

Corvallis Navigates the New Model to Enforce Lodging Taxes

By Nancy Brewer



The transient room tax (TRT) has been in effect in Corvallis since 1974; it was last changed in 1994 to set a rate of 9 percent on the retail cost of lodging. Corvallis exempts from the TRT rooms occupied

for more than 30 consecutive days and certain rooms arranged for by non-profit organizations using a city voucher.

Traditionally, lodging entities have been hotels, motels, or bed and breakfast establishments, and they collected the TRT and remitted it to the city. Each facility has been required to pay each month's collected tax by the 15th of the following month. If the tax is not received by the last day of the month in which it is due, interest and penalties are applied to the facility's account.

The growth of the internet led to online travel companies (OTC) like Hotwire and Expedia, which operate as intermediaries for people to book traditional lodging. Now, with the recent growth of the "sharing" economy, individuals rent all or part of their home for short-term stays, most often using an OTC such as Airbnb or Vacation Rentals by Owner (VRBO). Until recently, both lodging and non-lodging entities paid the TRT whether the room was booked through an OTC or directly with the entity. Changes in 2013 to state law through HB 2656 now require OTCs to remit monies they collect directly to the taxing community. This latest change has led to some interesting challenges:

1. Local zoning issues may be a problem, especially when individuals rent all or a portion of their homes. Cities know who the traditional lodging providers are. These entities have generally gone through the land development, permitting, and construction process, and they have signs and other advertising so they can be found by lodgers. Individuals renting their personal living quarters may be violating local land use laws, but may be invisible. As a result, no one knows they exist until there is a problem such as a neighborhood parking issue or a report about a loud party. Such situations can create more demand for police services and/or code enforcement action, in some cases years after the individual started renting space. For those who contact the city proactively, information is shared with the code enforcement office and approval is required before the city will issue a license authorizing the collection of the TRT.
2. Many individuals renting rooms in their personal home are not aware that they need to have a local lodging provider license and collect/remit the TRT. When they are discovered, the city has to decide whether to try to collect back taxes.
3. When OTCs began operating, they did not always remit the TRT based on the retail rate. Instead, they may have collected the TRT at retail, but remitted to the lodging provider based on the wholesale rate they paid for the room. This led to OTCs under-remitting amounts owed.
4. The existing reporting format used by the city may not be suitable for an OTC to remit monies and allow the city to ensure accurate collections. Corvallis has revised its forms and created separate forms so that OTCs can report on the number of room nights at each local facility each month. This allows the city to do some reconciliation of reports from OTCs and local lodging providers to ensure all room nights are accounted for and monies are appropriately remitted.
5. OTCs are difficult to communicate with. They often do not have contact information readily available or apparent and multiple emails and calls can go unanswered. When contacted by the city, most have indicated they could not accurately report how many rooms they had provided in Corvallis, and there were challenges with whether they would report on rooms booked versus rooms used each month. Through a series of discussions, an agreement was reached which called for the OTCs to remit on the rooms used each month. The city then modified its original OTC report format to work more effectively for the OTCs who responded to its communication. It has taken significant staff effort to put the city's current reporting format in place and to collect monies owed.
6. We have pursued more outreach with local lodging facilities and individuals to train them on the use of the forms, collection of monies for rooms booked through OTCs, etc. This outreach has also taken time, but we are getting good feedback and more accuracy. As a result, TRT revenues are on the increase.

Currently, Corvallis is updating its TRT ordinance in order to better match definitions provided by the state of the entities that are subject to the TRT. In addition, the effort to update the TRT ordinance will clarify OTC responsibilities.

Ms. Brewer is the finance director for the city of Corvallis. ■

Hood River signals an end to short-term rental debate



By **Luke Hammill** | The Oregonian/OregonLive

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on August 03, 2016 at 2:49 PM

The Hood River City Council signaled last week that an end may be in sight to the long battle over **[how to regulate short-term rentals](#)** in the Columbia Gorge destination town.

After appointing a new member, the council voted 4-2 last week to direct staff to draft rules that would require short-term rentals in residential zones to be operated by permanent residents, said City Manager Steve Wheeler.

Out-of-towners that operate such short-term rentals would be grandfathered into Hood River for seven years. They have five years to comply with parking requirements that mandate one off-street parking space for every two bedrooms used as short-term rentals, Wheeler said.

Residents would be limited to renting out their property on a short-term basis for 90 days a year. Grandfathered properties would be limited to the maximum number of days the rental was used annually over the past three years.

Supporters of the regulations say many short-term rentals in Hood River are investment or second homes belonging to wealthy out-of-towners, making housing less affordable for existing and would-be residents. The debate has played out as the city has experienced an already minuscule supply of long-term housing and rising home values in recent years. The lucrative nature of renting out the homes also violates the spirit of residential zones, the regulations' advocates say.

Opponents say short-term rentals don't have measurable impact on housing affordability and significantly limiting them would harm Hood River's tourism industry. Similar debates have played out across the state, especially in resort and coastal towns like Hood River, home to hiking, wineries, breweries and world-class windsurfing.

The seven-member council had been hung up on the issue because it couldn't muster the four votes required to pass an ordinance after two members who operate short-term rentals recused themselves due to conflict-of-interest concerns. One of those councilors – Laurent Picard, one of the leading advocates in favor of the regulations – resigned in May after 10 years on the council. Tim Counihan replaced him and cast the fourth vote.

Susan Johnson and Mark Zanmiller were the two "no" votes, Wheeler said.

The rules will return to the council Aug. 22 for a public hearing.

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Expedia enters short-term rental fray in Hood River amid councilor's resignation



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on June 11, 2016 at 5:00 AM, updated June 11, 2016 at 5:01 AM

The ongoing fight over **how to regulate short-term rentals in Hood River** has caused a city councilor to resign and attracted the involvement of a multibillion-dollar travel company.

Laurent Picard, one of the city councilors leading the push to limit the spread of short-term rentals, resigned the post he'd held for more than a decade on May 23, after the council found itself deadlocked. The conflict was over regulations that would allow only primary residents to use their homes as short-term rentals in residential zones. Such residents would be limited to renting out their homes on a short-term basis no more than 90 days a year. Current short-term rentals that didn't comply with the new rules would be grandfathered for five years.

Supporters of the regulations say many short-term rentals in the Columbia River Gorge hotspot are investment or second homes belonging to wealthy out-of-towners. The rentals add to the problem of an already minuscule supply of long-term housing in the city at a time when home values in Hood River are higher than ever. The lucrative nature of renting out the homes also violates the spirit of residential zones, the regulations' advocates say.

Picard recused himself from voting on the rules amid an ethics challenge. Opponents pointed out he rents his home on a short-term basis and is under contract to continue doing so through September. Another councilor, Becky Brun, also operates a short-term rental home and recused herself, as well, because of conflict-of-interest concerns.

That left three councilors for the regulations and two against. Hood River's city charter requires four affirmative votes to pass the measure. So Picard resigned, hoping the council can appoint a new member who would be able to vote.

The remaining councilors, minus Brun, approved a moratorium on new short-term rental applications until regulations are approved. The city had received 10 new applications in the two weeks before the meeting alone, **[the Hood River News reported](#)**.

"Our housing and livability crisis remains unaddressed and addressing this crisis is the top goal of the current City Council," Picard said at the meeting, **[according to the Hood River News](#)**. "It is my belief that housing is the most important issue we have worked on in the last decade, one that will decide what kind of town we become over the next two decades."

Meanwhile, the online travel giant Expedia has descended on the small town, sending Joy Langley, the company's government relations manager for the northwest, to meet with opponents of the proposed regulations. According to a recording of the meeting obtained by The Oregonian/OregonLive, Langley said Expedia could offer support to political candidates who are friendly

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to the opponents' position on short-term rentals.

Philip Minardi, policy communications director with Expedia, said on the phone that the company wants to "ensure that owners continue to have the opportunity to rent their homes out on a short-term basis." Expedia recently **agreed to buy** the vacation rental company HomeAway for \$3.9 billion.

Opponents say short-term rentals don't have measurable impact on housing affordability and significantly limiting them would harm Hood River's thriving tourism industry.

Sandra Bishop, a land-use consultant hired by the opponents, wondered whether Picard resigned with the express intent that the council replace him with someone who supports the proposed regulations.

"Why would we appoint someone when there's such a short time between now and the election?" Bishop said. Picard's term was set to expire at the end of the year.

Bishop said the opponents are for "reasonable regulations" such as licensing, fees and a cap on the number of short-term rentals tied to a percentage of housing.

In an email, Picard countered that "Hood River residents don't like being controlled by big corporations."

"We beat Nestlé, we beat Super Walmart, and we will not let Expedia turn us into a Pacific Northwest Aspen or Breckenridge," Picard said.

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Hood River takes initial step toward regulating vacation rentals



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The Columbia Gorge town of Hood River has taken an initial step toward regulating short-term rentals, as the planning commission there agreed earlier this week to emulate Portland's approach to the issue.

The panel tentatively agreed that in residential zones, only residents who list the property as their primary address should be allowed to offer short-term rentals, according to a news release from the group Livable Hood River, which supports the regulations. Such residents would only be able to rent their properties on a short-term basis for 60 days per year.

Another group called Lovable Hood River opposes the regulations and fears they will have an adverse impact on the city's tourism industry.

The city **set the stage** for the debate last year, when elected officials adopted a three-pronged approach to housing affordability that included regulating vacation rentals. Advocates for regulation named short-term rentals – a popular choice for visitors who come for the windsurfing, hiking, breweries and wineries – as one cause for sharply escalating home prices and a low inventory of long-term housing for permanent residents.

- **Read the story: [Hood River, dealing with housing affordability issues, takes on short-term rentals](#)**

The planning commission is set to finalize the recommendations next month. The City Council will then have the final say.

Planners are still deciding the extent to which existing out-of-town property owners should be grandfathered into the new short-term rental rules, said Laurent Picard, a city councilor and short-term rental owner who supports the regulations.

"I appreciate and enjoy that tourism is part of our economy," said Tina Lassen, a Livable Hood River member who also co-chairs the Hood River County Chamber of Commerce's visitors council. "But I think we have to have balance. We have to make sure that tourism can co-exist with the real community."

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Airbnb, short-term rentals win big in San Francisco



By [Luke Hammill](#) | [The Oregonian/OregonLive](#)

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Supporters of Airbnb and other short-term rental services scored a big win in San Francisco on Tuesday, as voters there rejected a ballot measure that would have significantly restricted vacation rentals in the city.

The San Francisco Chronicle [reports](#) that 55 percent of voters gave a thumbs down to Proposition F, a contentious measure that Airbnb spent millions of dollars opposing.

The initiative would have limited vacation rentals to 75 days per year, imposed greater enforcement and penalties and established incentives for neighbors and others to sue violators, according to the Chronicle.

"Voters stood up for working families' right to share their homes and opposed an extreme, hotel-industry-backed measure," Airbnb spokesman Christopher Nulty said in a statement provided to the Chronicle. Adding that Airbnb's local user base went door to door to organize opposition to the initiative, he said, "The effort showed that home sharing is both a community and a movement."

Cities across Oregon (and elsewhere) are in the midst of similar debates.

Portland [recently sued](#) the vacation rental website HomeAway.com for \$2.5 million over short-term rental violations. Hood River's elected officials [are considering regulating the industry](#) in the midst of the highest home values in the city's history. And Oregon Coast cities like Gearhart are [also mulling regulation](#).

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Hood River, dealing with housing affordability issues, takes on short-term rentals



By **Luke Hammill** | The Oregonian/OregonLive

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on November 01, 2015 at 7:00 AM, updated November 01, 2015 at 7:02 AM

HOOD RIVER — When Steve Wheeler moved from Portland to Hood River in 2014, he struggled to find housing.

It was "very hard," he said. "I was looking for a rental place, and the problem here is that typically you get offered a nine-month lease." In April or May, Wheeler said, the unit typically gets taken back and offered as a short-term summer rental through a service like Airbnb.

"Roughly speaking, you can charge short-term for the week what you'd charge long-term for the month. ... It was tough," Wheeler said. "I did find a place, but it was not easy."

Wheeler is Hood River's city manager.

Cities from New York to San Francisco to Portland have dueled with Airbnb and other short-term rental platforms over safety and taxes. They've also blamed the services for taking traditional rental units off the market and making housing problems worse in these already-dense urban areas.

For the most part, short-term rentals haven't been a big problem in small-town America. But city councilors in the Columbia River Gorge town of Hood River say they, too, now want to regulate short-term rentals in an effort to put the brakes on rising home prices and a loss of traditional rentals.

Just as in the big cities, though, there has been pushback from those who stand to profit from the trend.

Short-term rentals spread as home values grow

As in other desirable markets like Portland and **Bend**, Hood River has experienced escalating home values and a shortage of year-round apartments in recent years. In September, the median home price in Hood River reached \$363,000, the highest in the town's history, according to real estate website Zillow. To that point, values had increased 26 percent since the beginning of 2013.

But residents disagree about whether the short-term rental market has a significant impact on that trend.

Laurent Picard knows how "lucrative" short-term rentals can be, he said. He rents out his Hood River home several months a year, while he stays with family nearby, and does "quite well."

"If I had the money, I'd buy up as many homes as I could and rent them out short-term," Picard told The Oregonian/OregonLive in an email. "It's that good of an investment."

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Picard is also a member of the Hood River City Council who is intent on regulating short-term rentals.

"Lower housing prices and fewer vacation rentals are exactly what we need to maintain our city's diverse economy," Picard said.

A city-commissioned study published in September by the consulting firm **ECONorthwest** found that Hood River has about 190 short-term rental units, which make up roughly 5 percent of the housing stock. Add in another 150 units the study identified as "secondary housing" – properties where the owners don't primarily live at the address and are not registered to vote in Hood River County – and nearly 10 percent of the city's housing stock is unavailable to a potential buyer or year-round renter.

"We risk actually becoming a tourist economy like Aspen (Colorado), a town of second homes and investment properties," Picard said. "We risk losing the Hood River we love."

Ryan Hartman – president at unmanned aircraft manufacturer **Insitu**, the Gorge's **largest employer** – said one of the biggest challenges facing his company, across the Hood River Bridge in Bingen, Washington, is finding affordable housing for his employees.

"Finding a way to create entry-level housing in the Gorge has been a real challenge over the last 10 years. ... It's gotten worse," Hartman said. "As the population has grown, as the rise of short-term rentals and vacation rentals has steadily increased, certainly what we have seen is it becomes more and more challenging."

If employees end up commuting the 60 miles from Portland, Hartman said, Insitu is at risk of losing them to companies closer to where they live.

Hood River County School District Superintendent Dan Goldman said he, too, is having a hard time recruiting and retaining employees.

"Our anecdotal evidence from people who are leaving is that it's too expensive to live here and raise a family here," Goldman said.

No longer a 'sleepy little town'

The housing prices reflect the explosion of Hood River's national and international appeal in recent years. The city came of age and thrived with the rise of windsurfing in the 1980s and 1990s, as it became a top destination for the sport. The views of the Columbia River Gorge, the proximity to skiing areas and nearby hiking only added to the acclaim.

The population grew accordingly, and with it came breweries, wineries and more hip shopping and dining options. The number of people living in Hood River has increased by 73 percent since 1980 and by 28 percent since 2000. The population is now estimated at 7,476, according to the U.S. Census Bureau.

City councilor Kate McBride grew up in Hood River and can remember when it was "just a sleepy little town," she said.

"It was timber and agriculture," McBride said. "There was nothing else."

McBride likes all the new opportunity the city has seen. But she still thinks the town needs to be more than a vacation destination, and that short-term rentals need to be regulated. The city is "desperate" for affordable year-round rental housing, she said.

"I like the vibrancy," she said. "I like that people have come here. I'm not against that. But... the people who make this community are being priced out."

At the crux of the debate is the degree to which Hood River's economy depends on tourism. Picard said tourism accounts for less than 5 percent of the economy. But Lesley Lamb, co-owner of **Hood River**

Outstate

This is the second in **an occasional series** looking at housing trends outside the Portland area.

Big cities vs. short-term rentals

How some cities have dealt with the issue:

Portland:

Thousands of short-term rental hosts were operating off the books in Portland while Airbnb lobbied the city to legalize them. City Hall approved regulations on short-term rentals last year. Some forms of short-term rentals are still illegal in Portland, though,

Vacation Rentals, said she remembers when Hood River "used to die at the end of the summer."

"On weekends, it was utterly dead," she said. "A lot of the stores couldn't operate in the winter."

Now, Lamb said, short-term rentals have extended the stream of visitors into the fall and even the winter, creating jobs and allowing retailers to stay open.

Opposition to the plan

Ron Montague spends as many as 80 days a year in Hood River. He and his wife bought a property there about five years ago. The home had already been used as a short-term rental, and the couple continues to rent it out through Hood River Vacation Rentals when they aren't there.

"It helps us afford to have the house down there, and that's why we're doing it," Montague said. "And it may be that sometime soon we stop doing the rental piece of it and spend most of the summer down there ourselves."

Montague, who works in the Seattle area, said he wants "to be involved in a community that is active and encourages people to go outside and do stuff."

"The activity level of things to do in Hood River is unparalleled," he said.

The city still hasn't decided on exactly how it would regulate short-term rentals. But rules tentatively proposed by Picard and McBride would prohibit any more short-term rentals whose owners don't live there as their primary residence. Existing owners would be tentatively grandfathered in. The councilors said they were considering a threshold that would require living in Hood River 270 days per year for a residence to qualify as primary, but those numbers aren't set in stone.

The Hood River City Council will officially decide Nov. 9 what forms of short-term rentals will be allowed, Picard said.

Montague said he isn't opposed to paying licensing fees and agreeing to inspections. But he is suspicious that the city might go even further and keep him from renting out his home at all.

"They seem to be pretty well set on the fact that they don't want to have any more in the city," Montague said. "And they may be set on the fact that they want to get rid of the ones that are there."

Montague and his wife volunteer at a local museum and donate to city parks, he said. He pays the city about \$7,000 a year in taxes. He has improved the property, spending \$10,000 to upgrade the roof.

"We're not just there trying to make money on a short-term rental," Montague said.

The city also collects a transient room tax every time someone stays in a short-term rental. If regulation goes too far, Lamb said, second homes like Montague's that had previously been used as short-term rentals would "just sit there doing nothing" and not collect the tax or attract tourism dollars.

Lamb and her business partner, Libby Taylor, said a 270-day model would just flood the market in the summertime. And regulation could even drive short-term rentals underground, they said.

"We want what's best for Hood River," Taylor said. "But we want what makes sense."

Not just vacation rentals

The city and advocates for short-term rentals agree on one thing: Regulating them won't solve Hood River's affordability problem by itself.

and the city recently sued the site HomeAway.com for short-term rental violations.

New York: A 2010 New York State law makes it illegal for short-term rental hosts to rent out their apartments for fewer than 30 days, unless they are present, POLITICO New York reported. That is particularly significant in apartment-heavy New York City. On Friday, the City Council there heard legislation that would further penalize short-term rental hosts for illegally renting out their homes.

San Francisco: On the Nov. 3 ballot in San Francisco is a measure that would cut the number of allowable short-term rentals to 75 nights a year per unit and add other restrictions, USA Today reported. Airbnb recently apologized for an advertising campaign, seen by many as passive aggressive, that suggested how San Francisco should spend the \$12 million in hotel taxes the company pays each year, according to CNN.

Picard, McBride and the rest of the City Council recently adopted a three-pronged approach that includes more efficient land-use policy and developing more affordable housing in addition to regulating vacation rentals. The initiatives are just getting underway now and are set to ramp up in the spring.

Yesenia Castro, 25, graduated from **Hood River Valley High School** and works in Hood River. She's a community health worker at a nonprofit called The Next Door, and commutes 30 minutes each way from her family's home in nearby Parkdale.

Castro is planning on setting aside at least 30 percent of her income to buy a house of her own soon.

But when she does, it won't be in Hood River. In her price range, Castro said, it makes more sense to buy in Gresham, even though it'll be an hour-long commute.

"The supply in Hood River is horrible," Castro said.

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Regulating Short-Term Rentals - Best Practices & Industry Perspective

By Cynthia Wang

Airbnb was created out of the economic dislocation of the Great Recession and has always been powered by everyday people who use what is typically their greatest expense—their housing—as a way to generate supplemental income. By sharing their homes, a typical Airbnb host earns additional income at a time where economic inequality is a major challenge.

Airbnb is proud to be at the forefront of the sharing economy, a movement that enables local residents to access new economic opportunities, promote entrepreneurship, strengthen communities, and conserve resources—all aspects of urban life in which cities have invested significantly. Neighborhood businesses benefit as well. Seventy-four percent of Airbnb listings are located outside of hotel districts. Airbnb attracts new visitors who stay longer, spend more, and are more likely to return. This means that visitor spending is distributed to neighborhoods that have not traditionally benefited from tourism spending, and visitors are staying in and exploring places they may not have otherwise visited.

Cities and counties around the world are embracing home sharing and recognize the opportunity and benefit home sharing can provide to a community. The right regulatory environment supports innovation while balancing other public interest needs. Airbnb wants to enhance our relationships with local governments. To achieve that goal, we have released the Airbnb Community Compact, which outlines a series of commitments we are making to be good partners with cities.

Key principles and best practices we support to guide policymakers develop thoughtful home sharing regulations include:

- **Understanding Home Sharing in Your Community:**

Governments should make data-driven policy and not legislate by anecdote. While protecting host and guest privacy, Airbnb will provide anonymized information regarding hosts and guests in our community to city officials to help inform the development of their home sharing policies. It is important to recognize that home sharing takes many forms, from the family that shares their home for one week a year while they are on vacation, to the professional that shares her home while on frequent business travel, to the owner of a second home, to the commercial investor. Different regulatory approaches are appropriate for each of these groups.

- **Home Sharing That Benefits All:** Home sharing rules should not discriminate between neighborhoods or building types, instead allowing all residents to share their home with visitors. Home sharing should be authorized as an accessory use to residential use in any zoning district where residential



activity is allowed, and all residents—whether renters or homeowners—should be able to participate.

- **Clear Rules for Home Sharing:** All residents should be able to share their home without the need for complicated permits or licenses. Where regulation is merited, we encourage such regulations to require streamlined and online registration/permitting processes. Renting all or a portion of a primary resident's home to visitors should not trigger complex permit rules or alter the character of a property from residential to commercial. Stronger regulation may be appropriate for residents who rent non-primary homes to visitors for more than half of the year.
- **Community Trust:** Cities have nuisance laws in place that address neighborhood character (e.g. occupancy, parking, noise and garbage) through their own enforcement and penalty procedures. These apply to all similar properties, whether or not the property is rented on a short- or long-term basis. Airbnb's robust reciprocal review system and trust and safety tools further protect hosts, guests and communities. We recently announced a tool for neighbors at airbnb.com/neighbors to share specific concerns they might have about a host's guests or hosting activity in their community. These concerns could include things like noise complaints. When a neighbor clearly identifies a host's listing, we'll pass along the message when possible and provide some recommendations for resolving the issue with their neighbors.

We are committed to working with governments on smart, sensible rules that address key concerns, generate new revenue, and help families stay in their homes. We understand that every city is different and as we move forward, we will partner with individual cities to address their unique policy needs.

Ms. Wang is a regional public policy manager for Airbnb. ■

Online Vacation Rental Services Complicate the Housing Balance in Yachats

By Melody Finnemore



The balance the coastal city of Yachats strives to maintain between residential housing and vacation homes has been a challenge for many years, and even more so with the advent of Airbnb, VRBO and similar online vacation rental services that are part of the sharing economy.

Mayor Ron Brean, who calls Yachats “the gem of the Oregon coast,” said tourism plays a significant role in the city’s economy. Yachats has about 125 vacation rentals for the tourists who flock there primarily during the summer months, though a dedicated group of storm watchers help support tourism there during the off-season. Yachats is also attractive to people who want to buy a second home and plan to retire there, he said.

While the vacation rentals draw tourists who spend money in local businesses, the housing dynamic also skews things economically. Brean said the city’s leaders strive to find the right balance so that people who want to own a home or have an alternate place to stay in Yachats still have the opportunity.

City leaders want to avoid the tipping point where so many homes have been converted to vacation rentals that it diminishes the city’s residential character, causing property values to decline.

“There is a point where it gets to be too big, and when that happens the character of neighborhoods change and the character of the community changes,” he said. “If you are used to having a neighbor and then you have a lot of people next door who come and go, it’s not as comfortable and it does change the character of the neighborhood.”

Brean said the city’s long-term goal is to evaluate what parameters are needed to measure and determine a proper balance between full-time residences and vacation rentals.

“It’s difficult to know what factors will come together to determine the difference between a viable economy and a viable community, and at what point some boundary has been crossed that leads to decline,” he said.

In addition, an increase in vacation rentals means fewer opportunities for people to rent or buy homes in Yachats, which has a

population of 725. Fewer ownership opportunities also means fewer people available to work in the community.

“If we don’t have an adequate population here to support the community through the winter, businesses start to fold and the whole thing collapses,” Brean said.

Through several measures, city leaders are doing what they can to prevent these negative impacts. This includes putting limits on the size of a vacation rental, which prevents it from serving as a “mini hotel” that is often used for family reunions and other large gatherings.

Larger rental homes not only tend to clash with the residential feel of a neighborhood, but they often cause issues with traffic, parking and noise, among other problems, Brean said.

Yachats is proactively attempting to determine an appropriate cap for the number of homes that should be rentals. Brean said he has seen examples of tourist destinations that determined the cap too late, only to suffer negative consequences and find that it’s difficult to make changes reactively.

“The complaints we get about vacation rentals in general are pretty predictable—somebody has a dog that is loose, there is too much garbage or too much noise, but most people follow the rules,” he said. “We’re just trying to manage it so it doesn’t deter from the attractiveness of the city as a city and not just as a vacation destination.”

Ocean View Drive, for example, has a large number of vacation homes, so city leaders are exploring how to evaluate various zones of the city to determine the percentages of vacation rental densities and whether to limit vacation rentals in those zones.

In the meantime, online vacation rental services continue to grow. Airbnb alone has grown from \$6 million in revenues in 2008 to more than \$900 million in 2015. It boasts more than two million listings in 191 countries around the world, and has accommodated more than 60 million guests.

Another major player in the market, HomeAway, owns more than 40 other vacation rental sites, including VRBO. It claims more than one million rental listings in 190 countries. ■