Who’s Renting Next Door? Airbnb, Similar Services and How Municipalities are Choosing to Respond

Presentation to American Planning Association

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Catherine Lizotte, Senior Assistant Corporation Counsel, Boston, Massachusetts
George Proakis, AICP, Director of Planning, Somerville, Massachusetts
Airbnb – Innovation and Its Externalities

American Planning Association

Erich Eiselt, Assistant General Counsel
International Municipal Lawyers Association
Bethesda, Maryland
Airbnb-Innovation and Its Externalities

• Airbnb and The Sharing Economy--Everyone is Open for Business

• Regulating the Invisible--The Government versus Private Property Rights
The Sharing Economy--The internet has created:

- **Disintermediation**: remove the middle man -- Amazon.com; Expedia.com
- **Monetization**: the individual becomes a seller -- eBay.com; Craigslist.com
- **“Reputization”**: social media reputation is key -- Facebook.com; LinkedIn.com; Uber.com; GoFundMe.com
- **Collaborative Consumption**: trust-based sharing --
  - Snapgoods.com—borrow high end household items
  - RelayRides.com—borrow cars
  - Feastly.com—meals in private homes
  - Fon.com—wi-fi bandwidth
  - Taskrabbit.com—run errands, perform jobs
Airbnb-Innovation and Its Externalities

Sharing Economy -- Growth:

UK as an example:
2013: $15B / $240B = 7%
2025: $335B / $770B = 50%

• Lending and crowdfunding
• Staffing
• Lodging
• Car sharing
• Music and video
The Sharing Economy--Largest segments:

**Lodging** -- Airbnb, Homeaway, VRBO, Flipkey, etc.

**Transportation** -- Uber, Lyft, Sidecar, Car-to-Go, Zipcar, etc.
## The Sharing Economy—Lodging Overview:

<table>
<thead>
<tr>
<th></th>
<th>Homeaway</th>
<th>Trip Advisor</th>
<th>Airbnb</th>
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<td>Listing</td>
<td>Nasdaq-&quot;AWAY&quot;</td>
<td>Nasdaq-&quot;TRIP&quot;</td>
<td>private</td>
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<tr>
<td>2014 Revenues</td>
<td>$447 Million</td>
<td>$1.25 Billion</td>
<td>$430 Million (est.)</td>
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<td>5-Year Growth</td>
<td>30%</td>
<td>28%</td>
<td>250% (est.)</td>
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<td>Enterprise Value</td>
<td>$2.09 Billion</td>
<td>$11.37 Billion</td>
<td>$20 Billion (est.)</td>
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<tr>
<td>P/E</td>
<td>388</td>
<td>52</td>
<td>unknown</td>
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The Sharing Economy--What is Airbnb?

- Launched 2008 in San Francisco
- Fees from renters (11%-or more)
- 2015 gross bookings will exceed $6 Billion
- 2015 revenues will exceed $675 Million ($6 Million in 2010)

World’s largest lodging company—1,000,000 properties in 192 countries (Hilton has 680,000 rooms in 91 countries)
Airbnb-Innovation and Its Externalities

What is Airbnb?
A Lobbying Machine

• Hired Bill De Blasio’s campaign manager
• Working to inhibit new STR laws
  • Supporting Florida’s ban on local STR laws
• Working to change old STR laws
  • Attacking New York’s MDL
• Endorsing San Francisco’s amended STR law
What is Airbnb?

A Marketing Machine

• Make travel more affordable
• Help owners share their homes
• Add interesting locales and dwellings
• Bring the world closer together

Propelled by social media
Airbnb-Innovation and Its Externalities

What is Airbnb? A PR Machine:

“Airbnb hosts are regular New Yorkers who are passionate about sharing their homes and their neighborhood with visitors from around the globe. Airbnb is making New York more affordable for more families.”
Airbnb-Innovation and Its Externalities

What is Airbnb? A Spare Room...Sometimes
What is Airbnb? Absentee Landlords, More Often...
Airbnb-Innovation and Its Externalities

What is Airbnb?
A Growth Machine

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<tbody>
<tr>
<td>Room Nights (000s)</td>
<td>580</td>
<td>4,000</td>
<td>12,000</td>
<td>24,000</td>
<td>39,600</td>
<td>61,380</td>
<td>85,932</td>
<td>111,712</td>
<td>139,640</td>
<td>167,567</td>
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<td>Room Rate</td>
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<td>$100</td>
<td>$100</td>
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<td>$100</td>
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<td>$100</td>
<td>$100</td>
<td>$100</td>
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<tr>
<td>Total Bookings ($m)</td>
<td>$52</td>
<td>$400</td>
<td>$1,200</td>
<td>$2,400</td>
<td>$3,960</td>
<td>$6,138</td>
<td>$8,593</td>
<td>$11,171</td>
<td>$13,964</td>
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<td>Take Rate</td>
<td>11%</td>
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<td>Total Revenue</td>
<td>$6</td>
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<td>$675</td>
<td>$945</td>
<td>$1,229</td>
<td>$1,536</td>
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<td>Room Night Growth (y/y)</td>
<td>314%</td>
<td>590%</td>
<td>200%</td>
<td>100%</td>
<td>65%</td>
<td>55%</td>
<td>40%</td>
<td>30%</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
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<tr>
<td>Bookings Growth (y/y)</td>
<td>273%</td>
<td>666%</td>
<td>200%</td>
<td>100%</td>
<td>65%</td>
<td>55%</td>
<td>40%</td>
<td>30%</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
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<tr>
<td>Revenue Growth (y/y)</td>
<td>310%</td>
<td>666%</td>
<td>200%</td>
<td>100%</td>
<td>65%</td>
<td>55%</td>
<td>40%</td>
<td>30%</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
</tr>
</tbody>
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Source: Piper Jaffray Estimates, company press releases & website, various news sources
What is Airbnb?
A Classic American Success Story

Why Should “the Government” Get in the Way?
Regulating Innovation—Private Property Rights are an Inherent American Value:

**Fifth Amendment, 1791**

No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

**Fourteenth Amendment, 1868**

. . . nor shall any State deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.
Airbnb-Innovation and Its Externalities

Regulating Innovation -- The Free Market On a Roll:

1915—The Equitable Building, 120 Broadway

- 1 acre (full city block)
- 40 stories
- 1.85 Million sq. ft.
- no setback
- cast 7-acre shadow
- eliminated all sunlight to neighbors below 27 floors
Airbnb-Innovation and Its Externalities

Regulating Innovation -- Governmental Response

1916 New York City Zoning Resolution:

• asserts municipal authority
• requires setbacks and tiered design
Regulating Innovation: Supreme Court Validation

**Village of Euclid v. Ambler Realty Co., (US 1926)**

A court should not set aside the zoning determinations by public officials unless it is clear that such action “has no foundation in reason, and is a mere arbitrary or irrational exercise of power bearing no substantial relation to the public health, the public morals, the public safety, or the public welfare in its proper sense.”
Regulating Innovation--Airbnb’s Externalities:

- Increases parking, noise, trash, congestion
- Abuses rent-stabilization programs
- Undermines licensed hotel / B and B businesses
- Risks health and safety of short-term tenants
- Deprives communities of tax revenues
- Reduces stable, long-term housing
Regulating Innovation—Sources of STR Authority:

• Zoning
• Ordinances
• Licensing
• Tax Codes
• Health and Safety Law
• Homeowners Association Bylaws
• Or, No Local STR Authority – Preemption by the State
Airbnb-Innovation and Its Externalities

Regulating Innovation—Varying Control of STR’s:

• **None** — No restrictions against short term rentals (STR’s)
• **Minimal** — Limit vehicles or occupants; notify neighbors
• **Modest** — Report STR income; pay lodging tax
• **Greater** — Register; obtain license; inspection; pay fee
• **Significant** — Cap on number of STR’s or STR duration
• **Major** — Retrofit to comply with safety codes
• **Maximum** — Outright prohibition against STR’s
Regulating Innovation – Responses Vary:

- **San Luis Obispo, CA**: No STR may be located within 200 linear feet of another STR.
- **Austin, TX**: “Secondary STR’s” (not the host’s primary residence) cannot exceed 3% of each census tract.
- **Mendocino County, CA**: Only 1 STR per 13 long-term residences.
- **Ft. Meyers Beach, FL**: One STR rental per month, not less than one week in duration.
- **Miami, FL**: No leases less than 6 months+1day in R-1 zones.
Airbnb-Innovation and Its Externalities

Regulating Innovation—Responses Vary:

• **San Bernardino, CA:** Special use permit, safety standards, limit occupants to “raised sleeping beds,” notify neighbors, pay $671 fee, pay Occupancy Tax

• **Maui County, HI:** STR’s only within dedicated “destination resort areas”

• **Garrett County, MD:** $150 license, $200 Health Department fee; inspection (water, fire, hot tubs, pools, septic); parking, occupancy cap; quiet time

• **San Francisco, CA:** STR’s allowed up to 90 days per year, but only for residents
Airbnb-Innovation and Its Externalities

Regulating Innovation—Municipal Challenges:

• **Defining a “Short Term Rental”**
  • Single family homes and/or multi-family dwellings?
  • Homeowner must be present?
  • Duration (less than 30 consecutive days?)

• **Locating Violators**
  • Active web-based searching?
  • Reliance on neighbors and community organizations?

• **Enforcement**
  • Sufficient resources to follow up / issue warnings and citations
  • Administrative procedures—notice, hearing, due process
  • Fines – too large, too little?
Regulating Innovation--Enforcement Mechanisms:

• Municipal Code Enforcement Officers
  • Check Airbnb, Homeaway, Flipkey websites
  • Complaints from neighbors and other residents

• Building Owners
  • New York City—Ideal Companies “deputized” building managers ($500 reward)

• Non-Profits
  • Now have private rights of action
Airbnb-Innovation and Its Externalities

Case Study--New York City:

• 2010--New York State Multiple Dwelling Law (MDL)
  • Multiple dwelling (3 or more units) shall only be used as “permanent residence”
  • Minimum stays of 30 consecutive days
  • Exceptions--less than 30 days permitted if “within the household” (permanent occupant remains in the property) or “no monetary compensation” is paid
New York on the Attack:

- May 2014: AG Eric Schneiderman subpoenas Airbnb for host and rental data
  - Airbnb resists (*Airbnb Inc. v. Schneiderman*, 44 Misc. 3d 351 (Sup. Ct. 2014))
  - Hosts sue Airbnb to prevent disclosure
  - Airbnb later complies, while pulling 2,000 listings from its website
- October 2014: AG Schneiderman releases report
Findings of the AG Study:

- Over **70%** of Airbnb listings (more than 25,000 out of 35,354) violate the MDL or NYC’s Administrative Code
- Massive commercial enterprises use Airbnb
  - Largest has 272 units, made $7 million in 2013
- 200 units rented more than 365 nights / year
  - 10 units averaged 1,900 nights / year
Injunction by City:

• Multiple-unit residential buildings rented out on Airbnb
• Violates MDL
Eviction by Landlord:

- Rent-stabilized apt
- FMV $9,000/month
- Rent $6,700/month
- Airbnb $649/night
- Violates rent stabilization laws
Local governments banned from restricting short-term rentals

Gov. Rick Scott has made official a controversial new law that prohibits local governments from restricting short-term vacation rentals.

The law, signed by Scott yesterday, is one of the first of its kind in the country to enforce the rights of residential property owners who want to rent by the day or week, a practice that has grown in Florida with the downturn in the housing market as owners try to rent property they cannot sell.

Under House Bill 883, pushed through by the growing vacation-rental industry, counties and cities that do not already have rules against residential vacation rentals — defined as those that are rented for 30 days or less more than three times a year — will lose the ability to regulate them.
Airbnb-Innovation and Its Externalities

Case Study—Florida

2014--Municipalities Fight Back

• “constant negative impact on neighborhoods”
  • noise
  • traffic
  • parking
  • sanitation

Vacation rentals: Governments poised to regain say over rental practice

March 26, 2014 | By Tonya Alanez, Sun Sentinel

TALLAHASSEE — A man’s home may be his castle, but neighbors complain it often turns into a revolving-door party palace when owners rent them out for short-term vacation stays.

Until now, there was little they could do. A 2011 law prohibits local governments from regulating, banning or creating new rules about vacation rentals. However, the state Senate on Wednesday moved to ease the law and the House is considering a similar bill.

The issue is of particular concern in South Florida, the nation’s top market for short-term rentals, according to industry officials. In 2013 alone, 17 million tourists to Florida opted for the home-rental option and generated $31.1 billion for the Sunshine State’s economy, according to a study conducted for the Florida Vacation Rental Managers Association.

But cities say there is a downside.

"Since cities lost the ability to regulate the time, manner and place of vacation rentals, we have just seen the constant negative impact on neighborhoods," Fort Lauderdale City Manager Lee Feldman said. "It's noise, it's traffic, it's parking, it's sanitation. Basically it's the commercialization of residential property."
Airbnb-Innovation and Its Externalities

Case Study—Florida

Not So Fast. Airbnb et al flex their muscles.

Short-term rental bill hits snag

TALLAHASSEE
The vacation rental industry is flexing its muscle in a fight over whether cities and counties can regulate such properties, a hotly-debated issue in some Southwest Florida beach communities.

Legislation that would repeal a 2011 state law banning local governments from cracking down on vacation home and condo rentals is poised to pass the Senate but has run into strong opposition in the House.
Airbnb-Innovation and Its Externalities

Case Study—Austin, Texas

2012-Austin City Council passes STR ordinance:
• registration ($476), taxes for rentals 30 days or less
• notify neighbors and homeowner associations
• STR’s in non-primary residences capped at 3% of census tract
• $350,000 budget for compliance program including 3 staffers (1,500 potential registered STR’s X $235 each)
• Up to $2,000 fine per day for unregistered STR
As Austin short-term rental rules take effect, hundreds breaking them during ACL Fest weekend

8:16 p.m. Wednesday, Oct. 10, 2012 | Filed in: Local

The vast majority of people renting homes for this weekend’s Austin City Limits Music Festival could be breaking the law, as only four houses out of an estimated 1,500 short-term rental properties had the required license to operate as of Wednesday.
Airbnb-Innovation and Its Externalities

Enforcement, Texas-style

Teresa January 21, 2014 at 3:48 PM

Actual message:

“You have listed a house for rent on Airbnb without displaying a short term rental license number. This is a courtesy notice that as of Jan. 1, 2014 an owner (or manager) can be fined up to $2,000 per day for advertising a short term rental without a permit. Please note that only the owner of a property may obtain a license.

Continued renting without a license number listed will initiate a letter to the owner of the property, and you will be reported to Austin Code Compliance, the City of Austin Treasurer, and the Texas Comptroller’s Criminal Investigation Division regarding fees, fines, and back taxes.

If you have a permit, please state in your description that you have a STR license and list the last 6 digits of your license number.”
Airbnb-Innovation and Its Externalities

Resistance, Texas-style

5 Ways to Beat Austin’s Short Term Rental Licensing Ordinance During SXSW

• Don’t Post Your Ad on Craigslist—(you cannot pre-screen renters)
• Take Advantage of airbnb’s Community and Social Features—(use ratings)
• Hide Your Home—(airbnb doesn’t show actual addresses)
• Work Your Personal Network—(use known contacts on Facebook, etc.)
• “Get Lost in the Crowd”—{there are thousands of airbnb listings...}
Airbnb-Innovation and Its Externalities

Enforcement, Texas-style (Phase 2)
Airbnb and STR Law--Host Checks Legality:

Terms of Service

PLEASE READ THESE TERMS OF SERVICE CAREFULLY . . .

SOME CITIES HAVE LAWS THAT RESTRICT THEIR ABILITY TO HOST PAYING GUESTS FOR SHORT PERIODS. THESE LAWS ARE OFTEN PART OF A CITY’S ZONING OR ADMINISTRATIVE CODES. IN MANY CITIES, HOSTS MUST REGISTER, GET A PERMIT, OR OBTAIN A LICENSE BEFORE LISTING A PROPERTY OR ACCEPTING GUESTS. CERTAIN TYPES OF SHORT-TERM BOOKINGS MAY BE PROHIBITED ALTOGETHER. LOCAL GOVERNMENTS VARY GREATLY IN HOW THEY ENFORCE THESE LAWS. PENALTIES MAY INCLUDE FINES OR OTHER ENFORCEMENT. HOSTS SHOULD REVIEW LOCAL LAWS BEFORE LISTING A SPACE ON AIRBNB.
Airbnb and Taxes—Honor System. Usually.

“There are a few instances where an Airbnb guest may need to pay tax.

Some hosts are required by their local regulations to charge a tax.... We ask that hosts explain any taxes they may be required to collect in their listing description and their communication with guests prior to booking.

In some locations, Airbnb has made agreements with government officials to collect and remit local taxes on behalf of hosts. When you book a listing in one of these locations, the local taxes will be displayed automatically...”
Airbnb and Taxes—Honor System, Usually.

Where is Airbnb collecting taxes?

• Chicago
• San Francisco
• Portland
• Washington DC
Airbnb-Innovation and Its Externalities

Bottom Line: Airbnb—Already In Your Neighborhood
One City’s Thought Process

Catherine Lizotte
Senior Assistant Corporation Counsel
City of Boston
To regulate or not to regulate?

(No right answer!)
What is the use and how is it different from existing uses?

- Haven’t people been doing this for a long time? Why is this issue surfacing now?
  - Duration of stay
  - Higher frequency of guests in unit
  - Drawing the line between residential and commercial use
- Why doesn’t this use fit into our existing zoning laws?
  - If not expressly allowed, prohibited?
  - Similarity/overlap with existing uses
What we knew

• It’s happening now
• Change ≠ bad
• As a city, we embrace tourism and innovation
• Industry equity & preservation of neighborhoods important
• Onerous requirements ≠ compliance
• No compliance ≠ successful regulatory policy
• Existing use categories are underinclusive:
  • “Bed and breakfast,” owner-occupied private residence where 3 or fewer bedrooms let on an overnight basis not to exceed 14 days and where breakfast included
  • In some neighborhoods, need zoning relief
Formulating the Policy: Brainstorming

- Stakeholders
  - External
  - Internal

- Regulatory Goals
  - Public Safety and Security
  - Industry Equity
  - Mitigate Disruption of Neighborhoods and Rising Housing Costs

- Consequences
  - No Compliance
  - Ineffective Enforcement
  - Actual Liability
  - Perceived Liability

- Regulation
  - Creating a Scheme that Encourages Compliance
  - No Regulation
How do we achieve those goals?

- Keep track of who is engaging in this use and where, without chasing the industry underground
- Draw the line between residential and commercial use
  - primary vs. non-primary residence?
  - certain number of days a year?
  - Number of bedrooms?
- Build into existing enforcement schemes
- Verification procedures—at the very least, should be subject to same requirements for landlords of traditional rental properties
- Effective public information campaign
Wrinkles

- Local Room Occupancy Taxes
  - An important part of achieving industry equity, but definitions in existing statutes don’t quite fit
  - State controls, not the city

- Insurance
  - Will policy work if no one can get the required coverage?

- Public Records and Data Privacy Concerns
  - City maintaining searchable database
Shared Lodging in the City of Somerville

Presented by:
George J. Proakis, AICP – Director of Planning, City of Somerville, MA

June 24, 2015
Somerville, MA

- 4.5 sq miles
- 70,000+ population
- North of Cambridge, MA
- Densest city in New England
- A city of squares
Somervision
Somerville Comprehensive Plan 2010-2030

Growth is Coming ...

Somerville: an exceptional place to Live, Work, Play and Raise a Family
SomerVision
City of Somerville, Massachusetts
Comprehensive Plan | 2010-2030

Endorsed by the Somerville Board of Aldermen April 12th, 2012
Adopted by the Somerville Planning Board April 19th, 2012

Somerville: an Exceptional Place to Live, Work, Play, and Raise a Family
City of Somerville
Zoning Overhaul
Our Hosts
Spacious Room in Somerville
Somerville, MA, United States ✭✭✭✭✭ (3)

- Juliette
- Private room
- 2 Guests
- 1 Bed

Price: $62 Per Night

Check In: mm/dd/yyyy
Check Out: mm/dd/yyyy
Guests: 1

Request to Book

Save to Wish List
Charming 4-BR, min to Tufts/Davis
Somerville, MA, United States

Laura

Entire home/apt 8 Guests 4 Bedrooms 4 Beds

About This Listing

Don't stay in a hotel, enjoy our quiet, comfortable 4 bedroom house. 10 min walk to Tufts, dine/shop or subway to Bos/Harvard. Cook's kitchen, dining can seat 10. Great for graduation! Off-street parking. ONLY renting May 15th wkend. Sleeps 6-8.

Contact Host
Victorian elegance and breakfast
Somerville, MA, United States  ★★★★★ (388)

Bill
Private room  2 Guests  1 Bed

$77 Per Night

Check In: mm/dd/yyyy
Check Out: mm/dd/yyyy
Guests: 1

Request to Book

Save to Wish List
Pieter

In fact, all the good things said in other reviews about this splendid Victorian house and its marvelous host are totally true. The house is excellent, the rooms, the quiet surroundings of Somerville, the connections to the centre of Boston and so on. But that said, I realize there are certainly more houses that meet those high standards. But

+ More

Josh

Bill was an excellent host. He worked around my travel plans to provide a warm welcome. He was very knowledgable about the area and provided a lot of good information for our stay in Boston. The room was nice. It did get very warm for me, and it seems like the heater came on which made the room tough to cool down at night. Bill provided clean

+ More

Lisa

I was in town for a conference and then a campus visit for graduate school. It was a dreadful rainy and cold day and I was exhausted from my trek up to Boston and non stop conference seminars. So, I left my conference a little bit earlier than I had planned, and unfortunately Bill was not yet home. It wasn't a problem because I called and he so

+ More

What a wonderful stay! Hosts were lovely, breakfast a lovely touch (fresh muffins!!!) and the bed was v. comfortable. Fantastic area, walking distance to public transport links and it's only really a half hour walk to Cambridge. Couldn't recommend it enough.
The Current Rules
Definitions:

Hotel: “A commercial building(s) with guest rooms designed primarily for sleeping, and usually including a lobby, reception area, conference rooms, . . . Designed for and occupied by transient persons, whose principal residences are elsewhere, renting them on a daily basis and usually staying on the premises less than seven days”
Definitions:

Hotel: “A commercial building(s) with guest rooms designed primarily for sleeping, and usually including a lobby, reception area, conference rooms, ... . Designed for and occupied by transient persons, whose principal residences are elsewhere, renting them on a daily basis and usually staying on the premises less than seven days”

THIS IS NOT A HOTEL USE
Definitions:

Motel: “A commercial building(s) with guest rooms designed primarily for sleeping, and usually including a lobby or reception area but NOT normally including any cooking facilities or restaurants . . . Designed for and occupied by transient persons, whose principal residences are elsewhere, renting them on a daily basis and usually staying on the premises less than seven days. A motel normally provides individual parking spaces in front of each room for a paying guest.”

THIS IS NOT A MOTEL USE
Definitions:

Bed and Breakfast: “A structure or group of structures within a designated Local Historic District, which may be used for overnight or short term sleeping accommodations, generally for not more than 14 days at a time, and other related services, including breakfast, and which holds any required license.”
Definitions:

Bed and Breakfast: “A structure or group of structures within a designated Local Historic District, which may be used for overnight or short term sleeping accommodations, generally for not more than 14 days at a time, and other related services, including breakfast, and which holds any required license.”

THIS DOES NOT MEET OUR REQUIREMENT FOR A HISTORIC BED AND BREAKFAST
Definitions:

Boarding house: “A residential use that provides 4 or more rental boarding rooms for 4 or more unrelated individuals, for occupancy longer than a 14 day period, and which is duly licensed by the Board of Aldermen.”
Definitions:

Boarding house: “A residential use that provides 4 or more rental boarding rooms for 4 or more unrelated individuals, for occupancy longer than a 14 day period, and which is duly licensed by the Board of Aldermen.”

THIS IS DEFINITELY NOT A BOARDING HOUSE
Definitions:

Residential (use): “The occupancy use or intended use of land or structures or any portion thereof by persons where living, sleeping, cooking and eating accommodations are designed for ongoing use by the occupant for a stable period of time, generally several months or longer.”
Definitions:

Residential (use): “The occupancy use or intended use of land or structures or any portion thereof by persons where living, sleeping, cooking and eating accommodations are designed for ongoing use by the occupant for a stable period of time, generally several months or longer.”

RENTING RESIDENTIAL UNITS VIOLATES THE ZONING
Definitions:

Tourist Home: “A residential use accessory to an owner-occupied principal residential use, and providing up to three (3) rooms without kitchen facilities for separate lease to tourists or transient persons, with or without meals, on an overnight or short-term basis of usually less than 7 days, and which holds any required licenses.”
Definitions:

Tourist Home: “A residential use accessory to an owner-occupied principal residential use, and providing up to three (3) rooms without kitchen facilities for separate lease to tourists or transient persons, with or without meals, on an overnight or short-term basis of usually less than 7 days, and which holds any required licenses.”

RENTING ROOMS IS ALLOWED
Definitions:

Tourist Home: “A residential use accessory to an owner-occupied principal residential use, and providing **up to three (3) rooms** without kitchen facilities for separate lease to tourists or transient persons, with or without meals, on an overnight or **short-term basis** of usually less than 7 days, and which holds any required licenses.”

RENTING ROOMS IS ALLOWED

• **UP TO THREE ROOMS (2 BY-RIGHT, 3 WITH ZBA APPROVAL)**
Definitions:

Tourist Home: “A residential use accessory to an owner-occupied principal residential use, and providing up to three (3) rooms without kitchen facilities for separate lease to tourists or transient persons, with or without meals, on an overnight or short-term basis of usually less than 7 days, and which holds any required licenses.”

RENTING ROOMS IS ALLOWED
• UP TO THREE ROOMS (2 BY-RIGHT, 3 WITH ZBA APPROVAL)
• IN OWNER OCCUPIED RESIDENTIAL BUILDINGS
Definitions:

Tourist Home: “A residential use accessory to an owner-occupied principal residential use, and providing up to three (3) rooms without kitchen facilities for separate lease to tourists or transient persons, with or without meals, on an overnight or short-term basis of usually less than 7 days, and which holds any required licenses.”

RENTING ROOMS IS ALLOWED
• UP TO THREE ROOMS (2 BY-RIGHT, 3 WITH ZBA APPROVAL)
• IN OWNER OCCUPIED RESIDENTIAL BUILDINGS
• WITH REQUIRED LICENSES
Definitions:

Tourist Home: “A residential use **accessory to an owner-occupied principal residential use**, and providing **up to three (3) rooms** without kitchen facilities for separate lease to tourists or transient persons, with or without meals, on an overnight or **short-term basis** of usually less than 7 days, and which **holds any required licenses**.”

RENTING ROOMS IS ALLOWED

- **UP TO THREE ROOMS (2 BY-RIGHT, 3 WITH ZBA APPROVAL)**
- **IN OWNER OCCUPIED RESIDENTIAL BUILDINGS**
- **WITH REQUIRED LICENSES ➔ BUT, NO LICENSES ARE REQUIRED**
Proposed:
A Better Way
City of Somerville
Zoning Overhaul
Lodging Accessory Use Category:

Tourist Home: The rental of up to 2 sleeping rooms of an owner-occupied dwelling unit on an overnight or short-term basis of typically less than seven days.
Lodging Accessory Use Category:

Tourist Home: The rental of up to 2 sleeping rooms of a owner-occupied dwelling unit on an overnight or short-term basis of typically less than seven days.
Lodging Primary Use Category:

Short Term Rental of a Dwelling Unit:
The rental of a dwelling unit on an overnight or short-term basis of typically less than 7 days. The following standards apply:

a. Dwelling unit must be in an owner-occupied building and the owner must be present when the rental is in use by guests

b. The unit must be provided with the following:
   a. House rules establishing quiet hours, the maximum number of guests and clean-up requirements for guest pets if allowed
   b. A functioning fire extinguisher
   c. Child-proofed electrical outlets
   d. A map identifying fire escape routes
   e. Directions for operating the temperature control system
   f. Emergency contact information
Remaining questions:

• Licensing

• Inspections

• Enforcement

• Impacts on housing affordability (tax/fee?)
City of Somerville
Zoning Overhaul
City of Somerville
Zoning Overhaul

www.somervillema.gov/zoning

www.somervillebydesign.com