

# AIRBNB & ZONING: A PLANNER & LAWYER'S GUIDE TO SHORT-TERM RENTALS



And 100s of others

Speakers:

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Moderator: Leonard Cohen

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# WHY REGULATE SHORT TERM RENTALS IN THE FIRST PLACE?

- What are the most common reasons why communities have regulated or are considering regulating short-term rentals?
- What are the typical events leading up to a city feeling it has become necessary to put in place regulation of short-term rentals?
- When is the best time for a city to address the short-term rental issues and put in place regulation?

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# POLL QUESTION I

- ▶ **How big of a problem are short-term rentals in your community? (choose one value)**
- ▶ Minor concern
- ▶ Problem
- ▶ Issue
- ▶ Crisis

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# WHAT LEGAL ISSUES DO LOCAL GOVERNMENTS NEED TO CONSIDER BEFORE THEY DECIDE TO REGULATE SHORT-TERM RENTALS IN THEIR COMMUNITY?

- ▶ Do local governments have the legal right to regulate short-term rentals in the first place?
- ▶ Are there any legal constraints on how local governments can regulate short-term rentals and the various vacation rental websites operating in their jurisdiction?
- ▶ Do these rights and constraints differ from state to state?
- ▶ If new rules are in fact required, what legislative tools do local governments have at their disposal when regulating short-term rentals?

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# POLL QUESTION 2

- ▶ **What are the main reasons behind your community's interest in regulating short-term rentals? (select all that apply)**
- ▶ Improve permit and tax compliance to increase revenue
- ▶ Reduce noise, parking and trash-problems
- ▶ Reduce STR's impact on neighborhood character
- ▶ Improve responsiveness to neighbor complaints
- ▶ Preserve affordable housing options

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# HOW TO WRITE SHORT-TERM RENTAL REGULATION THAT WORKS?

- ▶ How does one think about short-term rentals in the context of other uses that are regulated by local governments?
- ▶ As a planner, where does one start, when tasked with writing a short-term rental ordinance draft?
- ▶ What information does one have to collect before even starting the actual drafting process?
- ▶ What are the best practices for achieving the most common planning objectives, i.e. preserving the character of a neighborhood, eliminating nuisances, ensuring building safety?

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# POLL QUESTION 3

- ▶ **How easy/difficult is it to enforce our city's/town's/county's STR rules? (choose one value)**
- ▶ Easy
- ▶ Somewhat challenging
- ▶ Very difficult
- ▶ Practically impossible
- ▶ Don't know

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# HOW TO COST-EFFECTIVELY ENFORCE SHORT-TERM RENTAL ORDINANCES?

- ▶ What are the costs and benefits associated with the different approaches to enforcing short-term rental regulations (pro-active enforcement vs. on a complaints basis)?
- ▶ What are the most common challenges associated with pro-actively monitoring compliance with, and enforcing, short-term rental regulations?
- ▶ How do we bring the non-permitted properties into compliance?
- ▶ What are the best ways to overcome the compliance monitoring and enforcement challenges?

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# DO:

1. Understand the marketplace

2. Articulate the ultimate regulatory goals

3. More complexity, more cost for compliance

- ▶ Require a permit
  - ▶ For renting
  - ▶ For advertising
- ▶ Build in accountability
  - ▶ Local contact person
  - ▶ Insurance & liability
  - ▶ Inspection
- ▶ Create or adapt a mechanism for dealing with violators
  - ▶ Penalties must be a real deterrent
- ▶ Make everybody pay their taxes!

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# DON'T:

1. Ignore the issue
  2. Rely entirely on complaints in setting agenda -> get the data
  3. Regulate unfairly
  4. Trust the listing companies to help
  5. Create an unenforceable system
- ▶ Don't look the other way and expect the problems to go away
  - ▶ Require permits for some uses, and no permits for others
  - ▶ Set caps on the number of rental days (not enforceable)

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# POLL QUESTION 4

- ▶ **Given the available staffing, what are the biggest challenges to enforcing your city's/town's/county's STR rules? (select all that apply)**
- ▶ N/A as we don't currently have any rules governing STRs
- ▶ Monitoring the STR websites for listings in our jurisdiction
- ▶ Identifying the actual addresses of the STR properties
- ▶ Ensuring tax compliance

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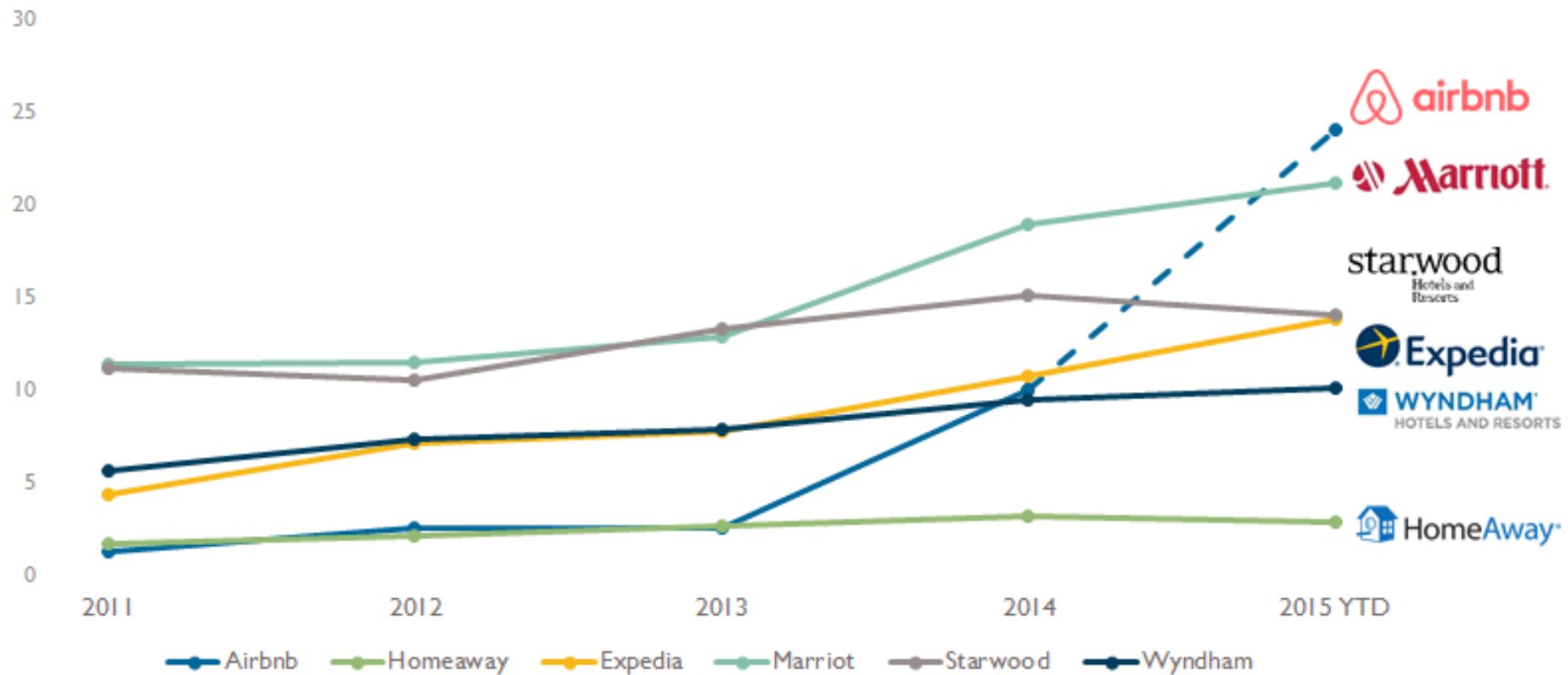
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# AirBnB vs. Public Competitors: Valuations Over Time (\$B)

## 2011 - 2015 YTD (6/18/2015)



\*AirBnB did not raise a round between 2012 and 2014, and therefore it's valuation stayed the same during this time

\*\*Valuations were taken at dates where AirBnB raised. 2013 data was taken at 6/1/2013



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# THANK YOU!

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