

Title 24.31 Short-Term Rental Requirements



City Council Hearing - December 4, 2024



**Portland
Permitting &
Development**

Agenda

- ASTRs and STRs (2 slides)
- Building Code History (1 slide)
- Local Regulation of Short-Term Rentals (1 slide)
- Administrative Rule (1 slide)
- Staff Recommendation (1 slide)



Accessory Short-Term Rental (ASTR)

- An Accessory Short-Term Rental allows a household to rent bedrooms in their primary residence to overnight guests for fewer than 30 consecutive days.
- There are two categories:
 - Type A: Permits the rental of 1 or 2 bedrooms.
 - Type B: Permits the rental of up to 5 bedrooms.



Short Term Rental (STR)



- STRs are typically located in commercial zones and do not require a permanent resident on-site.
- Guests are transient, with stays of fewer than 30 consecutive days, similar to the operation of a small hotel.
- Title 24.31 will apply exclusively to Short-Term Rentals.



Building Code History

- For the past 10-12 years, Portland has regulated Short-Term Rentals (STRs) under the Oregon Structural Specialty Code as a commercial use.
- In 2023, the Oregon Building Codes Division (BCD) amended the Oregon Residential Specialty Code, adding:
 - R101.2.3.1: Excludes such matters such as “Post-occupancy lease or rental arrangements, short-term rentals, vacation rentals, and similar uses” from the code’s authority.
 - The same section affirms that municipalities may have additional regulatory authority over these matters locally, provided it is not preempted by state law.



Local Regulation of Short-Term Rentals

- PP&D implemented a code guide under local authority to address safety concerns for STRs.
- In October 2024, the State Building Codes Division issued a directive requiring such regulations to be formalized as either a local ordinance or part of local licensing requirements.
- In response, PP&D has drafted an ordinance to enhance the safety of STR users, particularly for properties that:
 - Consist of older housing stock often located near other homes and businesses.
 - Lack adequate fire-separation measures.
 - Were built prior to modern building code regulations and do not meet minimum safety standards.



Administrative Rule

- Future administrative rules will establish specific code requirements for STRs operating as small hotels.
- While the rules will not align with all the commercial code requirements, they will provide a baseline for fire and life safety.
- Key requirements may include:
 - Installation of NFPA 13D residential sprinkler system
 - Additional fire-rated materials on exterior walls
 - Emergency egress window requirements
 - Egress requirements including minimum widths, ceiling heights, landings, and proper door-lock operations.



Why we recommend approval

- PP&D has consistently regulated STRs under the building code.
- The proposed change to Title 24 does not alter the existing requirements-it only shifts the authority from the state building code to local ordinance.
- Since these structures operate like small hotels, the proposed regulations will ensure that users meet the minimum life safety standards.
- We recommend passing this ordinance to enhance safety for STR users while maintaining compliance with local regulations.



Estimated Costs and Requirements

| Building Code/Occupancy | Sprinkler Type <i>Type of sprinkler system required</i> | Water Line Cost <i>Water line cost to install sprinklers</i> | Alarm Requirements <i>Type of alarm system required</i> | Fire Separation Distance <i>Fire rated exterior walls required if the distance to the property lines is less than these distances</i> |
|--|--|---|---|---|
| Commercial: R-1 (Hotels: 3 or more units) | NFPA 13 or 13R | 2" minimum fire service line: \$10,675 + \$1,750 per year | Monitored fire alarm system + Notification | 10' to 30' |
| Commercial: R-2 (Apartments: 3 or more units) | NFPA 13 or 13R | 2" minimum fire service line: \$10,675 + \$1,750 per year | Monitored fire alarm system • Exemption for small apartment buildings with 16 or fewer units | 10' to 30' |
| Commercial: R-3 (Transient, 10 or fewer people) (Non-transient, 16 or fewer) | NFPA 13D | \$2,700 - \$15,700 + \$280 per year • Combined water line, one time cost | Smoke and CO alarms only | 5' |
| Proposed fire and life safety requirements for transient lodging facilities | NFPA 13D • Exceptions for small structures with larger fire separation distances | \$0 to \$15,700 + \$280 per year • Combined water line, one time cost | Smoke and CO alarms only | 5' for new, 3' for existing |
| Residential: R-3 (1- and 2-family homes & townhomes) | None | \$0 + \$280 per year | Smoke and CO alarms only | 3' for new, 0' for existing |

