

Derrick Tokos

From: Cathey Briggs <catbriggs2@yahoo.com>
Sent: Wednesday, October 03, 2018 11:52 AM
To: Derrick Tokos
Cc: Spencer Nebel
Subject: Vacation Rental Dwelling Committee Meeting, October 3

I am sorry I am unable to attend today's meeting, which as I understand it, may be the last meeting. I attended the last meeting and thought that the Committee had made a lot of progress and had some very interesting discussions, but it's also clear that there are some big unanswered questions. Please forward my letter to the VRD committee for consideration at today's meeting.

I thought it might be helpful if Derrick gives the Committee a quick overview of one of the State's Land Use Planning goals, Goal 10: Housing. This requires cities above a certain population, to periodically inventory its buildable lands and develop plans that encourage the availability of adequate numbers of needed housing units at price ranges and rent levels that are commensurate with the financial capabilities of its residents, and also allow flexibility of housing location, type, and density. The State evaluates these plans periodically for conformance. Why this is important to this discussion is that the proliferation of VRDs in Newport, and the policies that currently allow VRDs, may be in conflict with the City's ability to meet its Housing Goals.

For me the fact that the City had to amend its zoning code to allow seasonal workers to stay in hotels or motels for more than 30 days was a big red flag that indicates that there is an imbalance in housing supply at lower income levels, and that the local housing supply is not meeting local needs.

I understand that people who own VRDs, or bought them with the idea of generating an income for themselves, either temporarily or permanently, are concerned about potential changes to the code that might limit, or eliminate, their ability to operate their VRD. But the City is not required to allow VRDs either outright or with limitations.

Tourists are an important part of the local economy. No question about it. That is why we have lots of hotels and motels. But also important are the people who work in local industries, schools, hospitals, etc. If they are unable to find housing to meet their needs, at a price that they can afford, they will go elsewhere, and Newport's economy will suffer. As I understand it, Newport's hotels and motels are not operating at full occupancy and do have the capacity for additional tourists, and some of these hotels and motels have adapted their inventory, legally, to provide larger units with kitchens to meet the needs of larger groups and families.

There is no question that the City can limit the number and locations of VRDs, or can prohibit them entirely. There was already litigation in Lincoln City by a property rights group regarding the limitations that Lincoln City placed on the location of VRDs. The group claimed that VRDs are "needed housing" according to Oregon's land use laws, and must be accommodated. Oregon's Land Use Board of Appeals (LUBA) ruled in favor of Lincoln City and its VRD restrictions. LUBA's decision stated that housing for vacation renters was not considered needed housing, but that housing for workers, including "seasonal workers" was needed housing.

A recent article in The Oregonian (9/29/18) highlighted Newport's ongoing discussion on VRDs. I have to say I was very surprised at Derrick's comments that the VRD issue is limited to higher end housing that hourly workers couldn't afford to buy or rent, and that most VRDs are million dollar waterfront homes, with the implication that this does not affect the entire housing market. While there are very expensive ocean view VRDs, we've all seen the VRD map. There are concentrations in certain areas, in Nye Beach, South Beach, the Bay Front, but VRDs are located throughout the City. The constriction of the housing market at the middle to high end, because of conversion to VRDs, has impacts throughout the market. The housing market responds to demand at the high end by putting pressure on houses all the way down the line, thus increasing prices and rents at all levels.

I know today's agenda is expected to include the issue of transferability of a VRD license upon sale. This will be a tough discussion to have, but it will also illuminate the impacts of VRDs on the housing market. The transferability of a VRD permit would allow the seller to command a higher sales price because of expected return over time. This is how housing markets operate. And it operates this way from the waterfront home to the mid-town townhouse or cottage. If Newport is ever to get back to a more balanced and affordable housing supply, VRD permits should not be transferable, except in a zone where hotels and motels are allowed as of right.

I am a retired City Planner who specialized in housing issues.

Thanks for all your hard work.

Project: [illegible]
Date: [illegible]
To: [illegible]
From: [illegible]

[illegible text]

[illegible text]