

Item 542

Council Clerk 189557

STR  
REGISTRY

**Final Testimony Notes  
Hearing June 5, 2019**

Good morning Mayor Wheeler and Council. First, we appreciate Tyler Wallace and others in the Revenue Division for reaching out to invite input on this Ordinance. We also appreciate Amanda Watson in the Mayor's office for inviting us to testify.

Host2Host.org is a local, non-profit trade association that advocates for hosts who welcome travelers into our homes. We wanted to be able to speak for ourselves, recognizing that cities often hear only from platforms such as Airbnb and HomeAway. We use those platforms, but our interests often differ. Our association fully supports STR hosts being permitted, paying occupancy taxes and meeting reasonable regulatory requirements. We provide continual educational opportunities to our members to enhance their hospitality skills, and to understand city requirements. I am pleased to be here with my Host2Host colleague Shannon Hiller-Webb who represents Host2Host on the Board of Travel Portland.

Pass-Through Registration, or PTR, was approved by Council a year ago and has been expected ever since. We accept that the City needs the proposed STR Registry in order to bring about PTR.

We are, however, concerned about privacy, considering the bad behavior that can result from making the Registry public, including transactional data. We have been assured by Revenue Division and the Mayor's office that at least the financial information will be kept completely confidential.

Overall, we support the Ordinance because it seems to be a path towards removing unpermitted listings, especially unpermitted whole house listings that would affect housing.

Host2Host supports reasonable regulatory controls of the short-term market. To that end, we would like to take minute to address two STR issues that don't depend on the Registry or PTR but are relevant.

**First, a regressive per-night fee** was created a year ago by Ordinance 189031. We testified at the time that assessing this \$4/night tax as a flat-rate fee would create a discriminatory hardship for the home-sharers with the least-expensive listings. Since August 1, 2018, a traveler considering booking a \$40/night listing faces 25% in occupancy taxes, probably the highest in the country for any hospitality provider. The highest occupancy tax rate in the country should not be assessed on the lowest earners in Portland.

We're proud that we are impacting the Housing Investment Fund. We still don't think that STRs, among Portland hospitality providers, should be shouldering this alone, but either way, we don't

want to accept the regressive aspect of the fee as being permanent. We ask that Council re-address this issue with Revenue Division to identify a new approach.

**Second**, we want to bring to your attention the conversion of long-term housing to hotel space. This admittedly is not a topic that we are well versed on, but entire floors of some apartment and condo buildings, originally constructed for long-term housing, appear to now be operating as STRs. We wonder why the City would allow this type of conversion, or at least why it might be done easily or quietly in the midst of this housing crisis. If there is not a formal, transparent policy governing these conversions, we recommend that one be developed.

Shannon also has some comments. We can take any questions now, or after she speaks.

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May 10, 2019

Dear Mayor Wheeler and Members of the Portland City Council,

On behalf of the Expedia Group family of brands including vacation rental leaders HomeAway and Vrbo, thank you for the opportunity to provide comment on the City of Portland's proposed amendments to the ordinance governing short-term rentals (STRs).

As you know, Expedia Group has worked closely with Portland to help drive compliance with the City's STR ordinance. In February 2018, we reached an agreement with the City wherein Expedia platforms agreed to help streamline the STR license application process for Portland homeowners by collecting user data and sharing it with the City for licensing purposes. We understand the City's position to be that the parties' agreement will not satisfy the "exception" identified in amended provisions 6.04.040(C)&(D).

HomeAway, in the spirit of cooperation, offers the following suggestion regarding the City's proposed amendments. As written, the amendments would require HomeAway to check the City's registry—before every booking transaction—to confirm that a property has a valid permit number. As a practical matter, because permit numbers can expire or be revoked on any given day, that means that HomeAway would have to check the City's registry every day upon every booking request, which happens hundreds of times a day.

HomeAway is not doing that in any other city in the United States, even in other jurisdictions that have similar ordinances, like San Francisco and Seattle. Rather, those cities have adopted the following process via administrative regulations to implement their ordinances: the platform creates a mandatory field for the permit/license number; the platform removes short-term rental listing without a properly formatted number in that field; the platform sends monthly reports to the city of the URL addresses and permit numbers for the short-term rental listings on the platform; the city notifies the platform if any of the permit numbers are invalid; and the platform removes any such listings within three to seven business days.

We respectfully urge Portland to follow these examples and work with platforms to identify best practices in this regard.

We look forward to discussing these issues with you further.

A handwritten signature in black ink, appearing to read 'Richard de Sam Lazaro'.

Richard de Sam Lazaro  
Government Affairs Manager, NW