Air Supply

PORTLAND’S RULES FOR SHORT-TERM RENTALS ARE SUCH A JOKE THAT AN AIRBNB EMPLOYEE IGNORES THEM.

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When Rebecca Rosenfelt moved to Portland from San Francisco last summer, she and her husband paid $1.6 million for two Boise neighborhood townhouses and almost immediately began renting one of them out on Airbnb for as much as $350 a night.

The four-bedroom townhouse is one of six properties Rosenfelt listed on the short-term rental marketplace Airbnb—three in Portland, one in San Francisco, and two in Northern California’s Sonoma County.

When Portland began allowing short-term rentals in 2014, City Hall created rules to ensure that Airbnb’s clients wouldn’t add to a citywide housing crunch by taking apartments and homes off the market and renting them out to tourists. San Francisco passed similar restrictions. Among those rules: People can list only properties where they live for at least nine months a year.

Rosenfelt’s six properties violate the spirit of those rules—and at least two of her rentals, the San Francisco condo and Northeast Portland townhouse, flout the letter of the law by not having the required city permits and safety inspections.

And Rosenfelt should know the law: She’s an Airbnb manager at the tech company’s Portland headquarters.

Critics have long complained that Portland’s short-term rental regulations are toothless—two years after the rules were adopted, less than a quarter of Airbnb clients have bothered to get the required $178 permit and safety inspection.

Now those skeptics say the rules have become such a joke that even an Airbnb employee ignores them.

“It just makes it look like those rules were only ever for show,” says Margot Black, an organizer with Portland Tenants United. “Even an Airbnb manager is blatantly flouting them. The fact that it’s in the midst of a housing crisis makes it all the more obscene.”

Rosenfelt says she’s trying to get city permits for the Boise townhouse that she’s listed for more than a year. “I’m in the process of permitting the Airbnb,” she tells WW. She declined to answer questions about how she could get a permit for a home she doesn’t live in, directing WW to Airbnb for answers.

After WW contacted Rosenfelt on Aug. 22 about her listings, she pulled all six of them down.

As Portland becomes a global destination for both new residents and visitors, competition from tourists exacerbates an already intense housing crunch.

Last fall, Mayor Charlie Hales declared a housing emergency. And he’s sought to increase the supply of housing by loosening the rules for building accessory development units—or “granny flats”—and foreclosing on abandoned homes.

But City Hall has still not cracked down on illegal short-term rentals.

An analysis commissioned by WW shows that if illegal short-term rentals were removed from the Airbnb website, as many as 1,718 homes could be made available to Portland residents instead of tourists.

Some leaders say the city’s housing supply is being drained by short-term rental scofflaws.

“If you take thousands of units off the market, it’s going to have an impact,” says Commissioner Nick Fish. “People now have the option of making more money renting to short-term rather than long-term tenants. We have, in effect, created an incentive.”

City Hall welcomed Airbnb in 2014, making Portland the nation’s first city to legitimize the short-term rental marketplace by levying lodging taxes on it.

The city requires Airbnb hosts to live in any house that’s rented for less than 30 nights at a time and allows hosts to rent out an entire house for 90 days a year. Generally, no more than two bedrooms can be rented.

“That’s how we were trying to make sure we didn’t lose a bunch of housing stock that would otherwise be available,” says Mike Liefeld, enforcement program manager for the Bureau of Development Services.

City inspectors still rely on a complaint-driven system to identify offenders. About 79 percent of the 3,500 Portland listings on Airbnb don’t have city permits, according to data provided by the city and Murray Cox of the tech website Inside Airbnb.

In 2015, WW reported that dozens of Airbnb clients were ignoring city rules by listing multiple short-term rentals—sometimes while living out of state (“Hotel California,” WW, Feb. 17, 2015). A recent examination by Cox shows the problem has persisted even after repeated deadlines from the city and the threat of fines to the company.

In one example, one woman has 22 listings all clustered near Northeast Alberta Street, none of them giving a city permit number, according to data from Inside Airbnb.

Rosenfelt, 33, has worked as a product manager for Airbnb since 2012, according to her LinkedIn profile.

She bought her first apartment in Northwest Portland in 2008 on money she earned renting out her New York apartment while she traveled for work, she told the website Apartment Therapy. (That apartment in Northwest is still rented on Airbnb, but in monthlong increments that don’t run afoul of the city’s rules.) She started her own venture called Inhabit Vacations; she says it was acquired by Airbnb in 2012. Her two Sonoma County listings appear to date from that venture.

Rosenfelt’s condo in San Francisco remained listed on Airbnb. She can’t get a legitimate Airbnb permit for the San Francisco address as long as she lives in Portland, because San Francisco also requires Airbnb clients to live in the units they rent out. There’s no record of a permit ever being issued to Rosenfelt, officials with San Francisco’s short-term rentals office say.

She’s not the first Airbnb employee to run afoul of the rules. The company’s CEO, Brian Chesky, was busted in January for failing to register his apartment in San Francisco, but he easily rectified the situation by registering his couch, for which he asks $850 a night.

But unlike Chesky, Rosenfelt can’t fix her mistake with paperwork—she’s breaking the rules in two cities, including residency requirements.

The Boise townhouses Rosenfelt purchased were built just last year. Nearly three years ago, a developer purchased a modest house on Northeast Rodney Avenue for $259,000, demolishing it to make way for Rosenfelt’s two, 3,000-square-foot townhouses.

Those new units might have increased the city’s housing supply—but it appears one of them is partly being used as a bootleg hotel. (Airbnb officials say Rosenfelt is renting at least a portion of her second townhouse to a long-term tenant, as well as advertising it as a short-term rental.)

“Apparently someone who works for Airbnb is setting a bad example,” Fish says. “It doesn’t surprise me. They have been very resistant to being good corporate citizens to solve the problem.”

Airbnb spokeswoman Alison Schmerdefends the company’s record in working with Portland, blaming the city’s “complex” process for getting permits.

Schmer declined to comment on why Rosenfelt was allowed to list six properties on Airbnb. “We are working with this employee to help her navigate the registration process,” Schmer says.