

Testimony of Steven Unger – April 2, 2014

My name is Steve Unger, I own and operate the Lion and the Rose Bed & Breakfast at 1810 NE 15th Avenue in Irvington.

Last Thursday, when airbnb announced that Portland was to be its initial “Shared City”, Mayor Hales scored a huge victory in having Portland become the first city in the world for whom airbnb agreed to remit lodging tax. However, now that Portland has moved into the spotlight it is more important than ever that Portland develop a comprehensive short-term rental policy that addresses all airbnb rentals (as has Austin, Texas).

Unfortunately, the RICAP 6 Proposal Draft only covers only 40% of airbnb rentals in Portland -- “private room” rentals in single family homes and duplexes that are the primary residence of the operator.

RICAP 6 does **not** address:

- over 400 unsupervised airbnb “entire place” rentals
- any airbnb rental in a multi-family building, and
- any “vacation rental” listings on vrbo, homewaway and flipkey.

BP&S says that these rentals will simply continue to be “illegal”, which is to say that they will only be closed down when a complaint is filed. Yet it is difficult to file a complaint because all the major websites intentionally mask the name and address associated with the rental.

So far the airbnb “horror stories” have usually involved property damage in “entire place” rentals. But eventually there will be a fire, bodily injury or loss of life. Then airbnb will have a true “horror story”. In a real sense airbnb’s future is a serious “accident waiting to happen”.

Since hundreds of “entire place” are already in operation, I request that City Council mandate and fund BP&S to deal with “entire place” rentals just as numerous cities have done in their “vacation rental” ordinances.


If not, then City Council needs to mandate and fund BDS Compliance to actively pursue and enforce the current prohibition rather than wait for a complaint or catastrophe.

Also, as part of its partnership with airbnb and in exchange for implementing a reasonable licensing process The City needs to have airbnb provide the name and address of their advertisers to assist The City in compliance activities. airbnb could do this with a one sentence addition to its 43 pages of terms and doing so would not endanger airbnb’s basic business model.

Do you have questions?

Short-term Rentals in Portland Residential Zones

RICAP 6 = The 40% Solution

| | Single Family / Duplex | Multi-Family |
|---|--|--------------|
| Owner-Occupied (Supervised) |  | ? |
| Not Owner-Occupied (Unsupervised) | ? | ? |

RICAP 6 Proposal Draft does not effectively address:

- over 400 airbnb “entire place” rentals in single-family homes, apartments and condos that are **not owner occupied** and which rent for \$100 to \$1,000 per night.
- airbnb “private room” rentals in apartments and condos.
- any of the “vacation rental” listings on vrbo.com, homestay.com and flipkey.com.

Problems with Current RICAP 6 Proposal Draft for Short-term Rentals

Type A = 1&2 Bedroom B&Bs (Owner Occupied):

- Current RICAP 6 draft requires property to be “primary residence” of the operator but does not require the operator to be living in the property during guest’s stay to supervise property and guests. Current B&B ordinance requires owner or manager to be present during guest’s stay. Operator’s presence would reassure neighbors.
- Bi-annual \$150 permit is too low and needs to be higher. The higher permit charge should be used to fund annual Fire inspection. Fire inspection would reassure neighbors.
- A permit number should be every two years and needs to appear in all print and online advertising for the rental. This will help identify licensed properties.
- airbnb recently said it may collect lodging tax and pay The City quarterly. airbnb should also disclose the name and address of all its advertisers to The City to support compliance activities. airbnb can add a sentence to their 43 pages of Terms & Conditions saying that the advertiser grants airbnb the right to release their name and address to municipalities that apply to receive this information.

Short-term Rentals in Portland Residential Zones

Summary of airbnb Listings – January 2014

Number of airbnb listing in Portland, Oregon

| Listing Type | Total # | Nightly Rate | | | |
|----------------|---------|--------------|-------------|---------------|-----------------|
| | | \$10 - \$55 | \$60 - \$95 | \$100 - \$140 | \$150 - \$1,000 |
| Shared Room | 37 | 35 | 2 | - | - |
| Private Room | 592 | 310 | 234 | 39 | 9 |
| Entire Place | 703 | 16 | 255 | 234 | 198 |
| Total Listings | 1,332 | 361 | 491 | 273 | 207 |

In RICAP 6

Still **NOT** Addressed

Addressed in RICAP 6:

Over 500 airbnb listings of “Private Rooms” under \$95 per night

Still Not Effectively Addressed:

Over 400 airbnb listings of “Entire Places” Over \$100 per night
(plus additional listings on vrbo, homeaway and flipkey)

Note: Some of these could be Accessory Dwelling Units or Duplex Apartments

Call to Action

City Council needs to ...

- mandate and fund BP&S to write an ordinance to cover non-owner occupied short-term “vacation rentals” and rentals in multi-family properties as other cities have.

or

- mandate and fund BDS Compliance to actively pursue and enforce the current prohibition rather than wait for a complaint or catastrophe.

and

- In exchange for implementing a reasonable licensing process, require airbnb to provide The City a list of the names and addresses of all their advertisers to support compliance activities.
 - It would be easy for airbnb to add an information release clause to their 43 pages of Terms & Conditions that advertisers must agree to.



City of Austin

Short-Term Rental Licensing Program

ORDINANCE

#20130926-144

approved on September 26, 2013 amended City Code Chapters 25-2 and 25-12 which provide for the regulation, monitoring and licensing of short-term rentals (STRs).

SHORT-TERM/ VACATION RENTALS

are the rental of a residential dwelling unit or accessory building on a temporary basis for periods of **less than 30 consecutive days**.

The Austin City Council passed an ordinance effective October 1, 2012, requiring registration of short-term rental properties.



For Austin residents and visitors seeking a place to stay for a short period of time, renting a house has become an increasingly popular option.

These "**short-term rentals**", sometimes called vacation rentals or STRs, offer flexibility, a more authentic Austin experience for visitors, and can provide a source of income for the property owner.

The City of Austin requires owners wishing to lease their property as a vacation rental to license it with the **Short-Term Rental Licensing Program**.

As of **January 1, 2014**, multifamily properties (including apartments and condos) will also require a short-term rental license.

LICENSING PROCESS

- **COMPLETE** a City of Austin Short-Term Rental Application Form
(available online or at designated city offices)

- **SUBMIT** the following to the City of Austin, Code Compliance Department:

☐ **Short-term Rental Application**

☐ **\$285 Fee**

- \$235 Annual Licensing Fee
- \$50 Notification Fee

☐ **Proof of Property Insurance**

- summary or declarations page from current insurance policy

☐ **Proof of Payment of Hotel Occupancy Taxes** (if applicable)

☐ **Certificate of Occupancy OR Certified Inspection**

- **ALLOW** 3-5 business days for processing and approval.

- **POST** the operating license and short-term rental information packet (which will be mailed) in a visible, common area, inside the rental property.

City of Austin Short-Term Rental Licensing Program



REQUIREMENTS



There are **THREE** Types of Short-Term Rentals:

TYPE 1 - owner occupied.

Type 1 Rentals:

- are owner-occupied or associated with an owner-occupied principal residential unit
- include the rental of an entire dwelling unit **or**
- if only part of the unit, include at a minimum a sleeping room (with shared full bathroom), is limited to a single party of individuals, and the owner is generally present during the rental

EFFECTIVE JANUARY 1, 2014

TYPE 2 - not owner occupied.

Type 2 Rentals:

- are single-family or two-family properties
- are not owner-occupied or associated with an owner-occupied principal residential unit
- include the rental of an entire dwelling unit
- not be more than 3% of the single-family or two-family detached residential units within the census tract

TYPE 3 - multifamily.

Type 3 Rentals:

- are part of a multifamily use (apartments, condos, etc.)
- include the rental of an entire dwelling unit
- must provide documentation of total number of buildings on property and units per building
- comply with applicable geographic caps

EFFECTIVE JANUARY 1, 2014



Short-Term Rental Operating
Licenses are monitored and
issued by the
City of Austin

www.austintexas.gov/STR

LOCATION:

City of Austin,
Code Compliance
Department,
1520 Rutherford Lane
Building One
Austin, TX 78754

QUESTIONS:

For questions regarding
this program,
please email:

STRlicensing@austintexas.gov
or call: **3-1-1**

FAQs & RESOURCES:

For more information
please visit:

www.austintexas.gov/STR

Parsons, Susan

April 2

From: Moore-Love, Karla

Sent: Wednesday, February 05, 2014 9:56 AM

To: Parsons, Susan

Subject: FW: From Steve Unger

Sue – would you please let Mr. Unger know the next available date for Communications.

Thank you,
Karla

From: Steve Unger [mailto:steven.unger@comcast.net]

Sent: Wednesday, February 05, 2014 9:48 AM

To: Moore-Love, Karla

Subject: From Steve Unger

Dear Karla,

I would like to schedule 5 minutes on a Wednesday to talk to City Council.

I want to talk about “non-owner occupied short-term rentals in residential zones in Portland”.

Can you let me know of a day that will work?

Steve Unger
Innkeeper

Lion and the Rose
Victorian Bed & Breakfast Inn
1810 NE 15th Ave.
Mailing Address: 1517 NE Schuyler St.
Portland, OR 97212

Phone: 503.287.9245
Toll Free: 800.955.1647
Fax: 503.287-9247
Steve's Cell: 503 752 1807

E-mail: innkeeper@lionrose.com
Web-site: www.lionrose.com

Directions: <http://www.lionrose.com/directions.html>

2/5/2014

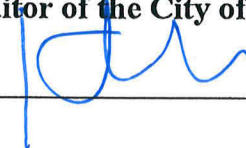
Request of Steve Unger to address Council regarding non-owner occupied short-term rentals in residential zones (Communication)

APR 02 2014

PLACED ON FILE

Filed MAR 28 2014

LaVonne Griffin-Valade
Auditor of the City of Portland

By 

| COMMISSIONERS VOTED AS FOLLOWS: | | |
|------------------------------------|------|------|
| | YEAS | NAYS |
| 1. Fritz | | |
| 2. Fish | | |
| 3. Saltzman | | |
| 4. Novick | | |
| Hales | | |