

# Short Term Rentals In Bend

A Study of Impacts to Neighborhoods

Updated December 31, 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: How does Bend find an appropriate balance between providing housing for visitors and for the workforce?

# Context - Why are NA's studying STRs? (continued)

Secondary reason - Do the burdens outweigh the benefits?

Q: How much revenue does the city receive from STRs?

Q: What other benefits, in addition to revenue, do the city receive from STRs?

Q: What is the economic benefit to the city from STRs versus a long-term rentals?

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

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? What kind of reporting to NA's is possible?

Q: Are the policies adopted in 2015 effective in addressing the concerns raised by the community?

# What are the Options?

1. Phase out all STRs
2. Phase out all non-owner occupied STRs
3. Cap the number of STR permits issued
4. Increase the 250 foot separation distance
5. Minor modifications to the Bend Code and/or Development Code to reduce the impacts on neighborhoods and/or housing supply

# 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><b>1,088 units</b></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.
- There are 44,056 residential units reported in Bend per the "Bend Land Information System".

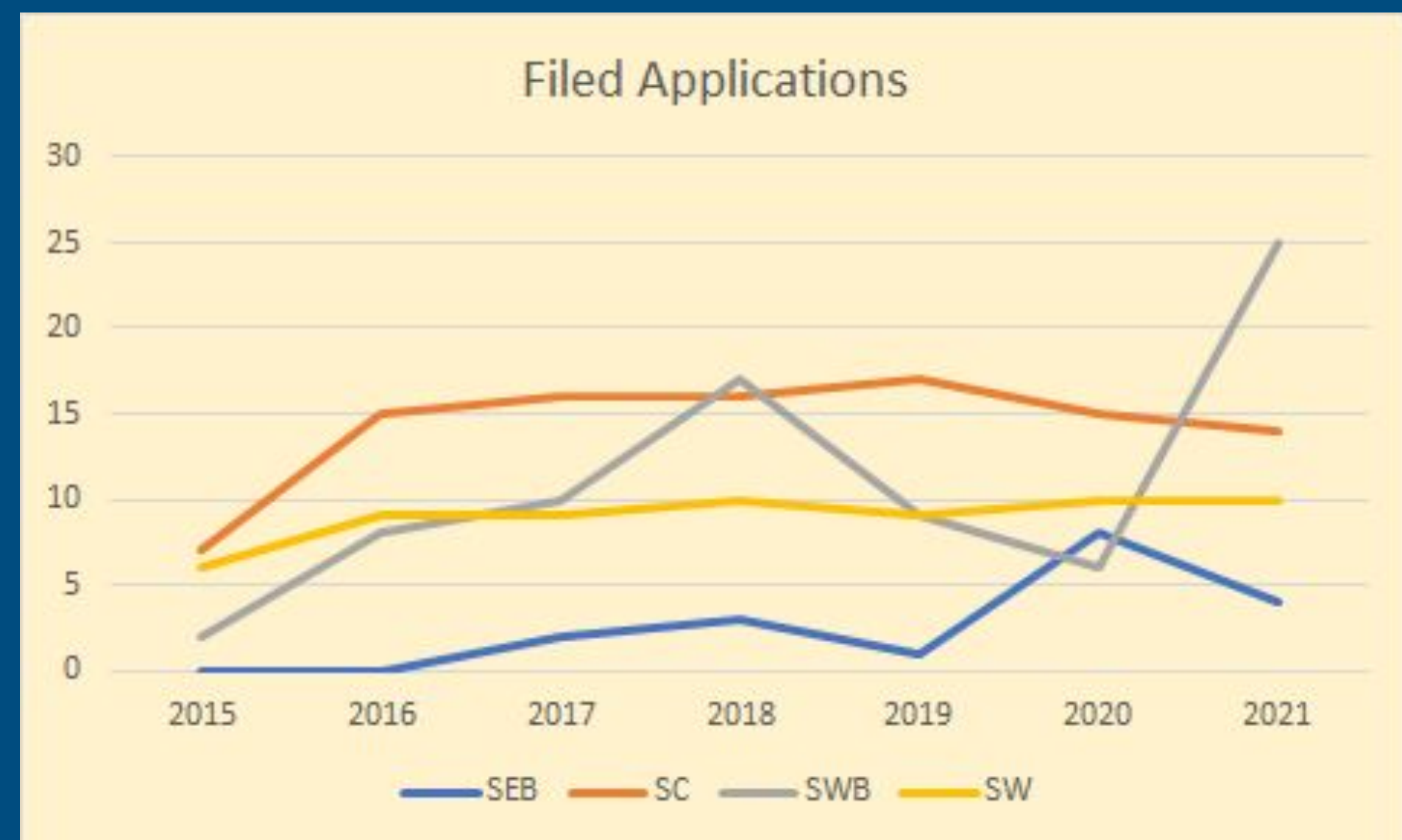
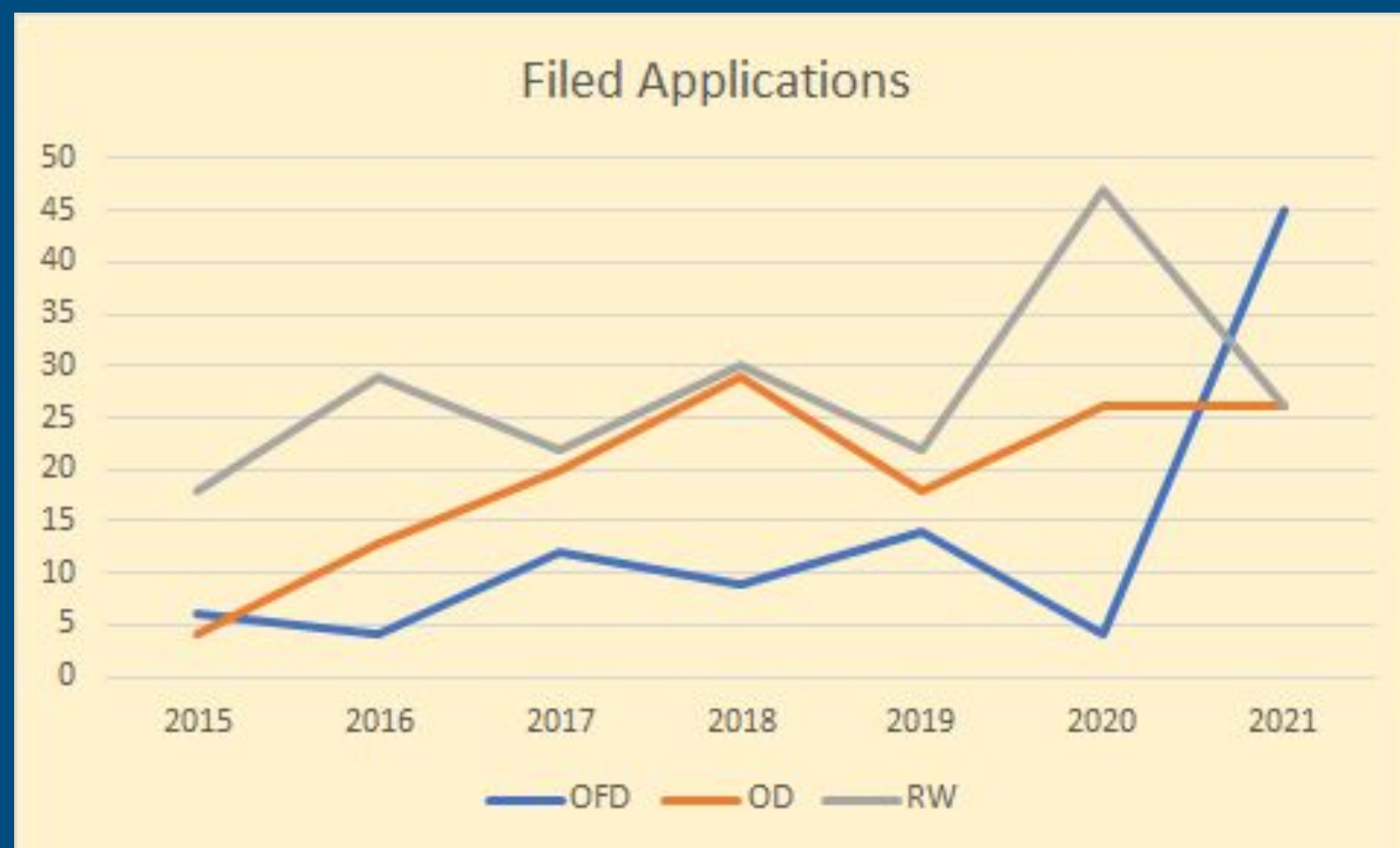
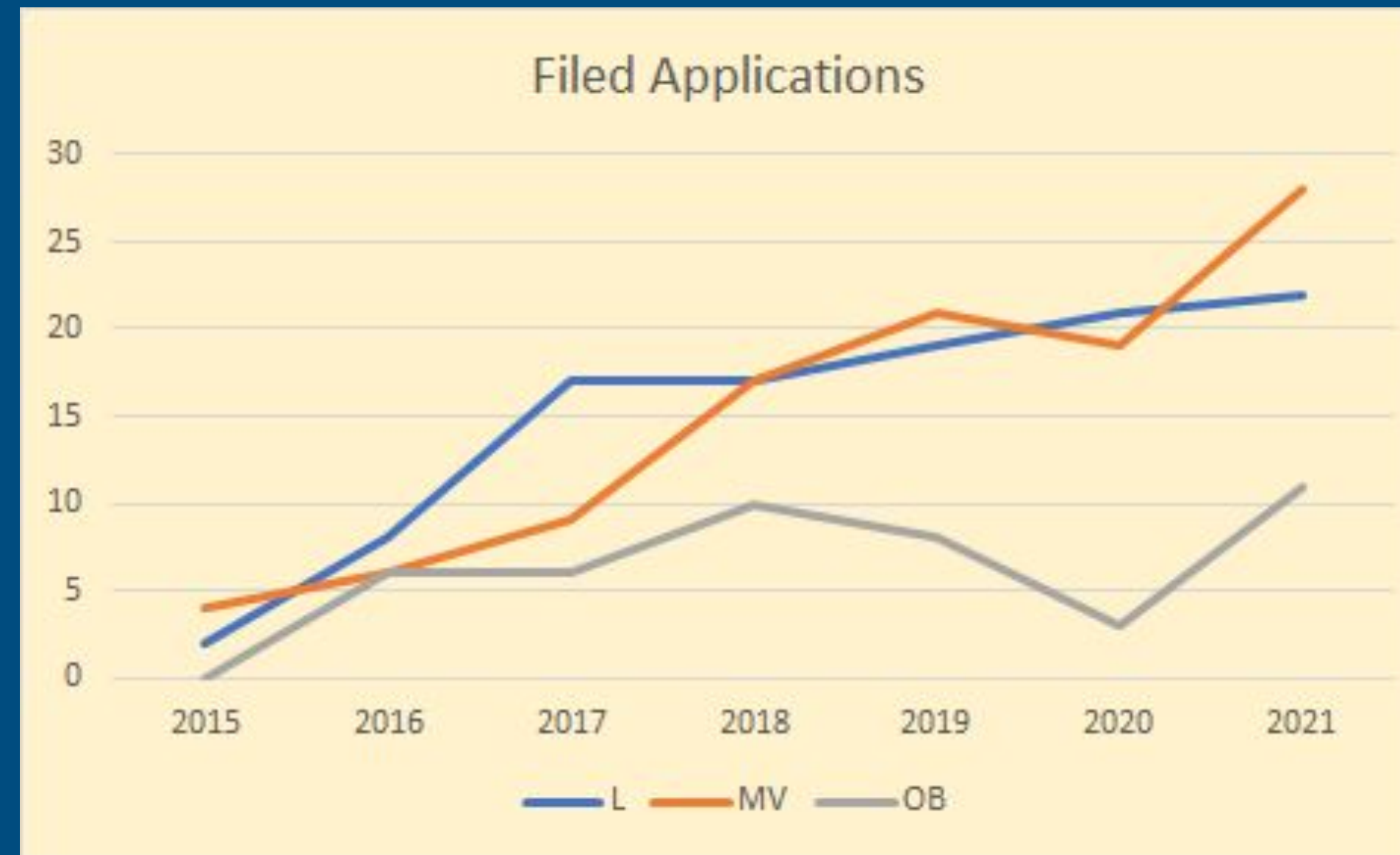
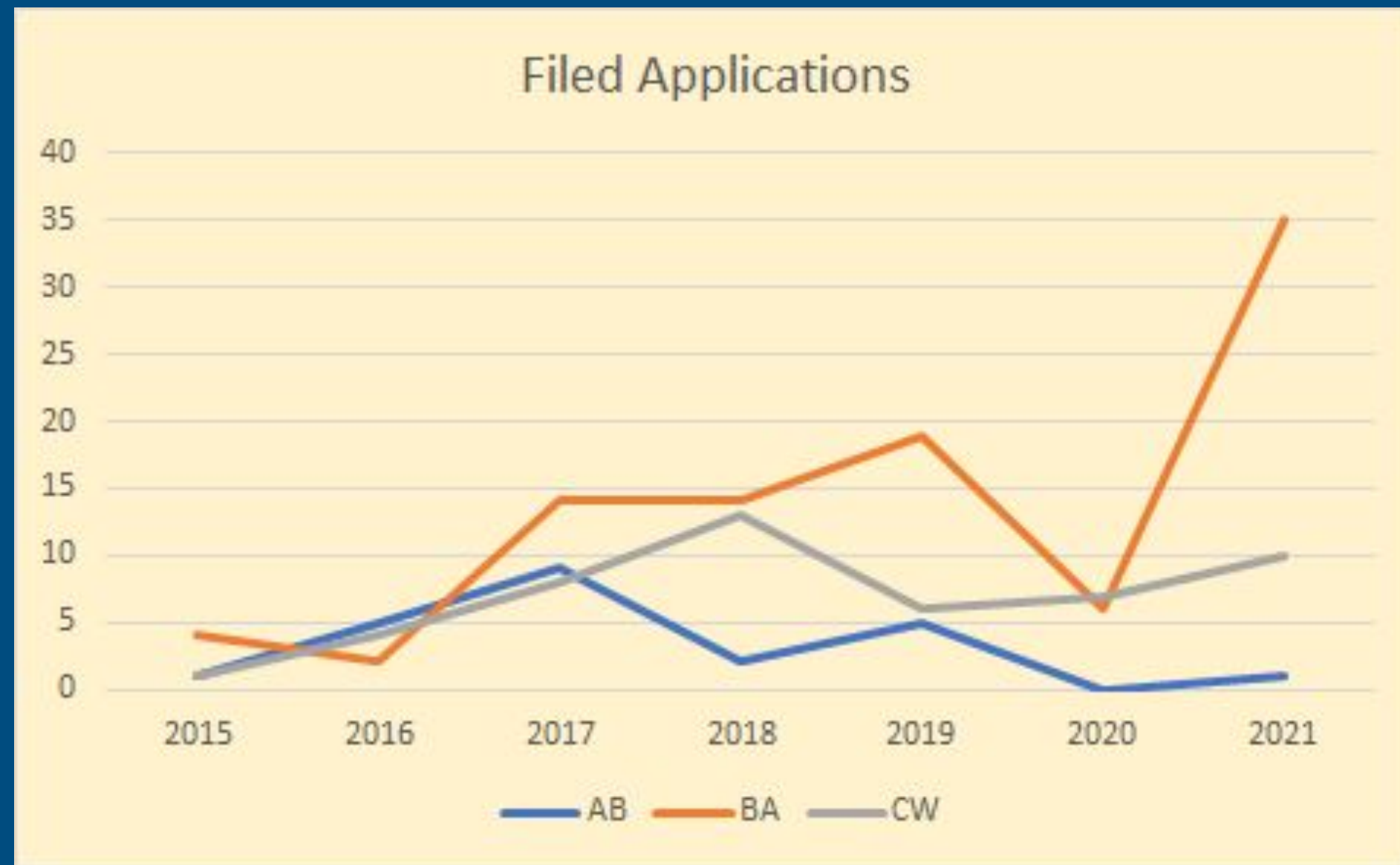


# By the numbers - STR Trends prior to April 15, 2015 Code Change



- 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%.



## Relevant Online Statistics (Continued)

- *In Bend there are over 3,100 hotel rooms and nearly 900 short term rentals so the impact that overnight visitors have on the Bend economy is significant and growing. (Out-of-date figures posted on the Bend's Economic Development / Tourism webpage)*
- Here is the link to the Visit Bend's Business + Marketing Plan for Fiscal Year 2022. This Plan's appendixes illustrate lodging statistics.

<https://www.bendoregon.gov/home/showpublisheddocument/49836/637565969642000000>

# 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/MetaViewer.php?view\\_id=9&clip\\_id=337&meta\\_id=10920](https://bend.granicus.com/MetaViewer.php?view_id=9&clip_id=337&meta_id=10920)
  - Municipal code:  
[https://bend.granicus.com/MetaViewer.php?view\\_id=9&clip\\_id=337&meta\\_id=10915](https://bend.granicus.com/MetaViewer.php?view_id=9&clip_id=337&meta_id=10915)

# General background on STRs

- There are two categories of STRs-

	<u>Owner occupied</u>	<u>Non-owner occupied</u>
“Frequent” (rented >30 days/year)	64	938
“Infrequent” (rented <30 days/year)	28	5

(\*Breakdown taken from City of Bend presentation to subcommittee on 12/22/2021)

- 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.
  -
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](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.”

- Frisco, CO: Survey

<https://www.townofbreckenridge.com/home/showpublisheddocument/20841/637729192631470000>

The Town of Breckenridge, which is in the same county as Frisco, hired an outside consulting firm to do a study (begins on page 25).