

Tillamook County



Land of Cheese, Trees and Ocean Breeze

Board of Commissioners
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Testimony in Support of HB 3260

Chair Barnhart, Vice Chairs Bentz and Smith Warner, members of the Committee; for the record, my name is Bill Baertlein. I am currently serving in my second term as a Tillamook County Commissioner. I am here today to ask you to support HB 3260.

Shortly after taking office as a Tillamook County Commissioner, I decided to conduct a wellness check on our community and formed a small committee to look at community vitality. We quickly discovered that lack of affordable housing was a huge issue. We also found out that local employers were experiencing great difficulty recruiting employees due to lack of affordable housing available for their managers, teachers, nurses—even transitional housing for our doctors. My spouse and I are both CPA's, and since I am no longer working at the tax practice, she keeps me updated on the status of the landlord clients I previously worked with. When a landlord has a rental house available, I'm told they receive approximately forty or more applications and the property is rented usually within 24 hours after being advertised.

After being made aware of this ongoing housing problem, the County set up a Housing Task Force Committee. Within weeks of establishing this committee, we received over \$60,000 in contributions from the local business community and an additional \$40,000 Meyer Grant which enabled us to conduct a Housing Needs Assessment. We recruited a consultant company, with nationwide experience, to conduct this assessment and its results provided some very sobering facts about the housing situation in Tillamook County.

Some of those facts include that from 2000 to 2014, our housing inventory increased by 2,513 units, while at the same time our second homes and vacation homes increased by 2,623, this resulted in a net loss of 110 housing units for our employees and working families. We have over 1,100 short-term vacation rentals in the county, and almost all of them are owned by people who reside outside of Tillamook County. These vacation rentals generate approximately \$26,000,000 in rent each year and \$24,000,000 of that income leaves Tillamook County.

Our consultants noted that for generations, Tillamook County was one of America's best-kept secrets; however, today this is no longer true. The tourism industry has grown enormously at the Coast, especially here in Tillamook, and it is placing a very heavy strain on all of our county resources. Tourism has created many much-needed jobs in the county, however, these jobs are mostly low-wage, seasonal, and at poverty-

level. The needs assessment study also revealed that Tillamook County has 1,441 households earning under \$25,000 per year but only 1,004 housing units which are affordable to these households; a gap of 437 affordable housing units exists.

Additionally the assessment study showed there are 2,266 residents working in retail and food service industry in the county and earning an average wage of approximately \$20,000 per year. With this level of income you can only afford to pay \$500 per month in rent. In Tillamook County there are only 239 units within this low rental price range which means a substantial number of workers in the tourism industry are rent-impaired and are struggling to pay for basic necessities such as food, utilities, and transportation.

Our consultants determined that we need at least \$10,000,000 investment over the next ten years to get ourselves out of this housing crisis, but further noted that there are very few local funds available to Tillamook County to even start the process. One of consultants' recommendations was to ask the Legislature to enable coastal counties to approach their voters to ask for approval for a transient lodging tax on short term rentals which would fund housing, not only for the tourism economy, but for all business-related employment.

As a CPA, I can tell you that asking for a new tax is a heavy lift for me. But also as a CPA, I see the cause and effect of vacation rentals that are replacing our long-term rentals and creating a very challenging housing shortage in our community. The tourism industry, as it continues to grow, is creating an increased need for low-wage employees who in turn need affordable housing. The tourism industry is a large contributing factor to the housing crisis facing Tillamook County today.

Bill Baertlein, Chair, Tillamook County Board of Commissioners