

TO: Ron Brean, Mayor  
Greg Scott - Council President  
Sandra Dunn – Council Member  
Barbara Frye – Council Member

Via email: [cityhall@ci.yachats.or.us](mailto:cityhall@ci.yachats.or.us)

July 7, 2014

From: Kathryn Hubbell

Owner, Chickadee Cottage vacation rental at 181 Reeves Circle, Yachats

Dear Mayor and Members of the Council:

It is with no small amount of alarm that I was notified just this evening of tomorrow's City Council meeting concerning vacation rentals in Yachats. I re-read the July newsletter from front to back to see if I could discover this, and the only mention was that there was a special meeting of the council on July 8; there was no disclosure whatsoever as to the purpose of the meeting. Nor did I, as a tax-paying property owner, receive any kind of e-mail, phone call, or direct mail of this meeting. After the plans I've heard the council is proposing – without notifying homeowners – I am beyond alarmed. I'm extremely upset, and I'm going to take a few minutes of your time to explain why.

The Chickadee Cottage, my vacation rental, has been a vacation rental since 1998; I've owned it since 2006. I have never been notified of a single complaint about the property – but I have called police in the middle of the night about a permanent residence property in the neighborhood, as well as excessive noise and fireworks (not anywhere near the 4<sup>th</sup> of July) at the Yachats Inn.

Here's what I've been told about this meeting tomorrow by my property managers:

*The council is attempting to restructure how you as homeowners can operate your business (vacation rental). Some suggestions are; 1) placing a cap on your business; 2) enacting a five year limit of time rental owner can rent out their home at all; 3) limit number of days that a rental owner can rent their home within the year (How can you limit someone's store hours?); 4) Limit rental income to match the mortgage payments of the owners!*

If these ideas are seriously being considered, I have to believe that first of all, none of you has ever owned or operated a business – and second of all, that you have had no training whatsoever in legal and illegal methods of regulating a business, or in privacy law. When I checked the site for the Oregon Association of Vacation Rental Owners (which I am realizing I should join), I found this is not unusual. Here is a paragraph from the association's LinkedIn page:

*“The general public, business people and politicians often know very little about vacation rentals, why they exist, how they benefit their owners, and how they contribute to their communities. We provide people with information that helps them evaluate the appropriate role of vacation rentals in their community.” - from <https://www.linkedin.com/company/oregon-association-of-vacation-rental-owners>*

To the specific points mentioned above that seem to be on tomorrow's unannounced agenda:

1), You don't have the legal right to tell a business how much it can make; placing a cap on a business in which you have no vested financial interest is illegal and would not hold up in the courts.

2 and 3) Limiting the time an owner can rent out a home – either in terms of years or in terms of the number of days an owner can rent out a home during the year – won't fly, either. Again, you have no right to regulate a business in this way. But moreover, I'm sure a lot of vacation rental owners are like me: if I can't rent out the Chickadee Cottage, I can't afford to keep it. It's where I've planned to retire, but until then, renting it out is the only option I have. Again, the Chickadee isn't your business; it's not up to you how much I rent it out or what prices I set, any more than it's up to you how much I make as a business owner. The only authority that can regulate anything about the Chickadee Cottage finances happens to be the IRS: the Chickadee is an investment property, and if I stay there too many days myself during the year, my taxes go up. You, however, have no say in that; and you have no say in my state or local property taxes, either, unless I simply don't pay them – and I won't if I have to sell the property.

4) You want to limit my rental income to my mortgage payment? Are you kidding me? Since when is it any of your business what my mortgage payment is – or even if I have a mortgage payment at all? Can I simply sue you for invasion of privacy for that one? That would certainly be my first thought. What are YOUR mortgage payments? Can the rest of us find that out and make you pay some kind of penalty for how much or how little you pay per month?

If your knee-jerk reactions to what you perceive as city-wide vacation rental problems is to try and pass some so-called laws that would not stand up to a challenge in the courts and to avoid notifying homeowners -- who pay taxes and support the community -- as to what you are planning, then I'm digging in for a long fight here. My field happens to be public relations; I'm pretty good at publicizing things that need public exposure. And no, that's not a threat; it's just that if the good City of Yachats is going to pass these laws, and discuss them without proper public notification, then I think all of this should be held up to the light, and should certainly be reported in the press. Don't you? I mean, aren't you a government entity that abides by open meeting laws and works to be both transparent and authentic in its duties? Surely you are committed to ethical, legal government operation?

Here's what your ideas would do to the Chickadee:

I could no longer afford to keep it, so I would sell it. It's less than 500-square feet and has a shared driveway with the house next door, so it would likely take one-to-two years or longer to sell. The economy has still not recovered, as you'll note. In that time, because I couldn't keep it up, it would likely go into foreclosure. That means the yard and landscaping would not be kept up, there would be no maintenance done on the house or the deck, and it's entirely possible squatters could move in once they discovered it was vacant.

In the meantime, our very loyal renters would not – could not - come back. They like the Chickadee exactly as it is; they don't want a larger place. They actually don't want anything else in Yachats; they would find a new town. So there goes not just rental income, but the lodging taxes on that income – taxes Yachats needs.

A blogger has this to say about the economic impact of vacation rentals in Oregon:

*“Small lodging operations are a primary driver of tourism into small Oregon towns, and are often one of the 3 largest sectors of local economies that help such towns survive.” – from <http://www.stradvocacy.org/oregon-new-effort-to-tax-vacation-rentals/#.U7uPmbEXLQg>*

Let me tell you how we work to drive tourism to Yachats. My property managers, Joe and Perri Wilson at Sweetland Vacation Rentals, run their website listing all of their properties – and I run, at my own expense, a separate website showcasing only the Chickadee, which is linked to theirs so people can make reservations (<http://www.chickadeecottage.us>). Both web sites also promote Yachats, as you would expect – and the City of Yachats pays nothing for this. We should make you pay, so that you would understand the true cost of doing business. We can't do that, you say? Sure we can, because that's what will happen if you put us out of business: you'll be paying plenty more to promote Yachats if you lose us and people like us. Here's more: I take out an ad every year in Oregon Coast Magazine's Mile-by-Mile Guide. I am a member of the Yachats Chamber of Commerce and often provide brochures for the office racks. And let's not forget word-of-mouth, which is always highly effective.

I don't know that I could put all of that in dollars, but I can guarantee that I would start promoting someplace else if I had to sell the Chickadee; I would never come back to Yachats, nor would I recommend anyone else go there. It would no longer be a people-friendly town, and it certainly would not be a town conducive to running any kind of business; it's bad enough that several businesses will be wiped out by the new sidewalks. You folks seem to have no understanding of the role that businesses of all kinds play in keeping a small community alive and vibrant.

I had planned to retire in Yachats, but if I am limited in income or how many years I can earn an income from the Chickadee, then obviously I cannot plan for my retirement and will have to consider someplace else. So you would have no long-term investment in the community from me – and probably not from several others.

Speaking of investment in the community, I have for several years donated to the Yachats Youth and Family Activities program (ask them). I used to donate to the medical clinic; I have previously supported the summer music concert as well. I felt that if I owned property in a community, I should also give to that community. But you know, I can stop any time. You just say the word.

You are taking a nonsensical, broad-brush approach to a series of specific incidences that make you think the whole community is going down – and you're thus ensuring through these methods that the whole community *will* go down. It's already hard to justify retiring in Yachats when there is no medical clinic available. There are no jobs, so you can forget bringing in young families; the young families already in the area have been slammed by the recession and slow recovery, and that's why the rest of us donate to them to help them survive. That whole row of rotten buildings where the restaurant and the thrift shop used to be needs to be torn down with something else put in there; it's a real blight. Who on earth do you think will come in once people start leaving Yachats in droves because businesses are not supported there and vacation rentals are not available – or are so restricted they can no longer operate?

You think just because we all love Yachats people will just magically show up? They may – to drive through.

Do any of you own any kind of a rental property anywhere at all? If you do, who pays for maintenance and repairs? Who pays for landscaping? Who pays for damages? Do you think you can charge enough rent for your place to cover all that, or are you restricted to charging only what the market will bear for the size and condition and location of your rental property? I have news for you: you can charge only what the market will bear. And if your costs to replace a roof, repair appliances, paint the place, keep up the yard, or repair tenants' damages happen to be greater than the rental income that the market will bear, you're in a world of hurt. Did the community where your rental exists suddenly tell you that you could only charge rent say, 9 months out of the year instead of 12? Do you think you can get the utilities to only charge you 9 months out of the year to match that? Or do you think you can put off repairing that leaky roof for another 3 months because it's not convenient for the city that you need an income in order to pay for that and other repairs?

Does any of that mean anything to you, or have you simply no experience or training in any kind of business at all?

What is this really about? I mean, honestly – what is going on here? Do you want to shut businesses out of Yachats entirely and just make it a community for the permanent residents who live there? That can be done; just be aware that your city taxes and property taxes will go way up because somebody has to pay for city services, schools, roads, and – oh yeah – the sidewalks. Depend only on the large hotels for tourism? (Move all the parties to the Adobe, the Fireside and the Overleaf – I'm sure they'd love it.) Cut the tourism tax dollars by some unknown percentage and then pay to promote tourism anyway? Hope people will come even if they have far fewer dollars to spend in far few places during shorter visits? Oh, wait – how about charging a toll at the city limits to drive through town? How about a city sales tax? I'm sure you can think of something. Remember that you'll still have to spend money to take care of foreclosures so property values won't tank. These pesky details.

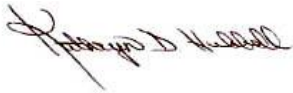
If – as I've heard- there has been a big hue and cry about noisy parties and that sort of thing in vacation rentals, let me ask why on earth you haven't considered fining those property owners for each complaint received. Why, instead of punishing the whole city in such a way that Yachats will sink further into an economic hole, don't you simply lay out some consequences for the individual properties? Not all property managers are like mine, who carefully screen each person who wants to rent the Chickadee; I've known of at least one other that is pretty careless about screening potential renters. Why don't you handle this with the individuals who are not enforcing their own rental policies and procedures, or not complying with city codes already in effect, rather than punishing an entire, and very large, segment of the Yachats economy? This sound like an "I've got mine, you can't have yours" attitude toward a group of us, some of whom own properties that have been vacation rentals for a very long time. But if that's the attitude in Yachats, then I'm not sure I want to visit there, I'm not sure I want to keep promoting Yachats, and I'm definitely not sure I want to retire there. I've been coming to Yachats for 30 years; it's always been my touchstone place, and leaving would be enormously sad if that's what you force me to do. I'll wait a little while to hear the outcome of all of this, but it might be very soon that 1) I sell; 2) I

sue- after, of course, finding out who will join me; 3) I start looking elsewhere 4) I stop giving one more dime back to the community 5) I write a story about this for my blog and various media or 6) all of the above.

Your call, folks. I hope if you, or anyone among your families or loved ones, owns a business, that you all become familiar with the word “bankruptcy,” because I think Yachats is going to need to understand everything the word implies if the city continues on this path.

Do I have to ask – or will you automatically send out the verbatim report and conclusions reached in this special city council meeting to your tax-paying, property-owning citizens? In compliance, you know, with things like open meeting laws and transparent government policies? Just wondering.

Most sincerely,

A handwritten signature in black ink, appearing to read "Kathryn D. Hubbell". The signature is written in a cursive, flowing style.

Kathryn D. Hubbell

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