



Short-term Rentals

*House Interim Committee on Housing &
Homelessness*

Thursday, September 28, 2023

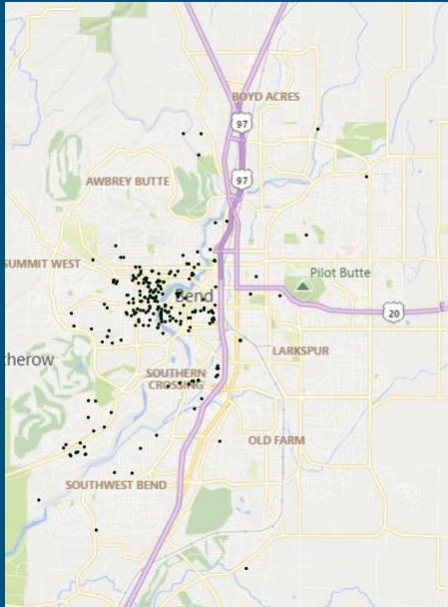


Short Term Rental Overview

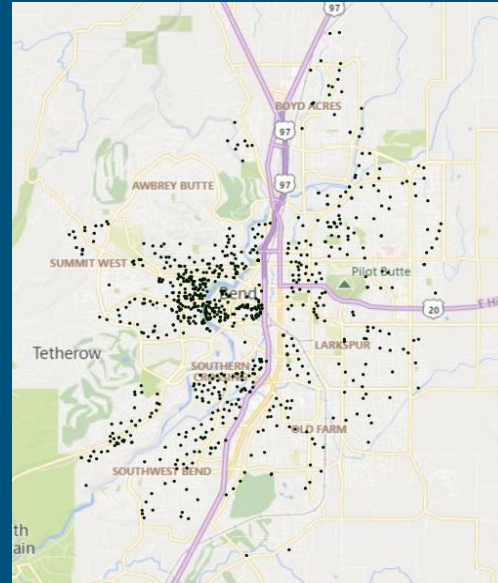
- Task: Examine the various impacts of short term rentals on the Oregon housing market and research potential public policy to address them
- Considerations: Different cities experience short term rentals in various ways - which largely depends on the city's economy, ie tourism, and the city's ability to timely provide permits

Different Cities, Different Problems

December 2014

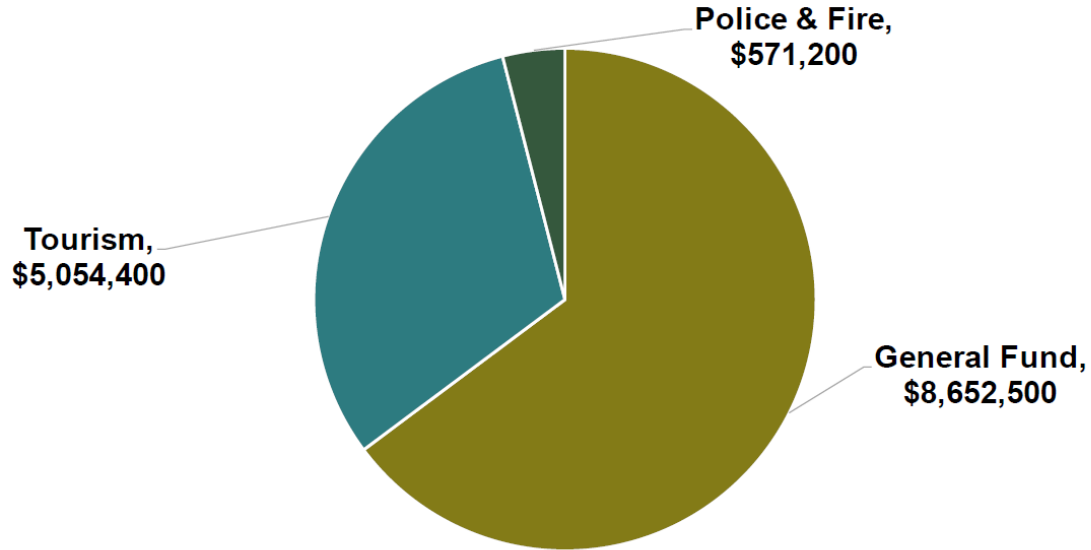


December 2021



FISCAL YEAR 2022 PROJECTED ROOM TAX COLLECTIONS

Projected Total Collections: \$14,278,100



Other Cities: Portland

1. Unlicensed Rentals, based on the Oregonians report only 830 STR's have a permit out of 3770
2. Regulatory Backlog: 1700 permit applications pending, and there is confusion over compliance status
3. Broken Data Sharing Agreement
4. Lack of Enforcement by the City of Portland, only \$20k in citations since 2020
5. Revenue Concerns, the city benefits from lodging taxes

Incentives for Short Term Rental Owners

“Lease to Locals” Program

- Local governments enter contracts to allocate grant funding to participating homeowners with underused properties (mostly within city limits or school district)
- Must be rented to tenant households in which 50% of the tenants are adults who are locally employed for at least 20 hours a week, and there is typically a percentage of median income in place
- Grant moneys vary; seasonal units \$2k-\$8k and long term lease \$4-18k

Program Successes and Challenges

- Identifying sufficient funding
 - Placer County has drawn on local lodging tax revenues to pay for their contract with Placemate
- Ensuring units remain affordable
 - Some communities have put rent caps after their second year of the pilot due to affordability issues
- Only creates temporary, and not long term housing
 - In most of the pilots you have to have an active STR license; which means long term landlords are shut out of the benefit



Other Cities: Conversion to Long Term Rentals

1. Big Sky, Montana - Rent Local Program, eligible homeowners, includes service workers, teachers, emergency and medical workers
2. Sedona, Arizona - Rental Local Program providing cash incentives for owners of existing short term rentals who offer their homes for a one year lease, work at least 30 hours a week for a Sedona based employers
3. Portland, Maine - offered a one time payment of \$1k for STR owners if they made units for a year available to Section 8 or general assistance