

In Gearhart, vacation rentals, second homes play a big role

Few rentals, no subsidized housing

By R.J. MARX
The Daily Astorian

GEARHART — Changes in vacation rental rules in Gearhart could make long-term options more available. Vacationers and second-home owners are the name of the game in the city's housing equation. Fifty-eight percent of Gearhart's homes are vacant seasonally or part time, according to the Oregon Employment Department.

Only 10.8 percent of Gearhart's homes are available for year-round rental, and finding one at any price is a challenge for new arrivals.

What makes "Gearhart, Gearhart" is a theme for the city, and people of all viewpoints see a need for its preservation. "Gearhart is one of the most desirable places to live," mayoral candidate Bob Shortman said. "Even the elk have moved in."

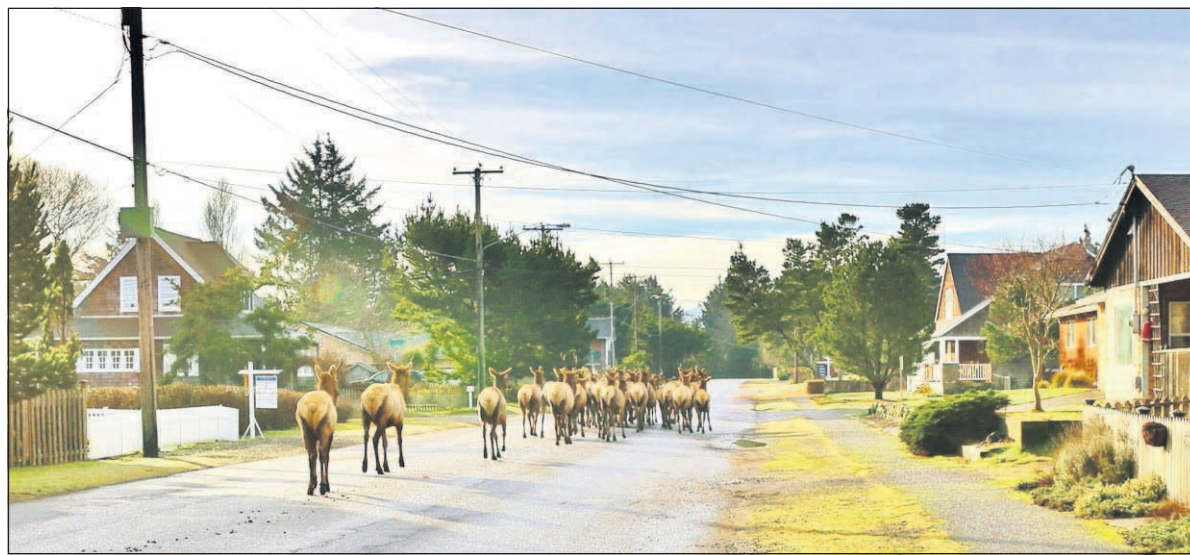
He said his goal is to keep Gearhart's small-town feel while managing growth.

Matt Brown, also a candidate for mayor, said if a city is not always planning, "outside influences are going to plan the city for you."

"You constantly have to follow your comprehensive plan, your vision for Gearhart," Brown said. "I've been here since I was born in 1975. It was a residential community because folks had a vision in the comprehensive plan to make a sustainable residential community."

Defining that vision is a key aspect of housing in a city where the term "affordable housing" is an oxymoron — Zillow puts the median home price at \$364,700.

Windermere Real Estate lists properties in Gearhart, with condos starting at about \$200,000. A brand-new 2,500-square-foot



Jeff Ter Har/For The Daily Astorian

It's no joke that elk are part of Gearhart's housing mix, along with vacationers and second-home owners.

home on Diamond Lane is listed for \$549,000. At the top of the market, homeowners are seeking \$3.3 million for a 6,500-square-foot, seven-bedroom, five-bath beach-front home. A South Ocean Avenue four-bedroom, three-bath home in the desirable Gin Ridge community is available for about \$2.5 million.

Gearhart has few rentals and no subsidized housing.

"I don't have anything on the market right now," Bonnie Belden-Doney, the operations director of North Coast Rentals, said. "Everything is rented."

On the average, she said, she gets five or six calls a day from people around the country looking for long-term rentals.

Recent prices for one-year rentals in Gearhart range from a one-bedroom cottage on B Street for \$975 per month to \$3,000 for a three-bedroom, two-bath condominium.

For those able to buy, there are plenty of opportunities, according to Windermere Realtor Melissa Eddy. "When people are coming to Gearhart and Seaside full time, they



Melissa Eddy

Bonnie Belden-Doney

are prepared to purchase a home at buy and they recognize that they will pay," Eddy said.

Infrastructure

For property owners seeking to build, the city charges \$1,150 for a water connection, \$35 for a grading permit, and a building permit based on the state's permit fee program, according to City Administrator Chad Sweet.

Unlike Seaside and other neighboring communities, Gearhart has no system development charges for new projects. These charges, paid by builders, are designed to cover city services for water, roads and other infrastructure, and are con-

sidered an impediment by some developers.

But growth is hard-fought and every new development is met with a lengthy review. The city's vulnerability in the tsunami zone is a factor in where housing may be located. Parts of the city are rated the "highest level" of hazard zone, according to the Oregon Department of Geology and Mineral Industries.

Available infrastructure also limits Gearhart's housing growth — energy, water lines and streets.

If a sewer system is required, Gearhart residents would be faced with a big decision as to how to foot the bill. Councilor Dan Jesse said. Developers should consider undeveloped land east of U.S. Highway 101, he said, which is potentially safer and offers opportunities for new construction.

Will ordinance increase availability?

Gearhart used to be "low-key, kind of under the radar," Planning Commissioner Terry Graff said. Visitors came for the Hood to

Coast relay, the Seaside beach volleyball tournament and holidays, "but it always worked, people came back every year and there weren't any problems," he said.

That has changed with the advent of easy rentals on the internet, he and others have said. These discussions resulted in regulation of short-term rental properties, seeking registration, inspection and 24-7 emergency contact among other provisions.

According to an April city staff report, there are 1,480 permanent residents in the city limits. Of the city's 1,450 housing units, more than half are for seasonal use or rental. The new rules hark back to the goals of the 1994 master plan "to ensure Gearhart retains its residential community character."

Cliff Johnson, the co-founder and chief development officer of Vacasa, which represents or manages a number of Gearhart properties, said short-term rentals allow homeowners to keep their properties in the family without being forced to sell.

"The common thing is I hear they don't want new development," he said earlier this year. "One way is to make more lodging available through vacation homes."

Vacasa is booking guests in homes that would otherwise remain empty, generating public revenue through lodging taxes and boosting traffic in local stores and restaurants, he said.

Right now the balance is shifting as residents wait for the ink to dry on the ordinance and see whether opponents challenge the rules.

"Through attrition we can get that number to start leveling off and going back down," said Brown, who supports the new rules. "Maybe we can get more affordable housing for families, either long-term housing or otherwise."

Cannon Beach: Local business and their employees affected by crunch

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Kucera has spoken about living in Tillamook County because he cannot find housing locally.

Cannon Beach Fire Chief Matt Benedict also struggled to find housing in town. He stayed in the Cannon Beach and Arch Cape fire stations for several months until finding a place to rent and then purchasing a home.

"I basically sold everything I had so I could buy a house here," said Benedict, who recently closed on a Haystack Heights home. "We're happy. It's where we want to be."

Housing specialists and local business leaders interviewed in an affordable housing report in 2013 said most of the city's workers reside in other towns. Many earn too much money to qualify for low-income housing, but not enough to live in town.

Housing for workers

The affordable housing task force — comprised of community members, the Northwest Oregon Housing Authority, local business representatives and more — began in 2014.

This year, the task force saw conceptual designs for affordable housing options on the downtown Spruce Street parking lot, the city's RV park and the former children's center building in Tolovana Park.

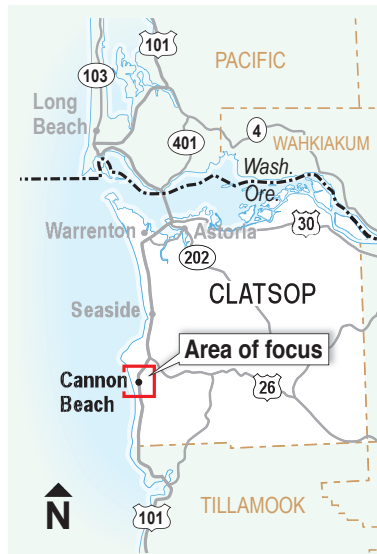
The task force is recommending park model homes in 12 spaces at the city-owned RV Park for affordable housing. A November presentation at City Hall will provide more information about the homes.

Putting park model homes in the RV Park would not require major changes in infrastructure and zoning, and would meet the need for individuals or couples, task force members said. The task force considered the Spruce Street concept unrealistic, as it would take up downtown parking. Though city government has pinpointed a need for workforce housing, some residents raised questions about whether the city can sustain more people and how neighbors of the RV Park would be affected. Residents have also spoken about keeping the Tolovana Park children's center, one potential housing site, open for community use.

The Cannon Beach Chamber of Commerce supports the city's efforts to create workforce housing.

Court Carrier, the chamber's executive director, said the city's need for an adequate workforce, affordable housing and a school are interconnected.

"From the chamber's perspective, our interest is to find a place for employees to live," said Carrier, who serves on the board of Clatsop Economic Development Resources. "It is so difficult to recruit people to work here on a full-time basis if they cannot afford to live here."



Source: U.S. Census Bureau

*Based on 2010-14 American Community Survey 5-year Estimates

Alan Kenaga/EO Media Group

Cannon Beach at a glance

Item	Cannon Beach*	Oregon
Population (2015 est.)	1,702	4.03 million
Median household income	\$44,423	\$50,521
Male median income	\$28,542	\$37,399
Female median income	\$18,750	\$26,077
Persons in poverty	23.3%	16.6%
High school graduate or higher, age 25 or older	89.3%	89.5%
Without health insurance, under age 65	23%	11.5%
Veterans	137	313,261
Median housing value, owner-occupied units	\$466,900	\$234,100
Total housing units	1,795	1.72 million

New fire chief finally finds place to call home

Cannon Beach is a challenge

CANNON BEACH — After beginning his job in June, Cannon Beach Fire Chief Matt Benedict initially stayed at the Cannon Beach and Arch Cape fire stations with his family and two small dogs when they came to visit him.

The difficulty in finding appropriate housing affected their family life.

"We just want to find a place we want to call our home," Benedict said in July. "We're kind of in limbo right now, not sure

where 'home' home is. As soon as we can get into our property, that would be the best. Less apartment hunting, more concentrating on job."

Moving to town during the busiest tourist season, when long-term rentals are difficult to come by, didn't help.

"Finding housing is difficult right now, especially to find a rental. A lot of the houses to purchase are very expensive and I'd prefer to live in the Cannon Beach area," he said during the summer. "It's just that they are a lot higher than any place around



Matt Benedict

the local area. A lot of the houses are rentals and summertime is time they're going to make money on short-term rentals."

Benedict's story has a happy ending. He found a place to rent in late summer. After selling their homes

in Pendleton, Benedict and his wife, Amanda, purchased a home in Haystack Heights this month.

"I basically sold everything I had so I could buy a house here," Benedict said. "We're happy. It's where we want to be."

— Lyra Fontaine

City Planner Mark Barnes said it is difficult to imagine how Cannon Beach could grow. "It would have to be done through infilling vacant lots, more density or more space," he said.

Building up is not an option for a town that prides itself more like a village than a city.

Higher-priced community

Robin Risley, principal broker at Cascade Sotheby's International Realty, said Cannon Beach has a low housing inventory and high prices.

"Cannon Beach is one of the higher-priced communities along the coast," with comparable prices to Lake Oswego, Risley said.

An affordable house to someone making about \$55,000 a year would be about \$200,000, Risley said. In the past year, three houses in Cannon Beach sold for under \$300,000.

As of late August, some condo units were available for less than \$200,000 — but only for an ownership stake of one month of annual usage.

Risley, a member of the Cham-

ber of Commerce board, said she recommends Seaside instead of Cannon Beach to buyers with lower price ranges in mind.

"The inventory is a lot smaller in Cannon Beach than in Seaside, so there are more opportunities for a beach house that is affordable," she said.

Long-term rentals in Cannon Beach are scarce compared to Seaside or Warrenton, said Bonnie Belden-Doney, North Coast Rental Property Manager with Windermere Stellar.

Though short-term rentals provide ample flexibility for property owners, Belden-Doney said homeowners can rent their house out for nine months out of the year.

"I think it's a win-win situation when you rent long-term," Belden-Doney said. "You have someone who cares for the home."

Other renters, she said, are willing to live month-to-month in homes that are on the market. The renters must be prepared to leave when the house sells.

Some property owners have shifted the use of their homes from vacation rentals to long-term rentals to avoid dealing with short-term rental regulations, Belden-Doney said.

However, Barnes said more property owners seem to be making their homes available as short-term rentals.

Short-term rental debate

According to census estimates, 60 percent of Cannon Beach housing units are seasonal or vacation rentals.

Short-term rentals have been tied to neighborhood disturbances and a factor in the lack of long-term rentals. But some say short-term rentals, considered more lucrative than long-term rentals, are part of the city's economy. Room taxes help fund the city's budget.

In the recent citizen survey, 59 percent said it was essential or very important that the city reduce the number of short-term rentals in residential neighborhoods.

Barnes, who fields calls from

people interested in purchasing investment properties in Cannon Beach to rent short-term, said there is no proven connection between short-term rentals and the affordable housing shortage.

The city considered suspending new licenses for vacation rentals, one part of the short-term rental program, but decided against the suspension in August.

Businesses, workers affected

Jason Menke, co-owner of Sea Level Bakery, said some employees have had difficulty finding housing or have been in-between housing.

"It's more difficult to find employees, because of the lack of housing there's a lack of a workforce to begin with," Menke said. "When we find someone who's interested, it's extremely difficult finding them housing so it's affecting their ability to work here or not."

Employees have found housing through Craigslist, word of mouth or are sleeping on friends' couches. Staff has also lived in Wheeler or Gearhart, which is "doable but not ideal," Menke said.

Haystack Rock Awareness Program coordinator Melissa Keyser said the lack of housing affects the program's employees, leading to high turnover.

"I spend a lot of time hiring people," she said, noting that some employees have found rooms to rent but want their own space.

For a period of time, Cannon Beach Police Chief Jason Schermerhorn noticed some overnight campers were city employees who were unable to find a place in town to live.

Jordan Gulasky, a former Sea Level Bakery employee who struggled to find housing, said she felt understaffed at work this summer — and the area's lack of affordable housing is not conducive to community activities for young people. "No one else can find a way to live here so we have a severe lack of youth community," she said. Gulasky has since relocated to an affordable home in Nehalem.

City councilors have tied the closure of the children's center in April with the lack of families in the area due to the housing shortage.

Todd Johnston, the executive director of the Northwest Oregon Housing Authority, said the city affordable housing task force has a public process and "takes into account the different viewpoints of residents."

"Now it comes to a question of, 'What does the community really want?'" he said. "I'm thankful that I've been able to be part of the process. There is not going to be an easy solution."