

Financial Impacts on Clatsop County, Cities and Businesses From Limiting STRs in Unincorporated Clatsop County

The Clatsop County Board of Commissioners is reviewing proposals that would restrict short-term rentals in unincorporated areas of the county.

The current proposal would eliminate 107 short-term rentals in the following areas:

38%	41	STRs with a Warrenton address
16%	17	STRs with an Arch Cape address that are actually in Cove Beach
15%	16	STRs with a Gearhart address
13%	14	STRs with an Astoria address
7%	8	STRs with a Cannon Beach address
7%	8	STRs with a Seaside address
3%	3	STRs with a Nehalem address
100%	107	

[Note: the majority (51%) of affected STRs are in the Astoria-Warrenton area]
[source: Gail Henrikson, Community Dev. Director 5.5.22]

While these STRs are located outside of cities, the owners and their guests buy services in the cities. Our study of the financial and economic impacts to the county** (tax revenues) and to local businesses and STR owners are shown below. Tourism spending includes data from the Warrenton-Astoria Chamber of Commerce 2020 Travel Spending Report, which includes travel spending for: retail sales; arts, entertainment & recreation; local transportation and gas; food stores, and food service.

STR Owner Impacts - Annual

Annual loss of revenue to impacted STR owners	\$ 5,230,789
Annual loss to STR owners for mortgage payments & profit***	\$ 1,830,776

County & Business Impacts - Annual

Annual loss to County**& businesses - from STR owners	\$ 2,134,784
Annual loss to businesses from vacation renters/tourists	\$ 4,362,353

Note: Annual loss to business in Warrenton-Astoria area	\$ 2,442,917
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*Our studies used the loss of 103 STRs previously reported by the county. The 107 figure has been updated as of 5.6.22

** County losses are estimated at annual loss of TLT (Transient Lodging Tax) revenue of \$549,233 and 10% loss of property tax revenue due to decline in values.

***based on 35% of revenue remaining after payment of taxes and operating expenses

Direct Impacts of Travel Spending by Sector in 2020

Avg/Day/Visitor (see 2020 Travel Spending, Astoria-Warrenton Chamber Report)

	Visitors who stay in paid lodging spent an average of \$121 per day on
\$121	lodging, food, recreation, transportation, and shopping
(53)	44% of the total spent went for accomodations/lodging
\$68	Balance for All Other: retail sales, arts, entertainment, local transport/gas, food stores, food service

[Source: Page 2, Presentation, 2020 Travel Spending, Presented by:
Lower Columbia Tourism Committee -- Astoria-Warrenton Area
Chamber of Commerce - Revised 3.17.2022

Calculation of Annual Impact from loss of 103 STRs

(a)	90	days - summer/high season (June, July, August)
(b)	275	days - off season days (remainder of year)
	365	total calendar days
(c)	90%	summer occupancy rate
(d)	50%	offseason occupancy rate

Total Rental Days/Visitor

(e)	81	summer days rented	(a) x (c)
(f)	138	offseason days rented	(b) x (d)
(g)	219	total days rented out of 365	
(h)	4	# persons per rental party	
(i)	874	total person days per STR	(g) x (h)
	\$68	spend/person/day (excluding accomodations) - See Above	
(j)	\$59,222	Average spent per STR property	
(k)	103	# Vacation Rentals Lost - Planning Commission	
(l)	\$ 6,099,891	Loss in Travel Spending - if 100% do not return	(j) x (k)
(m)	\$3,049,945	Loss in Travel Spending - if 50% do not return	(l) x 50%

\$ 4,574,918 Average Annual Loss ((l) + (m))/2

[note: average annual rental income to STR owner = \$53/day*874 days = \$46,322
This result is very close to County assessor est of \$ 47,989 (\$5,039 TLT / 10.5% TLT)

Annual Tourist Spend - STR Guests Astoria - Warrenton only

	<u>All Other</u>	<u>Accomodations</u>		<u>Total</u>
Person Days	874	874		874
Daily Spent Amount	\$ 68	\$ 53		\$ 121
Total Spent Per Rental	\$ 59,222	\$ 46,532		\$ 105,754
STRs affected	55	55		55
Total Annual Impact	\$3,257,223	\$ 2,559,247		\$ 5,816,470
Impact if 50% Return	\$1,628,612	\$ 1,279,623		\$ 2,908,235
Average Annual Impact	\$2,442,917	\$ 1,919,435		<u>\$ 4,362,353</u>

**ANNUAL VACATION RENTAL OWNER CONTRIBUTION
TO CLATSOP COUNTY AND LOCAL BUSINESSES**

	Annual Financial Payments of Typical STR	# Short Term Rental Permits			Portion (%) Not Spent If STR Prohibited*
		Contributions Current # @9/24/21 180 (A)	if Planning Commision Goal Met 77 (B)	Potential Loss to County 103 (A)-(B)	
Owner Expenditures in Clatsop County - Typical STR					
Rental Income to STR Owners	\$ 47,989	\$ 8,925,933	\$ 3,695,144	5,230,789	
Expenditures by STR Owner in Clatsop County					<u>Actual Loss</u>
Housecleaning Services	6,169	1,110,494	475,045	635,449	100% 635,449
Improvements & Repairs (Local =75%)	1,585	285,245	122,021	163,223	50% 81,612
Lawn Maintenance	3,050	548,915	234,814	314,102	50% 157,051
Furniture, Fixtures, Equipment	5,041	907,410	388,170	519,240	100% 519,240
Miscellaneous - Other	1,506	271,030	115,940	155,089	50% 77,545
Road Maintenance Assessment	200	36,000	15,400	20,600	0% -
Taxes: Property Tax - 10% value decline**	3,133	56,388	24,122	32,267	10% 3,227
Taxes: TLT - Per Cty Avg/STR*	5,039	937,223 *	387,990	549,233	100% 549,233
Utilities - Spectrum, Elect, Recol	4,823	868,052	371,333	496,719	20% 99,344
Water	587	105,592	45,170	60,422	20% 12,084
	<u>\$31,131</u>	<u>\$5,126,349</u>	<u>\$2,180,005</u>	<u>\$ 2,946,344</u>	<u>\$ 2,134,784</u>

***Annual Financial Payments based on actual expenditures
of typical STR in unincorporated Clatsop County

**** Assumes if STR prohibited, alternate use of
home is either long term rental or home is used
exclusively by owner part of year and vacant the
remainder

Per Department of Community Development	
# Licensed STR's -current	As of 9/24/21 186
# that could renew	180
# allowed per Plann. Comm restrictions	77
Permits lost by PC recommendation	103
Per County Assessor (See Staff Report)	
*TLT Taxes	\$ 937,223
Revenue if PC adopted	\$ 387,990
TLT Revenue Lost if PC adopted	\$ 549,233
*Avg TLT Per STR - per County	\$ 5,039

Per Harvard Business Review Report (11/17/2021)

** Loss in Property Values w/STR restrictions -

Assumes a 10% loss of value in 103 homes that lose STR permits
- actual loss in property values could be much broader
as HBR study indicates

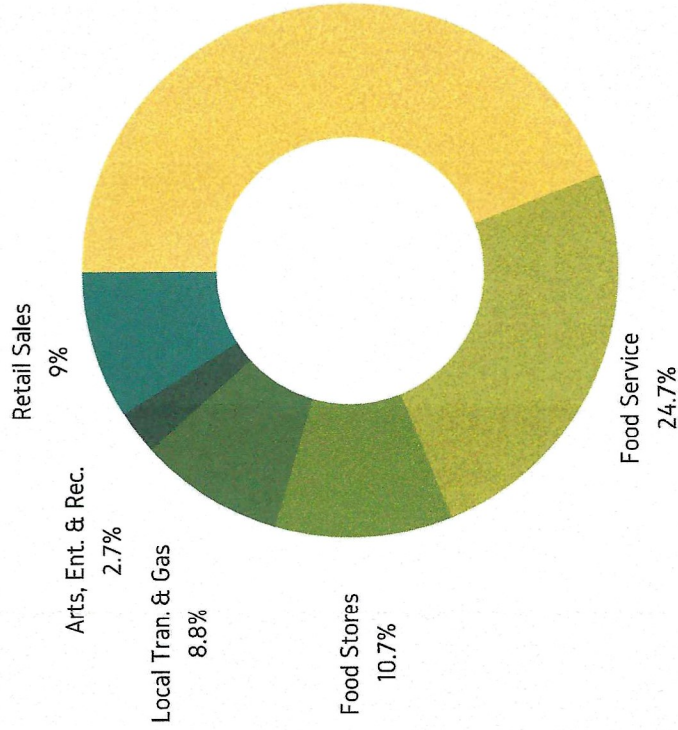
[Source: Harvard Business Review; November 17, 2021;
by Ron Bekkerman, Maxime C. Cohen, Edward Kung, John Maiden]



2020 TRAVEL SPENDING

THOUSANDS OF PEOPLE TRAVEL TO AND WITHIN ASTORIA AND WARRENTON EACH YEAR. VISITORS WHO STAY IN PAID LODGING SPENT ON AVERAGE \$121 PER DAY ON LODGING, FOOD, RECREATION, TRANSPORTATION AND SHOPPING..

Direct impacts of travel spending by sector in 2020.



IMPACT (millions)
In 2020, \$63.5 in travel spending resulted in a \$97.5 economic impact to the local Accommodations economy (direct, indirect, and induced.)

In 2019, \$115.8 in travel spending resulted in a \$177.7 economic impact to the local economy.

390,000 OVERNIGHT PERSON TRIPS

\$57 PER DAY AVERAGE SPEND BY AN OVERNIGHT VISITOR

2.5 DAYS AVERAGE LENGTH OF STAY BY OVERNIGHT VISITOR

54% OF OVERNIGHT VISITORS STAY WITH FAMILY, FRIENDS OR IN SECOND HOMES

QUESTIONS OR COMMENTS?

REPORT PREPARED BY:
LOWER COLUMBIA
TOURISM COMMITTEE

ASTORIA-WARRENTON AREA
CHAMBER OF COMMERCE

REVISED 3.17.2022

SOURCES:

- Dean Runyan Associates Astoria-Warrenton, Oregon Visitor Impacts, 2007-2020P
- Dean Runyan Associates, Oregon Travel Impacts: 2020p
- Census.gov Quickfacts Population Estimates (V2020)
- Oregon Employment Department Employment by Industry 2007-2020 for Astoria and Warrenton, Feb2022
- US Travel Association, DCI 2017 Q Report: Talent Wars-What people look for in jobs and locations
- Research and Reports provided by Travel Oregon at industry.traveloregon.com



The background of the cover is a photograph of a coastal landscape. In the foreground, there are tall, golden-brown grasses. In the middle ground, a wooden building with a deck and several vertical poles is visible. The background shows a blue sky with light clouds and a body of water.

2020

Economic Impacts of
Travel and Tourism in

ASTORIA AND WARRENTON

From: Gail Henrikson <ghenrikson@co.clatsop.or.us>
Sent: Thursday, May 5, 2022 12:14 PM
To: John Meyer <jkm@caretrust.us>
Subject: RE: question

Good afternoon, John.

My review shows:

- 14 STRs with an Astoria address
- 8 STRs with a Cannon Beach address
- 16 STRs with a Gearhart address
- 3 STRs with a Nehalem address
- 8 STRs with a Seaside address
- 41 STRs with a Warrenton address
- 17 STRs with an Arch Cape address that are actually in Cove Beach

These are all STRs in unincorporated Clatsop County. Please note that Astoria includes the Knappa, Svensen and Lewis and Clark areas. These #s will be different than my old numbers from September 2021. Staff has been working to update information in preparation for the May 18 Board work session.

Please let me know if you have any questions.

Thanks.

Gail

From: John Meyer <jkm@caretrust.us>
Sent: Thursday, May 5, 2022 8:57 AM
To: Gail Henrikson <ghenrikson@co.clatsop.or.us>
Subject: question

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning, Gail

I'm doing some economic analysis using tourism dollars spent data from Warrenton and Astoria compiled by their Chamber of Commerce, Dean Runyan Associates, and the Oregon Employment Department, and Travel Oregon. You've probably presented this before, but I'm looking for the breakout of the 103 lost STRs from the Planning Commission recommendations by geographic area. It would be a big help for my analysis to have those splits for the county, especially ones that I can tie in to the Warrenton-Astoria figures.

Many Thanks,
John
John K Meyer

jkm@caretrust.us; (c) 415-407-1100; This message has been prepared on resources owned by Clatsop County, Oregon. It is subject to the Internet and Online Services Use Policy and Procedures of Clatsop County.



Bruce Hoban – Co Founder, Vacation Rental Owners and Neighbors, Palm Springs (VRON-PS)

Reason for co-founding VRON-PS:

After purchasing a PS vacation rental Labor Day, 2015, I became instantly involved protecting vacation rentals after learning of the first City Council VR ordinance modifications on July 4th, 2016. I listened to the hundreds of voices of individual VR homeowners submitting letters and 2-minute comments at the City Council meeting. These voices were basically ignored as more onerous ordinances were rushed into law from October, 2016 to February, 2017.

As individual homeowners, there was no single group representing us and we have been successfully perceived as out-of-town, greedy corporations with no community involvement. These inaccurate perceptions will take a long-term strategy to correct. I care about Palm Springs and our historic neighborhoods and believe the time is overdue to present the actual facts about vacation rentals and their importance to the people of Palm Springs as a major contributor to what keeps Palm Springs known across the globe: tourism.

#2

Gail Henrikson

From: Board of County Commissioners
Sent: Monday, April 18, 2022 9:35 AM
To: Courtney Bangs; John Toyooka; Lianne Thompson; Mark Kujala; Pamela Wev
Cc: Gail Henrikson; Media
Subject: FW: Public Comment

*Theresa Dursse
Senior Administrative Supervisor
Clatsop County Manager's Office
800 Exchange St., Ste. 410
Astoria, OR 97103
Office: 503-338-3621
Mobile: 503-298-8559*

From: Clatsop County Oregon <clatsop-county-or@municodeweb.com>
Sent: Sunday, April 17, 2022 4:06 PM
To: Board of County Commissioners <commissioners@co.clatsop.or.us>
Cc: Media <Media@co.clatsop.or.us>
Subject: Public Comment

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Submitted on Sun, 04/17/2022 - 4:05 PM

Submitted values are:
I would like to provide
written public comment only

Name
Ackley

Email (optional)
blaineackley@me.com

Topic
STR Restrictions

Comments

We have been coming to live in the Astoria area during the month of August for the past 10 years. We spend about \$3,000 on the rental and approximately the same amount on food, restaurants, activities, and other shopping.

If there were no short term rentals available, we could not afford to come to Astoria at all.

In addition, I have learned that the county would lose \$ 500,000 in revenue if the STRs are restricted. I understand that some permanent residents have complained about the noise and bad behavior of some STR renters. So the solution is to start with the problems first. Where is this occurring? Once you know where the problems are occurring, then you can fashion a coordinated response to those situations.

I think it would be a mistake to eliminate a program for everyone just because of the negligent actions of a few owners and renters in a few places. It never worked in grade school to hold the entire class as responsible for the

*Astoria
Blaine Ackley*

actions of a few.

I am sure you have more pressing problems that need your attention so I urge you to limit the scope and breadth of any restrictions to address the problems for which you have received form complaints.

View this submission online using the link below:

[https://www.co.clatsop.or.us/admin/structure/webform/manage/public comment/submission/2238](https://www.co.clatsop.or.us/admin/structure/webform/manage/public%20comment/submission/2238)

Print the results:

https://www.co.clatsop.or.us/print/pdf/webform_submission/2238?view_mode=html



Gail Henrikson

From: Board of County Commissioners
Sent: Tuesday, April 26, 2022 9:30 AM
To: Courtney Bangs; John Toyooka; Lianne Thompson; Mark Kujala; Pamela Wev
Cc: Gail Henrikson; Media
Subject: FW: Short Term Rentals in Gearhart

-----Original Message-----

From: Dena Taylor <ddtaylor21@gmail.com>
Sent: Tuesday, April 26, 2022 8:02 AM
To: Board of County Commissioners <commissioners@co.clatsop.or.us>
Subject: Short Term Rentals in Gearhart

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Clatsop County Board of Commissioners -

I am writing in response to an alert I received that you would be discussing a possible ban on certain short term rentals in the Gearhart area where we rent every summer. I would like share our family's experience - with the hope you will consider it during your discussions and view the very positive benefits having families like ours in these homes.

We are two families of four - all adults - five of us from Seattle, joined by our daughter's in-laws and her brother in-law from San Diego. We rent a lovely home in The Highlands with several bedrooms and open common space which provides us a unique and special time together we couldn't experience in other settings. The four men all golf at the Gearhart Course every morning, we dine at the clubhouse several times during the week, we stock the house with groceries purchased at local markets, we dine in cafes and restaurants in surrounding towns, and we explore at the beaches and parks.

However, what makes the home in the Highlands so special, is the private, safe location, the daily visits by the herds of elk that graze nearby, and the walk to the beach without driving. In the evenings, we cook together, BBQ, play board games, watch movies together ...quality, together time to converse and visit in a way we often don't have the opportunity to do in our daily lives.

We treat this home as though it were our own - always considerate of the neighbors, clean up daily, and cheerfully greet those we pass on our morning walks. I don't know that we would return if a home like this was no longer an option. I urge you to continue to allow these STR in the future.

Best regards,

Dena Taylor

DENATAYLOR

206 817 7362

Gearhart
Dena Taylor

#4

Gail Henrikson

From: Board of County Commissioners
Sent: Monday, April 25, 2022 4:35 PM
To: Courtney Bangs; John Toyooka; Lianne Thompson; Mark Kujala; Pamela Wev
Cc: Gail Henrikson; Media
Subject: FW: Short Term Rental Ban

From: John Kraus <johnkraus1958@gmail.com>
Sent: Monday, April 25, 2022 4:13 PM
To: Board of County Commissioners <commissioners@co.clatsop.or.us>
Subject: Short Term Rental Ban

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Dear Clatsop County Commissioners,

It has recently come to our attention the Clatsop County Board of Commissioners is considering banning short term rentals in the unincorporated areas of the county eliminating rental access to homes that provide multiple bedrooms and large common living areas.

Our family and extended family (children and grandchildren) have been vacationing in the county for years and years and it would be extremely disappointing if we could no longer access the type of accommodations that fit our needs and have enjoyed for so many years.

If this is to be approved we, as well as many others we have come to know during our vacations will simply take those dollars spent in restaurants, golf courses, shopping, etc. to other communities that offer the type of accommodations that meet our needs!

Again we hope this does not come to fruition and we will continue to have the opportunity to enjoy the area as we have for so many years.

Regards.

John

John & Cherie Kraus & Family
16130 S Spangler Rd
Oregon City, OR 97045

Email: johnkraus1958@gmail.com
Cell: 503-307-6197

County
Kraus Family

#5

Gail Henrikson

From: Board of County Commissioners
Sent: Tuesday, April 26, 2022 9:32 AM
To: Courtney Bangs; John Toyooka; Lianne Thompson; Mark Kujala; Pamela Wev
Cc: Gail Henrikson; Media
Subject: FW: Proposed Vacation Rental Ordinance

From: Chick Fraunfelter <chick1550@gmail.com>
Sent: Tuesday, April 26, 2022 2:17 AM
To: Board of County Commissioners <commissioners@co.clatsop.or.us>
Subject: Proposed Vacation Rental Ordinance

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Charles & Nancy Fraunfelter
April 26, 2022
3301 McGee Avenue
Middletown, OH 45044

Emailed to:

Clatsop County Commissioners
commissioners@co.clatsop.or.us

Re: Vacation rental ordinance

Dear Sirs:

We recently heard that Clatsop County (or a small group of full and part time residents) are trying to get the Clatsop County Commissioners to ban vacation rental access to these private homes.

For the past two summers my wife & I have traveled from Ohio to the Oregon Coast for the experience of a lifetime. Pristine beaches, the pounding surf, and marvelous views from a vacation rental home.

We never could afford to own a home like the one we rented for a week but we were willing to pay to rent, which I assumed included some sort of "tourist accommodation" tax. Our budget allowed us to visit several local restaurants, Astoria, Fort Clatsop...and we purchased groceries and sundries from local stores for our week.

County - Ohio
Fraunfelter

Denying access to these private rental homes not only restricts the Oregon Coast experience to the "privileged few" who can afford to own, it sends the wrong message to those who want to visit Oregon.

I trust you will consider the benefits for the many against the wishes of the privileged few.

Sincerely,

Charles & Nancy Fraunfelter

(513) 649-5351 or by email at chick1550@gmail.com .

#6

Gail Henrikson

From: Board of County Commissioners
Sent: Tuesday, April 26, 2022 9:32 AM
To: Courtney Bangs; John Toyooka; Lianne Thompson; Mark Kujala; Pamela Wev
Cc: Gail Henrikson; Media
Subject: FW: STR Ban

-----Original Message-----

From: Wayne Spencer <wayne.spencer@comcast.net>
Sent: Monday, April 25, 2022 11:21 PM
To: Board of County Commissioners <commissioners@co.clatsop.or.us>
Subject: STR Ban

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To the commissioners of Clatsop County.

We understand that there is a consideration to ban Short Term Rentals (STR's) in certain areas of Clatsop County. We hope that you will not support any ban that would prevent families who vacation for just a few days at a time at the beautiful Oregon Coast who could not afford to purchase a place or rent long term.

My family has been vacationing on the Oregon Coast for over 25 years over Labor Day weekend and we have watched our kids grow up and enjoy the short time that we can spend together in such a beautiful place. We can not afford to buy a place or rent long term a house that has 3 or 4 BR's that can fit our family together. It will be, as so many things have become, a haven for only the very rich and not the good middle class people of Oregon. There are not enough hotels or any types of larger rooms that would be affordable for a family.

I hope you will consider the common people of Oregon in your decision.

Sincerely,

Wayne & Joanie Spencer

Wayne Spencer
wayne.spencer@comcast.net
503-830-6711

County 25
Spencer years



Finance & Accounting



Research: Restricting Airbnb Rentals Reduces Development

by Ron Bekkerman, Maxime C. Cohen, Edward Kung, John Maiden,
and Davide Proserpio

EXHIBIT I

Harvard Business Review Re STR Economic Impact

EXERPTS

These are excerpts from a Harvard Business Review Digital Article: Research: Restricting Airbnb Rentals Reduces Development, Reprint # HO6P87, published November 17, 2021. Copies may be obtained by contacting customerservice@harvardbusiness.org or contacting 800-988-0886.

The results of this analysis were conclusive: On the sides of these borders without STR regulations, there were 9% more non-ADU permit applications and 17% more ADU permit applications than on the sides with restrictions. Clearly, demand for STRs has been driving the creation of extra housing capacity in LA, and it's been especially driving growth for housing that is suitable for home-sharing (i.e., ADUs).

In the first part of our analysis, we looked at 2.9 million residential permit applications, 750,000 Airbnb listings, and 4 million residential sales transactions across the country. The main limitation to expanding this beyond the 15 cities we looked at was access to residential permit application data, since in general, only larger metropolitan areas in the U.S. share their permit data publicly. Public tax data and sales records, however, were easily obtained from data aggregators, as was Airbnb listing data, which we cross-checked with several overlapping sources.

In the final part of our study, we explored the relationship between permit applications and residential property values, which are associated with cities' property tax revenues. We looked at residential properties in our nationwide dataset that were sold during our sample period, and we found that those with a permit application between sales (i.e., those whose owners invested in improving their homes before selling them,

potentially in order to meet STR demand) sold for an average 38% more than those without a permit application. Since STR regulations decrease the number of permit applications which in turn stymies growth in property values, we conservatively estimate that for the 15 cities we studied, STR restrictions reduced property values by a total of \$2.8 billion and tax revenues by \$40 million per year.

But our research illustrates that with the right policy approach, STRs can be leveraged as a tool to encourage local real estate development and economic growth.

As such, rather than enforcing blanket restrictions that hinder growth, we recommend creating targeted policies that meet local needs. For example, a study of [real estate activity in Chicago](#) showed that encouraging STR development for properties in distressed neighborhoods and then turning those properties into Airbnb rentals fostered parallel development in nearby retail properties, creating jobs and adding value to the entire community. As development spurs growth, policies could be implemented that would set aside a portion of the resulting increased tax revenue to fund affordable housing for local residents. Similarly, to address gentrification concerns, the total amount of space available for STR use could be capped at a percentage of available housing capacity, thus encouraging the development of long-term housing alongside STRs.

Ultimately, our research highlights the importance of taking a nuanced approach to STR regulation. As with many fraught policy decisions, the main challenge that regulators face is to balance residents' shorter-term needs with the longer-term economic wellbeing of the community. There are no easy answers – but any effective solution will have to acknowledge the very real economic downsides of restricting what people can do on their property.

[Source: Harvard Business Review; November 17, 2021; by Ron Bekkerman, Maxime C. Cohen, Edward Kung, John Maiden]