

PUBLIC INPUT TO YACHATS CITY COUNCIL RECOMMENDATION TO CAP VACATION RENTALS (VR)

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RECOMMENDATION: NO cap on VRs

Why: Income needs of full and part-time residents CHANGE

- Pre and post retirement income and savings change
- Health conditions and costs change
- Beneficiaries' resources and plans to retain family home (facilitating the Yachats equivalent of the family farm remaining in the family) change
- Living preferences and investment priorities change
- Inflation and economies change

Why: Preserve and protect Yachats' strengths

- DIVERSITY: Yachats values diversity. Public policy that promotes discrimination is a slippery slope.
- DESTINATION CITY: Yachats is a premier destination city with its businesses and jobs dependent on short term visitors.
- DO NO HARM: Freedom of choice, but do no harm. Provide more effective and consistent code compliance and enforcement.
- DISCRETIONARY INCOME: Occupancy tax revenues are a significant source of discretionary city income.
- FAIRNESS: VR opportunity affects current and prospective property values, new investment, and related businesses.

Consequences of implementing a VR cap via city policies:

- Reduces business and job opportunities.
- Creates winners and losers among existing full and part-time property owners.
- Reduces the market demand for second homes.
- Reduces number of potentially available rooms for rent. Manipulates competitive markets.
- Embeds personal preferences into city ordinances and property rights.
- Effectively imposes deed restrictions on property not imposed by previous owners / developers.
- Impacts on compliance and enforcement costs are unknown. Even more owners may be encouraged to find creative solutions around VR ordinances.
- Unintended consequences happen including discrimination and increased community discord.

Action Necessary:

- Make VR licenses personal and non-transferable to new property owners. All new property owners including new owners of existing VRs should be subject to the same VR application and lottery / waiting list processes as non-VR owners. ADOPT WITH OR WITHOUT A CAP.
- Develop, fund and implement an effective, efficient and transparent ordinance compliance and enforcement program applicable to all. ADOPT WITH OR WITHOUT A CAP.
- Allocate a portion of the City's occupancy taxes collected to meeting peak infrastructure needs (water, streets, parking, compliance, affordable housing, etc.). ADOPT WITH OR WITHOUT A CAP.
- Create a task force to develop equitable suggestions for affordable housing. ADOPT WITH OR WITHOUT A CAP.
- Gather, analyze, and make publically available historical and projected quantitative data supporting impacts on jobs, wages, businesses, affordable housing, VR and non-VR property values, full and part-time owners, specific neighborhoods, complaints and fines. All assumptions, criteria, values and

goals should be made public and quantified where possible before recommending any targeted or blanket cap. Provide notice and reasonable time for public input to Council's final recommendations before adoption. ADOPT WITH OR WITHOUT A CAP.

- Define and publish an equal opportunity lottery process / waiting list for applying for and approving VR licenses. Do not embed into city governance or ordinances any process that favors a "buddy / collusion system" of who knows first has an advantage to get a license. ADOPT BEFORE ANY CAP IS EFFECTIVE.

SUMMARY:

A cap on vacation rentals has the potential to create significant on-going divisions within our community, to permanently alter its character, and have unintended economic and social consequences. There is an advantage to taking more time to collect more complete, quantifiable impact data on all stakeholders and to provide more public input to support final decisions. It's better to do it right the first time. WITH OR WITHOUT A CAP.