVs

- Several people stated there is no need to require storage
- Several people stated there is no need to require fencing/screening
- Several people stated there is no need to provide rent maximums (an option provided in SB 1013 but not included in the draft amendments)
- Some support for some type of setback from neighboring properties

# Themes in opposition:

**Concerns about enforcement.** This was one of the most widely shared concerns and touches many of the other concerns that were voiced in opposition. In general, commenters felt that this proposal would create a host of enforcement issues, including septic, trash, noise, vehicles, and animals, and noted that this would place an additional strain on the Code Compliance Division, which already has a backlog of cases and limited resources. Commenters also noted that existing illegal RV dwellings are already an enforcement issue and therefore expressed doubt that RVs permitted under this proposal would be able to be enforced adequately or at all.

**Adverse effects on property values.** Many opponents expressed concern that this could lower property values owing to all the concerns noted by opponents.

**Adverse effects on rural character/community.** Many noted that adding RVs as rental dwellings could compromise the rural character that residents sought by moving into the unincorporated county in the first place. They also voiced concerns that tenants would not necessarily be invested in the local community. This proposal would have the potential to add significant population to the area and many felt it would be more appropriate to have RVs as dwellings either in cities or in RV parks.

**Traffic.** Similar to above, the potential additional population from RV rental dwellings could cause a significant traffic increase; commenters had concerns about impacts to traffic and roads and available funding to address these issues.

**Wildfire.** Many commenters voiced concerns that additional dwellings—especially those with some component of outdoor living—could increase fire risk in an already at-risk area.

### Other concerns from opponents:

- Concerns about impacts on wildlife
- Concerns about domestic animals disturbing humans and agriculture
- RVs as rental dwellings are not noted in the Comprehensive Plan or the Tumalo Community Plan
- Some areas do not have trash pickup and would need for this to be addressed so trash does not accumulate
- No evidence of how this could help affordable housing or homelessness
- Concerns about landlord-tenant law and the inability to evict in a timely fashion
- Concerns about effect on water
- Concerns about effect on dark skies
- Suggestion to wait and see the impact of the recent ADU legislation before adopting this proposal
- Concerns about crime

# C. Agency / Special District / Quasi-Municipal Testimony

#### Fire Marshals

As currently written, the proposed draft contains no fire protection/access standards aside from a 10foot separation distance from the RV; SB 1013 does not include any requirements for wildfire protection or mitigation. Staff reached out to fire protection districts and fire marshals concerning the proposed amendments. Several responded with recommendations or clarifications, summarized below:

- Maintain fire access to the RV dwelling
- Require a five-foot non-combustible ground cover around the RV
- Any fire requirements that applied to ADUs should also apply to RVs
- Proposed 10-foot distance between RV and other structure is reasonable
- All exterior portions of the RV should be within 150 feet of the fire apparatus access lane
- Building/RV/pedestal requirements: fire extinguishers; circuit breaker protection; smoke and CO2 alarms
- Access roads should have an all-weather surface and not just dirt
- Addressing should be clarified to easily identify the RV for emergency purposes

Staff notes that matters pertaining to addressing will be addressed in an amendment to DCC Title 16, Addresses and Road Names, in the amendments provided for the Board of County Commissioners public hearing, if conducted.

#### Deschutes County Community Development – Building Safety and Onsite Wastewater

#### Facility Requirements

Both the Building Safety Division and the Onsite Wastewater Manager recommended that the RVs should include facilities for living, sleeping, eating, cooking, and sanitation (toilet/sink/shower or tub), similar to any other type of dwelling.

To that end, Onsite Wastewater Manager Todd Cleveland stated, "Because these things are required for a proper healthy dwelling and human environment, this use will generate wastewater and must be connected to an approved onsite wastewater system (sanitary facilities). Having healthy and safe dwellings reduces illness and health risks, and will provide citizens with the opportunity to thrive in the community. It is our role to promote healthy and safe living conditions for all Deschutes County residents and visitors."

#### Lot Size

Cleveland also noted the potential wastewater disposal limitations of a 0.5-acre minimum lot size rather than a 1-acre lot size. Owing to DEQ rules that restrict wastewater flows on lots with highly permeable rapidly draining soils with an unprotected aquifer on lots between 0.5 acre and 1 acre, those lots would be unable to add additional dwellings because the primary residence would have already consumed the capacity of the lot. As such, the Onsite Division would be obligated to deny RVs as rental dwellings to large numbers of properties between 0.5 and 1 acre.

#### Deschutes County 9-1-1

Deschutes County 9-1-1 provided recommendations supporting amendments to the addressing code to ensure that address assignments are consistent, that address signs are posted properly, and that the RV pad be identified on a site plan. As noted above, staff has subsequently drafted amendments to the addressing code in anticipation of the next phase of the legislative process.

#### D. Planning Commission Recommendations

Staff provided the Planning Commission with several questions aimed at guiding deliberation discussions. The first question under consideration was the following:

# Does the Planning Commission recommend to the Board of County Commissioners that RVs as rental dwellings should be allowed in rural residential exception areas (RR-10, MUA-10, UAR-10, SR 2 ½, WTZ) pursuant to SB 1013 and subject to certain additional standards?

After extensive discussion (summarized below), the Planning Commission voted 4-3 to **not** recommend adoption of the proposed amendments.

The following issues were raised in discussion of the majority opinion of not supporting the amendments:

- Amendments apply to a very large number of rural residential lots (approximately 12,500-13,000 1 acre minimum or greater; 5,000 additional lots between 0.5 acre and 1 acre).
- These amendments generate unprecedented land use impacts that have not been fully vetted at a community-wide level (traffic, road maintenance, wildlife, rural fire protection, garbage, etc.).
- It will be difficult enforcing code violators based on CDD's backlog of active cases that involve imminent public health and safety issues.
- RVs are an incompatible land use with adjoining residences.
- The amendments create unfunded responsibilities on rural fire protection districts because RVs aren't recognized as real property.
- RVs increase the threat of wildfire because they are not fire hardened

The following issues were raised in support of the amendments:

- It is necessary to provide options for another type of housing and the County does have a role to play with respect to this issue
- While RVs as rental dwellings might not solve the affordable housing problem, it can provide a pressure release
- RVs would be a less expensive option than ADUs
- Concerning rural character, resource lands (farm and forest) would remain untouched under this proposal

### Additional Planning Commission Recommendations

The Planning Commission also voted to continue deliberating additional components of the amendments to provide maximum context to the Board should the Board consider adoption despite the Planning Commission's "no" recommendation. Those items are outlined below. The first three items were provided by staff as guidance for discussion, with the selected option in **bold**, with additional notes as applicable:

# 1. Should there be a minimum acreage requirement for RVs as rental dwellings?

### a. 1 acre minimum (current draft amendments)

- b. 0.5 acre minimum
- c. Other minimum
- d. No minimum SB 1013 does not propose a minimum acreage

# 2. Should wildfire protection standards be included in the proposed amendments?

- a. No wildfire protection standards should be included SB 1013 does not contain fire protection standards
- b. The wildfire protection standards that are utilized for ADUs should apply to RVs where applicable, specifically:
  - Adequate access standards for road and driveway (DCC 18.116.355(B)(11)(a))
  - Wildfire Hazard Mitigation Defensible Space Standards (DCC 18.116.355(B)(11), customized where necessary for RVs)
- c. Other recommendations from various fire protection districts:
  - Require a five-foot non-combustible ground cover around RV
  - Access roads to the living sites should have an all-weather surface and not just dirt
  - All exterior portions of the RV should be within 150 feet of the fire apparatus access lane
  - Recommend that staff further refine specific recommendations from fire districts

Notes: In this scenario, staff would ask the fire districts to provide further input for a hearing before the Board

# 3. Should RVs as rental dwellings be subject to special setbacks or other standards to dictate location on the property?

a. No additional setbacks – current draft requires all RVs to meet the same setbacks required of a manufactured dwelling or single-family dwelling on the subject lot

Notes: The Planning Commission chose this option because additional finite setbacks such as 100 feet might eliminate large areas with narrow lots, such as Deschutes River Woods; other options, such as (c), presented too many variables to be effective—for instance, what if the adjacent property was vacant?

b. Setback of a certain distance. Examples include:

Campgrounds – Developed areas of campgrounds must be set back 100 feet from property lines. Staff notes that there are important similarities between campground and the proposed RV use (including indoor/outdoor living) and similar setbacks may be appropriate to buffer noise and visual impacts from the use.

Home Occupations – outdoor storage is limited and, where allowed, has a minimum 20-foot setback and screening requirements.

c. Require the RV to be sited within a certain distance of the primary dwelling (example: 100 feet)

The following additional items were provided by Planning Commissioner Altman for Planning Commission consideration, in the interest of providing a comprehensive recommendation to the Board. The Planning Commission chose to issue a recommendation on some, but not all, of these items, as noted below.

# 4. Should there be a maximum acreage for RVs as rentals?

- a. 2 acres
- b. 3 acres
- c. 5 acres
- d. No

Notes: Staff interpreted this question as aiming to keep RVs as rental dwellings closer to urban areas and their services, using an assumption that smaller parcels are generally closer to cities and larger ones are generally in more rural areas. However, geographic analysis was not performed to analyze lot sizes in relation to urban areas.

# 5. Should there be a limit to the number of permits issued for the first two years?

- a. 100
- b. 250
- c. 500
- d. No

Notes: The Planning Commission chose not to vote to issue a recommendation on this.

### 6. Should the allowed use be within a certain distance from the UGB?

- a. 1 mile
- b. 2 miles
- c. 5 miles
- d. No

Notes: The Planning Commission chose not to vote to issue a recommendation on this.

# 7. Should the Wildlife Area Combining Zone be excluded from the program?

- a. Yes
- b. No

Notes: The Planning Commission chose this in order to be consistent with rural ADU regulations.

# 8. Should the county issue SDCs or a high permit fee to offset the increased road usage and emergency services?

- a. Yes
- b. No

The Planning Commission voted to recommend that the BOCC explore funding mechanisms to support services and infrastructure (which are likely out of the land use arena), as there were concerns that allowing RVs as rental dwellings would add demands to the system (fire protection, code enforcement, etc.) without adequate funding to support the use.

- 9. Does the Planning Commission suggest that the BOCC pause reviewing this issue until ADUs are fully implemented (or for a period of 6-12 months)?
  - a. Yes
  - b. No

Notes: The Planning Commission chose not to vote to issue a recommendation on this.