

Horning Geosciences

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To: Senate Committee on Business and General Government sbgg.exhibits@oregonlegislature.gov

From: Thomas S. Horning, Seaside City Councilor (2016-19), former Planning Commissioner (1999-2016)

Regarding: Senate Bill 621

Recommendation: **SB 621 should not be passed.**

Summary: The City of Seaside has regulated Vacation Residential Dwellings for at least 20 years. When I joined the Planning Commission in 1999, there were approximately 140 VRD licenses in the city. When I became the Chair of the Commission around 2010, there were about 190. Today, I am now on the City Council and there are 450 VRD licenses. The majority of these are for remodeled older homes.

The City has historically required the Planning Commission to review VRD requests if surrounding properties are more than 20 percent VRDs already. Our ordinances do not allow the Commission to turn down an application, but they do allow conditions to be placed on VRD licenses. The Commission has developed a code of good neighbor conduct rules and has a set of reasonable and appropriate restrictions that are imposed on all applications.

Generally, these rules work well, but a few landlords or booking agents rent to difficult customers who are loud, reckless, and rude, who ruin the neighborhood and disturb permanent residents. Not all agents will respond to requests for assistance, as required, when there are problems with renters. Some neighborhoods have been completely transformed to VRD houses. Frequently, the absence of full-time neighbors is the reason for holdouts to leave.

Thirty-five percent of the houses in Seaside are either second homes or VRDs. This compares to Astoria, which has less than 10 percent in this category. When investors buy older homes and remodel them for VRDs, they reduce the number of available long-term rentals available to the affordable housing market.

Seaside is acutely aware of the affordability issue for homes and the growing problem of economic homelessness. The Council has made these issues part of our 2-year and 4-year goal setting, as of two months ago. We may choose to limit the number of VRD licenses, and possibly reduce them in number. This is obviously one of the tools at our disposal to combat a difficult and growing community problem. I once was told by a VRD property manager that housing prices could drop as much as 40 percent, in her opinion, should the city prohibit these rentals. Clearly, this is a possible tool of significance, one that we know should be used with care.

Senate Bill 621, prohibiting community regulation of VRDs, will undermine solutions to the homelessness, livability, and home affordability problems that confront us. It could also interfere with our efforts to regulate poor behavior by limiting our ability to suspend licenses for rentals that have consistent problems. Please do not take away these tools from the communities. Each community has unique issues that make an over-arching prohibition even more contrary to the livability goals that are identified in each town's Comprehensive Plan. SB 621 protects outside real estate investors and corporate interests at the expense of community livability and affordability, and it heads off potential solutions to these problems. Allow us to handle our problems without outside interference.

Please do not pass this bill.