

From: Tamara DeRidder, AICP
To: [Parsons, Susan](#)
Subject: RCPNA: Request to speak to City Council on Short-Term Housing & Attached letter to the Mayor & City Council
Date: Thursday, August 16, 2018 5:04:35 PM
Attachments: [RCPNA-08072018Board-ShortTermRentalEnforcementLetter -08162018TDR.docx](#)
[RCPNA - 08072018Board-ShortTermHousing Enforcement- Attachment-FinancialImpact 1.pdf](#)

Good afternoon, Susan -

Thank you for taking my call earlier. Please add me to the City Council Communications on Wed. Sept. 5th to discuss the attached letter on Short Term Housing Enforcement that was approved by Rose City Park Neighborhood Association. I would appreciate you providing the Mayor and Commissioners a copy of these documents at your earliest convenience.

Please let me know if you have any questions.

Best,

Tamara

Tamara DeRidder, AICP
Chair, RCPNA
1707 NE 52nd Ave.
Portland, OR 97213
503-706-5804

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"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has." Margaret Mead



August 16, 2018 (Sent this date via email)

City of Portland

Attn: Mayor Ted Wheeler & City Commissioners (Clerk: Susan.Parsons@portlandoregon.gov)

1221 SW Fourth Ave.

Portland, OR 97204

Subject: RCPNA Calls for Short Term Housing Enforcement to Address Portland Housing Needs

Dear Mayor Ted Wheeler,

Thank you for the opportunity to speak with you and fellow City Commissioners regarding an issue that you are able to act on today. Yes, we have a housing crisis here in Portland. That part is not new news. But, what many of you may have forgotten is the weak regulation and lack of enforcement of the Air BnB type rentals has increased housing scarcity as well as rental prices.

Think about that just for a minute.

Over four years ago now, in 2014, the City Council approved Ordinance Number 186736 to allow Short-Term Rentals in Single Dwelling zones. Commissioners Fritz, Fish, and Saltzman may remember this vote. Since that time the number of rentals has grown 26% annually in Rose City Park neighborhood alone. Over the 4 years prior to 2014 the number of rental properties remained virtually the same, hovering near zero percent. In general, we can all agree that more rental properties are a good thing if it means more space for new residents in our community. However, in this case, according to AirDNA, over 50% of those rentals are available all the time which means they are short-term rentals rather than new, long-term housing.

In addition, 72% of these rentals are entire homes. It is not clear how many short-term rentals are whole houses in Rose City Park. But, for just one home or apartment that could be someone's primary residence instead of a short-term rental is too many. That means the owner of this property is robbing Portland of available long-term housing. As some of you may recall, this Ordinance under Motion 6 as amendment D calls for Primary Residence to require resident to occupy the dwelling for at least 9 months (out of a year). That is reflected in Municipal Code 33.207.050 A1 that states "accessory short-term rental must be accessory to a Household Living use on a site"

The rampant whole-house short term rentals do not appear to meet the Code.

It is time for the City Council to step up its game and either enforce short-term rentals as an accessory use to the primary use OR get rid of this option.

In a city where 80% of the short-term rentals continue to be unregulated, I can only say shame on you for continuing this abject failure of a policy. Yes, short-term rentals can bring some needed income to families trying to deal with the increasing costs just to live in this city. But, a property owner providing the public short-term housing should be considered a privilege not a right. It should not come at the cost of residents and families that no longer can find a home to buy or rent.

This is NOT a big ask. It would take the average 10-year old 15 minutes to find a handful of these violators on line. Here is a sampling:

Air BnB

- https://www.airbnb.com/rooms/19051513?location=Rose%20City%20Park%2C%20Portland%2C%20OR%2C%20United%20States&adults=1&children=0&infants=0&check_in=2018-08-16&check_out=2018-08-18&s=DWRJopcQ
- https://www.airbnb.com/rooms/21642481?location=Rose%20City%20Park%2C%20Portland%2C%20OR%2C%20United%20States&adults=1&children=0&infants=0&check_in=2018-08-16&check_out=2018-08-18&s=DWRJopcQ
- https://www.airbnb.com/rooms/14807366?location=Rose%20City%20Park%2C%20Portland%2C%20OR%2C%20United%20States&adults=1&children=0&infants=0&check_in=2018-08-16&check_out=2018-08-18&s=6PqSn8Ox

AirDNA



If your BDS staff is unable to do this, which apparently is the case after 4 years on the books, then we recommend the City offer a finder's fee for each illegal unit turned in.

Also, this policy failure should be seen as a teaching moment. Remember the Financial Impact and Public Involvement Statement that was submitted with this Ordinance? Attached is a copy. It states that there will be \$0 impact to the City as the costs for administering this ordinance will be programmed into the fees charged. However, in the 2018-19 BDS Budget report it is stated that "BDS's Enforcement Program is the only bureau program to receive General Fund support, and thus will bear the brunt of the 5% cut in General Fund appropriations mandated by the Council."¹ Nowhere in the Financial Impact statement was the cost of enforcement considered.

On behalf of Rose City Park Neighborhood Association, I request that the City Auditor review the BPS Ordinance proposals for accuracy in their Financial Impact statements.

It is an unfortunate reality that the City Council trusts city staff to provide truthful documentation of all the facts and potential impacts of a proposed Ordinance. I caution each of you to do your own homework and ask the tough questions before you render future decisions. As a community we can ill afford supporting more short-term housing at the expense of our residents and livability. With increasing density, such as the proposed Residential Infill Project, there is no guarantee that the majority of these new units will not end up as short-term housing. In this day an age of realizing un-intended consequences, it is important to keep an eye on who will benefit the most out of creating more units per lot in single dwelling zone.

We are all participating in a losing battle in creating long-term housing if short-term rentals are not adequately regulated AND vigilantly enforced.

Thank you for your time and consideration.

Respectfully,



Tamara DeRidder, AICP
Chair, RCPNA
1707 NE 52nd Ave.
Portland, OR 97213

Attachment: Ordinance 186736

¹Development Review Advisory Committee, Letter re: BDS FY 2018-19 Requested Budget, Jan. 25, 2018.

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Morgan Tracy	2. Telephone No. (503) 823-6979	3. Bureau/Office/Dept. Planning and Sustainability
4a. To be filed (hearing date): June 4, 2014	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to Commissioner's office and CBO Budget Analyst: May 21, 2014
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed	6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title: Improve land use regulations related to accessory short-term rentals through the Regulatory Improvement Code Amendment Package 6 (RICAP 6) (Ordinance; Amend Title 33, Planning and Zoning and Title 3, Administration)

2) Purpose of the Proposed Legislation: The purpose of the legislation is to amend the existing regulations on Bed and Breakfast Facilities to call them Short-term Rentals, and to provide an alternative permitting process for the renting of 1-2 bedrooms as part of a household living use in a house, attached house, duplex, accessory dwelling unit or manufactured home on its own lot.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The amendments reduce the type of review for a 1-2 bedroom short-term rental. The review changes from a discretionary conditional use review to an administrative permit review. This administrative permit will cost considerably less than a land use review, but incorporates much less staff time to complete. Noticing for the permit is the responsibility of the applicant and there is no report produced. The Bureau of Development Services establishes its fees based on cost recovery for the service provided, therefore these proposals do not affect the net revenue received.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense?

The costs for administering this program will be programmed into the fees charged for the services provided. Services will include administrative review and building inspection. There is no increase in net expenditures anticipated as a result of the legislation.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** No. There may be some initial workload pressure during the initial roll out of the permit option since there is anticipated to be a backlog of applicants who wish to receive a permit. This increase will be handled by existing BDS staff.
- **Will positions be created or eliminated in future years as a result of this legislation?** No changes to staffing are anticipated in the future as a result of this legislation.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations

None.

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

YES: Please proceed to Question #9.

NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item? The proposal amends the zoning code for bed and breakfast facilities and creates a more streamlined, administrative review of short-term rentals of 1-2 bedrooms within a house or accessory dwelling unit. Currently there are over 1,000 of these units operating in the city, most illegally without the proper land use review. Generally, these illegal operations have not generated many code compliance cases, as less than 3% of compliance cases in 2013 involved short-term rentals. However, the proposal does make it easier for existing operations to become legal and provides a lower cost barrier of entry than the conditional use process for new short-term rentals of 1-2 bedrooms. Neighborhood concerns for these uses include increases in noise and traffic, and a decrease in security. The intent of these regulatory changes is to treat a 1-2 bedroom short-term rental similarly to other home occupations that include visitors, as these types of accessory occupations would have similar impacts.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved? The short-term rental amendments are part of the workplan for RICAP 6, which was adopted by the Planning and Sustainability Commission after a public hearing on August 13, 2013. Staff began meeting with certain stakeholders including neighborhood land use chairs, the Regional Arts and Culture Commission (RACC) and the Development Review Advisory Council (DRAC) during development of the workplan and initial issue research. A public Discussion Draft was published on January 6, 2014 with a 6 week comment period. Public notice was sent to over 750 recipients, and emails were sent to over 360 people. During this period, staff met with the Design Commission, Historic Landmarks Commission, the Planning and Sustainability Commission, six neighborhood district coalitions, and two neighborhood associations. Staff held a public open house on February 11, 2014 which was attended by approximately 75 people. During this period, staff received over 100 written comments. The vast majority of the interest and comments were on the short-term rental amendments. These comments were reviewed by staff and minor amendments were made to the code proposal.

Notice of the *Proposed Draft* and PSC public hearing was sent to 771 recipients 30 days prior to the public hearing date to provide the public sufficient opportunity to review the proposal and to deliver testimony on the proposed code amendments to the PSC.

On April 22, 2014, the Planning and Sustainability Commission (PSC) held a public hearing with approximately 90 people in attendance. The Commission received 102 written letters and emails and heard oral testimony from 37 attendees. Nearly all of the written and oral testimony was on the short term rental portion of the proposal. The testimony and discussion lasted for nearly four

hours. The PSC recommended the approval of the staff proposed code changes with only minor amendments.

c) How did public involvement shape the outcome of this Council item?

Several refinements were made to the proposal through public comments and testimony received during the legislative process. At the PSC hearing, the PSC requested an amendment to the definition of household. In addition, the testimony is expected to lead to additional information that will be included in the permit application form and handouts for the short-term rentals.

d) Who designed and implemented the public involvement related to this Council item? The Bureau of Planning & Sustainability staff designed and implement the public involvement process.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Morgan Tracy, City Planner – morgan.tracy@portlandoregon.gov (503) 823-6879

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Additional informational materials will be developed to assist the public in understanding and complying with the regulations. However, no additional public outreach is anticipated following adoption.



BPS DIRECTOR, Susan Anderson

Request of Tamara DeRidder to address Council regarding short-term housing enforcement (Communication)

SEP 05 2018

PLACED ON FILE

Filed AUG 28 2018

MARY HULL CABALLERO
Auditor of the City of Portland

By *Susan Parsons*
Deputy

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
1. Fritz		
2. Fish		
3. Saltzman		
4. Eudaly		
Wheeler		