

# **BDS Accessory Short Term Rental (ASTR) Enforcement**

October 20, 2016 DRAC Update

The City of Portland adopted regulations to allow ASTRs in residential zones in August 2014. BDS administers the ASTR permit process and responds to complaints of illegal ASTR operations (either operating without an ASTR permit or violating the limits of activity allowed by the regulations).

According to the BPS Accessory Short Term Rental monitoring report, there is an estimated 3,000 properties offering short-term rental listings within the City of Portland. Unfortunately, BDS has only issued 656 ASTR permits, which equals a 22% compliance rate since adoption in August 2014.

## **Current BDS Enforcement Approach**

BDS operates a complaint-based enforcement program. From Sept. 2014 to Sept. 23, 2016, BDS responded to 324 complaints for specific properties not complying with the ASTR permit requirements.

Once a complaint is received, BDS begins investigation. If a violation is confirmed, BDS issues a “Notice of Violation” to the property owner. The notice provides a 30-day compliance period to either discontinue the illegal business or correct the violation by complying with the ASTR regulations. If the property owner does not discontinue the operation or apply for an ASTR permit within the initial 30-day compliance period, then monthly code enforcement fees are assessed as liens against the property. This violation is a commercial violation type for which the monthly code enforcement fee is \$707 and doubles to \$1,414 on the third month for continuing violations. 9

## **Current BDS Enforcement Approach IS NOT WORKING for ASTR compliance**

BDS has begun to receive increased complaints regarding properties operating without the legally required ASTR permit as well as complaints regarding properties with issued ASTR permits, which center on allegations that the applicant is not a primary resident as documented by an Oregon Driver’s License. BDS is also receiving complaints of short-term rental operations that have discontinued the operation during the initial 30-day compliance period and have resumed the illegal operation once the BDS case has been closed. Given the increase in complaints and the low ASTR permit compliance rate since August 2014, BDS will adopt an Administrative Rule to implement a citation-based enforcement response for ASTR violations. BDS will issue citations of up to \$1,000 per occurrence for operating ASTRs without the legally required permit. The issuance of a citation does not provide a compliance period and citation amounts will double after 15 days if not paid in full. BDS plans to engage the various online platforms so that hosts will be notified of these enforcement changes.

## **Admin Rule Process**

A hearing will be held once draft Admin Rules are created. Legally required notice of the hearing and opportunity to provide feedback and comments will be provided. Additional notice with all of the online platforms that facilitate ASTR hosting will also be pursued. Once adopted, Service level update, customer notification, and press release will be issued in an attempt to inform all current or future ASTR operators of enforcement action for continued or new ASTR violations.