



133 SW 2nd Ave, Suite 201 • Portland, OR 97204 • (503) 497-1000 • www.friends.org
Southern Oregon Office • PO Box 2442 • Grants Pass, OR 97528 • (541) 474-1155
Central Oregon Office • 155 NW Irving Ave • Bend, OR 97703 • (541) 797-6761

February 17, 2019

Chair Fagan
Members of the Senate Housing Committee
State Capitol
900 Court Street NE
Salem, OR 97301

Re: SB 595

Dear Chair Fagan and Committee Members:

Thank you for the opportunity to provide testimony in support of SB 595. 1000 Friends of Oregon is a nonprofit, membership organization that has worked with Oregonians for more than 40 years to support livable urban and rural communities; protect family farms, forests and natural areas; and provide transportation and housing choice. Our work includes ensuring that the promise of Oregon's Goal 10, Housing, is implemented inside our cities and towns with policies that both encourage and require safe, accessible, and affordable housing choices for all.

SB 595 would provide cities and counties with a flexible tool for funding affordable workforce housing. Currently, cities and counties have the local option to adopt and set rates for transient lodging taxes (TLT), which are assessed on hotels, short term vacation rentals, etc. For local jurisdictions that adopted or increased their TLT after a 2003 law, 70% of the TLT must go to fund tourism promotion, infrastructure, or debt on tourism infrastructure, while 30% of the TLT goes to the general fund.

SB 595 would give cities and counties the option of using up to 30% of the TLT dollars currently dedicated to tourism for affordable workforce housing. The remaining 40% must still be dedicated to tourism.

This tool is especially needed on the Oregon coast, where the growth of tourism-related businesses with their relatively lower-paying jobs, and the increase in short-term vacation rentals and second homes, have collided, leading to severe housing shortages for middle- and lower-income workers and residents. The health of many coastal communities and tourism-based businesses is at risk without an increase in workforce housing. We are seeing this already, as many coastal businesses have perpetual "Help Wanted" signs, some businesses are closing, and even non-tourist-related industries are finding it hard to attract workers because of the lack of middle- and lower-income housing. We support SB 595 as one tool to help cities and counties provide workforce housing in the same communities where the jobs are.

Thank you for consideration of our comments.

Sincerely,

Mary Kyle McCurdy

Mary Kyle McCurdy
Deputy Director