

Short Term Rentals In Bend

A Study of Impacts to Neighborhoods

October 14, 2021

Context - Why are NA's studying STRs?

Primary reason - Concerns about the affordable housing supply in Bend

Q: Are Short Term Rentals contributing to the lack of affordable housing?

Q: Why does it seem there are a high number of STRs, and high number of new applications?

Secondary reason - Concerns about STR operations

Q: How are STR's affecting neighborhoods?

Q: How are complaints handled?

Q: What should be done when we suspect a non-permitted STR?

Q: What kind of monitoring is done by the City?

Q: How does the City use the tax revenues, and is any portion going toward Affordable Housing?

What is at stake?

Pros for STRs

- City receives room tax
- Leasing rooms helps an owner make mortgage payment

Cons

- Removes units from long term rental pool/affordable housing
- Affects “Livability”
 - vacant houses
 - transitory visitors
 - lack of respect by visitors
 - parking complaints

By the Numbers - How many STRs have been approved?

	Approved STRs
	<u>2012 to 9/29/2021</u>
AB	7
BA	43
CW	68
L	70
MV	60
OB	135
OFD	53
OD	91
RW	341
SEB	13
SC	99
SWB	47
SW	<u>60</u>
Total	1088

- This data comes from the Community Development Data Explorer and from the presentation in April 2015 to the City Council.
- The number of applications submitted is much higher than the approved STRs. For example, approved applications are about **53%** of all the applications submitted in the post April 15, 2015 time period.

By the numbers - STRs Applications vs. Middle Housing Units

- Single Family Attached (SFA) includes both townhouses and cottages.
- This data comes from the Bend Land Information System* and the Community Development Data Explorer**.
- ***Existing middle housing units make up about 12% of the total housing in Bend as of September 2021.
- The number of STRs approved are 18% higher than the number of middle housing units built over the same time period.
- In response to a public information request staff says the current active licenses are about 1,002 and about 51 applications are pending.

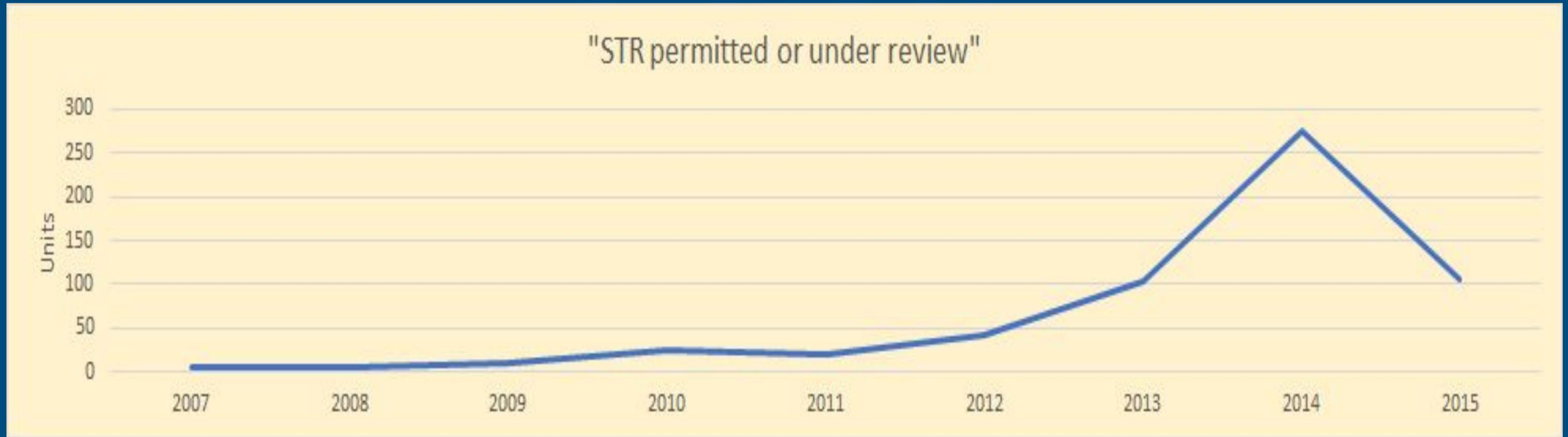
Middle Housing "finalized permit"		
	<u>2012 to 9/29/21</u>	<u>total history</u>
SFA	681**	2389*
Duplex	218**	1910*
Triplex	6*	321*
4-Plex	<u>16*</u>	816*
Total	923 units	5436***
<p>Approved STRs over the same time period =</p> <p>1,088 units</p>		

By the numbers - STR applications by Neighborhood Association

	# of	Permitted	% of
	<u>tax lots</u>	<u>STR's</u>	<u>tax lots</u>
AB	3,190	7	0.23%
BA	4,273	43	1.01%
CW	2,310	68	2.96%
L	3,899	70	1.81%
MV	5,222	60	1.15%
OB	892	135	15.12%
OFD	4,499	53	1.18%
OD	2,942	91	3.08%
RW	4,254	341	8.02%
SEB	1,638	13	0.78%
SC	1,884	99	5.26%
SWB	3,480	47	1.35%
SW	<u>3,021</u>	<u>60</u>	<u>1.98%</u>
	41,504	1088	2.62%

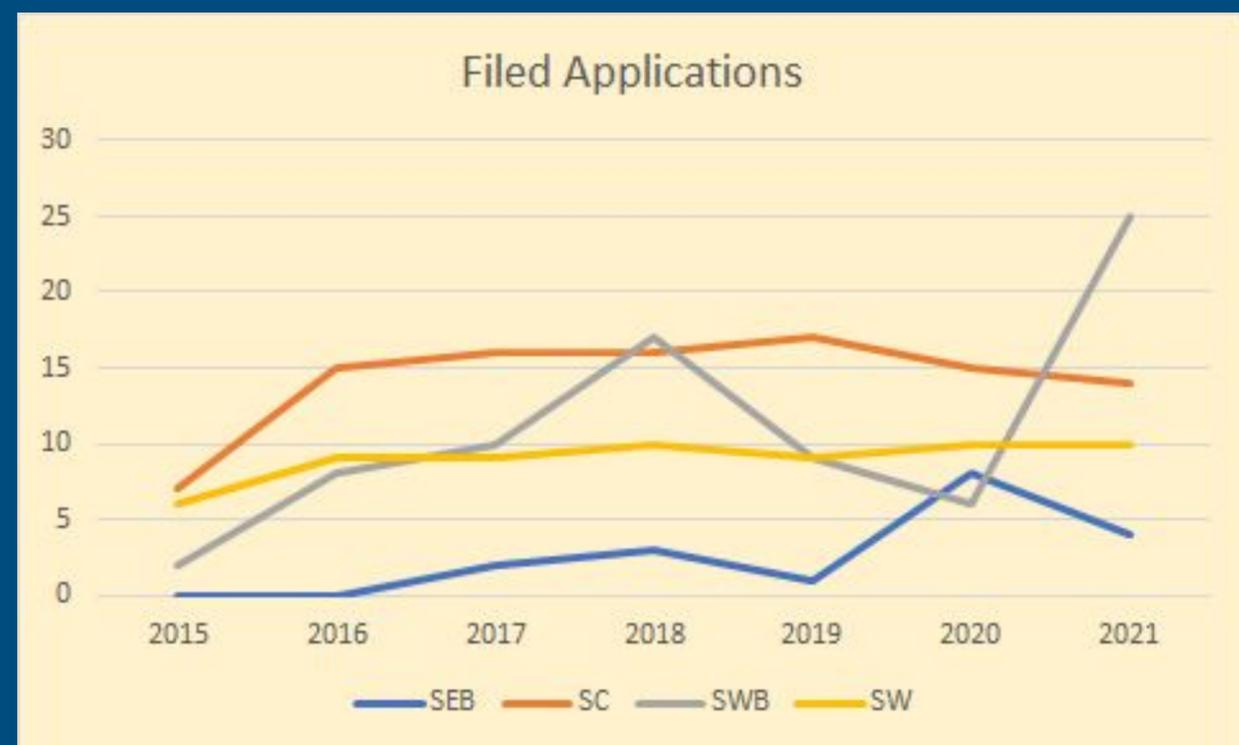
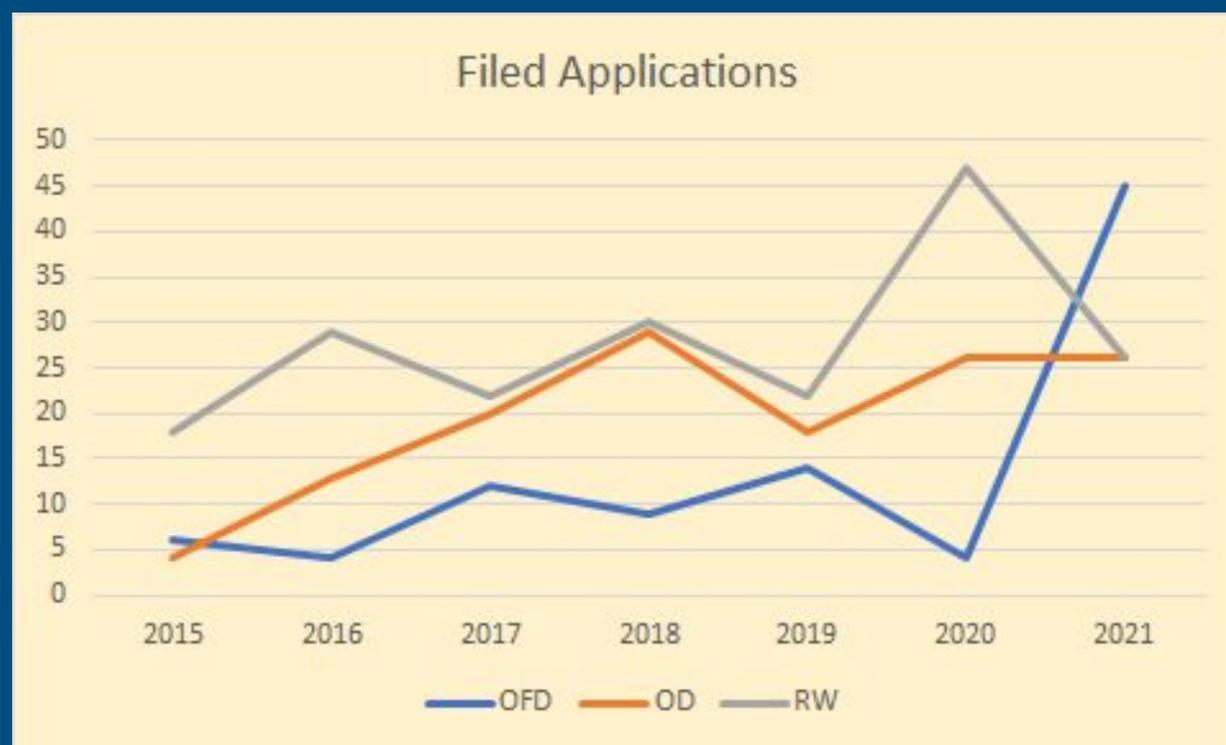
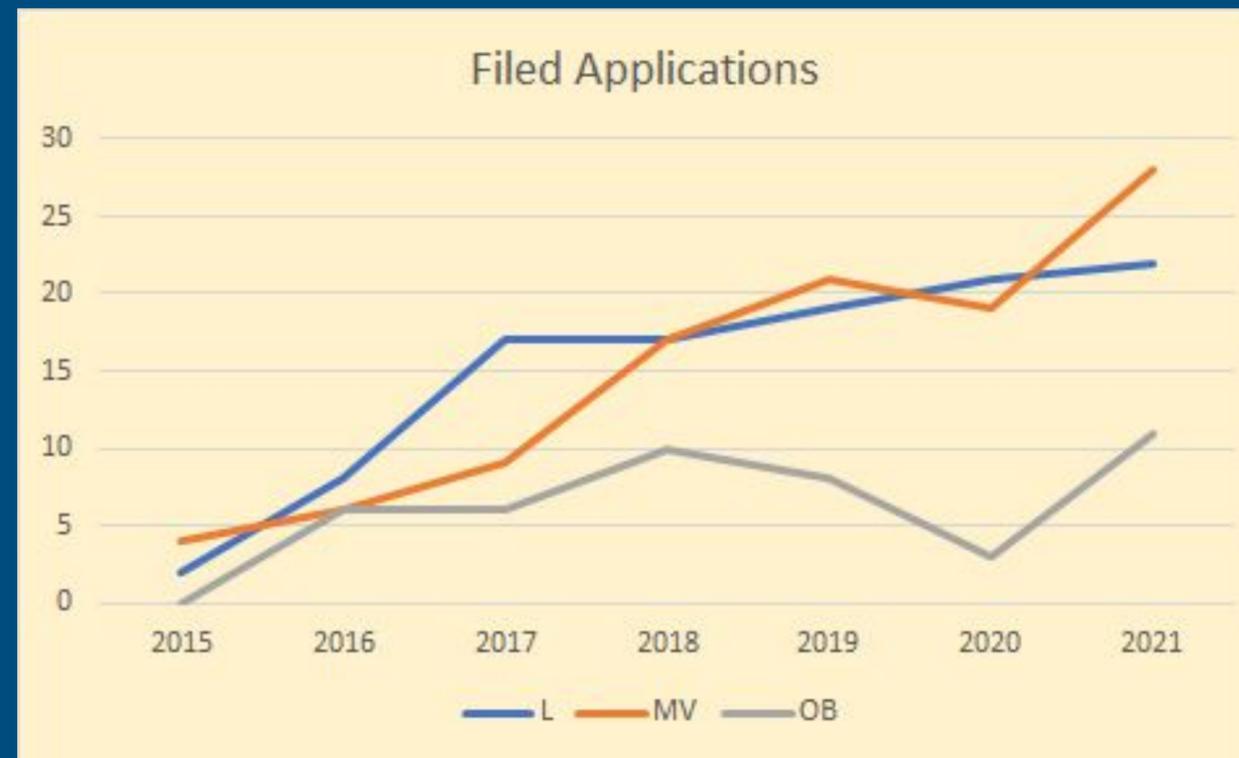
- The number of tax lots come from the City's Neighborhood Association website.
- Permitted STRs data comes from the Community Development Data Explorer and the City Council presentations from April 2015.
- Please note multi-family projects are often on just one lot.

By the numbers - STR Trends prior to April 15, 2015 Code Change



- Prior to April 15, 2015 code change, these units referred to as Vacation Home Rentals (VHRs). After April 15, this existing “VHRs” had to apply for a license.
- After April 15, 2015, new rental units had to make a land use application and then obtain a license.

By the numbers - STR Trends in Neighborhood Associations



STR applications by NA made after April 15, 2015 code change

- Source of data is the Community Development Data Explorer

- The average approval rate for all these applications has been about 53%.

How to Find Properties designated as STRs

Interactive Map Gallery (<https://bendoregon.maps.arcgis.com/home/index.html>)

1. Boom – STR eligibility map based solely on the “concentration limit” of a 250-foot radius.
 - Note, not entirely accurate as it does not apply the HOA rules.
2. Community Development Data Explorer (CDDE)
 - Select the Planning App Viewer
 - Filter by Project type “Short Term Rental”
 - Additional filters (time period, NA)
 - Includes a map with location of each permit
 - Viewer can open the application of each permit to see its details

STRs Land Use Regulations - BDC 3.6.500

Highlights of 3.6.500

- C(1)(b)Non-residential zones exempt from concentration limits
- C(2).....two projects exempt from concentration limits
- C(3).....infrequent defined as less than 30 days
- C(5).....Owner occupied STR exempt from concentration limits
- D.....a process that provides for a property to become a STR development exempt from concentration limits
- E.....there must be 250 feet between properties with STRs in RL, RS, RM, RH and MR

Plus, HB 2001 code amendment proposals

- Limits STRs to one unit in middle housing building types
- Changes definition of concentration to be separation by unit instead of by property line

STRs Licensing Regulations - Municipal Code Chapter 7.16

Highlights

- 7.16.030 Annual Short-Term Rental Operating License Required
- 7.16.070 Criteria for Approval of an Operating Licence and Operating License Renewal
- 7.16.080 Additional Operations Requirements (includes responding to complaints)
- 7.16.090 Revocation Procedure
- 7.16.100 Violations - Penalties

Historical Milestones

- 2006 - The first STR licensing regulations adopted
- 2014 - Significant increase in STRs in primarily two NA's (River West and Old Bend).
- Late 2014 - A task force of 23 members was created to try to balance legitimate livability concerns with rights of property owners to use their property as they chose.
- March 5, 2015 - Task force proposed 19 recommendations related to licensing, operations and violations.
<https://www.bendoregon.gov/home/showpublisheddocument/21163/636077448417870000>
- March 30, 2015 - Special Council meeting (6 ½ hour meeting)
- April 15, 2015 - City Council adopted Development Code amendments and Municipal Code amendments <https://www.bendoregon.gov/Home/ShowDocument?id=21732>
 - Bend Development Code
https://bend.granicus.com/Viewer.php?view_id=9&clip_id=337&meta_id=10920
 - Municipal code:
https://bend.granicus.com/Viewer.php?view_id=9&clip_id=337&meta_id=10915

General background on STRs

- There are three types of STRs -
 - **Unlimited** house rental
 - **Infrequent** STRs that are rented for **less than 30 days** per calendar year.
 - **Owner-Occupied** STRs where up to two bedrooms can be rented. (This type includes “short-term room rental” for units approved before April 15, 2015).
- City Staff created a “resource” for frequently asked questions
- Link to a Source Weekly article published February 2, 2020

What about complaints?

From City of Bend Website:

<https://www.bendoregon.gov/government/departments/community-development/online-permit-center/business-registration-licensing/short-term-rental-program>

How to File a Formal Complaint

1. If you believe your STR neighbor has violated Good Neighbor Guidelines or have other complaints/inquiries regarding noise, disturbances, occupancy, or parking, please direct them to the owner first.
 - Contact Information Lookup Tool - Per the Good Neighbor Guidelines, the STR owner or their designated 24/7 Emergency Contact shall be available to be contacted by telephone at all hours (24 hours a day, seven days a week) while the dwelling unit is occupied for rent.
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2. If the owner fails to respond adequately or at all, please file a Code Enforcement Complaint.
3. The City will investigate the complaint, determine whether the violation is valid, and take necessary actions to ensure the violation does not proceed. Violations of Short Term Rental Operating License regulations will be tracked. Depending on the frequency and/severity of offenses, City officials may suspend or revoke a license.

What are other communities doing to manage STRs?

- Cannon Beach, OR: Cannon Beach restricts vacation rentals
https://www.dailyastorian.com/news/local/cannon-beach-restricts-vacation-rentals/article_2f61e8a0-e4d4-11e9-8006-7badf05c84ca.html
- South Lake Tahoe, NV:
<http://southtahoenow.com/story/02/24/2021/vacation-home-rental-ordinances-around-lake-tahoe-being-evaluated>

“VHRs in the South Lake Tahoe city limits will be banned after 2021 except for those in the Tourist Core area. There will be no permits renewed in 2021, so a homeowner's permit expires this year. The voter initiated measure to ban VHRs, Measure T, passed by a slim margin in 2018. Permanent residents can get a permit to rent their homes out up to 30 days per year as a vacation rental.”

Discussion: Potential Actions by LUCNG/NAs

- Educate the community
- Surveys, collect input
- LUCNG and NA boards to debate the topic, identify proposed solutions, provide input to others/NLA, etc.
- What barriers would we encounter? AirBNB, property rights etc.
- Proposals?????
 - termination of new STR housing rentals?
 - removal of exemptions in CL, CG, CC, CB, ME, MU MN, NR?
 - elimination of illegal STRs
 - enforcement of violation corrections
 - HOA Conflicts
 - management /sharing of information with NA's regarding complaints

Next Steps (what does the LUCNG want to do):

Action item:

Assigned to:

Date Due:

1.

2.

3.

4.

5.