

Submitter: Jennifer Letz

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure, Appointment or Topic: SB1095

My name is Jennifer Letz, and I am the Mayor of the City of Sisters. I am writing in support of SB1095. (To clarify, I am submitting testimony on my behalf and not representing the Council as a whole.)

As a prerequisite to our City's current UGB expansion process, our consultants conducted an update to our Housing Needs Analysis in 2021. This report showed that 20% of the housing units in the city were "vacant." That equates to approximately 335 units. This is a very high number, signaling many of these units are second or vacation homes and are not used to house our workforce and other members of our community. Vacant homes in a robust real estate market are also having a large impact on inventory, thus artificially driving up housing prices.

The City of Sisters staff and Council have been working hard to provide creative solutions to our lack of housing, like changing codes to encourage higher housing density, offering a grant program for builders creating affordable housing, and approving changes to our SDC fee collection process to provide some financial advantages for builders. We have also tightened our short-term rental rules to limit the number of vacation rentals in the city.

Yet the vacant home issue looms and the impact on our city is palpable. An occupied home houses people that work in our community, shop in our stores every week, attend our schools, and volunteer with one of our dozens of non-profits. Stores struggle in the "off-season" and our traffic increases with workers driving in from 20-40 miles away to fill our service and professional positions. These same employees then drive home, taking their paychecks with them. Many of our students live remotely and need to be bused or driven to school, again exacerbating our traffic and associated pollution issues. And worst of all, some of our workforce live in trailers or tents in the forest - an unacceptable lifestyle for anyone.

Implementing a vacancy fee provides the opportunity to raise funds to be applied to affordable and workforce housing. In some communities, like Vancouver BC, a positive side effect has been property owners renting or selling their properties to long-term residents. And unlike short-term rental codes, which limit the number and location of STRs, a vacancy fee does not prohibit the ownership of vacation properties. It's simply an impact fee to offset the negative implications of having a high number of these vacant properties.

I've discussed this option with a number of citizens and I've received very positive responses about this concept. Many people are frustrated with their large mortgages and rents while living on streets with empty homes and few neighbors. Business owners are tired of paying incentives to employees like gas cards so they can commute in from other cities. They are excited about the opportunity to raise funds to help build more affordable options for our teachers, baristas, nurses, plumbers,

and all the other people that make up a thriving community. At the end of the day, the City of Sisters is responsible for running a city, not a destination resort. A vacancy fee can be an effective tool to allow us to accomplish our mission to support a safe and thriving community.