

City of Hood River Short Term Rental Program/Enforcement Statistics:

Est. Active STRs in Jan, 2017: **211**

Est. Active STRs in Jan, 2018: **153**

2017 Licensees: **179**

2018 Licensees to-date: **158** (about 8 renewals are still being processed and not yet included in the 2018 count)

Properties subject to enforcement actions to-date (including warning letters): **57**

Properties receiving one or more citation(s) after initial warnings: **19**

Current status of enforcement actions to-date:

Resolved: STR now licensed: **16**

Resolved: STR Ad removed: **35**

Resolved: Ad switched to long-term: **5**

Unresolved (enforcement in-process): **1**

Source: Will Norris, Finance Director/Assistant City Manager  
City of Hood River  
January 24, 2018

## *STR Frequently Asked Questions from City of Hood River*

- 1) Transient Tax will raise about \$2million a year. How much of that money has been allocated to Affordable housing – I assume ZERO*

25% of TRT revenue is dedicated to tourism promotion by law and there was never any intent to divert the remaining portion that supports general city services (Police, Fire, Parks, & Planning) impacted by tourism. As of 2017, private residence Short-term Rentals (STR) generated 15% of the City's Transient Room Tax (TRT) revenue.

The City has dedicated \$100K of general fund money for affordable housing. The City also has levied a 1% Construction Excise Tax dedicated to affordable housing and moved forward with rezoning a City parcel for an affordable housing development.

- 2) There were about 200 STR units before the regulations took effect – How many of these units have become Affordable Rental / Housing*

STR regulations were put in place for many reasons, only one of which is to moderate escalating housing prices. It is a strawman argument routinely made by opponents of STR regulations that the expectation was vacation homes would convert directly to housing affordable for income levels less than 80% area median income or some other standard measure of low-income housing.

Instead, the intent was to:

- Reduce the negative residential neighborhood impacts of high intensity STR use while maintaining home owner's ability to generate supplementary short-term rental income.
- Limit commercial transient occupancy use in the residential zones, thereby reducing outside competition for buyers of all income levels searching for their primary residence.

Finding data for our small real-estate market is challenging, but there are indications that the policy is having its intended effect. City home values as measure by the home research site Zillow ceased rising at the time the City began enforcing STR regulations in the spring of 2017 (<https://www.zillow.com/hood-river-or/home-values/>). Conversely, housing prices in White Salmon, where STR limits were not put in place, continue to increase rapidly. New STRs are continually being licensed, including approximately 30 new licenses in 2017 after regulations were fully in effect.

## Hood River Market Overview

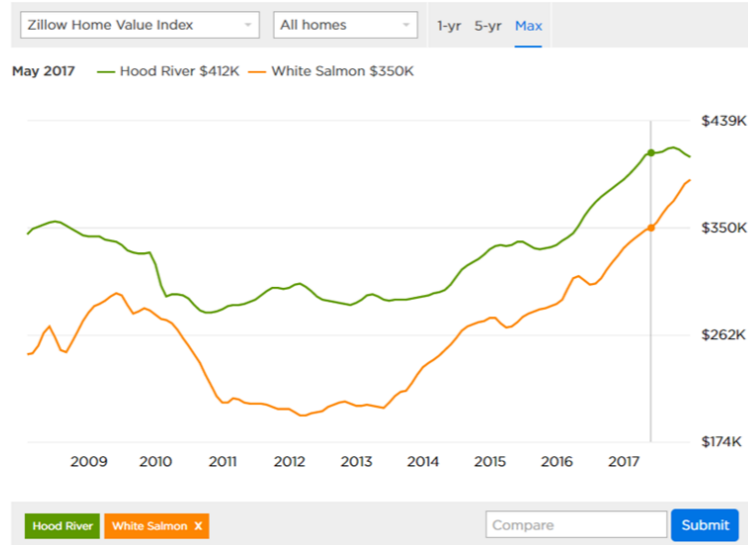
Data through Dec 31, 2017

\$409,200 ZHVI

No data 1-yr forecast

\$533,000 Median listing price

No data Median sale price



- 3) *In six years time, at least half the STR units will disappear, that reducing the city income by an estimated \$0.5 million. What steps are the City taking to compensate for that loss*

The City has already seen a reduction in the total number of STRs while TRT revenue continues to increase at double digit rates. As noted above, STRs generate only a small proportion of city-wide TRT revenue. The reduction of “black market” STRs is also likely funneling renters to legal operators who remit tax.

In addition, the City has documented at least 14 properties that were previously operating unregistered that have since come into compliance and became licensed once they received a warning letter as part of STR enforcement.

- 4) *I read in the police report that the City has started legal action against STR owners. That means that the City is preparing for an avalanche of legal action by and against the city. How much money has the city allocated for the legal fight on the STR issue. My estimate is that the legal cost would be in the hundreds of dollars – Would the city have to raise that money using a new levy?*

The City has been initiating enforcement actions since last July. To-date, 57 properties have been the subject of enforcement actions (including warning letters). 18 of these properties have received at least one citation. There has not been an avalanche of legal costs. The City Prosecutor has handled the cases within the normal scope of her contract during existing municipal court hours. The majority of properties come into compliance immediately after a warning. No property to-date has remained out of compliance after receiving two rounds of citations.

- 5) *Current STR regulations make a distinction between Residents and non residents. This distinction goes against the ethical Commission opinion – What steps would the city take to correct this.*

The City’s STR regulations were developed with legal counsel and do not violate any laws. Residency requirements are a common element of STR regulations being adopted across the country, with the nearest example being the City of Portland.

- 6) *The STR definition of “resident: is: Driver licenses’, Voter registration or tax return. This discriminate against Legal Aliens who cannot register to vote and may file tax elsewhere.*

The City of Portland only allows a Driver’s License or state issued ID card with no alternatives. The City of Hood River allows any two of the three listed forms of identification. There has not been a single instance of a legal alien applying to rent their primary residence in Hood River being disallowed due to an inability to obtain proof of residency.

- 7) *Current any Oregon resident, who owns an STR in Hood River, can claim to be a local resident by obtaining a driver license and register to vote. I am personally aware of a Portland Resident who own an STR in Hood River but claim to be a Hood River resident. Is the city going to close this loop hole?*

The question presumes its own definition of a “resident”. The proof required to establish residency for STR operation is set in the municipal code.