

Small towns, big money

Real estate interests, not always local, dominate politics in Oregon's coastal communities

BY EMILY GREEN
SENIOR STAFF REPORTER

In popular destinations along the Oregon Coast, increased tourism and the ongoing conversion of homes into vacation rentals have contributed to an extreme housing shortage. But as the housing market heats up, real estate interests are putting their money into elections and locals are finding they can't compete.

In Tillamook County, officials know that before they can tackle their increasingly desperate housing deficit, they need to come up with the money to hire a countywide housing coordinator.

This was the top recommendation from an independent firm hired to examine the area's shortage in 2017. The complex and demanding task of finding housing fixes is not in any county employee's skillset or job description.

"Look around the state and find a place where they have a housing department with a person who holds that skillset, and you will find housing has been built," said the county's housing task force organizer Erin Skaar. "Go to a county or community where you find that they do not have a housing expert, and you'll see that housing has not

been built."

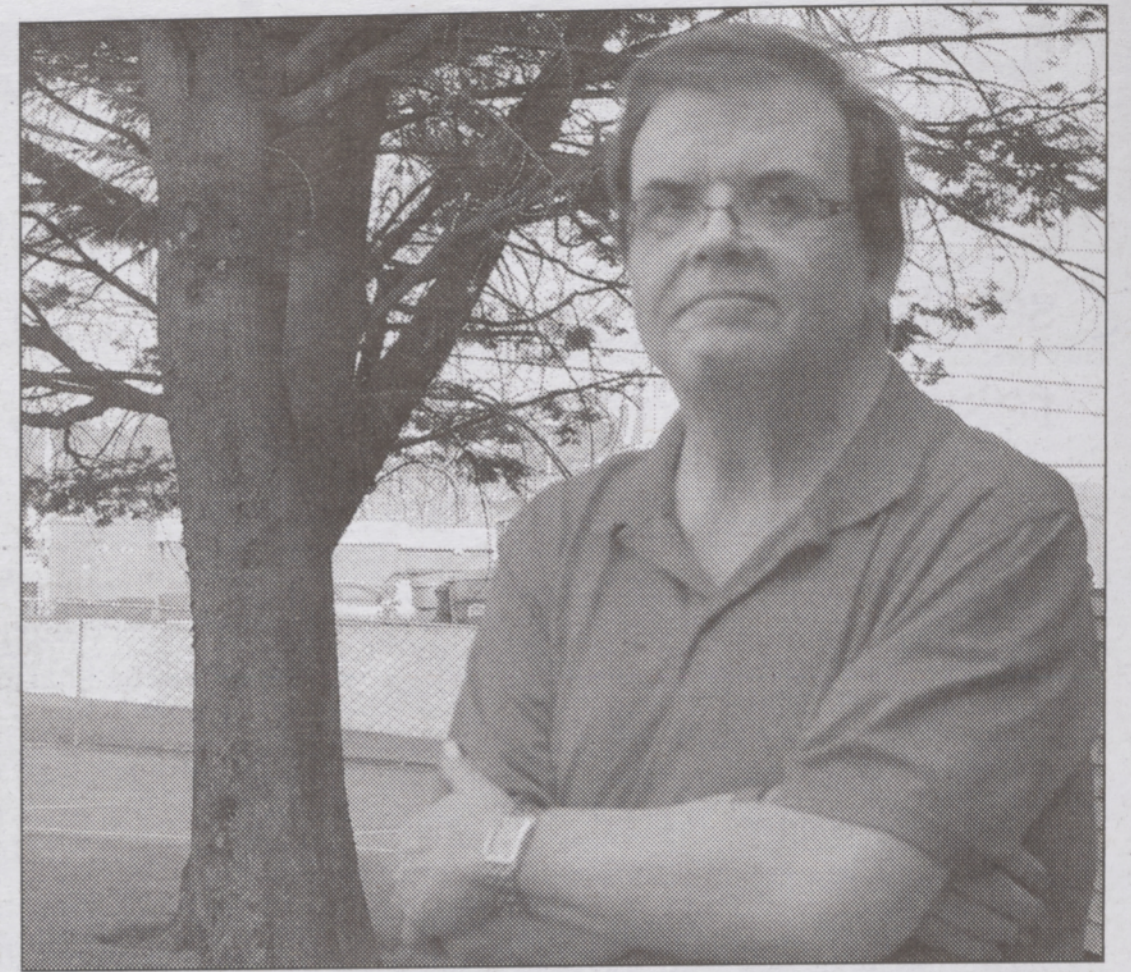
But in a county where positions in the assessor's office and maintenance had already been eliminated for lack of money, this new position calls for a new source of funding.

Lucky for Tillamook County, the Oregon Legislature had one year earlier cleared the way for local jurisdictions to implement a 1 percent construction excise tax on new building projects, with revenue from the tax made available for affordable housing.

County commissioners determined the tax could raise about \$300,000 a year, enough to hire a coordinator. They decided to impose it.

But in a county with a red-hot coastal housing market, that move was soon challenged by area real estate interests.

Tillamook County Board of Realtors put



PHOTOS BY EMILY GREEN

Erin Skaar (left) organized Tillamook County's Housing Task Force and says the region needs a housing coordinator before it can address its housing crisis. But real estate interests have stood in the way. Lincoln County Commissioner Claire Hall (right) standing outside the county courthouse.

together a petition and collected enough signatures to refer the tax to voters this past November. The effort, led by local real estate broker Adam Schwend, leveraged funds from the Oregon Association of Realtors to distribute two mailers, broadcast radio spots and produce digital ads all aimed at defeating the tax.

The campaign was successful in convincing voters the tax would make the housing crisis worse by further discouraging development in a county where building and permit fees are already high. The tax was defeated with 68 percent of the vote.

"I think we were the only community in the whole state of Oregon where the Realtors decided to take it out on the county government and stop housing," said Tillamook County Commissioner Bill Baertlein.

Now, as Baertlein considers other options for addressing the region's housing crisis, Schwend is running for county commissioner on a platform that emphasizes collaboration with business interests to find housing solutions. The Oregon Association of Realtors is Schwend's top donor, contributing nearly \$30,000 of the \$35,659 he's raised.

Leading up to the primary, the five candidates he's running against raised far less — between \$0 and \$6,986 each.

"To me," said Baertlein, "that is a disgrace to have an outside influence come in and try to influence an election. The local people really didn't make the choice there. The Oregon state Realtors association did."

Now as the county grapples with the proliferation of vacation rentals, officials fear any attempt at capping or regulating them will be met with the same opposition and deep pockets.

"You've got a very strong Realtor presence here that says, 'You know this is what is driving our economy, and we've got to have this, and if we can't have vacation rentals, your restaurant is not going to have people to eat at it,'" Skaar said.

Schwend will face-off against Mary Faith Bell, a medical center communications director and former journalist, in the November election.

Further complicating local elections are

vacation rental owners who do not live in Tillamook but often get involved in local politics when their interests are at stake.

"When we have an issue like that, we get inundated with people from Portland that own the short-term rentals that are going to have the influence, have the money, to influence things," Baertlein said.

The county also suspects that non-residents are using their vacation rental addresses to illegally register to vote in Tillamook County, but the county doesn't have the means to determine how big of a problem it is.

"You don't know what you don't know. But it is an issue," Baertlein said.

Tillamook's neighboring county to the south has seen similar outside meddling in local politics.

In 2016, Lincoln County property owners received mailers that urged "out of towners" to "change their voter registration to Lincoln County" in order to vote in an upcoming election. On the ballot were three city council candidates, all from the construction trades, that the city's mayor was backing.

That mayor, Don Williams, was elected in 2014 with the majority of his \$23,500 in campaign contributions coming from people who own vacation rentals or have other real estate interests in Lincoln City. Several live outside of Oregon.

Most candidates running for small-town, unpaid positions typically raise far less.

Lincoln County Commissioner Claire Hall, who has held her salaried position for 14 years, said, "In four countywide campaigns, the most I ever spent was \$8,500."

Williams' wife, Debbie Williams, is the registered agent and manager of Genesis Family LLC, which owns three Lincoln City vacation rentals.

This became a point of contention when, in 2015, Williams failed to recuse himself and instead supported the repeal of several short-term rental zoning ordinances and participated in discussions about extending grace periods for short-term rental violations — all while his wife was facing fines for those same violations. The city council brought ethics charges against Williams, however the

See BIG MONEY, page 10