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1 You are entitled to judicial review of this Order. Judicial review is 2 governed by the provisions of ORS 197.850.

Opinion by Rudd.

2 NATURE OF THE DECISION

Petitioner appeals the board of county commissioners' adoption of Ordinance ZDO-273, which amends the county's zoning and development ordinance to authorize the short-term rental use of dwelling units and guest houses.

7 BACKGROUND

In 2019, the county began a two-part project to authorize and regulate the 8 short-term rental use of dwelling units and guest houses. In November 2020, the 9 10 county concluded the first part of the project with the adoption of Ordinance 09-2020, amending Clackamas County Code (CCC) title 8, Business Regulations. 11 Record 41, 93. The CCC title 8 amendments established a registration program 12 13 for short-term rentals in the county and set out standards addressing elements such as maximum occupancy, minimum parking requirements, and compliance 14 15 with the county's general noise control, parking, and towing ordinances, and garbage requirements. Under the CCC title 8 amendments, short-term rentals are 16 exempt from the registration program if they qualify for an exception to the 17 county's transient room tax under CCC 8.02.060(C) as an incidental use of 18 property.¹ Record 99. 19

¹ CCC 8.02.060 provides that the county's transient room tax shall not be imposed upon:

In December 2020, the county completed the second part of the project with the adoption of Ordinance ZDO-273. Ordinance ZDO-273 amends Clackamas County Zoning and Development Ordinance (ZDO) 202 and 833.01 to modify the definition of dwelling unit and expand the allowed use of guest houses (the ZDO amendments). The amendments to ZDO 202 add to the definition of "dwelling unit" the italicized language shown below:

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- "A building, or portion thereof, with one or more rooms designed for residential occupancy by one family. *A dwelling unit may be*
- for residential occupancy by one family. A dwelling unit may be occupied by one family or, except as otherwise provided in this
 - "A. Any person who rents a room or facility for more than thirty (30) successive calendar days; (a person who pays for lodging on a monthly basis, irrespective of the number of days in such month, shall not be deemed a transient);
 - "B. Any person whose rent is of a value less than \$15.01 per day;
 - "C. Any person who rents a private home, vacation cabin, or like facility from any owner who personally rents such facilities incidentally to the owner's use thereof. A personal rental is not incidental to an owner's own use if the private home, vacation cabin, or like facility is publicly advertised for rent by the owner or any other person or entity including, but not limited to, rental management agencies or transient lodging intermediaries, as defined by ORS 320.300;
 - "D. Any occupant whose rent is paid for a hospital room or to a medical clinic, convalescent home or home for aged people, that are licensed, registered, or certified by the Oregon Department of Human Services; or
 - "E. Employees, officials or agents of the U. S. Government occupying a hotel in the course of official business."

Ordinance, may be used for residential occupancy by no more than 15 persons for a period that does not exceed 30 consecutive nights by any one person." Record 9 (emphasis added).

- The amendments to ZDO 833.01 remove from ZDO 833.01(A) a 4 prohibition on generating rental income from a "guest house," which is defined 5 in ZDO 202 as "[a]n accessory building, or portion thereof, that includes at least 6 7 one bedroom and is-with the exception of bathrooms, closets, and halls-8 constructed as habitable space under the Oregon Residential Specialty Code," and which, pursuant to ZDO 833.01(E), as amended, "may contain one bathroom 9 10 plus one additional sink, but shall not include laundry facilities, a stove, oven, or other cooking appliances."² The amendments to ZDO 833.01 also remove from 11 ZDO 833.01(E) a requirement that "[o]ccupants of the guest house and the 12 13 primary dwelling shall live together as one housekeeping unit." Record 31.
- 14 Petitioner appeals the county's adoption of the ZDO amendments.

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 $^{^2}$ The amendments to ZDO 833.01 add to ZDO 833.01(A) the italicized language shown below:

[&]quot;A guest house shall be used only by members of the family residing in the primary dwelling, their nonpaying guests, or their nonpaying employees who work on the premises, or for residential occupancy by one or more paying guests for a period that does not exceed 30 consecutive nights by any one person. Residential occupancy by paying guests plus occupants of the primary dwelling shall not exceed 15 persons." Record 31 (emphasis added).

PETITIONER'S FIRST ASSIGNMENT OF ERROR AND INTERVENOR-PETITIONER'S FIRST AND SECOND ASSIGNMENTS OF ERROR

Petitioner's assignments of error are directed at the ZDO amendments'
impact on the county's zones that implement Statewide Planning Goals 3
(Agricultural Lands) and 4 (Forest Lands).³ To the extent that intervenorpetitioner's first and second assignments of error are also directed at those county
zones, we address them here as well.⁴

9 The ZDO amendments allow the short-term rental use of dwelling units 10 and guest houses throughout the county, including in the county's Exclusive 11 Farm Use (EFU) zone, governed by ZDO 401; Timber (TBR) zone, governed by 12 ZDO 406; and Ag/Forest (AG/F) zone, governed by ZDO 407.⁵ ORS 215.203(1)

⁴ Generally, intervenor-petitioner's assignments of error challenge the county's decision more broadly. They are discussed later in this opinion.

⁵ ZDO 401 is "adopted to implement the policies of the Comprehensive Plan for Agriculture areas" and applies to land zoned EFU. ZDO 401.01; ZDO 401.02. ZDO 406 and 407 are "adopted to implement the policies of the Comprehensive

³ Goal 3 is "[t]o preserve and maintain agricultural lands." Goal 4 is:

[&]quot;To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture."

provides, in part, "Zoning ordinances may be adopted to zone designated areas 1 of land within the county as [EFU] zones. Land within such zones shall be used 2 exclusively for farm use except as otherwise provided in ORS 215.213, 215.283 3 or 215.284." (Emphasis added.) Certain dwellings are allowed on land zoned 4 EFU under ORS 215.283(1) and others under ORS 215.283(2).⁶ ORS 215.284 5 6 restricts the establishment of single-family dwellings not provided in conjunction with farm use on land zoned EFU. ORS 215.283(1)(e) allows accessory 7 8 structures associated with farm and forest use. The uses that are allowed on forest 9 land are set out in OAR 660-006-0025 and include the dwellings authorized by 10 ORS 215.705 to 215.757 as well as other dwellings under prescribed conditions. OAR 660-006-0025(1)(d), (e).⁷ 11

Plan for Forest and Agriculture areas." ZDO 406.01; ZDO 407.01. ZDO 406 applies to land zoned TBR. ZDO 407 applies to land zoned AG/F.

⁶ ORS 215.213 contains parallel provisions for marginal lands counties.

⁷ Goal 4 provides:

"Forest operations, practices and auxiliary uses are allowed on forest lands subject only to such regulation of uses as are found in ORS 527.722.

"Uses which may be allowed subject to standards set forth in [Goal 4 and its implementing] administrative rule are: (1) uses related to and in support of forest operations; (2) uses to conserve soil, water and air quality, and to provide for fish and wildlife resources, agriculture and recreational opportunities appropriate in a forest environment; (3) locationally dependent uses; (4) dwellings authorized by law."

1 The parties' central dispute is whether a short-term rental is a permitted 2 use of a dwelling unit or guest house on farm or forest land where the dwelling 3 unit or guest house is otherwise allowed under applicable law.

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A. ORS chapter 215 and OAR chapter 660, division 6

Petitioner argues in the first subassignment of error under its first 5 6 assignment of error that the ZDO amendments impermissibly allow uses of 7 dwellings and guest houses on farm and forest land that are not consistent with 8 the uses of dwellings and accessory structures allowed by ORS 215.283(1) and 9 (2) and OAR chapter 660, division 6, and impermissibly allow a commercial use 10 of resource land. Intervenor-petitioner argues generally in their first assignment 11 of error that the county must demonstrate "that allowing [short-term rentals] within the zones in the unincorporated parts of the county is consistent with the 12 Statewide Planning Goals" and that "[t]he county cannot ignore the requirements 13 14 of statewide planning goals simply by changing the definitions of 'Dwelling 15 Units' to include the use of Short Term Rentals as an additional residential occupancy use in a dwelling unit in all Residential and Natural Resource Zones."8 16 17 Intervenor-Petitioner's Petition for Review 3-5. Intervenor-petitioner also argues 18 in their first assignment of error that the county has subverted Statewide Planning Goal 2 (Land Use Planning) because, while bed and breakfasts, campgrounds, 19

⁸ Intervenor-petitioner does not develop an argument that the amendments are inconsistent with Goals 3 and 4.

guest ranches, lodges, and recreational vehicle camping facilities all have implementing regulations in the ZDO, there are no findings explaining why shortterm rentals, described by intervenor-petitioner as "a new commercial and business use," are not also provided implementing regulations. Intervenor-Petitioner's Petition for Review 6-7.

6 As we understand it, the county's position is that the ZDO amendments 7 cannot and do not authorize the short-term rental use of an existing dwelling unit 8 if that use would be prohibited by the decision that initially approved the dwelling 9 unit. The findings assert that "[d]wellings that are approved with specific 10 restrictions on occupancy and/or usage would remain ineligible for use as [a short-term rental]. Examples of such dwellings include temporary dwellings for 11 12 care ('hardship dwellings'), accessory farmworker dwellings, or caretaker 13 dwellings." Record 46.

ORS 215.283 lists the uses that are allowed on EFU land, and a county cannot allow uses that are not listed under the statute in an EFU zone. OAR chapter 660, division 6, similarly identifies the limited uses that are allowed on forest land. We discuss each below.

The uses listed in ORS 215.283(1) are authorized as of right, and counties may not restrict those uses through additional local standards. *Brentmar v. Jackson County*, 321 Or 481, 496, 900 P2d 1030 (1995). ORS 215.283(2) lists nonfarm uses and structures that are conditionally authorized and that must satisfy ORS 215.296(1), which we refer to as the farm impacts test. The farm

2 will not: 3 "(a) Force a significant change in accepted farm or forest practices on surrounding lands devoted to farm or forest use; or 4 5 "(b) Significantly increase the cost of accepted farm or forest practices on surrounding lands devoted to farm or forest use." 6 ORS 215.296(1). 7 8 The nonfarm uses listed under ORS 215.283(2) may also be subject to any local 9 standards enacted pursuant to ORS 215.296(10). 10 ORS 215.283 regulates the use of EFU land. Accordingly, if the county

impacts test requires the local governing body or its designee to find that the use

11 wants to allow the nonfarm short-term rental *use* of a dwelling unit on EFU land, 12 that use must be allowed pursuant to either ORS 215.283(1) or (2). For the 13 reasons explained below, we agree with petitioner and intervenor-petitioner that, absent any identification by the county of the authority in ORS 215.283, or the 14 15 Land Conservation and Development Commission's rules implementing that 16 statute, for allowing the short-term rental use of dwelling units or guest houses 17 on EFU land, that use is not allowed under ORS 215.283. The uses that are 18 allowed on forest land are similarly restricted by OAR 660-006-0025 and, absent any identification of authority under OAR 660-006-0025 for allowing the short-19 20 term rental use of dwelling units or guest houses on forest land, that use is not allowed.9 21

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⁹ In addition, OAR 660-006-0050 provides:

We will reverse or remand a land use decision if the local government
 exceeded its jurisdiction or improperly construed the applicable law. ORS
 197.835(9)(a)(A), (D). Petitioner argues that the county's decision improperly
 construes applicable portions of ORS chapter 215 and OAR 660-006-0025.

5 In construing the law, we will consider the text and context of the law at 6 issue to determine the intent of the enacting legislature. PGE v. Bureau of Labor and Industries, 317 Or 606, 610-11, 859 P2d 1143 (1993); State v. Gaines, 346 7 8 Or 160, 171, 206 P3d 1042 (2009). We are required to correctly interpret the legislature's intent, independently of the parties' arguments. See ORS 197.805 9 (providing the legislative directive that LUBA "decisions be made consistently 10 11 with sound principles governing judicial review"); Stull v. Hoke, 326 Or 72, 77, 948 P2d 722 (1997) ("In construing a statute, this court is responsible for 12

[&]quot;(1) Governing bodies may establish [AG/F] zones in accordance with both Goals 3 and 4, and OAR chapter 660, divisions 6 and 33.

[&]quot;(2) Uses authorized in [EFU] Zones in ORS Chapter 215, and in OAR 660-006-0025 and 660-006-0027, subject to the requirements of the applicable section, may be allowed in any [AG/F] zone. The county shall apply either OAR chapter 660, division 6 or 33 standards for siting a dwelling in an [AG/F] zone based on the predominant use of the tract on January 1, 1993.

[&]quot;(3) Dwellings and related structures authorized under section (2), where the predominant use is forestry, shall be subject to the requirements of OAR 660-006-0029 and 660-006-0035." (Emphases added.)

identifying the correct interpretation, whether or not asserted by the parties.") We
must interpret the statutes governing the uses that are allowed in EFU zones, "to
the extent possible, as being consistent with the overriding policy of preventing
'agricultural land from being diverted to non-agricultural use." *McCaw Communications, Inc. v. Marion County*, 96 Or App 552, 555, 773 P2d 779
(1989) (quoting *Hopper v. Clackamas County*, 87 Or App 167, 172, 741 P2d 921
(1987), *rev den*, 304 Or 680 (1988)).

8 We begin with the text. ORS chapter 215 provides no generally applicable 9 definition of "dwelling" or "residence," and we therefore look to the plain, 10 ordinary meaning of those words. "Dwelling" means "a building or construction used for a residence" and "residence" means "a building used as a home : 11 12 DWELLING." Webster's Third New Int'l Dictionary 706, 1931 (unabridged ed 13 2002) (boldface in original; emphases added). As the county points out, the term "dwelling," considered alone, does not necessarily require owner occupancy or 14 15 occupancy of a given duration. However, the term "residence" refers to "a building used as a home," and "home" is defined not only as "a private dwelling 16 : HOUSE" but also as "the house and grounds with their appurtenances habitually 17 18 occupied by a family : one's principal place of residence : DOMICILE." Webster's at 1082 (boldface in original). The various terms connote a distinction between a 19 20 building used as a "home" and a building used as something other than a "home," 21 for example, a hotel. The text does not, however, resolve the question of whether 22 a short-term rental is an allowed use of a dwelling or residence in a resource zone.

1	We next consider the context. As noted, some dwellings are allowed under
2	ORS chapter 215. For example, ORS 215.283(1)(e) permits on EFU land
3	"primary or accessory dwellings * * * customarily provided in conjunction with
4	farm use." ORS 215.283(1)(d) permits "[a] dwelling on real property used for
5	farm use if the dwelling is occupied by a relative of the farm operator or the farm
6	operator's spouse." The county has not, however, identified a provision under
7	ORS 215.283(1) that expressly authorizes the short-term rental use of a dwelling.
8	The types of uses of dwellings that are allowed under ORS 215.283(2)
8 9	The types of uses of dwellings that are allowed under ORS 215.283(2) suggest that, if a short-term rental is an allowed use of an existing dwelling, it is
9	suggest that, if a short-term rental is an allowed use of an existing dwelling, it is
9 10	suggest that, if a short-term rental is an allowed use of an existing dwelling, it is an ORS 215.283(2)-type use. ORS 215.283(2) identifies the uses of existing
9 10 11	suggest that, if a short-term rental is an allowed use of an existing dwelling, it is an ORS 215.283(2)-type use. ORS 215.283(2) identifies the uses of existing dwellings that are conditionally allowed on EFU land. ORS 215.283(2)(o)

¹⁰ ORS 197.660(2) defines "residential home" as

[&]quot;a residential treatment or training home, as defined in ORS 443.400, a residential facility registered under ORS 443.480 to 443.500 or an adult foster home licensed under ORS 443.705 to 443.825 that provides residential care alone or in conjunction with treatment or training or a combination thereof for five or fewer individuals who need not be related. Staff persons required to meet licensing requirements shall not be counted in the number of facility residents, and need not be related to each other or to any resident of the residential home."

of five unrelated persons in an existing residence."11 ORS 215.283(2)(i) 1 authorizes "home occupations," and it is at least possible that a short-term rental 2 3 could be characterized as a home occupation. However, home occupations are authorized only "as provided in ORS 215.448." ORS 215.283(2)(i).¹² 4 5 Importantly, those provisions expressly allow and regulate certain uses and living arrangements within existing dwellings, which undermines the county's broad 6 7 contention that *any* residential use of an existing dwelling is allowed, subject only 8 to existing statutory restrictions.

Moreover, uses that are allowed pursuant to ORS 215.283(2) must satisfy
the farm impacts test and, pursuant to ORS 215.296(10), any additional standards
that the local government has elected to impose. Under the current version of the
ZDO, this requires a review process with notice and an opportunity for comment.
ZDO 401.05 and Table 401-1, for example, establish that the farm impacts test is
applied to room and board and residential home uses in the EFU zone through a

¹¹ ORS chapter 215 does not define "room and board." *Webster's* provides that "room and board" means "lodging and food usu. specifically earned or furnished <receives wages plus *board and room*>." *Webster's* at 1972 (emphasis in original). Definitions of "lodging" include "a place to live," "a place in which to settle or come to rest," and "a temporary place to stay." *Id.* at 1329. As illustrated by these examples, some definitions of "lodging" have an element of temporariness and others do not.

 $^{^{12}}$ We do not address whether a short-term rental could be conditionally permitted as an accessory use through a home occupation approval pursuant to ORS 215.283(2)(i).

Type II review.¹³ Here, the ZDO amendments may allow the short-term rental
 use of resource land without any requirement to obtain specific authorization at
 all, let alone a requirement to satisfy the farm impacts test.

As additional context, we look to the uses that are allowed on Goal 4 land under OAR 660-006-0025(1)(d), namely the dwellings authorized by ORS 215.705 to 215.757. For example, ORS 215.705 to 215.730 govern lot-of-record dwellings, ORS 215.740 governs large-tract dwellings, and ORS 215.750 governs template dwellings. ORS 215.755 allows replacement dwellings, hardship dwellings, and caretaker residences for public parks and public fish hatcheries. In addition, OAR 660-006-0025(1)(e) authorizes "[o]ther dwellings

"B. <u>Decision</u>: The review authority shall consider the record of the application and approve, approve with conditions, or deny the application based on the applicable standards and criteria. The review authority shall issue a written decision that explains the standards and criteria considered relevant to the decision, states the facts relied upon in rendering the decision, and explains the justification for the decision based on the standards, criteria, and facts set forth. * * *

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- "C. <u>Notice of Decision</u>: A copy of the decision shall be mailed to those identified in Subsection 1307.09(A)(1).
- "D. <u>Appeal</u>: The review authority's decision is the final decision of the County, unless an appeal is filed pursuant to Subsection 1307.13." (Underscoring in original.)

¹³ ZDO 1307.09 sets out the requirements for Type II reviews, requires notice that the application is under consideration, and further provides:

under prescribed conditions," and OAR 660-006-0025(4) authorizes a variety of uses that may be allowed subject to review under the standards in OAR 660-006-0025(5), including hunting lodges and fishing accommodations with guest rooms. OAR 660-006-0025(4)(p), (w). OAR 660-006-0025(5)(a) requires a finding similar to the farm impacts test, that "[t]he proposed use will not force a significant change in, or significantly increase the cost of, farming or forest practices on agriculture or forest lands."¹⁴

8 ORS 215.757, adopted in 2019, allows, subject to restrictions, county 9 approval of an accessory dwelling supporting family forestry on a lot or parcel zoned for forest use containing exactly one existing single-family dwelling. ORS 10 215.757(3) provides, "If a new single-family dwelling unit is constructed under 11 12 this section, a county may not allow the new or existing dwelling unit to be used for vacation occupancy as defined in ORS 90.100." Although this express 13 14 prohibition lends some support to the argument that the legislature expressly 15 prohibits vacation occupancy of single-family dwellings when that is the

¹⁴ The uses other than dwellings that are allowed on forest land are listed in OAR 660-006-0025 and include, but are not limited to, "[u]ses related to and in support of forest operations;" "[u]ses to conserve soil, air and water quality and to provide for fish and wildlife resources, agriculture and recreational opportunities appropriate in a forest environment;" "locationally-dependent uses, such as communication towers, mineral and aggregate resources, etc;" and "[t]emporary forest labor camps." OAR 660-006-0025(1)(a) - (c), (3)(*l*).

1 legislature's intent, we are persuaded that other provisions of ORS chapter 215 2 are properly read to limit short-term, vacation-style uses.

A variety of vacation and recreation activities are expressly identified as 3 4 being conditionally allowed in farm and forest zones, subject to a demonstration that the use meets the farm impacts test. For example, ORS 215.283(2)(cc) 5 6 conditionally allows "[g]uest ranches in eastern Oregon, as described in ORS 215.461." "Guest ranch' means a facility for guest lodging units, passive 7 8 recreational activities described in [ORS 215.461(6)] and food services described 9 in [ORS 215.461(7)] that are incidental and accessory to an existing and continuing livestock operation that qualifies as a farm use." ORS 215.461(1)(b). 10 11 "Guest lodging unit' means a guest room in a lodge, bunkhouse, cottage or cabin used only for transient overnight lodging and not for a permanent residence." 12 13 ORS 215.461(1)(a) (emphasis added).

14 Temporary occupancy of private campgrounds and private seasonal 15 accommodations for hunting and fishing are conditionally allowed under ORS 16 215.283(2)(c); OAR 660-006-0025(4)(e), which defines campground as "an area devoted to overnight temporary use for vacation, recreational or emergency 17 purposes, but not for residential purposes;" OAR 660-006-0025(4)(p), 18 subparagraph (C) of which requires that private seasonal accommodations for 19 hunting be "occupied temporarily for the purpose of hunting during either or both 20 21 game bird or big game hunting seasons authorized by the Oregon Fish and Wildlife Commission;" and OAR 660-006-0025(4)(w), subparagraph (C) of 22

which requires that private seasonal accommodations for fishing be "occupied
 temporarily for the purpose of fishing during fishing seasons authorized by the
 Oregon Fish and Wildlife Commission."¹⁵ (Emphases added.)

Although ORS 215.283 and OAR 660-006-0025 do not directly address the short-term rental use of a dwelling on resource land, the treatment of private campgrounds and hunting and fishing lodges as conditionally allowed uses, along with the fact that providing "room and board" accommodations is a conditional use under ORS 215.283(2)(u), suggests a legislative intent to strictly regulate transient lodging on resource land with consideration of its effects on accepted farm and forest practices.

11 The regulation of destination resorts provides additional context for our 12 conclusion that the legislature specifically provides for vacation rentals when it 13 intends to allow that use in a resource zone, including within a dwelling. The 14 conditional uses that are allowed in EFU zones include "[a] destination resort that 15 is approved consistent with the requirements of any statewide planning goal relating to the siting of a destination resort." ORS 215.283(2)(t). "Destination 16 resorts reviewed and approved pursuant to ORS 197.435 to 197.467 and 17 18 [Statewide Planning] Goal 8 [(Recreational Needs)]" are allowed on forest land under OAR 660-006-0025(3)(n). ORS 197.435(5) defines "overnight lodgings" 19

¹⁵ The definitions of "accommodation" include "lodging, food, and services (as at a hotel)." *Webster* 's at 12.

as "permanent, separately rentable accommodations that are not available for 1 residential use, including hotel or motel rooms, cabins and time-share units" but 2 3 not including "[t]ent sites, recreational vehicle parks, manufactured dwellings, 4 dormitory rooms and similar accommodations." (Emphasis added.) In western Oregon, "[i]ndividually owned units may be considered overnight lodgings if 5 they are available for overnight rental use by the general public for at least 45 6 weeks per calendar year though a central reservation and check-in service." ORS 7 8 197.435(5)(a) (emphasis added). In eastern Oregon, as defined in ORS 321.805,

9 "[*i*]*ndividually owned units* may be considered overnight lodgings 10 if they are available for overnight rental use by the general public 11 for at least 38 weeks per calendar year through a central reservation 12 system operated by the destination resort or by a real estate property 13 manager, as defined in ORS 696.010." ORS 197.435(5)(b) 14 (emphasis added).

Therefore, destination resorts may include individually owned residences and hotel/motel units. Individually owned units may be considered part of the "overnight lodging" pool of accommodations if they are available for occupancy by the general public for at least 38 or 45 weeks per calendar year, based on whether the destination resort is located in eastern or western Oregon and based on the use of some sort of central reservation system.¹⁶

¹⁶ The county's findings recognize that "[s]hort-term rentals are often advertised on websites such as Airbnb, HomeAway, VRBO, VacationRentals.com, or Booking.com." Record 45.

The above definition of "overnight lodgings" and the legislature's strict regulation of vacation and recreational uses on resource land indicate that the duration of occupancy is relevant to the characterization of the use. The county's allowance of the short-term rental use of dwelling units and guest houses allows overnight, transient lodging as an outright permitted use on resource lands, and, as noted, the county has not identified a provision in ORS 215.283(1) or (2) or OAR chapter 660, division 6, that allows such a use.

8 Ordinance ZDO-273 includes a recital that, "except under specific 9 circumstances that require land use approvals, such as temporary dwellings for 10 care or farmworker dwellings, there is nothing in state or county regulations that 11 limit dwellings to owner-occupancy or specifies a minimum time for rental." 12 Record 1. The findings assert that "[d]wellings that are approved with specific 13 restrictions on occupancy and/or usage would remain ineligible for use as [a 14 short-term rental]. Examples of such dwellings include temporary dwellings for care ('hardship dwellings'), accessory farmworker dwellings, or caretaker 15 dwellings." Record 46. The county argues that, once a dwelling is allowed on 16 17 resource land, with limited exceptions such as hardship dwellings, accessory 18 farmworker dwellings, and caretaker dwellings, the occupancy of the dwelling is 19 not a relevant consideration under ORS 215.283. Record 19. According to the 20 county, if a dwelling was approved subject to use restrictions, then those 21 restrictions remain. Response Brief 22. In other words, if any applicable code provision, rule, statute, or related condition of approval restricts the use of an 22

existing dwelling to specific living arrangements that preclude short-term rental
 use, then a short-term rental use could be subject to an enforcement action.

3 The problem with that argument is that it approaches the issue from the wrong direction. As we explained above, ORS 215.283 and related statutes 4 5 demonstrate that state law strictly regulates transient lodging on resource land 6 with consideration of its effects on accepted farm and forest practices. The question is not whether the short-term rental use of dwellings is expressly 7 8 prohibited on land zoned for resource uses. Instead, the question is whether state 9 law expressly *allows* the short-term rental use of dwellings on land zoned for 10 resource uses. The county has not demonstrated that it does.

11 According to the county, its position "that the leasing of one's private 12 residence is a fundamentally residential, and not commercial, use of land is 13 consistent with" the court's holding in City of Portland v. Carriage Inn, 67 Or App 44, 676 P2d 943 (1984). Response Brief 12. In Carriage Inn, the city sued 14 to enjoin the defendant's use of an apartment building for transient occupancy. 15 16 The area was zoned Apartment Residential (AO), and the city argued that the AO zone, which allowed "apartment dwellings," prohibited the use of the apartment 17 building for transient occupancy. The court interpreted the zoning code, 18 recognizing that the primary function of the courts is to discern and declare the 19 20 intent of the legislature. The zoning code defined "apartment dwelling" as "a 21 building or portion thereof, designed for occupancy by three or more families living independently of each other." The zoning code defined "dwelling unit" as 22

a "single unit providing complete, independent living facilities for one or more
persons, including permanent provisions for living, sleeping, eating, cooking and
sanitation." Duration of occupancy was not part of the zoning code, and the court
concluded that the fact that hotels and motels were conditionally allowed in the
AO zone did not mean that the transient use of an apartment building was
prohibited. The court concluded that, *in the context of the city's zoning code*,
"residential" referred to a facility in which one could stay as little as a week.

8 Carriage Inn did not involve resource land stringently regulated by ORS 9 chapter 215. For that reason, it provides little assistance to the county here, where 10 the ZDO amendments must be consistent with ORS chapter 215, Goals 3 and 4, 11 and their implementing regulations. The ZDO amendments allow a person to stay 12 in a dwelling unit or guest house overnight on a transient basis. For the reasons 13 explained above, we agree with petitioner that the county has not identified any 14 provision of ORS 215.283(1) or (2) or OAR chapter 660, division 6, that allows 15 short-term, transient occupancy of a dwelling on resource land.¹⁷

Intervenor-petitioner's second assignment of error is that Goal 2 requires that short-term rentals be listed "as a new separate and distinct allowable primary, accessory, or conditional land use that is regulated with clear and precise 'Land use regulation." Intervenor-Petitioner's Petition for Review 8. We explained

¹⁷ We do not address the lawfulness of the rental of dwellings on resource land for longer than 30 days because that issue is not presented in this appeal.

above why the ZDO amendments are inconsistent with ORS 215.283 and OAR 660-006-0025. To the extent that intervenor-petitioner argues that Goal 2 required the county to adopt implementing regulations as part of the ZDO amendments, we agree that, if short-term rentals are allowed pursuant to ORS 215.283(2) or OAR 660-006-0025, a review process considering the farm impacts test must be incorporated into the ZDO.

The first subassignment of error under petitioner's first assignment of error
is sustained. Intervenor-petitioner's first and second assignments of error are
sustained, in part.

10

B. ZDO 401, 406, and 407

11 ZDO 401, 406, and 407 implement state law applicable to farm and forest 12 land. The second subassignment of error under petitioner's first assignment of 13 error is that the ZDO amendments effectively authorize hotel and motel uses in the EFU, TBR, and AG/F zones in contravention of ZDO 401.06, 406.06, and 14 15 407.05, which prohibit hotels and motels in those zones. ZDO 202 defines "hotel," in part, as a "building which is designed or used to offer short-term 16 lodging for compensation, with or without meals, for six or more people." ZDO 17 18 202 defines "motel," in part, as a "building or series of buildings in which lodging only is offered for compensation[,] * * * which may have more than five sleeping 19 units for this purpose," and which "provid[es] direct independent access to and 20 21 adjoining parking for each rental unit designed primarily for automobile tourist 22 and transient persons."

We sustained the first subassignment of error under petitioner's first assignment of error because the ZDO amendments allow overnight, transient lodging on resource land without authorization in ORS 215.283(1) or (2) or OAR 660-006-0025. Accordingly, the ZDO amendments are inconsistent with ZDO 401, 406, and 407 to the extent that they authorize a hotel or motel on resource land.

7 The second subassignment of error under petitioner's first assignment of8 error is sustained.

9 Petitioner's first assignment of error is sustained. Intervenor-petitioner's
10 first and second assignments of error are sustained, in part.

11 **PETITIONER'S SECOND ASSIGNMENT OF ERROR**

Petitioner's second assignment of error is that the ZDO amendments (1) do not comply with the county's comprehensive plan policies for agriculture and forest areas, which implement Goals 3 and 4, and, relatedly, (2) are not in compliance with the statewide planning goals. Petitioner's Petition for Review Review 28. Pursuant to ORS 197.835(7), we may reverse or remand an amendment to a land use regulation if:

18 "(a) The regulation is not in compliance with the comprehensive
19 plan; or

"(b) The comprehensive plan does not contain specific policies or
other provisions which provide the basis for the regulation,
and the regulation is not in compliance with the statewide
planning goals." (Emphasis added.)

A. Second Subassignment of Error

2 Petitioner argues that the ZDO amendments are not in compliance with 3 Clackamas County Comprehensive Plan (CCCP) Agriculture Policy 4.NN.3 and 4 Forest Policy 4.OO.3. CCCP Agriculture Policy 4.NN.3 provides, "Land uses 5 that conflict with agricultural uses shall not be allowed." CCCP Forest Policy 4.00.3 is to "[p]rohibit land uses that conflict with forest uses." The county 6 7 repeats its position that short-term rentals are residential uses, which are already 8 allowed in residential structures such as dwelling units and guest houses, and they 9 therefore do not conflict with agricultural and forest uses.

10 We concluded in our resolution of the first assignment of error that the ZDO amendments are not consistent with ORS 215.283(1) and (2) and OAR 11 12 chapter 660, division 6, absent identification by the county of something in those provisions that allows the short-term rental use of dwelling units or guest houses 13 on resource land. We conclude that the ZDO amendments are also inconsistent 14 15 with the CCCP policies implementing those provisions. For that reason, we also 16 agree with petitioner that the allowance of the short-term rental use of dwelling 17 units and guest houses, a nonfarm and nonforest use, on resource land is not in compliance with CCCP policies prohibiting uses that conflict with agricultural 18 19 and forest uses.

The second subassignment of error under petitioner's second assignment

- 20
- 21 of error is sustained.

B. First Subassignment of Error

Petitioner also argues that the CCCP does not contain specific policies or other provisions that provide the basis for the ZDO amendments. The county apparently agrees, stating, "Petitioner has identified nothing in the [CCCP] that would be applicable to the ZDO amendments adopted by the [board of county commissioners]." Response Brief 25. We therefore conclude, for purposes of ORS 197.835(7)(b), that the CCCP does not contain specific policies or other provisions that provide the basis for the ZDO amendments.

9 The first subassignment of error under petitioner's second assignment of 10 error is sustained.

11

C.

Third Subassignment of Error

Petitioner states that it "challenges the following findings made by the 12 county in its decision to avoid conflict with Petitioner's other assignments of 13 14 error." Petitioner's Petition for Review 34-35. The challenged findings include 15 the county's finding that Goals 3 and 4 are not applicable and that the ZDO 16 amendments are consistent with the CCCP and statewide planning goals. We 17 understand those findings to be derivative of and dependent on the county's 18 central premise that ORS 215.283 and OAR chapter 660, division 6, do not 19 regulate short-term rentals. For the reasons set forth above in our resolution of 20 petitioner's first assignment of error, we sustain this assignment of error.

The third subassignment of error under petitioner's second assignment oferror is sustained.

Petitioner's second assignment of error is sustained.

REMAINDER OF INTERVENOR-PETITIONER'S FIRST AND SECOND ASSIGNMENTS OF ERROR AND INTERVENOR PETITIONER'S THIRD AND FIFTH ASSIGNMENTS OF ERROR

5 Intervenor-petitioner argues in their first, second, third, and fifth assignments of error that the ZDO amendments fail to comply with Goal 2 6 7 because (1) the county did not identify CCCP provisions demonstrating that there is an unmet need for short-term, overnight tourist accommodations; (2) unlike 8 uses such as hotels, motels, and bed and breakfast lodging, regulations 9 implementing the short-term rental provisions were not adopted into the ZDO; 10 11 and (3) certain CCCP policies are not met. We addressed intervenor-petitioner's first and second assignments of error to the extent that they concern resource 12 13 lands above. We address the remainder of those assignments of error, and intervenor-petitioner's third assignment of error, together. We address 14 15 intervenor-petitioner's fifth assignment of error separately.

We will reverse or remand a land use decision if it is not in compliance with the goals. ORS 197.835(6). As explained above, we will also reverse or remand a new or amended land use regulation under ORS 197.835(7) if:

- 19 20
- The regulation is not in compliance with the comprehensive plan; or

- 21 22
- "(b) The comprehensive plan does not contain specific policies or other provisions which provide the basis for the regulation,

"(a)

and the regulation is not in compliance with the statewide planning goals."¹⁸

3 Intervenor-petitioner argues generally that the county must demonstrate 4 that allowing short-term rentals "within the zones in the unincorporated parts of 5 the county is consistent with Statewide Planning Goals" and specifically that the 6 county's decision is inconsistent with Goal 2. Intervenor-Petitioner's Petition for Review 3. Goal 2 is "[t]o establish a land use planning process and policy 7 8 framework as a basis for all decision and actions related to use of land and to 9 assure an adequate factual base for such decisions and actions." Intervenor-10 petitioner argues that the county was required "to cite some factual basis such as 11 Policies or Goals within [the CCCP] that demonstrates there was a need for short-12 term overnight tourist accommodations that wasn't being met by current 13 allowable regulated short-term overnight accommodations." Intervenor-Petitioner's Petition for Review 3. As we explained in OCAPA v. City of Mosier, 14 15 "the Goal 2 requirement for an adequate factual base is not met 16 unless a legislative land use decision is supported by substantial 17 evidence, *i.e.*, evidence a reasonable person would believe. 18 "[However,] the Goal 2 requirement for an adequate factual base 19 does not exist in a vacuum. In alleging a Goal 2 factual base inadequacy at LUBA, a petitioner must establish that some 20 21 applicable statewide planning goal or other criterion imposes 22 obligations that are of such a nature that a factual base is required to

22 determine if the zoning ordinance amendment is consistent with the

¹⁸ A land use regulation is required to comply with ORS 197.835(7)(a) or (b), not both.

1	goal or ot	ther criterior	n." 44 Or LUBA 452, 462 (2003).		
2	We agree with	the county	y that intervenor-petitioner does not identify any		
3	criterion in a goal or elsewhere providing that a use may only be allowed if a need				
4	for the use is established. This element of the assignments of error is denied.				
5	Intervenor-petitioner also argues that the amendments are inconsistent				
6	with Goal 2 because the county amended its code to allow short-term rentals				
7	without incorporating implementing regulations into the ZDO. We understand				
8	intervenor-petitioner to argue that implementing regulations are required by the				
9	following CCC	P Amendme	nts and Implementation Policies:		
10 11	"11.B.6	Implement action.	this Plan through appropriate ordinances and		
12 13 14		"11.B.6.1	Amend existing ordinances and adopt new ordinances to carry out the policies of this Plan.		
15 16		"11.B.6.2	Apply zoning in a timely manner that is consistent with this Plan.		
17 18 19		"11.B.6.3	Require all zoning and subdivision ordinances to be consistent with the intent of, and based on, this Plan.		
20 21 22		"11.B.6.4	Require all actions of the County on conditional uses, variances, and zone changes to be consistent with the intent of this Plan."		
23	Intervenor-petit	ioner argues	s that implementing regulations are also required by		
24	CCCP Housing	Policy 6.C.1	, which is to "[p]rovide for a variety of housing types		
25	that are complir	nentary or c	ompatible with existing neighborhoods." Intervenor-		
26	petitioner main	tains that t	hose CCCP policies are not met because (1) no		
	Page 29				

implementing provisions were added to the ZDO, (2) similar uses such as hotels, 1 2 motels, and bed and breakfast operations are regulated as commercial uses in the 3 ZDO, and (3) residential neighborhoods are not protected from short-term rentals, which intervenor-petitioner argues are a conflicting use. The county found, "Goal 4 5 2 does not apply to Ordinance ZDO-273 because its text amendments do not change the County's land use planning process. The County will continue to have 6 7 a comprehensive land use plan and implementing regulations consistent with that 8 plan." Record 48. Although we agree with the county that the adopted 9 amendments do not change the land use planning process and that implementing 10 regulations were adopted into CCC title 8, that does not end our inquiry, and we 11 discuss intervenor-petitioner's arguments in more detail below.

12 In resolving petitioner's first assignment of error, we explained that ORS 13 215.283 and OAR 660-006-0025 restrict the use of dwellings located on resource 14 lands and that the farm impacts test must be applied to uses that are conditionally allowed on those lands. Intervenor-petitioner has not, however, identified any 15 requirement in statute, the CCCP, or the ZDO that restricts short-term rentals on 16 17 nonresource land. Intervenor-petitioner also argues that "[t]he fact that [short-18 term rentals] are regulated as a business use demonstrates that they are not a 19 'residential' use," but they do not explain why a short-term rental may not be 20 considered by the county to be a residential use in the ZDO and also be subject 21 to regulation as a business in CCC title 8. Intervenor-Petitioner's Petition for 22 Review 7.

1	Intervenor-petitioner argues that (1) Goal 2 requires that short-term rentals
2	be separately identified as a permitted use in the various sections of the ZDO that
3	regulate different zoning districts, as opposed to identified and passively allowed
4	pursuant to a definition, and (2) the regulations governing short-term rentals must
5	be located within the ZDO so that they are easily located by interested parties.
6	"Goal 2 does not dictate the manner in which a local government must make its
7	ultimate policy choices or the form in which the [local government] must express
8	ultimate policy choices." Home Builders Assoc. v. City of Eugene, 52 Or LUBA
9	341, 366 (2006). Intervenor-petitioner does not develop their argument that Goal
10	2 prohibits authorizing a use within a zoning code definition or requires, on
11	nonresource lands, that hotel, motel, and bed and breakfast operations and short-
12	term rentals generally be regulated in a similar fashion. Accordingly, we do not
13	address those arguments further. Deschutes Development v. Deschutes Cty., 5 Or
14	LUBA 218, 220 (1982). These elements of the assignments of error are denied.
15	In their fifth assignment of error, intervenor-petitioner argues that the ZDO
16	amendments are inconsistent with the following CCCP Affordable Housing
17	Policies:
18 19 20 21	"6.B.1 Encourage development of affordable housing (including public subsidized housing) to produce a range of housing prices and rent ranges commensurate with the range of the County's household incomes.
22 23	"6.B.2 Encourage the development of low- and moderate-income housing with good access to employment opportunities."

Intervenor-petitioner argues that the ZDO amendments are inconsistent with
 those policies because the county did not address the adverse impacts of short term rentals on affordable housing.¹⁹

4 A local government is not necessarily required to adopt findings 5 supporting a legislative decision; nonetheless, the record on appeal must be 6 sufficient to demonstrate that "required considerations were indeed considered." 7 Citizens Against Irresponsible Growth v. Metro, 179 Or App 12, 16 n 6, 38 P3d 8 956 (2002). The county's decision incorporates the November 16, 2020 staff 9 report to the planning commission as findings, and those findings include 10 conclusions relevant to the provision of housing in the county. Record 1. The November 16, 2020 staff report findings conclude that short-term rentals already 11 12 exist. Record 45. The November 16, 2020 staff report also concludes that families 13 may need the supplemental income generated by short-term rentals in order to improve their primary dwellings. Record 52. As we explained in Columbia 14 15 Pacific v. City of Portland,

"given the generally-worded language of most of the goals and
policies at issue, and the leeway a governing body has in balancing
and weighing consistency of a zoning text amendment with a variety
of sometimes competing policy objectives, petitioners and
[intervenor-petitioner] must do more than simply disagree with the
[local government's] conclusions. Petitioners and [intervenor-

¹⁹ Intervenor-petitioner argues that allowing the short-term rental use of any dwelling within the county will decrease the stock of affordable housing by increasing the cost of home purchases and long-term rental rates.

petitioner] must demonstrate that the [governing body] failed to
 meaningfully consider a reasonably specific and pertinent
 [comprehensive plan] goal or policy." 76 Or LUBA 15, 27-28
 (2017), rev'd and rem'd on other grounds, 289 Or App 739, 412 P3d
 258, rev den, 363 Or 390 (2018).

6 The county considered housing impacts generally, but it did not address 7 *affordable housing*. Intervenor-petitioner has established that the county did not 8 meaningfully consider the CCCP Affordable Housing Policies that it was 9 required to consider.

- 10 The remainder of intervenor-petitioner's first and second assignments of
- 11 error and intervenor-petitioner's third assignment of error are denied. Intervenor-
- 12 petitioner's fifth assignment of error is sustained.

13 INTERVENOR PETITIONER'S FOURTH ASSIGNMENT OF ERROR

14

Intervenor-petitioner's fourth assignment of error is that the ZDO

15 amendments are

"not supported by substantial evidence within the record because the 16 County's decision does not make a distinction as to when a 17 18 'Dwelling Unit' being used for a [short-term rental] is a private personal use incidental to the owner's use of the Dwelling for 19 20 Residential Occupancy and when the [short-term rental] use is a more intense rental use where the intent is a short term transient 21 lodging for the conduct of a business of Lodging as a Commercial 22 Use." Intervenor-Petitioner's Petition for Review 25. 23

Intervenor-petitioner also argues that the county was required by ORS
197.835(9)(a)(C) to adopt findings or rely on substantial evidence to conclude
that all short-term rentals are residential uses, as opposed to commercial uses.
Intervenor-Petitioner's Petition for Review 26.

1	Although intervenor-petitioner describes their fourth assignment of error
2	as a substantial evidence challenge, we understand them to argue, at least in part,
3	that the county misconstrued the law. ORS 320.300 to 320.365 address transient
4	lodging taxes, and ORS 320.300(11) provides that, as used therein, "transient
5	lodging" means:

- 6 7
- "(a) Hotel, motel and inn dwelling units that are used for temporary overnight human occupancy;
- 8 "(b) Spaces used for parking recreational vehicles or erecting tents
 9 during periods of human occupancy; or
- "(c) Houses, cabins, condominiums, apartment units or other
 dwelling units, or portions of any of these dwelling units, that
 are used for temporary human occupancy." (Emphasis
 added.)

14 Intervenor-petitioner argues that the county erred because the ZDO definition of "dwelling unit" is not congruent with the definition in ORS 320.300(11). 15 16 Intervenor-Petitioner's Petition for Review 29. Intervenor-petitioner cites the 17 November 16, 2020 staff report, which explains that the board of county 18 commissioners directed staff to "look into the most effective ways to potentially 19 allow and regulate [short-term rentals]," in part because some existing short-term 20 rentals were not paying the county's transient room tax, which is applicable to 21 short-term rentals, hotels, motels, and other lodging establishments. Record 45. The November 16, 2020 staff report goes on to say, "Establishing a [short-term 22 23 rental] registration program, linking the registration to a requirement to pay the 24 [county's transient room tax], and funding the enforcement of the new

regulations could help level the playing field for all lodging establishments, ensuring they are all paying their fair share." Record 45 (emphasis added). The staff report then explains that the registration and regulation program is proposed for inclusion in CCC title 8, with enabling amendments to the ZDO.²⁰ Intervenorpetitioner does not develop their argument that the definition of "transient lodging" in ORS 320.300(11) bars the amended definition of "dwelling unit" in the ZDO, and we do not address that argument further.

8 Intervenor-petitioner also argues that, to the extent that short-term rentals are charged transient lodging taxes, they are commercial uses and therefore 9 10 cannot be considered residential uses within the ZDO. The county's Business Regulations in CCC title 8 require operators of short-term rentals to register their 11 12 facilities and pay the county's transient room tax unless the short-term rental is 13 an incidental use of the operator's private home, vacation cabin, or like facility. 14 According to intervenor-petitioner, nonincidental use of a dwelling as a short-15 term rental is a commercial occupancy, similar to occupancy of a hotel or motel, 16 and should be subject to additional regulations, such as those found in ZDO 800, 17 which governs special uses. Intervenor-Petitioner's Petition for Review 28-31. Intervenor-petitioner argues that nonincidental short-term rentals are a 18

²⁰ The "enabling amendments" to the ZDO allow the short-term rental use of dwelling units and guest houses but do not require payment of the county's transient room tax. Rather, it is CCC title 8 that links the operation of a short-term rental to the requirement to pay the county's transient room tax.

commercial use and, therefore, cannot be considered residential uses for ZDO
 purposes. *Id.*

3 We sustained petitioner's first assignment of error concerning the county's 4 allowance of the short-term rental use of dwelling units and guest houses on 5 resource lands because ORS 215.283 and OAR chapter 660, division 6, strictly 6 regulate the uses that are allowed on resource land. Intervenor-petitioner 7 maintains, but does not develop their argument, that short-term rentals are also 8 restricted by law on nonresource land. Legislative decisions are not required to 9 be supported by findings, and intervenor-petitioner has not identified any 10 provision of law requiring that the ZDO regulate nonincidental short-term rentals 11 in the same manner as uses such as hotels and motels. As discussed above in our 12 resolution of intervenor-petitioner's Goal 2 argument, Goal 2 does not restrict the 13 form in which local governments must express ultimate policy choices. Here, the 14 county elected to require the registration of and tax short-term rentals in CCC 15 title 8, and to regulate them as residential uses in the ZDO. Intervenor-petitioner 16 may intend to argue that the decision must provide an explanation for why short-17 term rentals are not regulated in the same manner as hotels or motels, but 18 intervenor-petitioner does not develop an argument establishing that the law 19 requires short-term rental uses to be regulated in the same manner as hotel or 20 motel uses or requires the county to explain its reasoning for a different approach.

~~

21

Intervenor-petitioner's fourth assignment of error is denied.

22 The county's decision is remanded.