



**MULTIFAMILY NW**  
The Association Promoting Quality Rental Housing

To: Chair Riley and Members of the Oregon Senate Committee on Business and General Government

From: Deborah Imse, Executive Director, Multifamily NW

Date: March 5, 2019

Re: SB 621

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Multifamily NW's members provide Oregonians with more than 250,000 rental homes statewide, making us the largest rental provider group in Oregon. We are an independent organization representing rental providers of all sizes, including many who operate affordable housing. Our members include property owners, managers, and vendors, and our industry supports thousands of jobs throughout the state.

SB 261 would prohibit local governments from restricting use of lawful dwellings for vacation occupancy. Multifamily NW urges the committee to consider a workable, effective short-term rental policy.

There is broad agreement that short term rental permits should require property owner/agent approval for rentals in multifamily housing, and that permits do not supersede lease agreements.

The best way to ensure that approval, as well as avoid confusion and life/safety risks is to have the owner as the applicant. The safety and security of all tenants is the utmost priority. Vacation rentals, as short-term rentals, are loosely regulated, if at all, which raises the risk of danger to a tenant. In Texas, a tenant staying at an Airbnb died when a tree branch landed on his head while swinging on a swing.<sup>1</sup>

We understand and appreciate the intent of SB 261. However, there are many factors to consider. Many more than just whether or not an owner would like to make his or her home a vacation rental. If the committee would like to proceed with this concept, in order to create the most workable and effective policy for multifamily structures, we ask the committee to consider the following elements:

**The Owner/agent is the permit applicant.**

- The owners are the ones responsible for the peaceful enjoyment of the other tenants and are accountable for ensuring all residents meet the terms of the lease agreement. If the lease doesn't allow short term rentals, then the permit process doesn't move forward and no confusing notifications have been sent out.

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<sup>1</sup> [https://www.huffingtonpost.com/entry/a-death-at-an-airbnb-rental-puts-the-tech-company-in-the-hot-seat\\_us\\_5640db66e4b0b24aee4b18f7](https://www.huffingtonpost.com/entry/a-death-at-an-airbnb-rental-puts-the-tech-company-in-the-hot-seat_us_5640db66e4b0b24aee4b18f7)

- The owner/agent is far better trained in fair housing practices to manage the resident requests for the limit number of permits under the 10% cap—they have to do it for leasing every day. This centralizes the record keeping for fair housing and/or local jurisdiction follow-up.
- Having the owner/agent as the applicant is more manageable for local jurisdictions, which will be working with one person per building, not multiple applicants. The owner knows the number of units in the building subject to the 10% cap and having a consistent applicant makes it easier for local jurisdictions to confirm that the cap is not exceeded.
- If a building sells, it would be clear that the new owner/agent must authorize short term rentals; if the resident holds the permit, then what obligations has the City placed on the new owner that may not allow subletting in their leases?
- The application form can easily require that the unit host sign a statement of responsibilities; local jurisdictions will only have to review one application per unit.
- The owners are the ones responsible for any liens or fines to the property if the code is violated. If they allow short term rentals under their lease agreements, it is in their interest to properly apply for the permit. There is nothing that compels a resident to apply for a permit—the only outcome of a code violation if a resident is the applicant is not being able to apply for a permit; any monetary penalties are to the property owner, whose only avenue is to threaten eviction.

**The Owners/agent, not resident, should certify carbon monoxide and smoke detectors.**

- Functioning smoke and carbon monoxide detectors are critical to protect the safety and possessions of residents, visitors and employees in multifamily structures. One of the biggest problems in multifamily housing is tampering/disabling detectors by residents. Having the owner certify they are functioning and interconnected protects everyone, including other residents in the building.
- The rules around carbon monoxide detectors in multifamily structures are complicated and are the responsibility of the owner under state law; a resident is not going to know the requirements, what constitutes a carbon monoxide source or whether there are interconnected smoke alarms and carbon monoxide detectors.
- If the certifications are not properly done, it will be the owner who has the liability if smoke alarms and carbon monoxide detectors don't meet requirements and someone gets hurt.

**The Owners/agent, not the resident, should send the notice to tenants and neighbors.**

- If an owner/agent does not allow short term rentals under the lease agreement, then no notices would go out, avoiding the confusion and misinformation that will happen if residents are the applicant and they send notices to the owner/property manager at the same time as neighbors in the building and neighborhood associations.
- Building communication in any multifamily structure is managed by the owner/property manager to ensure consistent placement and non-confusing

information. Most lease agreements prohibit residents from posting on or putting information under the doors of other residents in order to avoid soliciting.

- The owner/property manager can anticipate and manage the reactions and questions from other tenants when notices are sent.
- If the applicant is the owner/agent, neighborhood associations would only need one notice that included the total number of units that might be involved; given the 10% cap, there will be limited additional impact to the neighbors outside the building.
- There is regular turnover in any multifamily building, which means new neighbor tenants in any two-year permit period. The property manager is in a much better position to inform potential and new residents that the unit adjacent to them is permitted for short-term rentals.

Multifamily NW is happy to share research from our discussions with Portland City Council in 2014 when it passed its short-term rental ordinance, which has proved ineffective and unenforceable.<sup>2</sup>

Thank you for your time and consideration.

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<sup>2</sup> <https://www.wweek.com/news/2016/08/24/portlands-short-term-rental-rules-are-such-a-joke-that-an-airbnb-employee-ignores-them/>