



June 18, 2018

Hood River County Board of Commissioners
601 State Street
Hood River, OR 97031

RE: Legislative code amendments for Short Term Rentals

PO Box 1544
Hood River
Oregon
97031

www.hrvrc.org

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Heather Staten

**Administrative
Assistant**

Lynne Davidson

Dear Chair Rivers and Commissioners:

Here is some additional information to help inform your decision on STR code amendments.

STRS and the long-term rental vacancy rate

The impact of STRs on housing affordability in a community is correlated with the long-term vacancy rate. Economic analyses from around the country have shown that as the percentage of non-resident STRs approaches or exceeds the vacancy rate for long-term rentals, it accelerates increases in rents and displaces long-term renters. Hood River is the least affordable rental market in the State of Oregon and has a vacancy rate of less than 1% (*See Elliot Njus, "Average Oregon renter can no longer afford a typical one-bedroom apartment, Report Finds," The Oregonian, June 13, 2018.*)

Meanwhile the percentage of the housing supply devoted to STRs and second homes has increased dramatically. As of 2016, STRs and second homes comprised about 8% of the housing stock in the unincorporated parts of the county—double the percentage in 2011 (*See American Community Survey data on "Housing for Seasonal, Recreational or Occasional Use" in unincorporated Hood River prepared by Daniel Hauser, Policy Analyst, Oregon Center for Public Policy*). There has been extensive research and policy development on STRs in the last few years. A "primary residence" requirement is now the consensus best practice in tight housing markets like Hood River's.

Most STRs would make great homes for locals.

We've heard comments that most STRs are large, fancy homes that would not be housing for average working folks if they weren't STRs. By and large that is not true.

See sample attached photos of STRs listed on Air BnB June 18, 2018. The pictures show cabins, farm houses and a manufactured home ranging from 1-3 bedrooms. All were previously year-round homes and they are the types of modest homes that Hood River still needs.

Regulations that are enforceable and enforced.

A primary resident requirement backed up with an affidavit and three pieces of proof (Oregon Drivers License or ID card, voter registration in Hood River County and Oregon Tax Return from the most recent year) provide clear and objective criteria that are easy to administer. We encourage you to model your enforcement program after the City of Hood River's. The City's STR program is funded entirely from fees and fines—no reliance on the general fund—and has a 90-95% compliance rate. The City utilizes a service called Host Compliance. *See attached pricing and service information for Host Compliance for 100 STRs.* Not only does the service monitor the internet looking for non-licensed STRs, they will also send enforcement letters to those non-compliant STRs and monitor tax payments to make sure STRs are not underreporting TRT.

Loss of community and attitudes of Hood River residents to tourism

Many people have commented about how non-resident STRs impact our sense of community and how the STR cycle of a rotating cast of new people punctuated by weeks of dark homes undermines a neighborhood. It also impacts our school district as non-resident STRs don't have kids that go to our schools. Enrollment at Hood River County School District has declined by 50 students a year for each of the last four years. With each lost student, the District loses about \$8,000 in state funding which is paid on a per pupil basis.

I also wanted to share some data from a soon-to-be released survey on tourism that the Gorge Commission and Hood River Chamber of Commerce commissioned. The survey asked Hood River County residents a number of questions about their attitudes towards tourism. The survey shows a high level of skepticism if not outright hostility to increasing tourism in the County. When asked if they had more money to spend as a result of tourism, 69% of people said no. Just 19% of people agreed with the statement "I support tourism and would like to see it become the main industry in my community." 36% strongly disagreed with that statement.

In the past, your Board has also had a skeptical view of tourism. At its core the decision about whether residency should mean "permanent resident" or whether it means 30-days, is a decision about priorities and who you want to help. A primary resident requirement is a vote to put local residents—your voters-- first. While we have heard that with a cap of 100 the overall impact of STRs will be small, we haven't heard why opening those 100 spots up to out-of-town investors is the best policy for Hood River. If you are in favor of the 30-day definition, we encourage you to explain to the public why you came that decision.

Best regards,



Heather Staten, Executive Director

OREGONLIVE.COM

Average Oregon renter can no longer afford a typical one-bedroom apartment, report finds

By Elliot Njus | The Oregonian/OregonLive | Posted June 13, 2018 at 07:00 AM | Updated June 13, 2018 at 03:12 PM

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A sign advertises apartments for rent in North Portland. (Elliot Njus/Staff/file)

The average Oregon renter can no longer comfortably afford a one-bedroom apartment even while working a full-time job, according to a new report.

The numbers from the [National Low Income Housing Coalition's "Out of Reach"](#) report show the escalating impact of rising housing costs across the state.

According to the report, a renter would have to make \$36,161 a year to comfortably afford a typical one-bedroom rental in Oregon, but the average renter household in the state makes only \$36,096.

In the Portland area, even the cost of a studio apartment exceeds the estimated median income for an average renter household. In both the Portland and Corvallis areas, a one-bedroom apartment is over-budget for the median renter household.



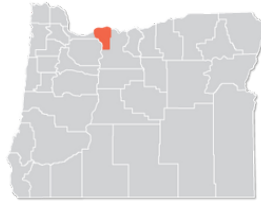
For some low-income renters, the outlook is even more bleak. There are only a handful of rural counties where the average one-bedroom apartment is affordable to a renter who works full-time earning the minimum wage.

In most of the state's population centers, rents have risen faster than inflation or wages in recent years. Rents have only recently begun to level off in parts of Portland, where thousands of newly built apartments have come on the market.

The study uses fair-market rents, which are determined by the U.S. Department of Housing and Urban Development to set local values for housing vouchers. It considers housing to be affordable when it consumes less than 30 percent of a household's income, a generally accepted measure of affordability used by the federal government.

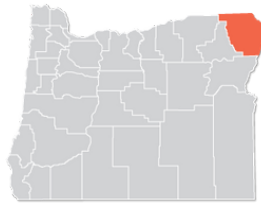
Counties (or metro areas, where they're treated as one unit) in order by the work hours per week needed to afford a one-bedroom apartment:

Hood River County



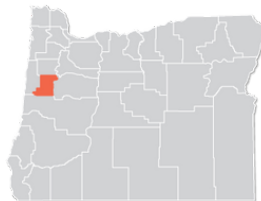
The average Hood River County renter would need to work **61 hours a week** to comfortably afford a typical one-bedroom apartment, which has a fair-market rent of **\$901**. The hourly wage needed to afford that apartment in a 40-hour work week is **\$17.33**.

Wallowa County



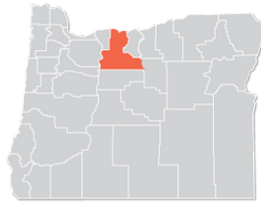
The average Wallowa County renter would need to work **53 hours a week** to comfortably afford a typical one-bedroom apartment, which has a fair-market rent of **\$607**. The hourly wage needed to afford that apartment with a 40-hour work week is **\$11.67**.

Benton County



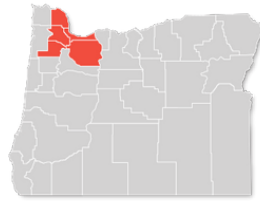
The average Benton County renter would need to work **53 hours a week** to comfortably afford a typical one-bedroom apartment, which has a fair-market rent of **\$801**. The hourly wage needed to afford that apartment with a 40-hour work week is **\$15.40**.

Wasco County



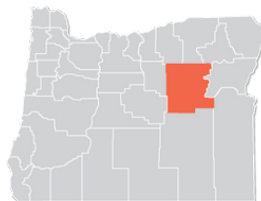
The average Wasco County renter would need to work **51 hours a week** to comfortably afford a typical one-bedroom apartment, which has a fair-market rent of **\$798**. The hourly wage needed to afford that apartment with a 40-hour work week is **\$15.35**.

Portland metro



The average Portland metro renter would need to work **49 hours a week** to comfortably afford a typical one-bedroom apartment, which has a fair-market rent of **\$1,132**. The hourly wage needed to afford that apartment with a 40-hour work week is **\$21.77**.

Grant County



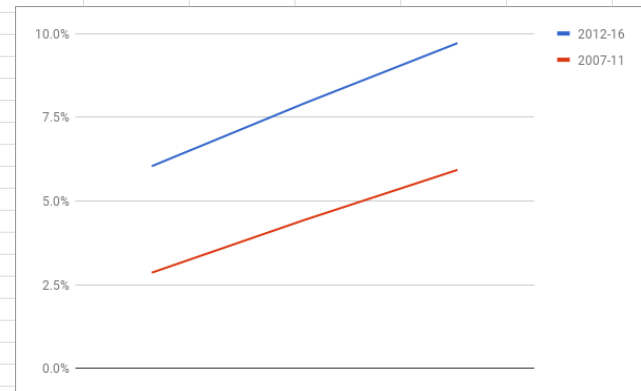
ACS Question	Data	Estimate	Margin of Error (+/-)	Low	High
B25001	Total units	9523	219	9304	9742
B25004	Total vacant units	1310	256	1054	1566
B25004	Total seasonal units	754	192	562	946
B25003	Total occupied units	8213	304	7909	8517
B25003	Owner occupied	5305	311	4994	5616
B25003	Renter occupied	2908	314	2594	3222
	Share Seasonal	7.9%		6.0%	9.7%

Data: 2012-2016 American Community Survey 5-Year Estimates for Hood River, County
Source: <https://factfinder.census.gov>

	Low	Estimate	High
2012-16	6.0%	7.9%	9.7%
2007-11	2.9%	4.4%	5.9%

2007-2011 ACS 5 YR Data

ACS Question	Data	Estimate	Margin of Error (+/-)	Low	High
B25001	Total units	9,193	252	8,941	9,445
B25004	Total vacant units	989	267	722	1256
B25004	Total seasonal units	408	152	256	560
B25003	Total occupied units	8,204	349	7,855	8,553
B25003	Owner occupied	5,545	299	5,246	5,844
B25003	Renter occupied	2,659	361	2,298	3,020
	Share Seasonal	4.4%		2.9%	5.9%





A sample of non-resident STRs
June 2018

Simple fixed pricing based on your municipality's short-term rental compliance monitoring and enforcement needs

<https://hostcompliance.com/pricing/>

APPROXIMATELY HOW MANY SHORT-TERM RENTALS OPERATE IN YOUR COMMUNITY?

50 **100** 200 300 400 500 600 800 1000 1200

1200+ (MAILTO:TEAM@HOSTCOMPLIANCE.COM)

TREND MONITORING

\$ **380** /yr

- Active monitoring of jurisdiction's STR listings across 15+ STR websites
- Monthly report on aggregate STR activity in jurisdiction
- Monthly analysis of STR trends in jurisdiction
- Automatic alerts if the # of STR listings reach a pre-determined level

ADDRESS IDENTIFICATION

\$ **3,000** /yr

Get all Trend Monitoring features PLUS

- Detailed monthly report with:
 - Up-to-date list of jurisdiction's active STR listings
 - High resolution screenshots of all active listings
 - Full address and contact information for all identifiable STRs

COMPLIANCE MONITORING

\$ **4,500** /yr

Get all Address Identification features PLUS

- Ongoing monitoring of STRs for zoning and permit compliance
- Pro-active and systematic outreach to unpermitted and/or illegal short-term rental operators (using jurisdiction's form letters)

TAX COLLECTION SUPPORT

\$ **6,500** /yr

Get all Compliance Monitoring features PLUS

- Ongoing monitoring of jurisdiction's listings for tax compliance
- Pro-active, systematic and data-informed outreach to short-term rental operators regarding their tax remittance obligations (using jurisdiction's form

24/7 HOTLINE

\$ **7,700** /yr

Get all Tax Collection Support features PLUS

- 24/7 staffed telephone and email hotline for neighbors to report non-emergency problems related to STR properties
- Daily/Weekly staff reports containing:
 - The # and types of reported incidents

in jurisdiction
(where available)

- Monthly staff report on jurisdiction's zoning and permit compliance:
 - Up-to-date list of STRs operating illegally or without the proper permits
 - Full case history for non-compliant listings

- letters)
- Monthly staff report on jurisdiction's STR tax compliance:
 - Up-to-date list of STRs suspected of under-reporting taxes
 - The list of evidence that serves as the foundation for the suspicion of tax under-reporting
- Custom reports and analysis to support tax audits and other STR related investigations

- List of properties for which incidents have been reported
- Full documentation of all reported incidents
- Digital recordings and written transcripts of all calls
- Custom reports and analysis of hotline related activities

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All packages comes with extensive benefits:



Dedicated Account Management



U.S.-Based Tech Support



In-House Compliance Team