

April 26, 2022

Russell Grayson, Chief Operations Officer
Lorelei Williams, Licensing Program Manager
710 NW Wall Street
Bend, Oregon 97703

Subject: Correlation between Short-Term Rental (STR) and Bend's Housing Crisis

Dear Russ and Lorelei:

In 2021, community members in Bend began to raise concerns to their neighborhood associations about the possible impact the increasing number of STRs may be having on Bend's housing crisis. Subsequently, City staff made a presentation to City Council on March 2, 2021 which implied STR applications were "diminishing" and there was little or no correlation with the housing crisis.

Four staff statements made in their presentation:

1. Staff stated: *STRs make up only about 2% of all residential units.*

$$\frac{\text{Total number of STRs}}{\text{Total number of residential units}} = \frac{1067}{44,991} = \text{about } 2\%$$

Based on this statement, when Councilor Broadman estimated that as the next 1,600 units come on line, the number of new STRs should be equal to about 2% of the next 1,600 units, or only about 32 STRs. Staff agreed with him. Councilor Broadman's conclusion doesn't reflect your documented trend.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Mar-22</u>
Active STRs	124	151	214	373	543	583	639	726	808	916	1067
annual increase	20	27	63	159	170	40	56	87	82	108	151
residential units	35654	36108	36955	37727	38886	40615	41685	42780	43598	44152	44991
annual increase	295	454	847	772	1159	1729	1070	1095	818	554	839
STR increase / Residential unit increase	7%	6%	7%	21%	15%	2%	5%	8%	10%	19%	18%

Councilor Broadman should have used 18% times 1,650 units which equals 288 STRs (FYI. In the last twelve months, 293 applications have been submitted.)

- City staff stated: *The number of approved STRs is diminishing each year.*

Using the data from staff's slide 6, the number of new STRs permitted each year has been steadily **increasing**.



- City staff stated: *The existing 250-foot radius will limit the number of future STRs.*

The 250-foot radius concentration limit only applies to STR units in RL, RS, RM, RH and MR. Meanwhile, state and local planners hope more housing occurs in the mixed-use zones which has no concentration limits.

- City staff stated: *CCRs will limit the future STRs.*

The city doesn't enforce CCRs. Most Homeowner Associations don't have boards and it is up to the individuals to enforce. Many individuals are not capable of enforcing.

There are other ways to appreciate the correlation between STRs and the housing crisis:

- The total number of STRs exceeds the total number of middle housing units. [1067 STRs versus 932 middle housing units.] Imagine if most of those STRs were providing housing for the workforce.
- Your recent city survey confirmed what the real estate agents have long said: *Any residential unit placed on the market will sell at a higher price if it is marketed as a*

short-term rental versus long-term rental investment opportunity. STR investors are winning the competition against long-term rental investors, and local residents.

3. Many lower wage jobs in the service, retail, and hospitality industries cannot afford to rent a unit on their own. “Shared” single family housing, where several working adults pool their resources, is an option quickly diminishing in Bend. [See relevant [study](#) on plight of single family house rentals.]

In an effort to take a less confrontational approach, we presented a draft of our concerns to Councilor Broadman to seek his advice on how to proceed. Councilor Broadman suggested that we collaborate with staff on a more accurate presentation. Lorelei was also given a draft of our concerns and offered to look closer at our analysis of the four statements. She also mentioned there would be another presentation to Council in May. **We are writing to request that you and staff take a closer look at the data, and correct the information previously presented.**

Respectfully yours,

Land Use Chair Network Group (LUCNG)

(A group of Neighborhood Association land use chairs who network monthly to share information and provide education opportunities for participants.)