



# CITY OF CANNON BEACH

June 3, 2025

Hello Chair and Members of the Committee,

I'm Barb Knop, Mayor of Cannon Beach, a place where second home ownership has been part of our community's identity for generations. We do love seeing families come to our city to enjoy their summer vacations, our community also feels the negative effects of having many homes sit empty and unused for much of the year.

A recent study showed that in Cannon Beach, over 1500 of our 2200 total housing units are considered vacant for seasonal use. That is over two-thirds of our housing supply. We know we have a significant shortage of housing for our local workers, who staff the businesses that our visitors enjoy, and we also know that building more housing is challenging in our natural resource constrained environment.

A tax on vacant homes is one of the tools our city has been considering, and we are heartened to see this committee and the legislature consider this bill that will help provide support to jurisdictions who will likely face legal challenges should they implement a vacancy tax. As mayor of the City of Cannon Beach, I would like to express my support for this bill.

However, there are two key amendments we would like to propose. As the bill is currently written, it requires that

“fee revenues be used only for the administration of the vacant home fee program; and the development and construction of affordable housing units for households with an annual income of between 80 and 130 percent of the area median income.”

These are things we support but we want to suggest that you also include language that allows fee revenues to be used for the provision of **rental assistance** for households with an annual income of between 80 and 130 percent of the area median income. We also suggest that you not limit the lower end of the AMI to 80 percent of area median income, as many of the workers we hope to house in Cannon Beach are making closer to 60 percent of AMI working in the shops and restaurants serving visitors in our city.

In Cannon Beach, and throughout Clatsop County, we are preparing to implement a Lease to Locals program, modeled on successful programs implemented in other high demand tourist communities throughout the country, such as Truckee, California, Ketchum, Idaho, and Martha's Vineyard, Massachusetts. This program provides financial incentives to property owners who commit to long-term leasing their second homes to local workers, instead of leaving them vacant or using them for short-term rentals.

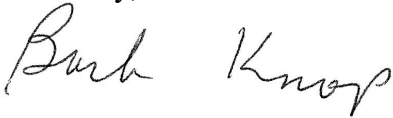
We are also puzzled by the language in the A3 Amendment in Section 1.D. (3) that changes the definition of a vacant home to one that is vacant “more than 360 consecutive or cumulative days in a calendar year”. This would mean that those who visit their beach houses only on Fourth of July weekend and no other time of year, would not be considered vacant. The previous definition of **180 days** makes much more sense if the goal is truly to address homes that are vacant for most of the year.

A vacant homes tax is one of the sources of funding this program that is under consideration, and in small coastal communities like ours, we don't have many options to find financial resources at a scale like this. **We ask you to not inadvertently pre-empt our local ability to use a vacancy tax by limiting its uses to capital construction and program administration only.**

We know you are trying to help local communities solve their housing challenges by passing this bill, and we want to make sure that the solutions that work best for us would be allowed. The intent of this bill is to help local governments provide more housing and we suggest that more flexibility in how this funding source could be used would be more helpful to help communities use the best tools available to house their residents.

Thank you for your time and I am happy to answer any questions.

Sincerely,

A handwritten signature in cursive script that reads "Barb Knop".

Barb Knop, Cannon Beach Mayor

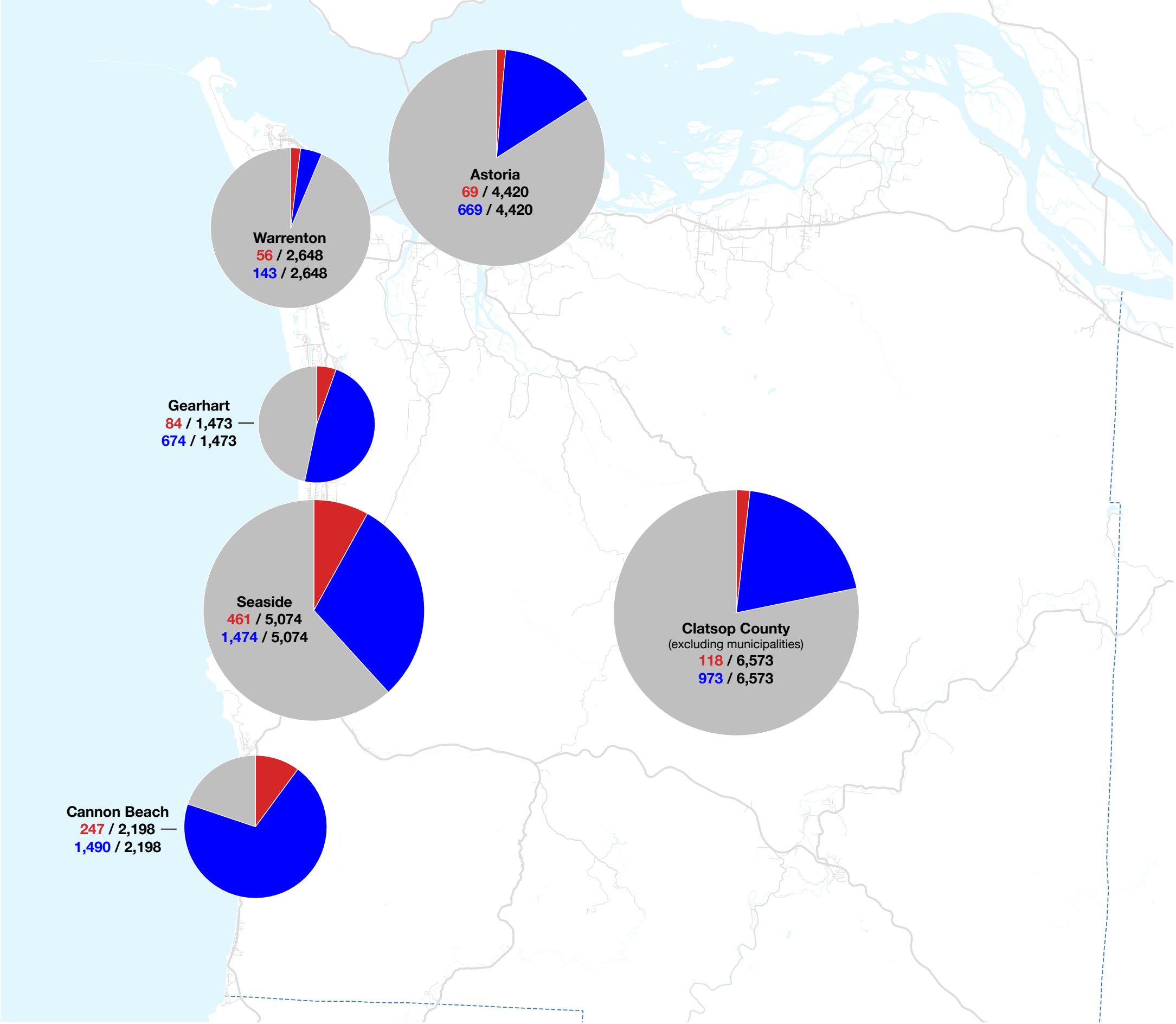
Attachments:

Vacant Homes for Seasonal Use and STR vs Total Units  
Lease to Locals

# Vacant Homes for Seasonal Use and Short Term Rentals vs. Total Units

Total units: US Census ACS 2022;  
Population: US Census 2023

- Short Term Rentals
- Vacant Seasonal Units



# LEASE TO LOCALS

powered by  placemate

## Clatsop County Lease to Locals Program

May 2025

**Kai Frolich**  
Co-Founder  
[kai@placemate.com](mailto:kai@placemate.com)

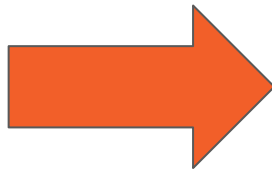
# Proposed Incentive Structure and Rent Cap



(Serving up to 150% AMI)

Proposed Incentives	Long Term
1 qualified tenant	\$4,000
2 qualified tenants	\$8,000
3 qualified tenants	\$12,000
4 qualified tenants	\$16,000

Rent Cap
Overall Rent Cap of \$3,300 / mo.  (regardless of unit size)



## Example Property:

3bd unit renting to 3 qualified tenants on a long-term lease = \$12,000 incentive

Hypothetical \$3,000/mo. rent + \$1,000/mo incentive = \$4,000/mo. in total gross rent for property owner

# Expected Forecast



Unit Size	# of Units	Qualified Tenants	Avg Incentive per Unit	Total Incentive by Unit Size
Long Term Leases (\$4,000/qualified tenant)				
Private Room	2	2	\$3,500	\$8,000
Studio	8	8	\$4,000	\$32,000
1bd	10	15	\$6,000	\$60,000
2bd	10	25	\$10,000	\$100,000
3bd+	10	30	\$12,000	\$120,000
	<b>40</b>	<b>80</b>	<b>\$8,000</b>	<b>\$320,000</b>

# Budget Estimate



Budget Estimate	
Incentive Costs	<b>\$320,000</b>
Placemate Admin Cost	<b>\$127,500</b>
Marketing Expenses	<b>\$30,000</b>
Total Program Cost per Year	<b>\$477,500</b>
<b>Total Program Cost for Two-Year Pilot Program</b>	<b>\$955,000</b>